Preconditions for inclusive knowledge-based economies: LIRNE*asia*'s approach
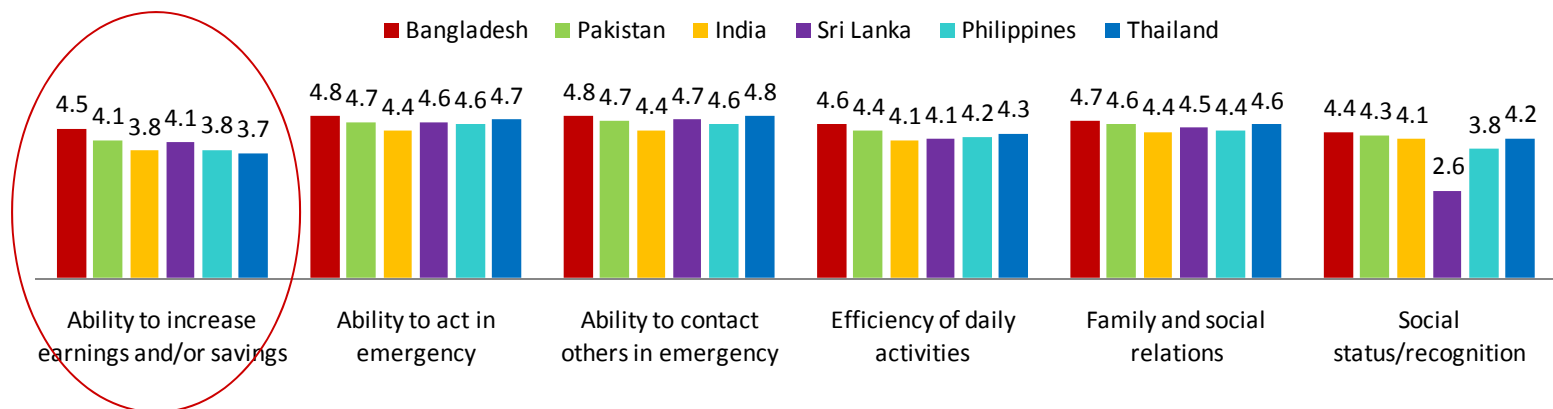
Rohan Samarajiva

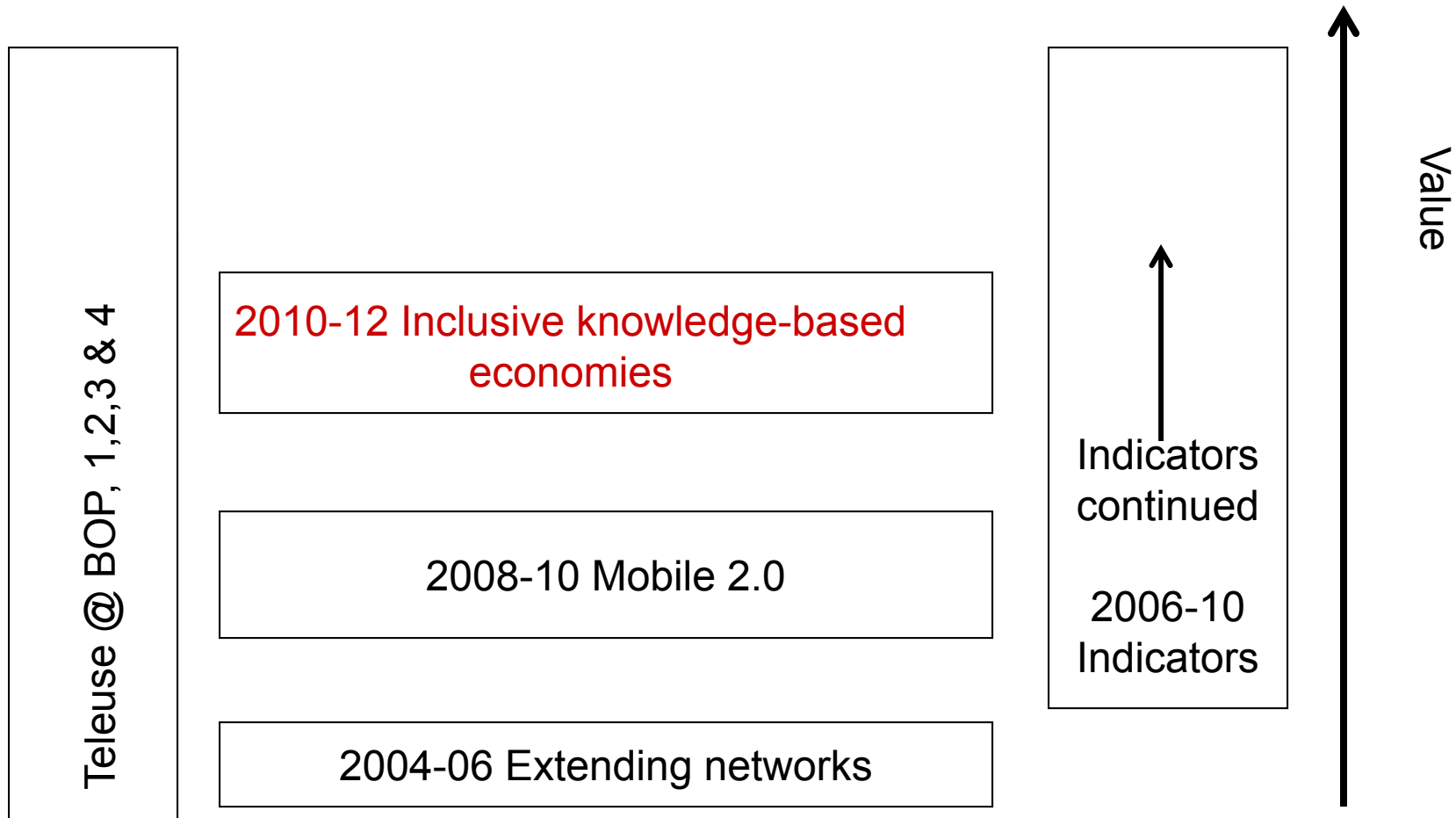www.LIRNEasia.net; rohan [at] lirneasia.net

