POLITICAL ECONOMY of ICT DEVELOPMENT in THE PHILIPPINES

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To examine the political and economic context and actors in ICT policy making to better understand the trajectory of ICT development in the Phils.
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
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.
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 Telcos market
    - Service Area Scheme
  - VAS not subject to regulation
    - ISPs, ASPs
Background

- New Administration
- ‘Discovery’ of e-commerce
- Int’l effort to define ‘rules’ on electronic transaction

- UNCITRAL Model Law
- GBD, 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**
Champions are Needed
Well Connected Telcos are formidable opponents
Skilled political operatives can leverage int’l support/pressure for their cause