

Comments on House Bill No. 68, entitled: “An Act Providing for a Comprehensive Policy to Accelerate and Harness the Digital Revolution to Foster Inclusive Economic Growth, Sustainable Development and Participatory Governance” (Digital Philippines Act) and House Bill No. 7773, entitled: “An Act Providing for a National Digital Transformation Policy, and for Other Purposes” (National Digital Transformation Act).

Prepared by Ramonette B. Serafica¹

08 February 2024

The underlying theme of the Philippine Development Plan 2023-2028 is economic and social transformation (NEDA 2023). In line with the agenda to transform economic and social sectors and institutions, accelerating digitalization was highlighted as a key cross-cutting strategy. The other strategies to facilitate transformation include the servicification of Philippine industries, supporting innovation ecosystems, improving digital and physical connectivity, promoting greater local and national government collaboration, and enhancing public-private partnerships (p. 14-16).

The two HBs aim to accelerate digital transformation in the country by formulating an overarching policy framework and identifying related strategies. The bills encompass various aspects of digitalization, such as skills, technologies, smart cities, infrastructure, and entrepreneurship. An institutional framework, in the form of the National Digital Council (HB 68) and the National Digital Transformation Council (HB 7773), is also proposed.

Improving digital policy governance in the country is necessary (Bayudan-Dacuycuy and Serafica 2023). Smart city development requires a policy framework and strategic plan to ensure policy coherence (Ballesteros and Ancheta 2023). In the absence of an integrated and holistic approach, individual departments build ad-hoc applications with little regard for city-wide impacts on costs, infrastructure, and data. Without a unified framework, the development of smart cities will be supplier-driven, increasing the risks in data sharing, system compatibility, and data privacy and security.

In other areas identified in the two HBs, the legal, policy, and high-level institutional frameworks already exist. These include:

- The Philippine Digital Workforce Competitiveness Act (RA 11927) creating the Inter-Agency Council for Development and Competitiveness of Philippine Digital Workforce,
- The Philippine Creative Industries Development Act (RA 11904) creating the Philippine Creative Industries Development Council (PCIDC),

¹ Dr. Ramonette B. Serafica, Senior Research Fellow at the Philippine Institute for Development Studies (PIDS).

- The Philippine Innovation Act (RA 11293) creating the National Innovation Council (NIC), and
- The Innovative Startup Act (RA 11337) which involves three agencies to implement the Philippine Startup Development Program.

It may be useful to clarify how the proposed laws relate to existing digital initiatives and, equally important, how the creation of a high-level council will complement existing institutional frameworks to avoid unnecessary overlaps or duplications while addressing gaps or weaknesses in digital policy governance.

Another serious issue is the slow implementation of laws promoting seamless transactions with the government, which reduces the impact of initiatives and affects the delivery of other digital services (Serzo 2023). The rollout of the national ID system and the Ease of Doing Business Act requiring all cities and municipalities to automate their business permitting and licensing systems have experienced delays. Failed digitalization projects, including simple procurement of computers, are widely known and reported in the media.

Other countries may offer viable approaches. Australia's Digital Transformation Agency (DTA) was created to act as an advisor on ICT and digital investment decisions and to oversee the alignment of implementation with digital strategies and priorities (Australian Government DTA n.d.). It is involved in direction-setting and implementation oversight. A more ambitious program, perhaps more aligned with the objective of the HBs, is Digital India. It is "a flagship programme of the Government of India to transform India into a digitally empowered society and knowledge economy" (Digital India n.d.). It should be noted that Digital India is supported by a program management structure.

Apart from introducing new initiatives, updating relevant laws to improve and strengthen the enabling environment for digitalization should be prioritized. These include updating the Public Telecommunications Policy Act of the Philippines enacted in 1995 (RA 7925), a National Broadband law to institutionalize the National Broadband Plan as recommended in the PDP 2023-2028 (NEDA 2023), as well as reviewing the functions of DICT (RA 10844). Upgrading regulatory institutions and frameworks is also needed (Seráfica and Oren 2022a; 2022b; 2023).

REFERENCES

- Australian Government Digital Transformation Agency. n.d. About us. <https://www.dta.gov.au/about-us>
- Ballesteros, M. M. and Ancheta, J.A. 2023. Transforming Philippine Cities to Smart Cities: Policy Issues and Ways Forward. In *Critical Issues in the Philippine Digital Economy*, edited by Connie G. Bayudan-Dacuycuy Ramonette B. Seráfica. Quezon City, Philippines: Philippine Institute for Development Studies.
- Bayudan-Dacuycuy, C. and Seráfica, R.B. 2023. Critical Issues in the Philippine Digital Economy. In *Critical Issues in the Philippine Digital Economy*, edited by Connie G. Bayudan-Dacuycuy Ramonette B. Seráfica. Quezon City, Philippines: Philippine Institute for Development Studies.

Digital India. n.d. About Digital India. <https://digitalindia.gov.in/>

NEDA. 2023. Philippine Development Plan 2023-2028. Pasig City, Philippines: National Economic and Development Authority.

Republic Act No. RA 7925. An act to promote and govern the development of Philippine telecommunications and the delivery of public telecommunications services. Metro Manila: Congress of the Philippines

Republic Act No. RA 10844. An act creating the Department of Information and Communications Technology, defining its powers and functions appropriating funds therefor, and for other purposes. Metro Manila: Congress of the Philippines

Republic Act No. RA 11293. An act adopting innovation as a vital component of the country's development policies to drive inclusive development, promote the growth and national competitiveness of micro, small, and medium enterprises, appropriating funds therefor, and for other purposes. Metro Manila: Congress of the Philippines

Republic Act No. 11337. An act providing benefits and programs to strengthen, promote and develop the Philippine startup ecosystem. Metro Manila: Congress of the Philippines

Republic Act No. 11904. An act providing for the development and promotion of the Philippine creative industries, and appropriating funds therefor. Metro Manila: Congress of the Philippines

Republic Act No. 11927. An act to enhance the Philippine digital workforce competitiveness, establishing for the purpose an inter-agency council for the development and competitiveness of the Philippine digital workforce and for other purposes. Metro Manila: Congress of the Philippines

Serafica, R.B. and Oren, Q.C.A. 2022a. Upgrading the ICT Regulatory Framework: Toward Accelerated and Inclusive Digital Connectivity. Discussion Paper Series No. 2022-26. Quezon City: Philippine Institute for Development Studies.

Serafica, R. B. and Q. C. Oren. 2022b. The Philippine Digital Sector and Internet Connectivity: An Overview of the Value Chain and Barriers to Competition Paper Series No. 2022-47. Quezon City: Philippine Institute for Development Studies.

Serafica, R.B. and Q.C. Oren. 2023. Making Broadband Universal: A Review of Philippine Policies and Strategies Discussion Paper Series No. 2023-31. Quezon City: Philippine Institute for Development Studies.

Serzo, A.O. 2023. Regulatory Reforms and the Development of the Philippine Digital Economy. In *Critical Issues in the Philippine Digital Economy*, edited by Connie G. Bayudan-Dacuycuy Ramonette B. Serafica. Quezon City, Philippines: Philippine Institute for Development Studies.