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

Economic Growth

Innovations (investments in R&D)

High quality, more choices

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

Anti-competitive mergers and acquisitions

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

RA 10667: The Philippine Competition Act (PCA)
# PCC Functions and Mandate

<table>
<thead>
<tr>
<th>Enforcement</th>
<th>Policy</th>
<th>Advocacy</th>
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<tbody>
<tr>
<td>• Review mergers and acquisitions</td>
<td>• Conduct market studies</td>
<td>• Issue advisory opinions and guidelines on competition matters</td>
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<td>• Investigate antitrust cases</td>
<td>• Monitor and analyze practice of competition in the market</td>
<td>• Stakeholder engagement</td>
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<td>• Crack down on cartels</td>
<td>• Assist NEDA in the formulation of a national competition policy</td>
<td>• Make government policies competition neutral</td>
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<td>• Break up monopolies</td>
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<td>• Penalize and fine erring corporations</td>
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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

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Profile</th>
<th>Comm Objective</th>
<th>Key Messages</th>
<th>Comm Plan</th>
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<tbody>
<tr>
<td>Press</td>
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<tr>
<td>Law Practitioners</td>
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<tr>
<td>Big Businesses (intl and local)</td>
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<tr>
<td>SMEs</td>
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<tr>
<td>Academics/researchers</td>
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<td>Economics and law students</td>
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<td>International competition practice</td>
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<td>Policy Networks</td>
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<td>Local governments</td>
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<td>The Public</td>
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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).

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<tr>
<th>Audience information</th>
<th>Challenges</th>
<th>Key Messages &amp; Tone</th>
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<tr>
<td>Business and sector reporters. Including specialized cable news programs.</td>
<td>Less aware and interested local press on competition issues.</td>
<td>Competition issues and cases are newsworthy. Analysis of issues should have POV of protecting competition. TONE: Alternating between “enforcer” and “definitive source” on cases, and “enabler” on general comms</td>
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<tr>
<th>Channels</th>
<th>Support</th>
<th>Communications Plan</th>
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| • PCC Website  
• Press relations  
• Commission spokesperson  
• Social media strategy  
• Seminars | • Business writer on staff  
• Regular press relations functions  
• Website and social media management  
• Spokesperson  
• Media monitoring | • Quarterly press conferences  
• Bimonthly press releases  
• Feature articles  
• Regular appearances by Chairperson  
• Reachable by press for comment through Spokesperson |
# 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

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## Policy Networks
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

Court lets probe of PLDT, Globe deal proceed—PCC

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 San Miguel Corp.'s telco unit Telecom.

PCC gets boost in bid to review telco deal

PCC to CA: Nullify PLDT-Globe deal

Globe, PLDT cases vs PCC consolidated

THE appellate court has granted Globe Telecom, Inc.’s request to consolidate its cases against the Philippine Competition Commission (PCC) against its acquisition of the San Miguel Corp. telco unit Telecom,
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.


- 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

Research/Case  
Completion of work  
Sent to C/KM for ""turning into" publications

Research, Casework, Legal strategy
Comms, KM, Press relations, Advocacy
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
Thank you.