Opinions abound on how to make the 'digital economy' a reality

ข้อเสนอเพื่อการพัฒนานโยบาย Digital Economy
โดยสมาคมสมาพันธ์เทคโนโลยีสารสนเทศและการสื่อสารแห่งประเทศไทย

This proposal by the Thai Federation of ICT Technology Association has been submitted to the government for consideration in the drive towards a digital economy.

REGIME'S FAR-REACHING POLICY TO AFFECT CITIZENS, BUSINESS, GOVERNMENT

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THE NATION

THE GOVERNMENT says its "digital economy" policy is aimed at utilising digital technology to improve the country's competitiveness, improve people's lives, and improve governance.

The programme led by Deputy Prime Minister MR Pridiyathorn Devakula has so far unveiled five main elements, namely hard infrastructure, soft infrastructure, service infrastructure, digital-economy promotion, and digital society and knowledge resources.

The main tasks are to form a National Digital Economy Committee; to change the name of the Ministry of Information and Communication Technology to Digital for Economy and Society Ministry, and adjust its functions; and to set up a Digital Economy Office to work as the permanent secretariat for the Digital Economy Committee.

Last week, the Cabinet approved in principle legislation to set up the Digital Economy Committee, and another bill on restructuring the ICT Ministry, as proposed by the ministry itself.

The first of these draft laws determines the creation of a national committee to be chaired by the prime minister, with the deputy PM in charge of the economy acting as vice chairman. Its role is to coordinate the implementation of digital-economy policies between the government and state agencies.

ELEMENTS OF DIGITAL ECONOMY
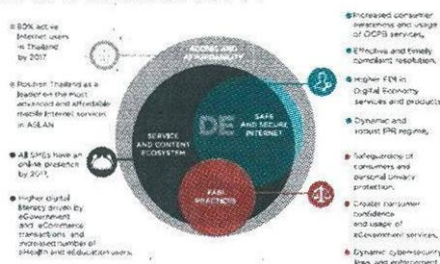
Total Access Communications (DTAC) pointed out that a digital economy should be based on four building blocks: Internet access and affordability; a service and content ecosystem; a safe and secure Internet; and fair practice.

The second determines the renaming and restructuring of the ICT Ministry. The Digital for Economy and Society Ministry will oversee five offices: the minister's office, the permanent secretary's office, the digital-economy office, the Meteorology Office, and the Office of National Statistics.

One of the goals set out by the working committees is for hard digital infrastructure to cover more than 50 per cent of the country within the first year of execution and to cover the whole country within two to three years.

Under the Digital Economy Committee, five subcommittees will oversee each aspect of the programme. The military regime's "digital economy" plan has drawn a range of opinions and suggestions. Most see the digital divide, holistic development, and increased private-sector involvement as the key challenges.

Teera Kanokkanjanarat, senior ICT industry analyst at Frost & Sullivan, said that since the military seized power from the elected government, the digital-economy policy had been positioned as the centrepiece of the country's economic development. Although its introduction and execution are still at an early stage, Frost & Sullivan believes that this policy serves more as the primary guideline and solid foundation for upcoming initiatives across various sectors rather than specific ICT projects.

"Compared with the 'knowledge economy' and 'creative economy' policies we have seen in previous governments, the digital-economy policy has a more concrete direction. Digital technologies have become increasingly important in recent years, not only for the business sector but for competitiveness of the country as a whole," he said.

As for how this policy will take shape and go further, everyone will have to wait and see how the plan progresses. On the top of the agenda is relevant legislation that directly affects the structure and role of the ICT Ministry. After that is done, other planned projects and initiatives should take shape in the first quarter of the new year.

Teera said there were a few key challenges that the government had to overcome to roll out the digital economy successfully. They are the digital divide, holistic development, and increasing private-sector involvement.

The plan should to address the unequal access to technology, especially the divide between rural and urban areas. Two-thirds of the Thai population lives upcountry, where access and high-speed connectivity are still limited.

Government agencies and state-owned enterprises are renowned for being isolated and bureaucratic. This problem has been regarded as an Achilles' heel of development. Since a digital economy will affect most, if not all, industries, every government agency and ministry has to be on board with this policy.

To cope with the changes to the business and technology environments, government needs to take a different role in executing this policy, from policy driver to key enablers, and let the private sector take the lead.

However, this means not only changing the process but also changing the mindsets and decision-making structures across the government. Involvement of private-sector and independent organisations, such as the Chamber of Commerce, has become more crucial in bridging the gap between the government and business sectors.

