

Goals for Public Policy

§ Economic

- Grow GDP
- Productivity growth
- Jobs
- Maximize social welfare=consumer + producer welfare
- Innovation
- Investment

§ Social

- Inclusion
- Diversity
- Culture promotion
- Social cohesion
- Public Safety
- Citizenship

Arguments for Liberalization

- § **Competition grows markets**
- § **Competition brings economic and social benefits**

Arguments Against Liberalization

- § **“Market confusion”**
- § **Competition destroys value**
- § **Need monopoly to justify risky investment**
- § **Competition harms bottom of the pyramid**

Measuring Results

- § **Dramatic teledensity growth**
- § **Price declines**
- § **MOUs/utilization growth**
- § **New business model development**
- § **Measuring infrastructure investment**
 - ∅ **ICT mapping**
 - **“ICT Ecosystem” surrogate for “liberalization”**
 - **“ICT Infrastructure”**
 - ∅ **ECTA scorecard**

“Mapping” ICT Development

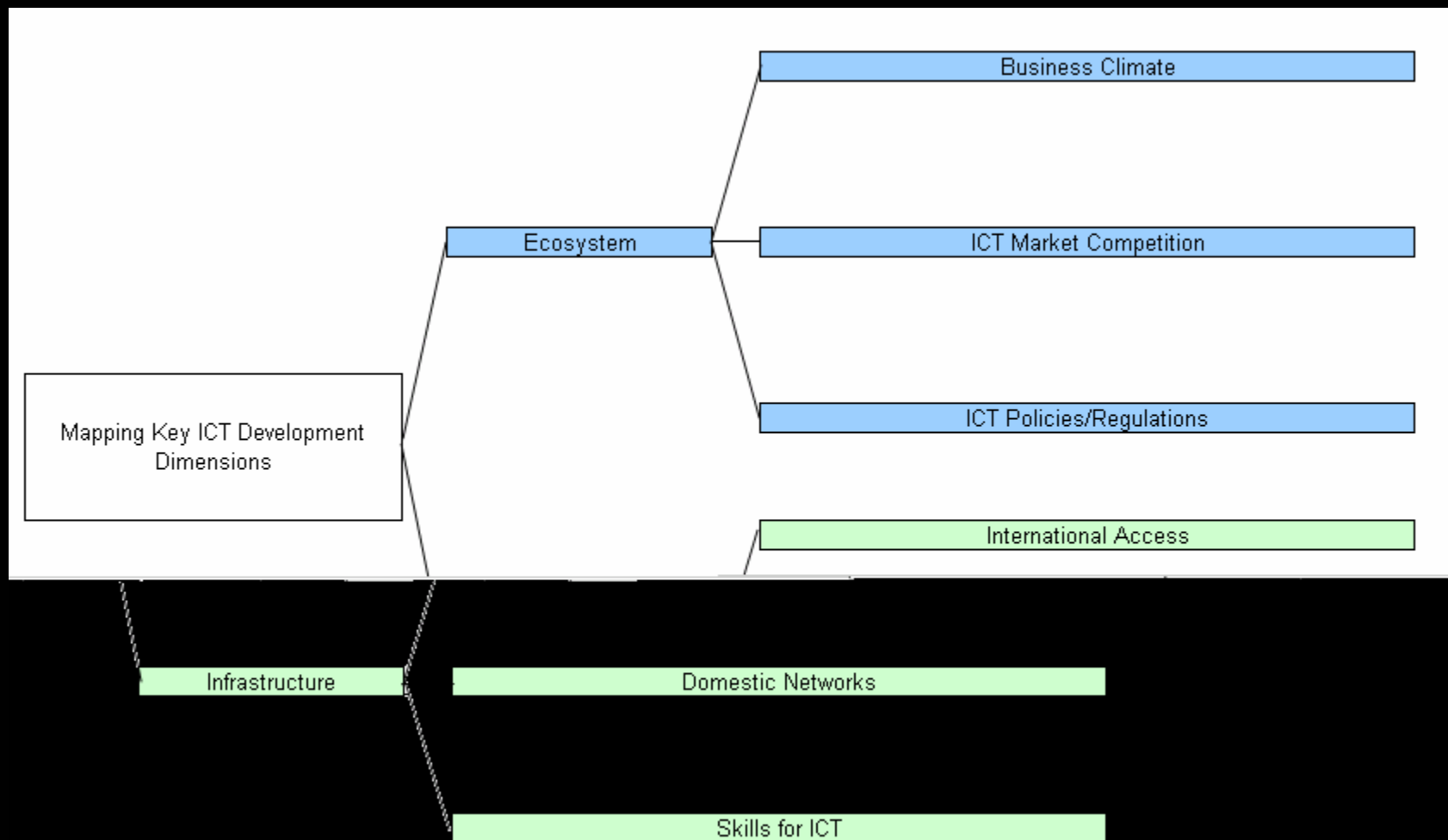
§ ICT “ecosystem”