Colombo , 11 December 2009

Money in the pocket & hope in the heart . . .

- . . . is what we said LIRNE*asia* work would contribute to . . .

- Teleuse@BOP question: did ICTs help you make/save money
  - From 4.5/5 in Bangladesh to 3.7/5 in Sri Lanka
- Why we resonate with Ashok Jhunjhunwala's thinking & empathize with Randy Spence's concerns

Perceived benefits of telecom access: General

■ Bangladesh ■ Pakistan ■ India ■ Sri Lanka ■ Philippines ■ Thailand

	Ability to increase earnings and/or savings	Ability to act in emergency	Ability to contact others in emergency	Efficiency of daily activities	Family and social relations	Social status/recognition
Bangladesh	4.5	4.8	4.8	4.6	4.7	4.4
Pakistan	4.1	4.7	4.7	4.4	4.6	4.3
India	3.8	4.4	4.4	4.1	4.4	4.1
Sri Lanka	4.1	4.6	4.7	4.1	4.5	2.6
Philippines	3.8	4.6	4.6	4.2	4.4	3.8
Thailand	3.7	4.7	4.8	4.3	4.6	4.2

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Progression of LIRNEasia's research themes

Teleuse @ BOP, 1,2,3 & 4

2010-12 Inclusive knowledge-based economies

2008-10 Mobile 2.0

2004-06 Extending networks

Indicators continued

2006-10 Indicators

Value

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Studying KBE: World Bank's Knowledge Assessment Methodology ➔ modified KAM

- Four pillars: Governance, incl. finance; Education; ICT infrastructure; Innovation + nice web interface
  - Why these pillars, not others such as other infrastructure?
  - What is relation among the pillars?
    - Why is innovation a pillar? Not an outcome?
  - Data that feeds into pillars are flawed
    - Innovation based on patents; not relevant for service innovation
- Our model
  - Governance and other infrastructures as foundations
  - Education & ICT infrastructure as drivers
  - Innovation as outcome

What we plan to do

- In 2010
    - Desk research on export value chains for pilot study in Sri Lanka
    - Agriculture: processed fruits and vegetables
        - Link with AgInfo ➔ AgStrategy work
        - Services: tourism (highest earner in services)
    - Small qualitative study to define questions for KBE module in Teleuse@BOP4
    - Teleuse@BOP4
    - Workshop to identify value chains to be studied in Bangladesh, India and Philippines and aspects of KBE
    - Design survey to understand how SMEs use knowledge and how private suppliers can assist
- In 2011 a four-country SME survey plus country studies
- We will build on our telecom strength throughout 2010-11 to produce usable recommendations on how the quality and price of international communication links can be improved
- Also articulate with trade regimes, especially trade in services

How we differ from others studying knowledge-based economies and value chains

- Seek to improve upon the KAM, ideally one that can be used with existing datasets
  - Improve the datasets and indicators, bringing in new indices such as the Network Readiness Index and the ICT Development Index and possibly new measures on tertiary education
- World Bank's applications of the KAM have sought to develop recommendations on what governments can do; we will not exclude recommendations to government, but focus more on what private suppliers can do in the face on government inaction
- Conventional value-chain studies seek to improve the positions of actors in the value chain; we hope our work will contribute to their welfare but our focus will be on generalizability across value chains beyond those studied
- The KBE module in the Teleuse@BOP survey will allow us to broadly say something about how knowledge is sought/used for productive purposes at the BOP; the value-chain studies + SME survey will allow us to go deep

Challenges

- Leaving comfort zone of infrastructure policy and regulation
  - But we have been working on issues broader than telecom for some time, including agriculture
  - Will bring in expertise as necessary
- More difficult is the question of audiences
  - Until now, we knew who we had to communicate to: senior policy-makers, regulators, managers in **telecom**
    - We had relationships and credibility
  - Who are the key audiences with regard to KBE?
    - Still includes telecom (e.g., firms on what services SMEs need; regulators on opening up cable stations)
    - Will have to work hard with new audiences, at President's/Prime Minister's offices, in education, in agriculture, in tourist industry, etc.

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