

1.0 Achievements of the 2006-07 Research
and Capacity Building Program



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The 2006-07 research program was based around the World Dialogue on Regulation (WDR) theme 'Measuring ICT indicators and regulatory performance', and provided a rich source of information relevant for policy makers, regulators, operators and other stakeholders in the region. The findings of the 2006-07 research as well as the preceding work have been, and are in the process of being, published in several journals,¹ compiled into books,² and have made a substantial contribution to improving the policy environment in the countries that LIRNEasia worked in during the past year.³

Research centered on supply side studies, vis-à-vis the indicators work, which systematically measured ICT sector and regulatory performance, post-liberalization across six countries in emerging Asia. The studies contributed to a regional initiative, led by LIRNEasia, to develop definitions and procedures for the collection of standardized supply-side indicators. As a component of this program LIRNEasia implemented the Telecom Regulatory Environment (TRE) instrument, a perceptual index which gauges regulatory performance across six dimensions, in six countries.⁴ A manual on how to conduct TRE studies has been drafted and will be tested out in Latin America. Once revised based on the feedback, it will be published by LIRNE.NET.

The invitation of almost all the LIRNEasia six-country researchers as speakers (only four could attend) at the Digital Opportunity Forum 2006 in Seoul, South Korea, which was chaired by Executive Director Rohan Samarajiva, signified the level of recognition achieved by the young organization. LIRNEasia had no prior formal relations with the Korea Agency for Digital Opportunity and Promotion (KADO), and concluded that the invitations were generated on the strength of its work alone. In addition, Rohan Samarajiva and Divakar Goswami were invited to chair prestigious panels at ITU World Telecom 2006 in Hong Kong.⁵

Teleuse@BOP (2006), a demand side study, explored the use of telecom services at the bottom of the pyramid (BOP) in five countries in emerging Asia. The study looked at the use of telephones among the lower socio-economic strata, or BOP within each country; it looked at what kinds of access-modes people use, how they use them, and what benefits they gain. It also provided a detailed portrait of the non-owning user, and issues relating to getting

and staying connected. The study was conducted in Pakistan, India, the Philippines, Sri Lanka and Thailand among a survey sample of 8,689. Data on daily usage was collected through a diary, placed with 50 percent of the sample for a period of two weeks – an innovative technique which has not been used in a study of this kind before. The study revealed a potential for at least 140 million new, mostly mobile, connections at the BOP alone between mid-2006 and mid-2008, with more than two thirds of this from the Indian BOP. A series of media events were held in India, Pakistan, the Philippines, Singapore and Sri Lanka to disseminate the results of the 2006 Teleuse@BOP survey and the TRE study, which sparked interest among regulators, policy makers and media across the region.

The complex and path-breaking Last-Mile Hazard Information Dissemination (HazInfo) project is winding down after the completion of live tests in 32 tsunami-affected Sarvodaya villages. This project is seen by many as a successful multi-partner initiative and will be showcased at the Third Global Knowledge Conference in Kuala Lumpur in December 2007. A presentation on this project was given on invitation in Egypt and presentations at several conferences in China, Europe, US, etc. are scheduled. With supplemental funds from IDRC, LIRNEasia's main funder at present, it is hoped to



Mid-Cycle Research Review Meeting
Sri Lanka



Figure 1. LIRNEasia researchers Payal Malik, Lorraine Salazar, Joseph Wilson and Divakar Goswami with panel chair Mike Minges

disseminate the results of this project in the region. It is also expected that the pilot project will lead to multiple new projects, some addressing research questions and some implementation. The latter will be taken forward by LIRNEasia's project partners.

In addition to these main lines of work, LIRNEasia completed a study on the BPO industry in Sri Lanka in September 2006, and the results of which were disseminated extensively. This study was funded by the ICT Agency of Sri Lanka. A needs assessment and gap analysis of local capacity for ICT policy and regulatory, research, training, expert assistance and advocacy in Africa, the Caribbean and the Pacific Islands as part of an *infoDev* funded project, was carried out in association with Research ICT Africa! (RIA) and Diálogo Regional sobre Sociedad de la Información (DIRSI) in 2007.