- Ø Level of competition
- Ø Quality of regulations
- Ø Ease of doing business

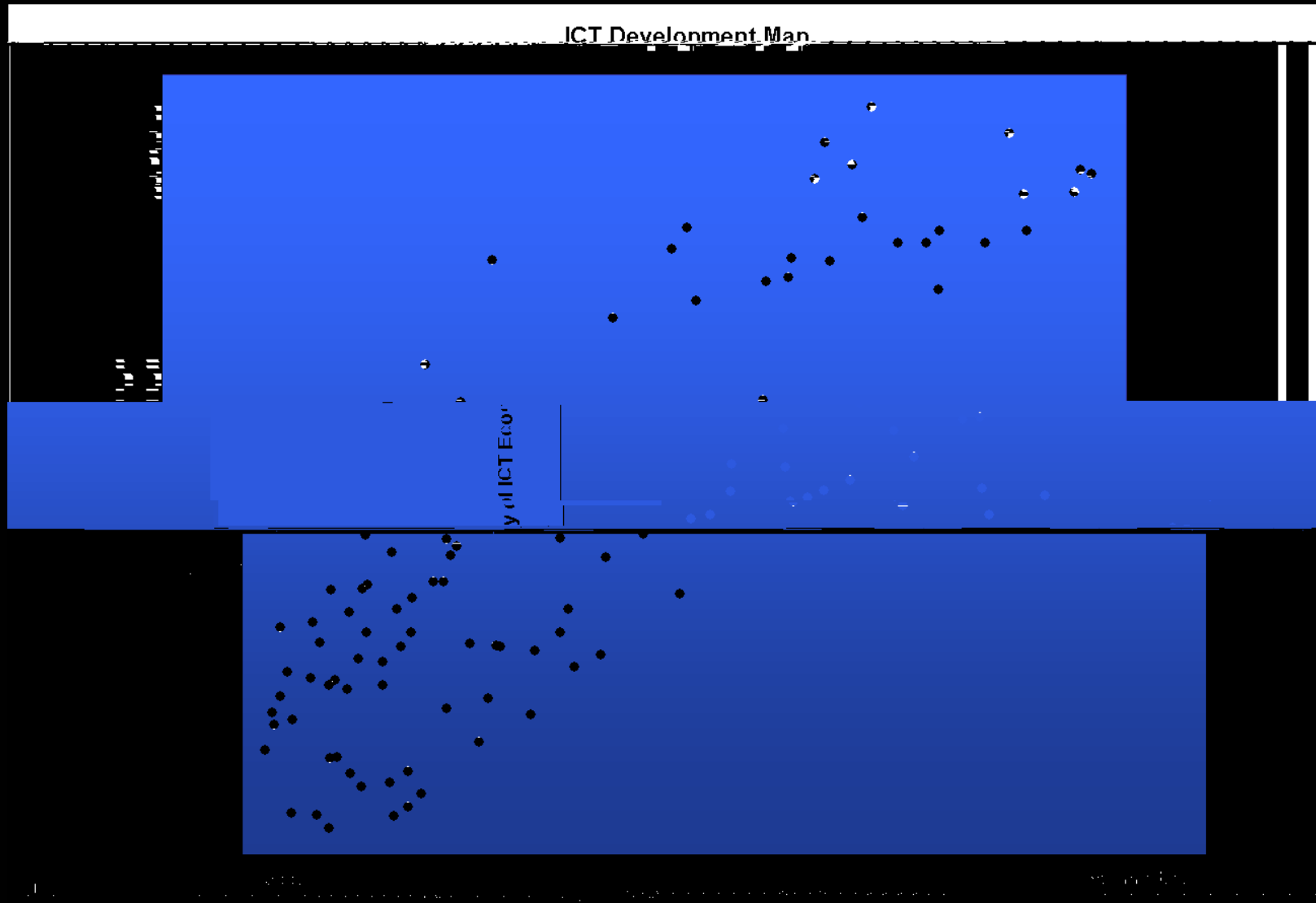
§ ICT “infrastructure”

