



Advancing Fair Market Competition: The Role of Communication and Knowledge Management

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In this presentation:

- Context: The need for competition law and policy in the Philippines
- Competition and its benefits
- The Philippine Competition Act (PCA)
- Role of communication and knowledge management
- Challenges and opportunities



Constitutional Basis

Section 19, Article 12:

“The State shall regulate or prohibit monopolies when the public interest so requires. No combinations in restraint of trade or unfair competition shall be allowed.”

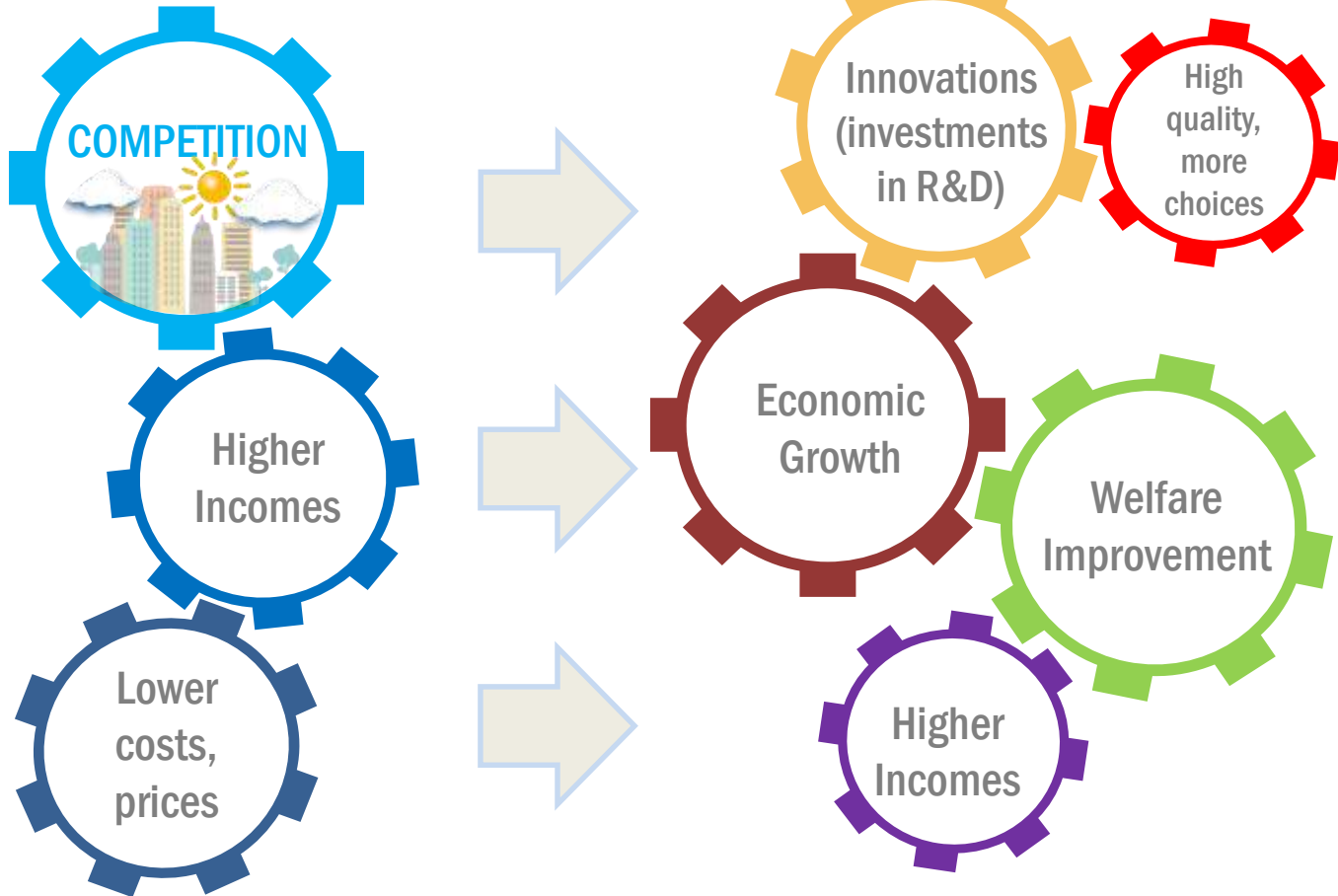
In economic theory,
PERFECT COMPETITION
refers to a market where:

there are many
sellers or buyers

there are no
barriers to
entry or exit

firms are price
takers (no influence
over price)





