

*Comments by Rohan Samarajiva, Executive Director, LIRNEasia, at the inaugural session of **WDR Expert Forum on Information & Communications Technology (ICT) Sector & Regulatory Performance Indicators at Singapore, 2nd March, 2007***

Ambassador Kesavapany, Director of the Institute of South East Asian Studies, Singapore, Honored invitees, Ladies and Gentlemen,

On behalf of LIRNEasia and LIRNE.NET, it is my pleasure to welcome you to the **WDR Expert Forum on Information & Communications Technology (ICT) Sector & Regulatory Performance Indicators**, attended by over 90 participants from 22 countries. I bring greetings from Professor Bill Melody, the Managing Director of LIRNE.NET who is unable to be present in person with us today.

I am most grateful to our co-hosts, the ISEAS, which made this event possible. In particular, I wish to thank Ambassador Kesavapany, the event co-organizer Dr Lorraine Salazar, and the entire team that worked with us. The International Development Research Centre of Canada is funding our research throughout 2006-07, including this workshop. I thank them.

To our good friends and colleagues, Mr M.H. Au, Director General of Telecom in Hong Kong China, Dr Tim Kelly, Head of the Strategy and Policy Unit, and Ms Roopa Joshi, Head of the Market Economics and Finance Unit of the International Telecommunications Union in Geneva, and Mr Rajendra Singh, Senior Telecom Specialist at the World Bank in the United States, who have come from afar to share their knowledge and experience with us, welcome and thank you. And to our colleagues in government, regulatory agencies, industry associations 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 emerging Asia.

The objective of the Expert Forum is to improve the measurement of sector and regulatory 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, LIRNEasia. This way, I can introduce the organization while also explaining the rationale behind the Expert Forum.

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 Pacific-based human capacity through research, training, consulting and advocacy

Why?

To improve the lives of the people of the Asia Pacific by facilitating their use of information and communication technologies.

This too comes from our mission statement. We believe that ICTs can improve the lives of the people of the Asia Pacific. 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 have now conducted two studies in this area which shows that people place significant value on ICTs. We have a rich lode of data on our hands and we are currently working on analyzing it. The variation across countries is a something that is of particular interest.

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?

Given the attention paid to market share by investment analysts and by regulators assessing dominance, it appears that serious attention has to be paid to reliable measures of market size in the mobile industry, such as minutes or revenues. Continuing to count customers absent a definition of a customer is foolhardy, to say the least.

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.

The basic rule of GIGO, garbage in; garbage out is applicable here. Unless we make sure that the operators and industry associations report accurate data based on commonly agreed definitions; that the regulatory agencies diligently supervise the process and make sure that good analytical data are reported at regular intervals, we will not achieve the desired results.

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, developed in 2004, 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 have extended this study to six countries in 2006-07 and we look to your suggestions on how to further improve it.

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 now being placed at the top of LIRNEasia's research agenda.

In conclusion, let me restate our hopes for the outcome of this event. Ideally, we would get your agreement on a plan for continuing action on how to improve the collection and reporting of indicators data from each of our countries. This would involve the holding of future meetings on standardization of definitions and reporting periods. It would involve continuing efforts to enhance the capacity of the staff working on indicators in all national regulatory agencies and national statistical organizations.

We would also get agreement on the reporting of new indicators such as minutes of use that would enable the computation of price baskets. Can we get agreement on a database that could be a central repository for data from different countries that would enable the easy generation of comparative data and similar reports? Is it too much to hope that we can also come up with a manual that would serve as a foundation for comparative and accurate reporting on indicators across the region?

I now conclude my brief comments; let us get to work.