- Ø Hardware and telecommunications infrastructure
- Ø Trained/qr8ss

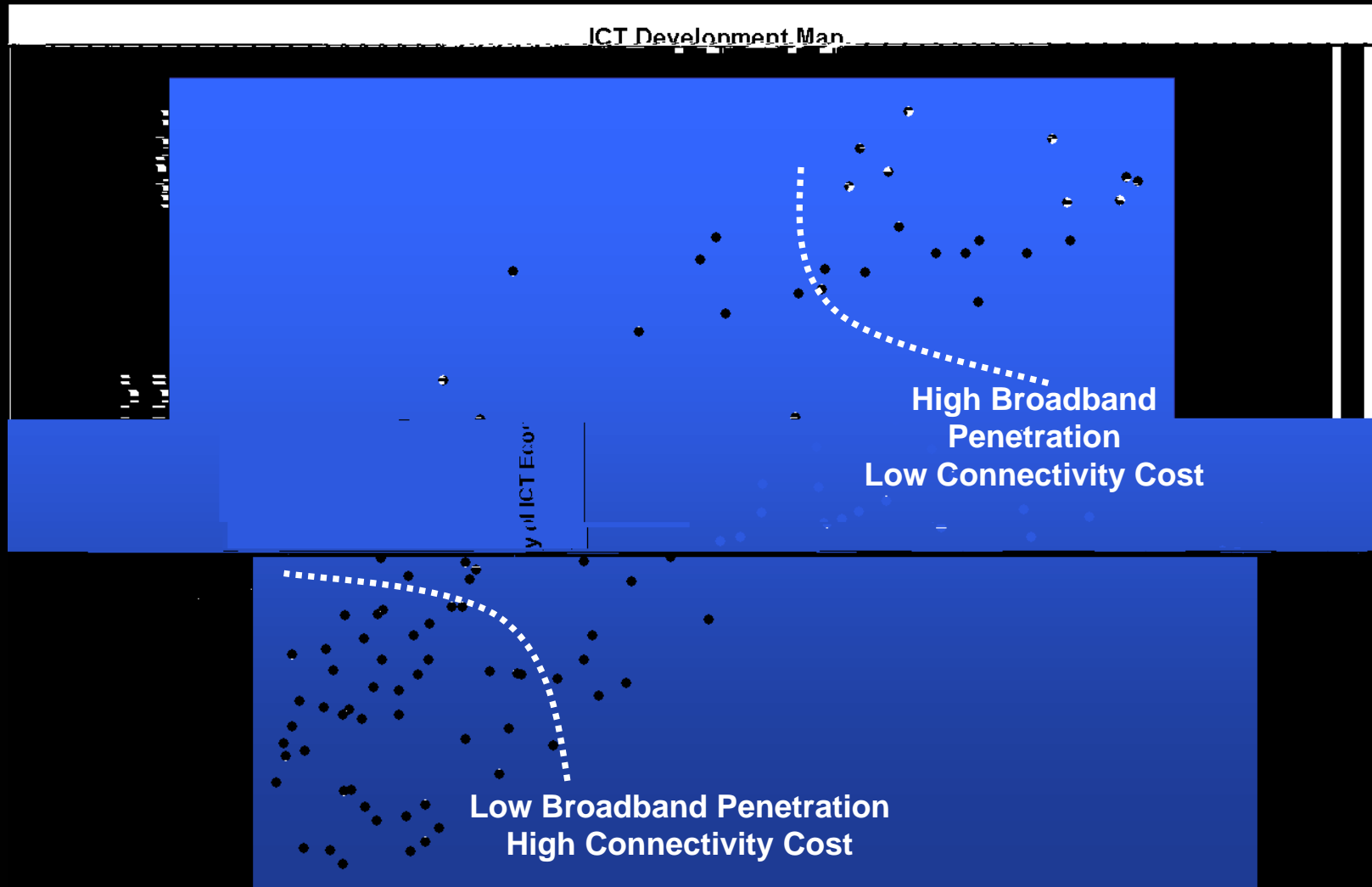
Two Dimensions of the ICT Development Map



