Schumpeter always knocks twice

Creative destruction, the postal sector and the role of the regulator

Sandro Mendonça

2 December 2020
The structure of the talk

1. A Schumpeterian view
2. Schumpeter on the other side of the mirror
3. The goals of the Regulator and the scope for intervention
1.

innovation enters the building
1. “Gales of the Creative Destruction”

2. The OECD in 2005 (Oslo Manual):
   - Product;
   - Process;
   - Commercial;
   - Organisational.

Joseph Schumpeter
3. Nevertheless, innovation is always a **combinatorial package**

   - New business models
   - Sprawling ecologies of complementarity
2. The attriction of transition
Diffusion curve

When *new* innovations phase in

*Older* innovations phase out
The theme here is:

**Destructive Creation**

i.e. there is a “dark side” of innovation, which is the negative eco-social impact.

Special case: the situation is one **systemic substitution**, i.e. when an insurgent “network industry” replaces an incumbent “network industry”? 
3. What is to be regulated?
What is going on?

1. Are we beyond “e-substitution”? (electronic communications)

2. Is this a new kind of “ecossystemic rivalry”? (platform dynamics)

3. How is the “regulatory trade-off” shifting? (telecom vs postal)
Why and how to regulate?

1. Laissez innover vs Smoothing the curve?

2. Assuring “no one left behind” and “level playing field” goals?

3. Reign in encroaching new sectors of digitalised logistics?
An enabler of enablers

The Regulator is not conservative or melancolic, but rather innovative and forward-looking.

A provider of new informational goods, with a very “public good” nature, at the same time it works to preempt “lock-in”.
PARALLEL SESSION 3B - ADAPTIVE REGULATION

Dec 02, 03:15pm - 04:15pm

PARALLEL SESSION B

About

Chair: Alberta Corona
Discussant: Ozhan Zurel