On the capacity building front, LIRNEasia's knowledge mapping and related network building activities culminated in the establishment of CPRsouth (Communication Policy Research: south),⁶ a body that seeks to build local capacity in ICT policy and regulation in the South by identifying scholars with the potential to contribute to ICT policy and regulatory reform, and assisting these scholars to disseminate their research more effectively and become better policy advocates. LIRNEasia organized the first CPRsouth conference in

Manila, the Philippines in January 2007. The conference attracted over 80 participants (approximately 33 percent females) from 25 countries, and provided a platform for young and mid-career researchers to present their research findings. The CPRsouth board comprising of senior and eminent scholars from the Asia Pacific region⁷ was appointed and the first board meeting held.

A successful training course was conducted in Singapore during the last week of February 2007 and attended by 33 persons from 13 countries.⁸ Fourteen scholarships were provided with the support of IDRC. The LIRNE.NET training course, a regular feature of LIRNEasia's calendar was coupled with the WDR Expert Forum which brought together an audience of over 88 from 23 countries. Attendees at the training course were from regulatory agencies, telecom operators, research organizations, universities and civil society, while participants for the Expert Forum were primarily senior policy makers and regulators from the Asia Pacific region.

The 8th South Asia Forum on Infrastructure Regulation (SAFIR) Core Course on Infrastructure Regulation was conducted by LIRNEasia in March-April 2007 in Kandy, Sri Lanka.⁹ The program offered participants the opportunity to learn the fundamentals of regulations pertaining to infrastructure industries and regulatory economics as well as topical issues attended to those

industries, to share their experiences, to develop practical solutions to regional problems. Attendance was less than expected and remedial measures are being designed to correct the problems.

LIRNEasia's extensive research from the previous year (2005-06) has been compiled into a book entitled 'ICT Infrastructure in Emerging Asia: Policy and Regulatory Roadblocks' and will be launched in December 2007. Plans for another book based on the recent findings from the 2006 Teleuse@BOP studies are underway.

A community involvement project, 3R (Reduce-Reuse-Recycle) was launched in March 2007 which hopes to identify and test novel, environmentally friendly methods of disposing waste and educate the general public of such measures.¹⁰ This project places emphasis on the use of knowledge networks and ICTs in disseminating good practices.

Rapid response actions were undertaken in Sri Lanka, Bhutan, and Indonesia¹¹ and two op-ed pieces were contributed to major papers in the region; three news conferences were held in India, Pakistan, and Singapore, and several industry and government interactions took place over the period of April 2006 to March 2007. LIRNEasia researchers were invited to participate in a number of conferences worldwide, to disseminate their research to

a variety of stakeholders. Considerable media coverage was obtained with many of the stories being translated into different languages. Regular colloquia were held for LIRNEasia's local and international partners to discuss research plans and findings, among other topics.

The website is now a bustling interactive space with over 600 posts and approximately 3,300 comments. LIRNEasia was an early adopter of the blog format; www.lirneasia.net is an innovative platform that marries the dynamic and open elements of a blog with the static components that are needed to represent an organization and its activities. Fruitful discussions have taken place over the past year which not only enlightened but aided

LIRNEasia's work. The site attracts a large number of readers from many parts of the world, with over 400 page loads per day. Returning visits and unique visitors on average per day amount to 45 and 185 respectively (see Figure 2). It is highly ranked in most Google searches that use related keywords.

Since LIRNEasia's beginning in 2004, its research team has grown from a handful working out of a little room under the shade of a Suriya mara (*Albizia odoratissima*) tree, to a team of six full-time researchers in Sri Lanka, five part-time senior researchers based outside Sri Lanka, three consultants, two project managers and four administration and support staff based in a 3-story building in Colombo. Whilst making innova

tive use of technologies in all aspects of LIRNEasia's work,¹² the establishment of common values among team members is encouraged and emphasized. With the organizational consolidation made possible by the new staff and facilities, HR processes are being rationalized and comprehensive health, accident and travel insurance schemes have been activated.

