Comments by Rohan Samarajiva, Executive Director, LIRNEasia, at the inaugural session of the Workshop on ICT Indicators for Benchmarking Performance in Network and Services Development, New Delhi, 1ˢᵗ March, 2006

Shri Pradip Baijal, Chairman of the Telecommunications Regulatory Authority of India,
Ladies and Gentlemen,

It is my pleasure to welcome you to the Workshop on ICT Indicators for Benchmarking Performance in Network and Services Development, attended by over 45 participants from 16 countries. I am most grateful to our co-hosts, the TRAI, which made this event possible. In particular, I wish to thank the members of the Authority and Shri Rajendra Singh, the Secretary, and his team. The International Development Research Centre of Canada is funding our research throughout 2005-06, including this workshop. TERI has been an extremely effective organizational partner. I thank them.

To our good friends and colleagues, Dr Sam Paltridge, Principal Administrator of ICT Statistics at the Organization for Economic Cooperation in Paris, Dr Tim Kelly, Head of the Strategy and Policy Unit of the International Telecommunications Union in Geneva, and Dr Lilia Perez Chavolla of the National Regulatory Research Institute in Columbus, Ohio in the United States, who have come to share their knowledge and experience with us, welcome and thank you. And to our colleagues in government, regulatory agencies and telecom companies in the region, we appreciate your attendance and look forward to a productive partnership to develop the ICT indicators necessary to serve the people of South Asia.

This workshop is about measuring performance, over time and across countries. It is about understanding whether or not our policies are working and how they can be made to work better.

I would like to illustrate the task before us in relation to our organization, LIRNE*asia*. This way, I can kill two birds with one stone.

Any effective organization, including a Ministry, a Regulatory Agency and a research organization, must be able to answer the following simple questions (or must at least try):

- What is it that you do?
- Why?
- What is success?
- What is evidence of success?

We are still working on the answers, but I will explain our thinking, the same thinking that led us, with this workshop, to initiate the process of developing accurate performance indicators appropriate for our region.

What is it that we do?

According to our mission statement, we seek to

- **Catalyze** the reform of the laws, policies and regulations to enable those uses; and
- **Build** Asia-based human capacity through research, training, consulting and advocacy

Why?

To <u>improve</u> the lives of the people of Asia by <u>facilitating</u> their use of information and communication technologies.

This too comes from our mission statement. We believe that ICTs can improve the lives of our people. In the end, what really matters is that.

What is success?

If I were back in the university, I might have been tempted to say that success is measured by the recognition by peers. But, I am no longer in the university and we go beyond that. We want our research to influence stakeholders: governments, regulatory agencies, the private sector, the operators, the media, the public, civil society. But what is influence without effect? We want our research and capacity building to result in changes to laws, policies, regulation, and most importantly in implementation. But even that is not enough. Success means that people's lives are improved.

What is evidence of success?

Are there objective criteria to measure improvement of people's lives? How can we identify the role of the ICT sector in those improvements? How can we isolate the contributions of changes in laws, policies and regulation to better performance in the ICT sector? And not just laws, but implementation. How can we measure our contributions to the changes in the regulatory environment, especially if they were catalytic in form?

The word "catalyze" is most important to us, but also poses problems when we attempt to measure success. It suggests that
  - We want to have an impact disproportionate to our size;
  - Our work is done in conjunction with others; and
  - Our aim is to make other actors more effective.

Like catalysts in chemical reactions, we also wish to disappear once the reaction is complete!

"Building" appears simpler. There is no or little capacity; we build it; then there is more capacity. But it is not simple. Education is never linear. There is much that is catalytic about education or capacity building. If only I can claim all the credit for the achievements of my students!

Problems aside, we need to answer these questions, the best we can. Where do we start? From the important side: **How can we best understand the improvements in peoples' lives?** Asking people directly about how they use ICTs and why is not a bad start. We did an exploratory study in this area in 2005 which shows that people place great value on ICTs, evidenced by how much of their income they spend on it. We will do more.

Even if the relationship between improvements in people's lives and ICT sector performance cannot be precisely calculated, we can, and should, put efforts into understanding the performance of the ICT sector in multiple dimensions, the benefits of each of the sub-sectors including telecom as well as the benefits realized up the value chain in industries that use telecom and IT as inputs.

We have indicators, but they are not good enough. Take one of the simplest: the number of mobile customers. Do we have a common standard, even within one country? Does it include a prepaid user who has not used his SIM for three months, or for six? How do we count "lifetime" subscribers who don't make any calls? When one has to wonder whether new born babies are also carrying mobiles, will this indicator continue to make sense?

In our preliminary work, we found that the more rational basket methodologies prices overturn common wisdom about the relative value of prepaid versus postpaid tariffs in India and Sri Lanka.

This Workshop is about developing common standards, frequencies, formats and procedures for supply-side indicators of this type. For this exercise to work, for the ensuing system to be sustainable, the participation and commitment of the operators, operator associations, the regulatory agencies, the government ministries, and others is essential.

In previous studies, we tried to document the relationship between investment in the telecom sector and regulation. More needs to be done in standardizing investment data and improving their quality. Regulation was a greater challenge. Some regulators, when criticized, blame the laws, the Minister or the courts. How do we unpack these multiple factors? How do we differentiate between laws and policies and their implementation?

Our solution was a perceptual instrument, described as Telecom Regulatory Environment, where we get informed observers to score regulatory performance on a five-point scale. Heterogeneity of the panel addresses the problem of bias. But the method can be criticized as being a study of perception of performance, rather than performance itself. But perception is reality, especially when it comes to investment, which is the key driver of increased connectivity and other performance measures. We will extend this study to six countries in 2006-07.

Now, of course, we come to the most difficult link in the causal chain: how do we measure our contribution; especially when we work in a multi-partner mode, in a catalytic fashion? I cannot claim to have an answer to this question, only that it is one that is always in the backs of our minds.

I now conclude my brief comments.

I have the honor of introducing our keynote speaker, Shri Pradip Baijal, Chairman of the Telecommunications Regulatory Authority of India, our partner in the effort to improve the collection and use of ICT indicators.

As a keen observer of TRAI since its inception in 1997, I can without qualification say that the last three years under Shri Baijal's leadership have been golden. We have seen connectivity increase by leaps and bounds as prices came down. Regulatory efficacy increased because the government's unified licensing approach intended to escape the legal morass created by previous policy and regulatory decisions was complemented by Shri Baijal's no-nonsense, pragmatic approach. During his time, the energies of the operators went more to improving performance and making money than to dysfunctional legal and political maneuvers.

Prior to assuming duties as Chairman of TRAI in March 2003, Shri Baijal was the Secretary of the Ministry of Disinvestment. He was responsible not only for the frameworks of privatization that were put in place during that time, but also for privatizing one company every month. Talk about implementation!

It is with some sadness that I mention that this is one of Shri Baijal's valedictory events. He is retiring at the end of this month, at the end of a three-year term. But I have confidence that his good work will be continued. The country, the sector as well as TRAI have too much momentum.

As Former Singapore Prime Minister Lee Kuan Yew said in his 2005 Nehru lecture: "Since 1991, India has changed governments from Congress to BJP to Janata Dal to BJP, and back again to Congress.   There have been six Prime Ministers. The pace of reforms has varied, but there has been no change in basic direction." If only we can this about all the countries represented here,

South Asia will soon cease to be described as the largest concentration of poor people on the planet.

As a South Asian who has studied and taught regulation throughout the world, it gives me great pleasure to present to you an exemplary regulator from our region. Shri Pradip Baijal . . .