

# Policy entrepreneurship through research

Rohan Samarajiva

IDRC Workshop on Innovation for Inclusive Development,  
Negombo, Feb 2-3, 2012



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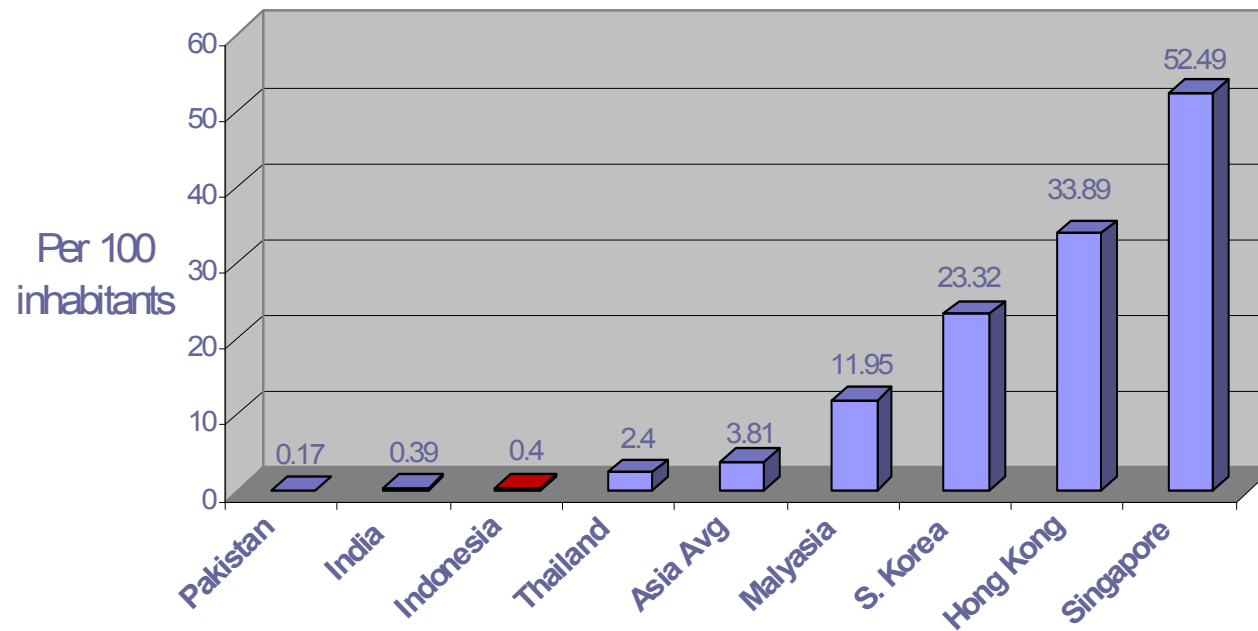
# Agenda

- LIRNEasia's approach: The case of lowering Internet prices in Indonesia
- Policy entrepreneurship for inclusive development and innovation
  - Ongoing work on communicating research findings on inclusive agricultural supply chains

# WiFi in Indonesia

- In 2003-06, WiFi was huge in Indonesia
  - More Wi-Fi deployment in Indonesia than most countries
  - Wi-Fi was used in backbone segment of networks
  - Were there generalizable lessons?
- But high WiFi use did not result in high Internet penetration

