

POLITICAL ECONOMY of ICT DEVELOPMENT in THE PHILIPPINES

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objective

To examine the political and economic context and actors in ICT policy making to better understand the trajectory of ICT development in the Phils

cases

- **Telecoms Reform**
 - Executive Orders 59 and 109
 - Public Telecommunications Act of 1995 (RA 7925)
 - IRR for RA 7925
- **eCommerce Act of 2000**
- **Convergence**

telecoms reform

■ Background

■ **Horrid Telecoms service**

- In 1991, only a mere 6% of telephone applications can be served w/in 4 weeks. PLDT was faced with 800,000 telephone demand backlog, seventy-five percent of which were in Metro Manila

■ **Reformist President**

- Power, Telecoms, Banking

telecoms reform

- Background

- **Washington Consensus
in Telecommunications**

- Over the 1985-1999 period, teledensity in all developing countries tripled from 2.4 telephones per 100 people to 7.27 per 100
- In 1990, no country in 86 developing countries had licensed a second telecom operator. By 1999, two-fifths of Asian and Latin American and Caribbean countries had introduced some form of competition in local services

telecoms reform

- **Players**
 - **Well Connected Incumbent**
 - **Dissatisfied business community and public**
 - **Adept Political Operatives**
 - **Anti-oligarchy as well**

telecoms reform

- Outcome
 - Agreement on PLDT ownership
 - Competition in Telecoms market
 - Service Area Scheme
 - VAS not subject to regulation
 - ISPs, ASPs

e-Commerce law

- Background
 - New Administration
 - 'Discovery' of e-commerce
 - Int'l effort to define 'rules' on electronic transaction
 - UNCITRAL Model Law
 - GBDe, GIIC, etc.

e-Commerce law

- **Players**
 - **ICT champions in New Administration & Congress**
 - **'United' ICT private sector**
 - **Agile lobbyists**

e-Commerce law

- Outcome
 - **Better rules of the game**
 - Cybercrime
 - stringent IPR component
 - **Push for e-Government**
 - **Convergence provision**
 - Physical infrastructure of cable tv and broadcast shall be deemed as within the activity of telecoms for purposes of e-commerce and convergence

Convergence

- Background
 - **Digitization**
 - **Constitutional Limitations**
 - 100% Filipino ownership for mass media
 - no cross ownership of newspaper & broadcasting

Convergence

- **Background**
 - **Legal Limitations**
 - RA 7925 prohibits cross ownership of broadcast & telecoms
 - **Emergent policy**
 - Network Provider vs Application Provider vs Content Provider

Convergence

- **Players**

- **Industry**

- Telcos/Cable vs ASPs/VAS

- **Non ICT Industry**

- Oppositors for political reasons

- **Convergence champion?**

Convergence

- Potential Outcome
 - **Limited 'Convergence'**
 - Limited foreign participation in Network ownership
 - **Full service companies vs. niche players**

Conclusion?

- **Champions are Needed**
- **Well Connected Telcos are formidable opponents**
- **Skilled political operatives can leverage int'l support/pressure for their cause**