COMPETITION



**Higher
Incomes**

**Lower
costs,
prices**

**Innovations
(investments
in R&D)**

**High
quality,
more
choices**

**Economic
Growth**

**Welfare
Improvement**

**Higher
Incomes**

Competition Law: History



Comprehensive competition bill first proposed in the 8th Congress (1987-1992)



RA 10667 or the Philippine Competition Act (PCA) enacted in July 2015 as the primary competition law in the country



Philippine Competition Commission organized in February 2016

Competition Policy

“the policies and laws which ensure that competition in the marketplace is not restricted in such a way as to reduce economic welfare”

Two pillars

- Enforcement of antitrust laws (typically involving anticompetitive conduct, abuse of dominance, and merger control)
- Measures to promote policies & government interventions that do not restrict competition. [*Note: domestic competition vs foreign competition*]



RA 10667: The Philippine Competition Act (PCA)

The law provides the PCC primary and original jurisdiction in the enforcement of all competition-related issues across all business sectors.



The PCA applies to all industries and all businesses big and small

- Enforceable against any person or entity engaged in any trade, industry and commerce in the PH
- Applicable also to international trade having direct, substantial, and reasonably foreseeable effects in trade, industry, or commerce in the PH

RA 10667: The Philippine Competition Act (PCA)

Prohibits:



Anti-competitive agreements

- Price fixing
- Bid-rigging
- Market sharing
- Output limitations



Abuses of dominant position

- Predatory pricing
- Limiting access of competitors to production inputs
- Discriminatory behavior



Anti-competitive mergers and acquisitions

PCC Functions and Mandate

| Enforcement | Policy | Advocacy |
|---|--|---|
| <ul style="list-style-type: none">• Review mergers and acquisitions• Investigate antitrust cases• Crack down on cartels• Break up monopolies• Penalize and fine erring corporations | <ul style="list-style-type: none">• Conduct market studies• Monitor and analyze practice of competition in the market• Assist NEDA in the formulation of a national competition policy | <ul style="list-style-type: none">• Issue advisory opinions and guidelines on competition matters• Stakeholder engagement• Make government policies competition neutral |

THE ROLE OF COMMUNICATIONS AND KNOWLEDGE MANAGEMENT



Culture of Competition

The public is aware of the importance and benefits of a marketplace well-regulated for competition

Businesses self-regulate, they know what is legal and illegal

The law works to prevent anti-competitive behaviors through a credible, functioning and visible PCC



Overall Communication Challenge

- Citizens and businesses do not know what it is like to have regulation for competition
- New agency needs to be introduced to the public
- Benefits are not clear to the population at large
- Industries do not know what is allowed and not allowed, they don't know about the law
- Unique situation of the PCC:
 - Quasi-judicial
 - Relationships with sector regulators
 - New agency
 - Environment is not used to being regulated for competition



Challenges of connecting with audiences

- Two kinds of technical language layers: economic and legal
- PCC's work is sensitive and often cannot be discussed with the press
- Benefits are not immediately tangible, concepts are complex



Long-term Communication Goal

- Widespread awareness of the PCC and the PCA with a positive reputation as a regulatory agency and thought-leader with a high level of integrity, expertise, and independence
- High level of respect and healthy fear of the PCC and the law, resulting in self-policing and manageable but impactful caseload for the commission
- Protection from public and press glare when necessary (e.g. case-specific questions) by having proper channels and a considered strategy for comment