During the past year, LIRNEasia established an additional node for its network in Singapore, given the centrality of the city state and its selection as the location for the regular LIRNE.NET training course. In addition to managing LIRNEasia research and training projects efficiently, ConnectAsia Forum Pte. Ltd. is expected to provide proprietary research and consul-

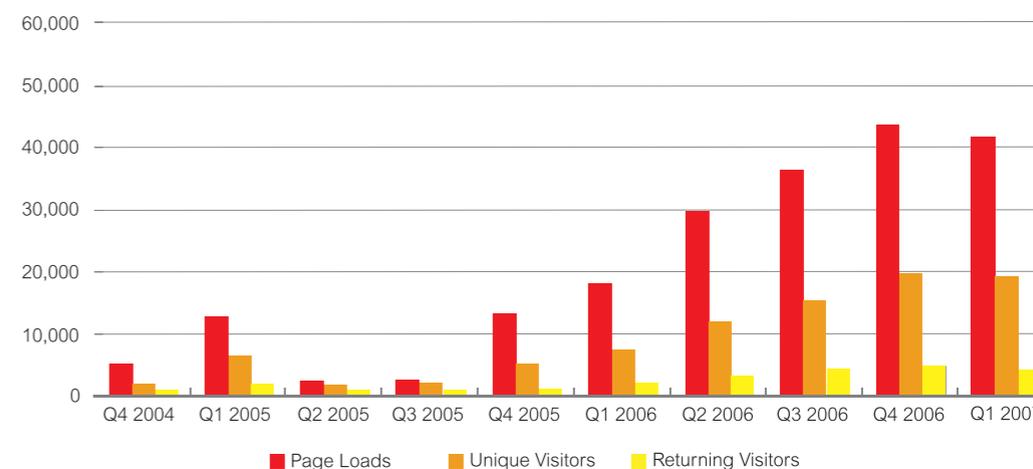


Figure 2 : LIRNEasia website statistics from StatCounter.com



tancy services.

Good relations were maintained with sister organizations in Africa and Latin America, with work on a joint project for *infoDev* spearheaded by RIA in Africa and the participation by LIRNEasia researchers at African events (Samarajiva and Galpaya) and a Latin American expert forum (de Silva). Engagement with regional civil-society organizations is ongoing through engagement with Sarvodaya (Samarajiva) and GKP (Galpaya).



Endnotes

¹ Articles have been published (or accepted) in academic journals: *The Information Society - An International Journal*, *Information Technologies and International Development (ITID)* - MIT Press and *Media Development Journal*, *Journal of Emergency Management and Regional Development Dialogue*.

² LIRNEasia's first book titled 'ICT Infrastructure in Emerging Asia: Policy and Regulatory Roadblocks' is being published by Sage India and is expected to be launched in December 2007. The second book will be based on the results of the Teleuse@BOP survey and is currently being developed.

³ For example, significant pressure was exerted on policymakers and the regulators in Indonesia, where an announcement to reduce leased line prices was made in December 2006 and the actual prices were brought down by 73.3 percent in May 2007 after the liberalization of the international private leased line circuit (IPLC) (See: <http://www.lirneasia.net/2007/05/lirneasia-pushes-igw-liberalization/>). In mid 2007, the Telecom Regulatory Authority of India (TRAI) recommended infrastructure sharing by telcos. This was just one of the LIRNEasia findings that made it into the new universal service regime. LIRNEasia has also succeeded in changing the perception of the size of the addressable market for mobile phones; prior to the release of Teleuse@BOP results starting in October 2006, the claim that the addressable market consisted of those making more than USD 100 a month was common; by 2007, telco executives were talking about a market that was much larger.

⁴ Six dimensions of TRE study include: Market entry, Allocation of scarce resources, Interconnection, Regulation of anti-competitive

practices, Universal service obligation, and Tariff regulation.

⁵ <http://www.lirneasia.net/2006/12/ituworld2006/> and <http://www.lirneasia.net/2006/12/lirneasia-at-international-telecommunication-union-telecom-world-2006/>

⁶ The CPRsouth website is being established (www.cprsouth.org) using DSpace, an open-source software that is also used by IDRC for its own archive. In addition to containing information about CPRsouth and all its conferences, the capability for self-archiving of publications is currently being developed.

⁷ Ashok Jhunjhunwala (Ph.D.) (Chair; India), Ledivina Carino (Ph.D.) (Alternate chair; Philippines), Rekha Jain (Ph.D.) (India), YuLi Liu (Ph.D.) (Taiwan ROC), Myeong Cheol Park (Ph.D.) (South Korea), Milagros Rivera (Ph.D.) (Singapore), Rohan Samarajiva (Ph.D.) (Sri Lanka), Xu Yan (Ph.D.) (Hong Kong, China), Patrick Xavier (Ph.D.) (Australia).