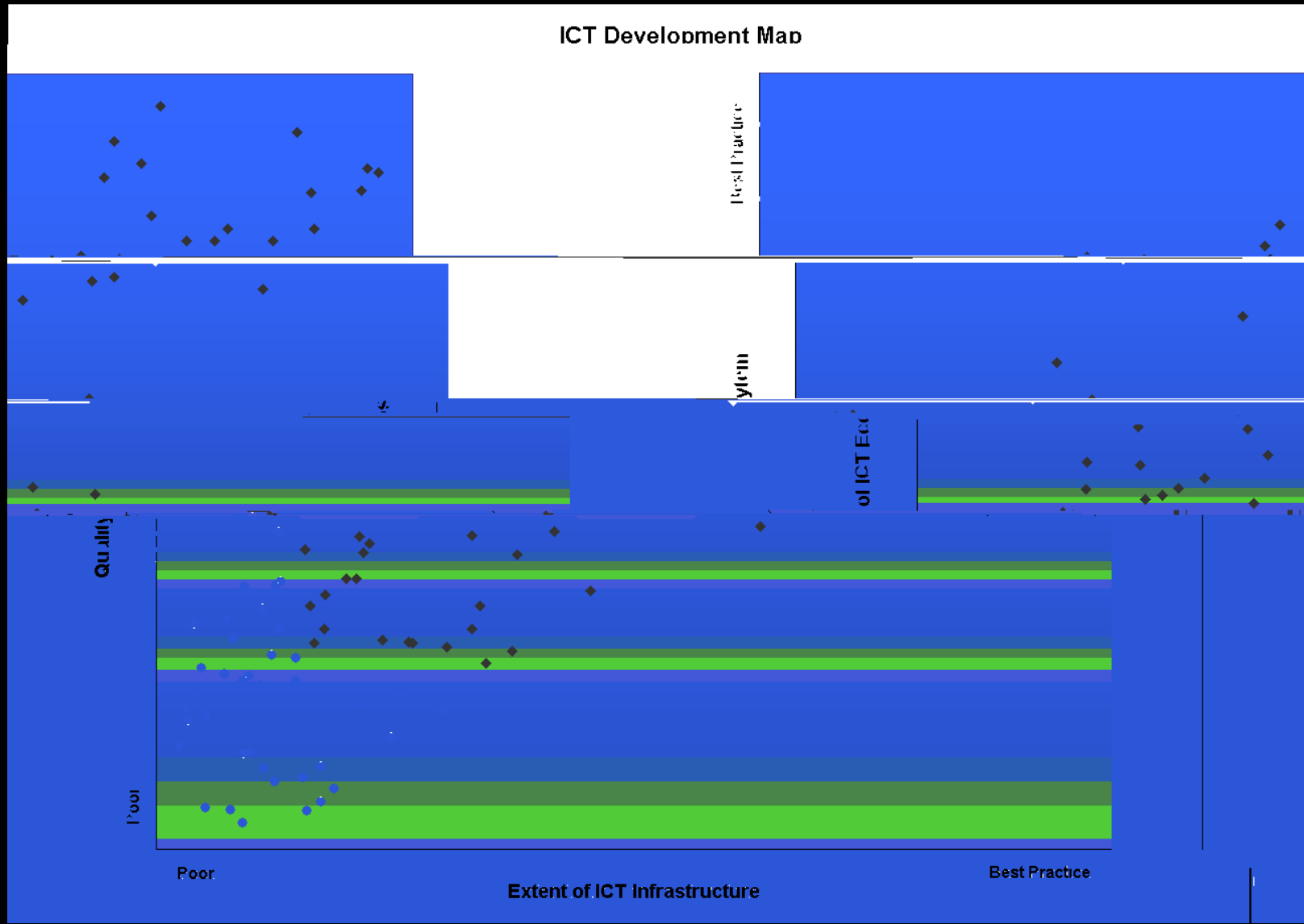
ICT Development Map



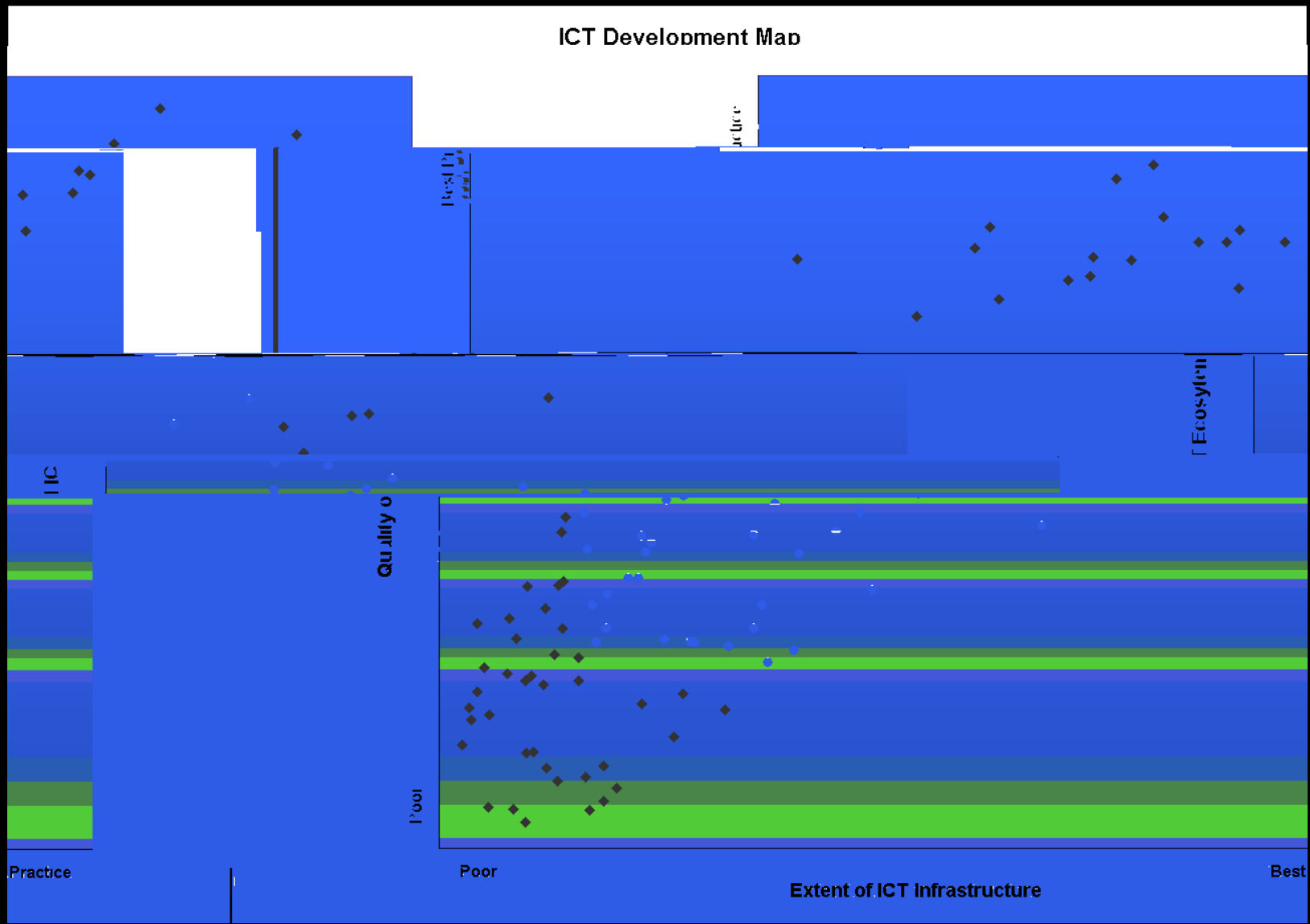
ICT Development Map



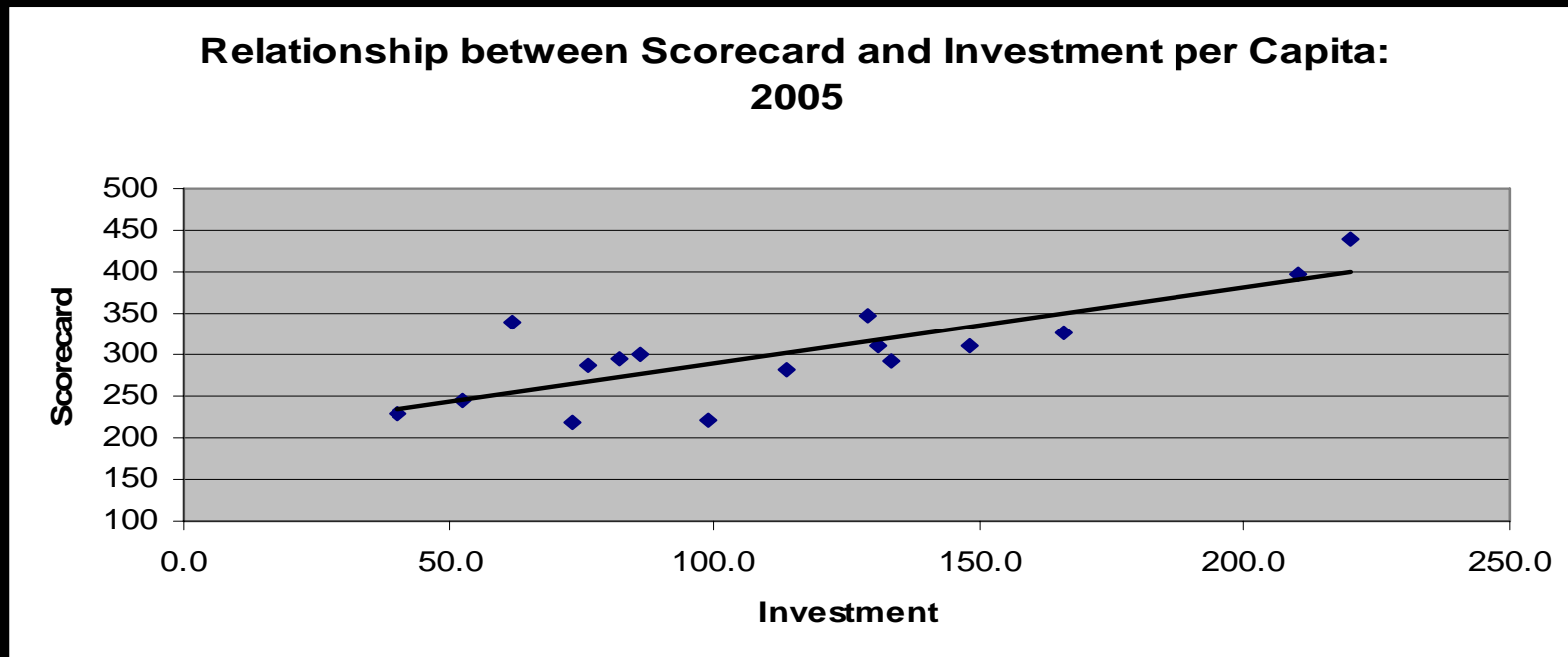
'Poor' Ecosystem and/or Infrastructure



'Moderate' Ecosystem and/or Infrastructure

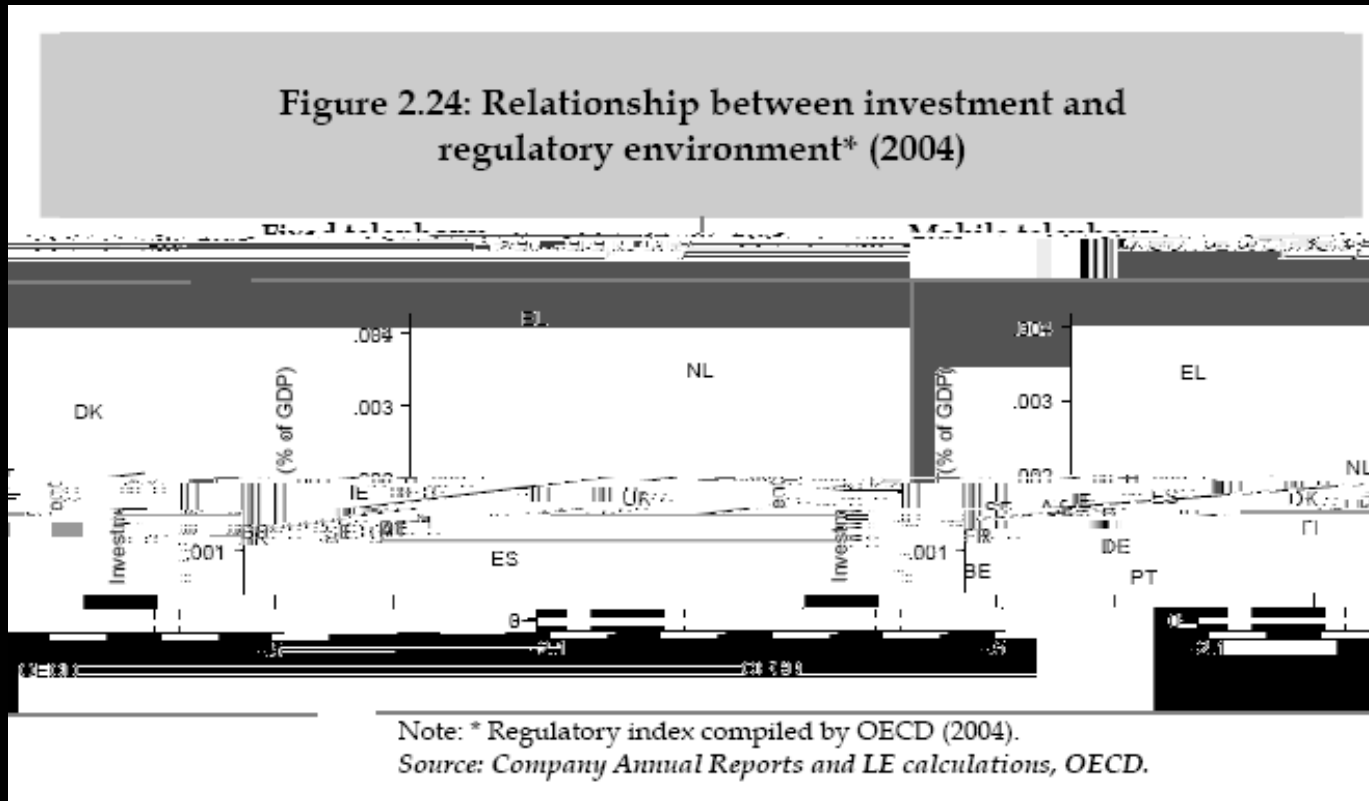


Competition Regulation Correlated with Investment—ECTA Scorecard



ECTA Scorecard reflects (A) the institutional framework; (B) general market access conditions; and (C) the specific competitive and regulatory conditions

OECD Regulatory Index (2004)



The regulatory index is based on:

- (1) The extent to which there is free entry into the market (from a regulatory perspective);
- (2) The extent to which the largest firms in the fixed and mobile sectors are privately owned

Lessons Learned

- § Theory of market liberalization has been supported by the results—“Evidence Based”
- § Implementation (regulatory regime) matters
 - ∅ In telecom, regulator key to implementing trade requirement—unique
 - ∅ Details matter
 - ∅ Low entry barriers for being “under appreciated”
- § Open markets and competition works
 - ∅ Arguments against liberalization incorrect
 - ∅ Consumers benefit
 - ∅ Market grows
 - ∅ Infrastructure investment grows

What's Next?

- § **Focus on demand as well as supply**
 - Ø **BTA/Reference Paper focused on supply side**
 - Ø **Open markets for demand creating applications**
- § **Convergence of devices with networks as well as services**
- § **Interpretation is key**
- § **Need to maintain open markets, free trade**

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