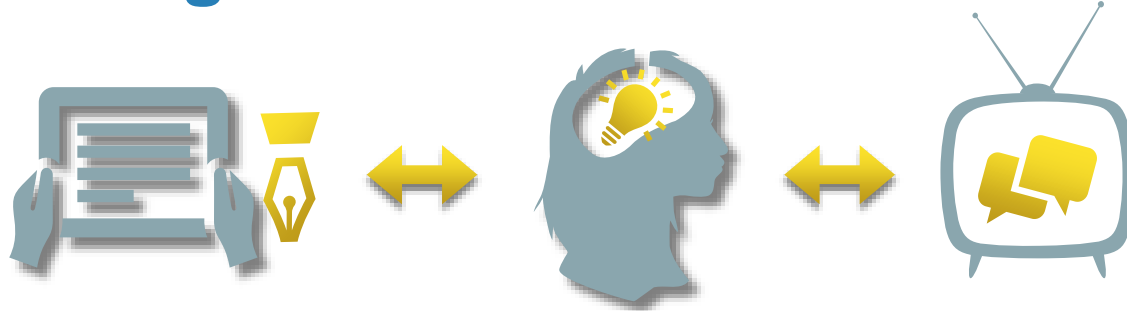


Communication should serve agency objectives

- Help craft brand and personality
- Lead communication, engagement, and outreach initiatives
- Generate public interest in the PCCs work
- Manage reputational risks
- Monitor the environment



Long-term Communication Goal



Casework and Research

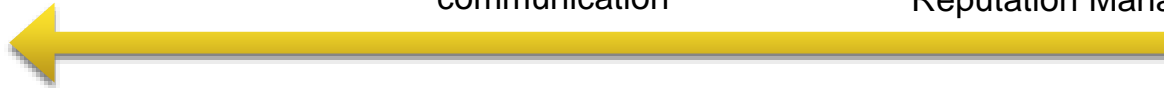
- Research
- Position papers
- Cases
- Products of investigations

Knowledge Management

- Knowledge products from policy research
- Internal information management and sharing channels
- Corporate communication

Comm & Advocacy

- Public facing activities
- Environment scanning
- Promoting policy research and knowledge products
- Training and education activities
- Press relations/ case-related
- Reputation Management



Communication and advocacy activities heavily inform research/case work and vice versa



STRATEGY BUILDING



Connecting with Audiences

- Define sub-audience categories
- Analysis of audience/stakeholder interest, importance, incentives, relationship with PCC, mapping opportunities for contact
- Relative role in achieving comm goals
- Key messages and tone
- Channels of reach



Broad Audience Matrix

| CATEGORY | Profile | Comm Objective | Key Messages | Comm Plan |
|------------------------------------|---------|----------------|--------------|-----------|
| Press | | | | |
| Law Practitioners | | | | |
| Big Businesses (intl and local) | | | | |
| SMEs | | | | |
| Academics/researchers | | | | |
| Economics and law students | | | | |
| International competition practice | | | | |
| Policy Networks | | | | |
| Local governments | | | | |
| The Public | | | | |



Press Strategy

- Segmented audiences, segmented press
- Proactive and reactive (press outreach v request for interviews)
- Main conduit to the public
- Secondary outfits international press



Business Economic Press

Communications Objective

Favorable and substantial media coverage of the PCC.
Good working relationship with local media.
Bring PCC news to key stakeholders
(investors, bankers, big business, political and economic elites)

| | | |
|---|--|--|
| <p>Audience information Business and sector reporters. Including specialized cable news programs.</p> | <p>Challenges Less aware and interested local press on competition issues.</p> | <p>Key Messages & Tone Competition issues and cases are newsworthy. Analysis of issues should have POV of protecting competition.</p> <p>TONE: Alternating between “enforcer” and “definitive source” on cases, and “enabler” on general comms</p> |
| <p>Channels</p> <ul style="list-style-type: none">• PCC Website• Press relations• Commission spokesperson• Social media strategy• Seminars | <p>Support</p> <ul style="list-style-type: none">• Business writer on staff• Regular press relations functions• Website and social media management• Spokesperson• Media monitoring | <p>Communications Plan</p> <ul style="list-style-type: none">• Quarterly press conferences• Bimonthly press releases• Feature articles• Regular appearances by Chairperson• Reachable by press for comment through Spokesperson |

Policy Networks

Communications Objective

Establish PCC's reputation as thought leader, authority, and leading expert in legal and economic analysis of competition.
Influence national policies that are directly or indirectly related to competition.

Audience information

Legislators, sector regulators, business owners, international competition regulators, think tanks, government agencies

Challenges

Policy networks have diverse interests and the international network is large.