Michael Araneta, country manager of International Data Corporation (Thailand), said there were about 10 areas where Thailand's maturity has to be assessed to know how ready the country really is in terms of the digital-economy plan, but three of these areas are the most important.

First is greater availability of high-speed Internet. Thailand has made great improvements, as proved by its recent jump in rankings by the International Telecommunication Union. Helping here is the focus on fibre-to-the-x (FTTX) by carriers and service providers, leading to fierce price competition and resulting in lower prices of services at high bandwidths.

Also, wider coverage of service areas for FTTX helps fixed broadband reach more Internet users in Bangkok and rural areas.

The second priority is information security that protects digital assets, and the right balance of customer data privacy and the use of personal data for big data analytics, especially in support of open data projects.

"Note that Thailand still has to institute customer data privacy laws, but if instituted there must be some allowance for open data and other uses for marketing that will be good for business. Respect for intellectual property, especially to grow opportunities in digital content and software development," is essential, Araneta said.

Last but not least, the digital economy will open opportunities in provision of digital content, digital entertainment (gaming), e-com-

merce, and consumer electronics.

Of course, it will also encourage the emergence of small but innovative firms that are born in the "third platform", which includes cloud, social, big data, and mobile, and which should provide jobs and additional national income, he said. He also noted, though, that these digital firms will have a market of billions and won't be limited by Thai boundaries.

Vilaiporn Taweelappontong, lead partner at PwC Consulting Thailand, said the digital-economy vision should be to enhance multidirectional digital connections among citizens, employees, business and government.

The key strategy is how governments can be more agile under the diametrically opposed pressure of consumer-driven technology adoption and expectations and the increasing need to minimise risk.

She added that the action plan should include infrastructure and assets, engagement, and digital maturity of government entities.

A robust digital infrastructure must be built through strategic investments and partnerships.

"This is to implement an agile infrastructure plan that anticipates and promotes digital growth; to optimise digital infrastructure and physical assets; and to enhance digital infrastructure through creative partnerships," Vilaiporn said.

Citizens and businesses must be able to interact with the government easily through digital channels. The government should improve delivery of high-demand services through the use of digital tools in order to increase citizen involvement. Importantly, the government must provide access to technology and increase digital literacy for all.

The government should work on making the country a regional leader in supporting innovation and growth of the digital economy.

"There are many [actions needed in this regard], such as to develop, attract and retain talent and business in the digital sector; to create a favourable regulatory environment that supports digital business opportunities; and to encourage innovation through expanded support for the digital community and open government," Vilaiporn said.

The digital maturity of government entities means building a mature, citizen-centric digital culture by optimising the use of technology to enhance productivity and metrics-based decision-making.

"Develop a culture that empowers government staff to innovate with digital technologies," Vilaiporn said.

The Thai Federation of ICT Technology Association (TFIT) submitted a proposal for the government's consideration for driving the digital-economy initiative. The proposal consists of four main parts, namely infrastructure, business and e-commerce, people and resources, and government.

The national broadband network should be available with a speed of at least 30 megabits per second covering 90 per cent of living areas by 2016, and up to 100Mbps with 95-per-cent coverage by 2020.

The development of e-commerce should be encouraged, with 800,000 entrepreneurs creating business-to-consumer (B2C) e-commerce value of Bt5 billion by 2016. Meanwhile, small and medium-sized enterprises should be educated to apply technology in order to help them reduce costs while increase competitiveness.

IT literacy – ability to use computers and the Internet – is the key to the digital economy, while the government should encourage establishment of "smart cities" in at least 20 provinces in 2015 and up to 40 provinces by 2017.

Total Access Communications (DTAC) says the digital economy should be based on four building blocks: Internet access and affordability; a service and content ecosystem; a safe and secure Internet; and fair practice.

The priorities are to pool existing infrastructure, build a national fibre-optics network, and conduct an auction for fourth-generation cellular spectrum licences next year.

The country should have a national fibre-optics network, and second, the government should aim to auction 4G bandwidth on the 1,800- and 900-megahertz spectra by the first half of next year through transparent allocation mechanisms.

DTAC also recommended that all stakeholders including the government, regulators and the private sector focus on the Internet service and content ecosystem, Internet security and fair practice.

The government can play a role in this mission by facilitating an environment based on transparent and investment-friendly legal, tax and regulatory frameworks to foster a competitive and dynamic ICT sector. It could digitise key public services and strengthen ICT education and digital literacy throughout the country.