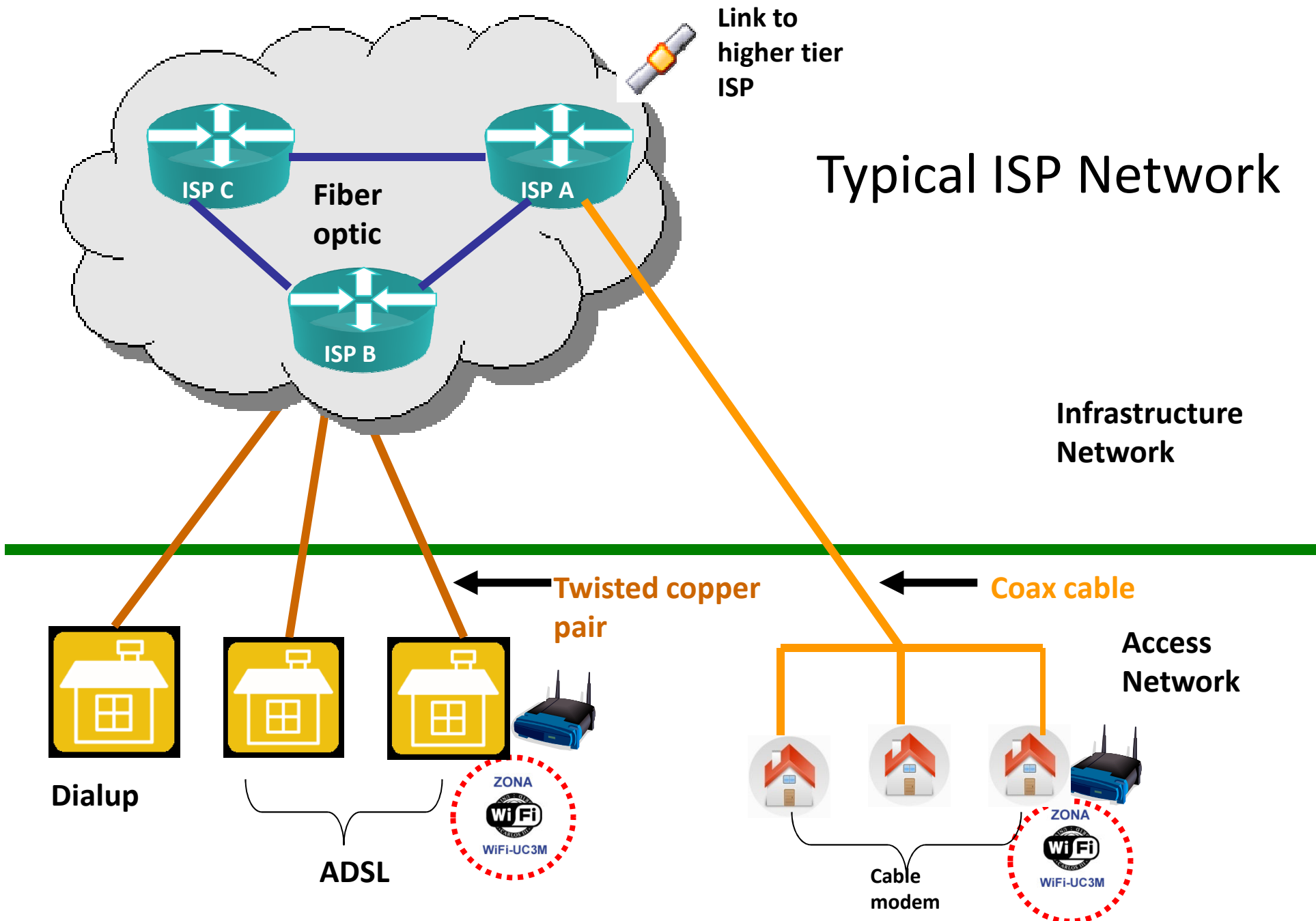
Internet Subscribers 2003



# Research showed WiFi in Indonesia was a workaround innovation

- Domestic leased lines were not given to ISPs/were expensive

<b>2Mbps link</b>	<b>2km</b>	<b>200km</b>
	Ratios	Ratios
<b>Indonesia</b>	<b>USD18,000</b> India EU 1:48 1:4	<b>USD 45,000</b> India EU 1:6 1:5
<b>India</b>	<b>USD 376.00</b>	<b>USD 7,603</b>
<b>EU Benchmark</b>	<b>USD 4,802</b>	<b>USD 9,219</b>