Resistance to PCC's policy work to change government agency practices that inhibit competition, there will be resistance.

Key Messages & Tone

Research-oriented, rigorous, thought leader in competition policy and research

Channels

- Policy briefs, discussion papers
- Publicized through press releases
- Full text on PCC website.

Support

- Policy research office
- Outreach to other agencies like PIDS, NEDA, etc
- Knowledge management office

Communications Plan

- Cycle of policy paper publications
- Policy briefs and notes
- Bi-annual engagement with a sector/agency for advocating review of policies for anti-competitive effects
- Press strategy to feature competition-related stories tied to policy notes

Sample Communication and KM Activities

- Publications (policy notes, discussion papers)
- Digital media (social and website)
- Press engagements
- Events: Fora, seminars, conferences, roundtables



The plan

- Planned phased approach
 - Phase 1: Build agency and communication strategy
 - Phase 2: General educational outreach
 - Phase 3: Case-related communication, communication environment defined by cases



What really happened

- The world did not wait for our phases
- High-profile telco case became our introduction to the business press and to the broader business community
- Case-related comms/crisis comms/PR drove demand



PLDT, Globe wrongly interpreted rules – PCC

By Richmond Mercurio (The Philippine Star) | Updated July 22, 2016 - 12:00am

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PCC gets boost in bid to review telco deal

INQUIRER.NET

By Miguel R. Camus - @Inquirerdotnet Philippine Daily Inquirer / 07:56 AM July 23, 2016

Commission (PCC) received a boost Friday in its bid to review the acquisition of San Miguel Corp.'s telco unit by Globe Telecom.

INQUIRER.net

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Court lets probe of PLDT, Globe deal proceed—PCC

By: Miguel R. Camus - @Inquirerdotnet Inquirer Business / 03:21 AM July 24, 2016

The Philippine Competition Commission (PCC) claimed a victory on Saturday in its fight to look into possible unfair business practices in the recent acquisition by telecommunication giants PLDT and Globe Telecom of

INQUIRER

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PCC to CA: Nullify PLDT-Globe deal

By David Casabianca OCTOBER 5, 2016

The Philippine Competition Commission (PCC) has asked the Court of Appeals to nullify a billion buyout by PLDT and Globe of San Miguel Corp.'s telco unit.

Corporate News

Globe, PLDT cases vs PCC consolidated



Posted on August 05, 2016

THE appellate court has granted Globe Telecom, Inc.'s request to consolidate



Comms in case-strategy

- Communications should always be in the service of the legal case
- Study what we can and cannot say as an agency (quasi-judicial)



Who is the primary audience?

You have the right to remain silent, you do not have to say anything, but anything that you say will be taken down and can be used against you in court.



Agency Priorities:



- **Partnership with sector regulators**
 - Securities and Exchange Commission, Bangko Sentral ng Pilipinas, Energy Regulatory Commission, etc.



- **Transparency and predictability of the Commission's Rules and Decisions: Issuance of Guidelines & Clarificatory Notes**



- **Advocacy & education campaign**
 - Training programs for media, regulators, & judiciary
 - Roadshows
 - Public fora



Challenges and Opportunities

- Identity of communication and knowledge management operations
- Defining relationship with other offices
- Deploying technical knowledge of comms experts effectively
- Building the team's specific knowledge in economics and law





Two models of communications in an agency



Lessons (being) learned

- All C/KM activities are interrelated because of reputation management role
- Content generation and management: fully integrated in the workflow and repurposed as often as possible
- These days, visuals drive the writing and even the research



Opportunities

- Agencies get better ROI on comms and KM when these are:
 - Functionally treated more as part of technical/operational rather than support
 - Incorporated from the start of, or on a continuing basis with, important agency activities (comms should be involved throughout, not just at the end)
 - Given more space for strategic input and freedom to design and execute the plan



Lessons learned

- Comms staff internalize that they must, over time, learn the substance
- Being our own advocate for our role in the agency
- Critical importance of visibility on casework
- Staffing up with diverse skill sets
- People should specialize rather than multi-task, and work in teams





**Communications and Knowledge Management Office
Philippine Competition Commission**



Ensuring businesses compete and consumers benefit

Thank you.