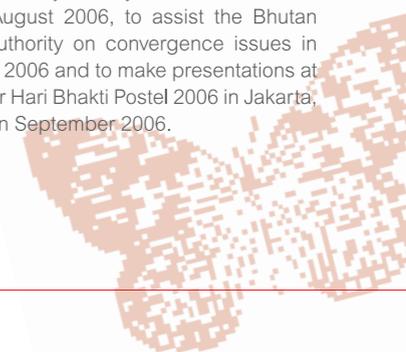
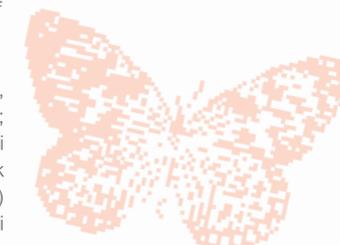
⁸ <http://www.lirneasia.net/2007/03/following-successful-course-lirneasia-plans-regular-offerings-next-course-in-march-2008--in-singapore/>

⁹ <http://www.lirneasia.net/projects/current-projects/safir/>

¹⁰ <http://www.3rasia.org/>

¹¹ LIRNEasia researchers were invited to comment and provide input on the household computer literacy survey carried out in Sri Lanka in August 2006, to assist the Bhutan Telecom Authority on convergence issues in September 2006 and to make presentations at the Seminar Hari Bhakti Postel 2006 in Jakarta, Indonesia in September 2006.

¹² For Example, WiFi-enabled offices, the use of Skype for communication across the world, Skypecasts for colloquia, Skype video links for the executive training course, Slideshare for sharing presentations, the use of Wordpress and DSpace to support the website, the use of Flickr for online photograph storage and retrieval and Instant Messaging for internal communication. All LIRNEasia personnel are given laptops and encouraged to use mobiles as their primary phones.



LIRNEasia's leased line study creates change in Indonesia

Findings from LIRNEasia's WiFi Innovation study triggered a series of actions by various stakeholders in Indonesia's ICT sector that resulted in significant price reductions in leased-line tariffs and subsequently in Internet retail prices. The study found leased-line prices in Indonesia to be significantly higher than other benchmark countries. For example, it was stated that Indonesian prices were 48 times the price of a comparable link in India. Reacting to this finding the Indonesian government took action by initiating its own leased-line study and by passing leased-line regulations that it expected would bring down tariffs by 50 percent. In anticipation of the regulation, leased-line prices fell by 73.3 percent and broadband Internet tariffs by 63 percent.

Preliminary findings from the Indonesia WiFi Innovation study were first presented in Jakarta to an audience composed of Indonesian policy-makers, regulators, stakeholders from the ICT sector and media in October 2005. The findings were widely covered by leading newspapers in the country. LIRNEasia's partner MASTEL [Masyarakat Telematika Indonesia; Indonesia Infocom Society], representing the spectrum of telecom stakeholders in Indonesia, disseminated the findings widely and kept the issue of high leased-line and Internet tariffs in the media.

At the Leased-Line Seminar organized by the Asia Pacific Telecommunications and Information Working Group (APECTEL) in Calgary, Canada in April 2006, LIRNEasia's Director of Organizational Development and Projects, Divakar Goswami, presented the Indonesian leased-line case compared with other APEC [Asia Pacific Economic Cooperation] countries. The distortionary effects of high leased-line prices on competition in the Internet and other ICT markets were highlighted. Among the policy recommendations, it was suggested that the regulators could consider liberalizing entry, price regulation and the introduction of access regimes as measures to lower prices in non-competitive leased-line markets. The Indonesian regulator present at this meeting remarked that LIRNEasia's original study in 2005 got them to initiate their own study to look into Indonesia's high leased-line prices. BRTI's (Badan Regulasi Telekomunikasi Indonesia; Telecom Regulatory Body of Indonesia) leased-line study also took them to India where they found that India's leased-line prices were as low as reported. BRTI's benchmark prices of other countries in the region also found that Indonesia's leased-line prices were high.

In March 2006, the Indonesian Minister of Communication and Information promised to implement a "revolutionary" policy to lower prices in two months time. A draft leased-line regulation was released in January of 2007 (PM 3/Per/M.kominfo/1/2007) that proposed cost-oriented pricing and placed additional requirements on leased-line operator(s) with significant market power. Before the regulations could take effect, Indonesian operators had significantly reduced leased-line tariffs and had also placed advertisements in newspapers announcing lower broadband prices. These outcomes were achieved just one year after LIRNEasia's findings were made public. This has been one of our most successful research-based policy interventions in the Asia-Pacific region.