# Typical ISP Network

Infrastructure Network

Access Network

Dialup

ADSL

Cable modem

Link to higher tier ISP

Fiber optic

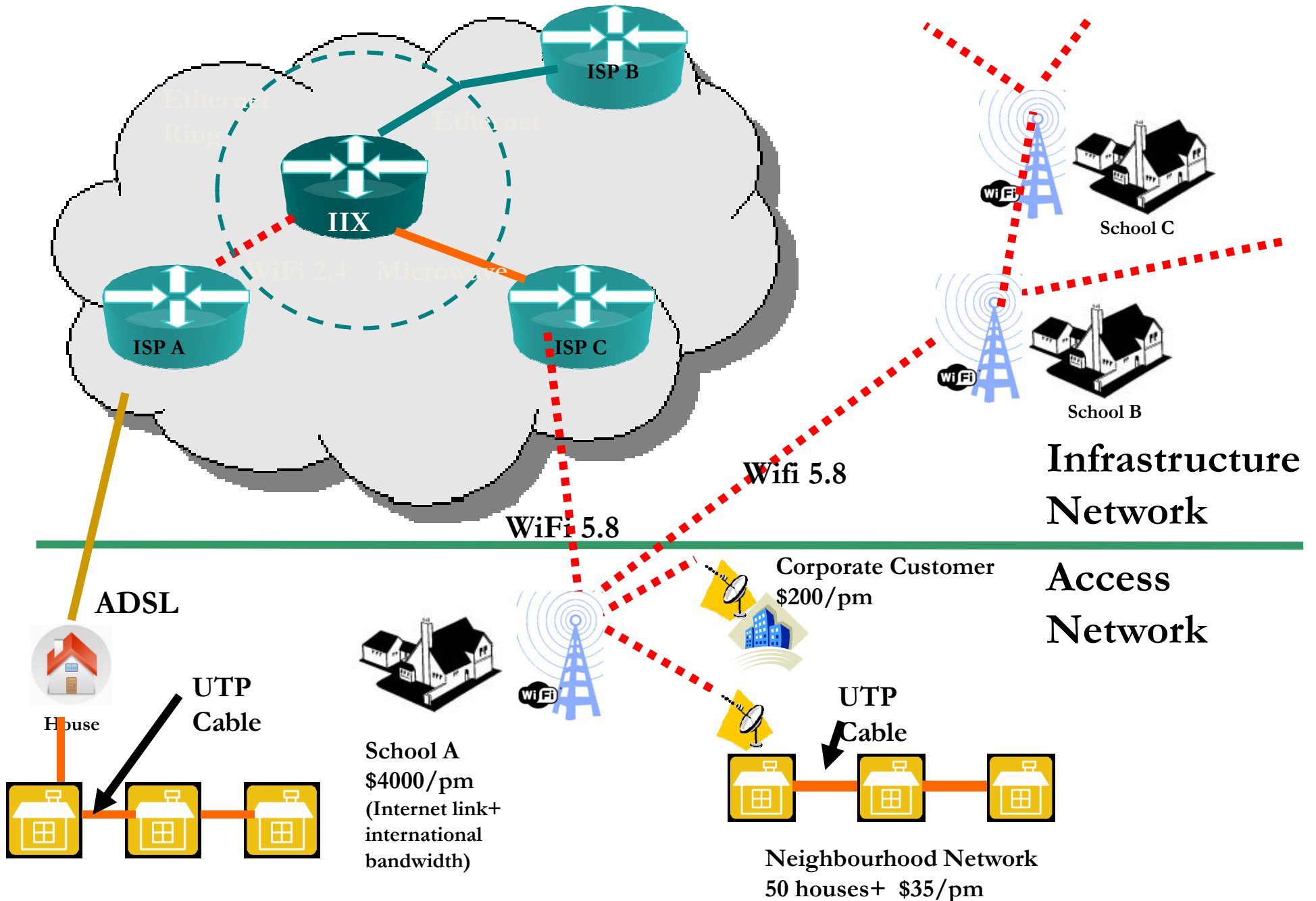
Twisted copper pair

Coax cable

ZONA  
WiFi  
WIFI-UC3M

ZONA  
WiFi  
WIFI-UC3M

# Network Characteristics-Indonesia



# Research → Policy

- “Why are we kicking own goals?” talk at Oct 1, 2005 inauguration of networking meeting organized in collaboration with MASTEL, the Indonesian Telecom Society, caused the Director General to abandon prepared notes and try to justify leased-line practices
  - Media briefing prior to ceremony: media lapped up the story
  - MASTEL held its own news conference few days later asking for lower leased line prices



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without interference.



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- Indonesia Outlook
- Indonesia Review
- President's Inauguration Speech
- Tsunami Declaration

## Costly leased lines hamper Internet

Tuesday, November 15, 2005

Leony Aurora, The Jakarta Post, Jakarta

High prices of leased lines for domestic and international links in Indonesia, which can be up to 48 times more expensive than other countries, is hampering the development of the Internet and should be regulated, a study shows.

The annual domestic leased line fee for a two-kilometer link with a capacity of 2 Megabits per second (Mbps) here is US\$18,000, an overwhelming 48 times more expensive than the \$376 applied in India, according to a study conducted by LIRNEasia, a regional ICT policy and regulation capacity building organization, in August.

The Indonesian price is quadruple the price applied in Europe, where an average person earns 25 times more than an average Indonesian in a year, said director of organizational development and projects of LIRNEasia Divakar Goswami, who conducted the study with Indonesian information and communication technology (ICT) expert Onno Purbo, recently.

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## 'Innovative' approach promotes use of WiFi in RI

Leony Aurora, The Jakarta Post, Jakarta

For Indonesians, the saying "where there's a will, there's a way" takes on a special meaning. Under pressure, their minds click creatively, finding nooks, crannies, bypasses and loopholes to attain objectives when the normal path is strewn with stumbling blocks.

From such conditions, unusual practices and procedures emerge -- some improper, but others quite inventive. The development in the use of Wireless Fidelity (WiFi) technology in Indonesia is an example of a little bit of both.

Although the use of WiFi to surf the Internet using "hotspots" at hip cafes has yet to gain great popularity, the technology scores big time in other places.

"In Indonesia, WiFi is not only used as an access network by Internet service providers (ISPs) to reach customers' houses, but also as a backbone network to haul Internet traffic over large distances," said director

- Business News**
- [RI economic to post less robust growth, say analysts](#)
- [Petronas eyes RI's retail oil, gas sector](#)
- [Businesses look to lower costs](#)





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## Teknologi Informasi

## Mastel: Turunkan tarif saluran sewa Internet

JAKARTA: Masyarakat Telematika Indonesia (Mastel) mendesak pemerintah untuk menetapkan harga saluran sewa (leased line) Internet hingga 48 kali lebih murah dari saat ini, guna mendorong perkembangan Internet dan memacu pertumbuhan ekonomi.

"Dampak dari penurunan harga leased line Internet dalam jangka pendek memang akan mengurangi penerimaan operator incumbent, namun dalam jangka panjang akan memicu tumbuhnya pengguna dan penyelenggara Internet di Indonesia," ujar Giri Susanto, Kepala Bidang Jasa Umum Mastel, kepada wartawan.

## Berita Lainnya

- [Kurangi ketergantungan pada perangkat impor](#)
- [Oracle pimpin pasar RDBMS](#)
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## BANK MANDIRI

### Tarif Internet Di Indonesia, Mahal Sekalleee...

Minggu, 09-Oktober-2005, 02:32:37 WIB

## RM EDISI GETAK

• HALAMAN SATU

• JENDELA DUNIA

• BUKA KARTU

• DPR MERDEKA

• INVESTIGASI

• CORRECT

• WANTED

• MEGAPOLIS

• NASIONAL

• KORPORAT

• BOMBER

• SPIRIT

• BIBIR MER

• HOTAINMENT

• HUBUNGI KAMI

• SARAN KRITIK

• REDAKSI

PARA pengambil keputusan di bidang telekomunikasi dan teknologi informasi di Indonesia harus peduli terhadap pertelekomunikasian di negeri ini, khususnya dalam hal penggunaan internet. Pasalnya, masyarakat yang meleak internet akan mendukung perkembangan pendidikan dan perekonomian.

Bukannya apa-apa, karena saat ini, besaran tarif internet di Indonesia tergolong mahal. Hal ini mengakibatkan penetrasi internet sangat rendah di Indonesia. Demikian hasil riset Lime Asia, sebuah lembaga riset asal Denmark, yang menyorozi penetrasi internet di Indonesia.

Rohan Samarajiva, Direktur Eksekutif Lime Asia, membandingkan tarif internet di Indonesia dengan India. Akses internet berjarak dua km dikenakan 18 ribu dolar AS di Indonesia pertahun. Sedangkan di India hanya memungut 3.760 dolar AS pertahun. Untuk jarak 200 km, Indonesia mematok biaya internet 45 ribu dolar AS sedangkan di India hanya mengenakan 7.603 dolar AS pertahun. "Ini berarti tarif yang diberlakukan di Indonesia lima kali lipat dari India," katanya dalam diskusi "Networking Meeting Workshop" yang diselenggarakan Masyarakat Telematika Indonesia (Mastel).

Rohan meneruskan penggunaan internet di Indonesia secara internasional dikenai tarif 108 ribu dolar AS per tahun. Bandingkan dengan India yang hanya 29 ribu dolar AS. Tarif yang jomplang ini terjadi akibat duopoli Telkom dan

### Telkom dan Indosat Membuat Tarif Internet di Indonesia Mahal

0 Tanggapan

Rabu, 26 Oktober 2005 11:15 WIB - wartaekonomi.com

Tarif internet di Indonesia tergolong mahal. Ini membuat penetrasi internet di Indonesia menjadi rendah. Demikian hasil riset Lime Asia (lembaga penelitian yang berpusat di Denmark) yang menyorozi penetrasi internet di Indonesia. Hasil riset ini dipresentasikan dalam diskusi bertajuk "Networking Meeting Workshop" yang diselenggarakan oleh Masyarakat Telematika Indonesia (Mastel), Sabtu (1/10) lalu.

Rohan Samarajiva, direktur eksekutif Lime Asia, membandingkan mekanisme penetapan tarif internet di India dengan di Indonesia. Di Indonesia, untuk koneksi internet berjarak dua kilometer dari operator dikenakan tarif US\$18.000 dolar per tahun, sedangkan di India hanya US\$3.760. Untuk jarak 200 kilometer, Indonesia mematok biaya US\$45.000 per tahun, sedangkan di India hanya US\$7.603. "Ini berarti tarif di Indonesia lima kali lipat dari India," ujar Samarajiva. Untuk tarif internasional, pengguna internet di Indonesia harus membayar US\$108.000 per tahun. Bandingkan dengan di India yang hanya US\$29.000.

## Cari Artikel

Cari

## Arsip Berita

• Rabu, 26 Oktober 2005 10:09 WIB

**Sony Ericsson Kuasai 30% Pasar Ponsel Low-End**

0 Tanggapan

• Selasa, 18 Oktober 2005 09:01 WIB

**Abror Mist Masuk Indonesia**

0 Tanggapan

• Senin, 17 Oktober 2005 08:59 WIB

**BI Terbitkan Pecahan Baru Rp50.000 dan Rp10.000**

★★★★ 0 Tanggapan

• Jumat, 14 Oktober 2005 08:58 WIB

**Panggilan Darurat dari Samsung**

★★★★ 0 Tanggapan

# From LIRNEasia blog, 6 mo. after intervention (March 2006)

“The Indonesian Communication Minister has obviously seen the newspaper coverage of the WiFi study since he cites figures from the findings from our study and reiterates some of our key recommendations. The news story tells of the government’s plan to decrease broadband tariff. The Minister says that he wants a revolutionary regulation in two months’ time.

The original Bahasa [news story is here](#), the English translation is below:

## **The Government Studies Method of Lowering Broadband Tariff**

Achmad Rouzni Noor li – detiklnet  
Jakarta, March 14, 2006

The government promises to conduct a study to lower broadband internet tariffs. If required, it is ready to issue revolutionary policies.

Minister of Communication and Information Sofyan Djalil admitted that internet rate in Indonesia is more expensive than other countries. **“Broadband (rates) is 45 times more expensive than other countries.** Therefore, we will try to reduce monopolistic regulations,” he said on Tuesday.

“Bottom line is, our regulation must promote equal level playing field. What important is that it is pro-consumers,” Sofyan added.”



Meme

# But we kept up the pressure . . .

- Presented leased-line data again to senior government officials (including Indonesia) at APECTEL meeting in Calgary, April 2006
  - Informally learned that Minister had told officials at his weekly breakfast meeting he did not want to hear any more on leased lines at international meetings
  - Officials sent to India to verify claims re price differentials
- By April 2008 (30 months after findings were released in Jakarta), leased line prices were reduced by 69-83%

# Success

- Research yielded policy change that allowed more people (including the poor) to use the Internet
  - But, the WiFi “innovation” disappeared
  - Indonesia began to use WiFi in a normal way, at the customer end of access network, not in the middle

# Inclusive development & innovation

- Inclusive development occurs when
  - the necessary condition of high, sustained growth above 7 percent year-on-year &
  - the sufficient condition of a majority of the country's work force being engaged in high-growth sectors, are satisfied
- Innovations that contribute to inclusive development are inclusive → primarily, those that contribute to achieving the sufficient condition

# Inclusive knowledge-based economies research module 2010-12

- Seeks to understand smallholders' terms of integration to export-oriented agricultural supply chains in
  - Bangladesh (Jute & Potato)
  - India (Mango & Pomegranate) &
  - Sri Lanka (Pineapple & Rubber)
- Explicitly focused on inclusion
- Field work completed; synthesis paper ongoing; communication campaigns underway



## Value chain research results shared with Vegetable & Fruit Producers, Processor & Exporters Association

Written by Rohan Samarajiva on **October 14, 2011** - 1 Comment [edit]



Reducing the quality penalty suffered by smallholder growers of fruits and vegetables was a main theme at the dissemination seminar conducted by LIRNEasia in collaboration with the [Sri Lanka Vegetable and Fruit Producers, Processors and Exporters Association](#). The discussion also addressed the value of smallholders organizing themselves into cooperative associations somewhat like what had been done in Ghana with [Farmapine](#). The importance of knowledge was recognized

by all. Sujata Gamage's presentation on knowledge networks in solid-waste management pointed to the need to shift from outmoded models that placed universities as the sole sources of new knowledge, to new thinking that places suppliers, buyers and even competitors as key sources of knowledge.

The presentations by Rohan Samarajiva, Sriganesh Lokanathan, Nilusha Kapugama, Harsha de Silva and Sujata Gamage are given below, along with the policy brief on recommendations to improve the performance of the Sri Lanka pineapple value chain in Sinhala and English.

For the presentation done by Rohan Samarajiva, click [here](#).

For the presentation done by Sriganesh Lokanathan, click [here](#).

For the presentations done by Nilusha Kapugama, click [here](#) and [here](#).

### Recent Comme

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## Talk at FAO on the role of mobiles in rural development

Written by Sriganesh Lokanathan on **December 7, 2011** – 3 Comments [edit]



Yesterday, I was in an [FAO panel](#) at the Global South-South Development Expo 2011, speaking on the role of mobiles in rural development using case studies from Sri Lanka and India. When I mentioned that one should have some concerns about the quality of information and the lack of accountability in the plethora of mobile based agriculture crop advisory services, I was asked a pertinent question by an official from the Ministry of Agriculture in China: Does this mean a greater role for

government?

What we think is that the basic information collection (for example market prices) should be collected by government or an agent of government and made available as a public good. The private sector can then be free to process it, add value and disseminate, potentially for a few to ensure sustainability.

But the heart of the problem that we are concerned with is whether a one way transmission of generic crop “advice” to Farmer X will solve his problems or aggravate them. Diagnosis of farmer’s agriculture problems is no different from me going to the doctor to understand why I was having a fever that wouldn’t go away (when this happened earlier this year it turned out it was because of dengue which was only confirmed by a test). We do not as yet have a well defined solution. But the answer may be a two-track solution. The first can be the standard one way dissemination of generic



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# Next steps

- FAO is convening a meeting of senior officials of agriculture ministries in Bangkok, April 2-3, 2012
  - LIRNEasia has been promised half a day
- Communication campaigns in three countries, e.g.,
  - Stakeholder event focused on specific supply chains in Bangladesh, modeled on presentation to members of Sri Lanka Vegetable & Fruit Exporters Assn
  - Media coverage
  - Opportunistic interventions
- Money ends in June 2012; no 30 months this time (dysfunctions of project funding)

## Business Times

### Making pineapple a winning Sri Lankan export crop

By Quintus Perera

LIRNEasia, a think tank headquartered in Sri Lanka and representing South Asian, has teamed up with the Lanka Fruits, Vegetable Producers and Exporters Association (LFVPEA) and are jointly involved in a project to find out ways and means of obtaining more money from agriculture - and to improve the agriculture value chain to make it a win-win solution.

They held an open discussion programme with expert research findings last week at the Ceylon Chamber of Commerce Auditorium and the focus at this open forum was on pineapple growing and how to assist the pineapple smallholders to overcome the hassles in producing quality consistent fruit, and to ascertain on adequate supplies to the export market.

Sri Lankan pineapple, despite being an orphan crop (where little scientific research has been done), has proved lucrative. According to the study findings, some industry experts say that Sri Lankan pineapple is among the best in the world. But the current study revealed that the pineapple growers have a problem about the high cost of production particularly due to fertilizer, lack of established best practices and shortage of land for pineapple production as biggest problems faced by the producers. These issues in turn affect the exporters and processors who are plagued by insufficient and unreliable supply.

The study revealed that after extensive research on the pineapple growing and the market conditions the following recommendations were made to: establish a database of pineapple plant/slip suppliers; to create the conditions for growers to converge on a set of best practices; use classified advertising in an optimal manner to match demand and supply for land suitable for pineapple growth; move to an out-grower model and develop the organic pineapple market.

### Other Business Times Articles

- ▶ Shangri-La projects face major delays
- ▶ Trinco port calls for RFP
- ▶ MTD Walkers looks for easily identifiable brand name
- ▶ Some brokers await elusive 'big change' at SEC
- ▶ Defective Prius hybrid cars run on Lankan roads
- ▶ Exportable flowers in the local market
- ▶ SEC crisis: 'Judge not lest you be judged'
- ▶ SEC investigations will go on as planned
- ▶ Stock market regulation needed but erratic implementation, no consistency
- ▶ Sri Lankan workers up in arms against COLA discrimination
- ▶ ADB, Sri Lanka agree on new country, 5-year strategy
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- ▶ Open letter to private sector bank directors and