



TECH FOR
GOOD
INSTITUTE



From “Tech for Growth” to “Tech for Good”

Shaping the Next Phase of Southeast Asia’s
Growth through Sustainable Digital Development



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We would also like to thank the over 130 roundtable participants from government agencies, digital economy companies (DECs), think tanks and civil society organisations, who shared their perspectives at the six roundtable discussion on SEA-6. Their valuable inputs have contributed to shaping the understanding of “tech for good” in their respective countries, and developing action-oriented recommendations on how technology and the digital economy may advance sustainable, equitable and inclusive growth for Southeast Asia.

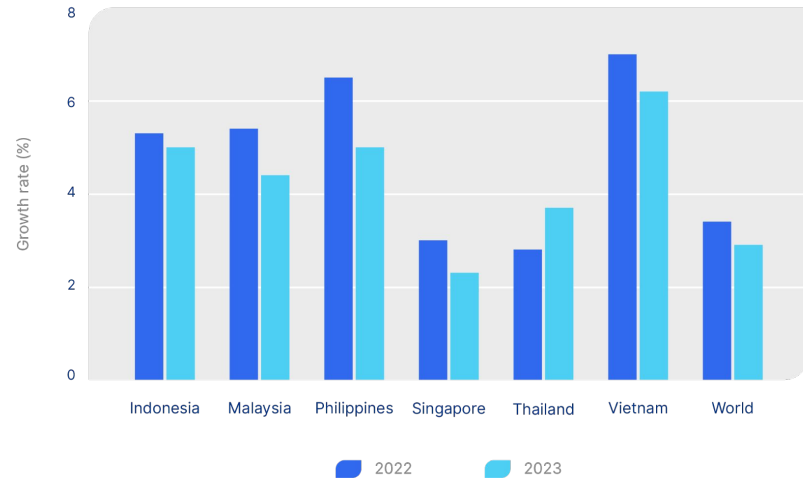
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The digital economy has the potential to drive Southeast Asia's development

➔ The economies of Southeast Asian countries are surpassing global growth rates.

The region's projected growth rate outpaces global growth

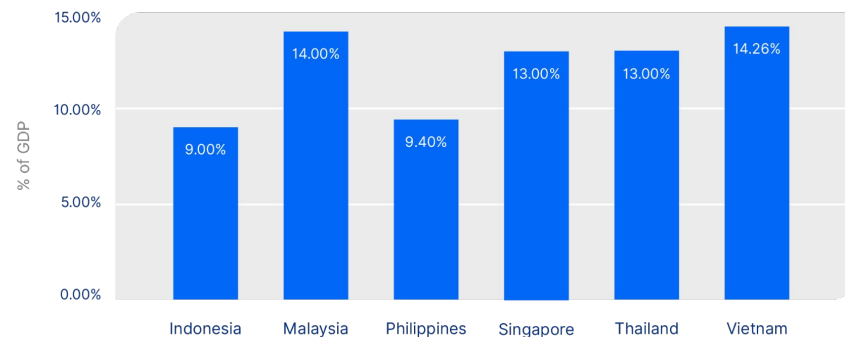


Source: Southeast Asian Economies: Out of the Storm, Clouds on the Horizon, Fulcrum.
<https://fulcrum.sg/southeast-asian-economies-out-of-the-storm-clouds-on-the-horizon/>

The digital economy has the potential to drive Southeast Asia's development

➔ The digital economy has emerged as a key contributor to the economic growth in the region over the past five years.

Percentage of GDP attributable to the Digital Economy
(various years)



Note: Figures used are latest data available from various years: Indonesia (2021), Malaysia (2022), Philippines (2022), Singapore (2020), Thailand (2021) and Vietnam (2022).

Source: Various sources compiled by Tech for Good Institute, 2023

The digital economy is accelerating growth in Southeast Asia

SEA-6's digital economy is expected to reach a gross merchandise value (GMV) of **US\$330bn by 2025**, and **US\$1tn by 2030**.

This is because it benefits from **several factors enabling its growth:**

Factor 1

Mobile-first populations, leapfrogging of legacy technology

Factor 2

Continued digital transformation after the pandemic

Factor 3

Integration of digital and non-digital economies through online-to-offline platforms

Factor 4

Increasing digital startup activity

SEA-6 governments continue to prioritise digital transformation after the COVID-19 pandemic

Governments across SEA-6 shared **six common priorities** in order to achieve the broad objectives of digitalising MSMEs, key industry sectors and government:



Developing digital infrastructure



Building digital literacy



Growing digital talent



Fostering trust in the digital ecosystem



Encouraging innovation and entrepreneurship



Strengthening regional cooperation

Key ASEAN Initiatives for Digital Alignment and Integration

Digital Economy Pillar	ASEAN Initiative
Comprehensive	<ul style="list-style-type: none"> Bandar Seri Begawan Roadmap
Digital Infrastructure	<ul style="list-style-type: none"> ASEAN Agreement on Electronic Commerce
E-Commerce	<ul style="list-style-type: none"> ASEAN Agreement on Electronic Commerce RCEP (Chapter 12 covers three principles of e-commerce provisions, namely (1) data free flow, (2) prohibiting requirements for data localization, and (3) prohibiting requirements for source codes) Digital Economy Framework Agreement - in discussions
Data Protection	<ul style="list-style-type: none"> ASEAN Framework on Personal Data Protection Digital Economy Framework Agreement - in discussions
Cybersecurity	<ul style="list-style-type: none"> ASEAN Cybersecurity Cooperation Strategy Digital Economy Framework Agreement - in discussions
Entrepreneurship	<ul style="list-style-type: none"> ASEAN Framework for Promoting the Growth of Digital Startups
Cross-border Data Flows	<ul style="list-style-type: none"> ASEAN Data Management Framework and Model Contractual Clauses Digital Economy Framework Agreement - in discussions
Artificial Intelligence	<ul style="list-style-type: none"> ASEAN Guidelines on AI Ethics and Governance - in discussions

Note: List not exhaustive. Tech for Good Institute (TFGI) compilation.

What is a Digital Economy Company?

DECs can be defined as

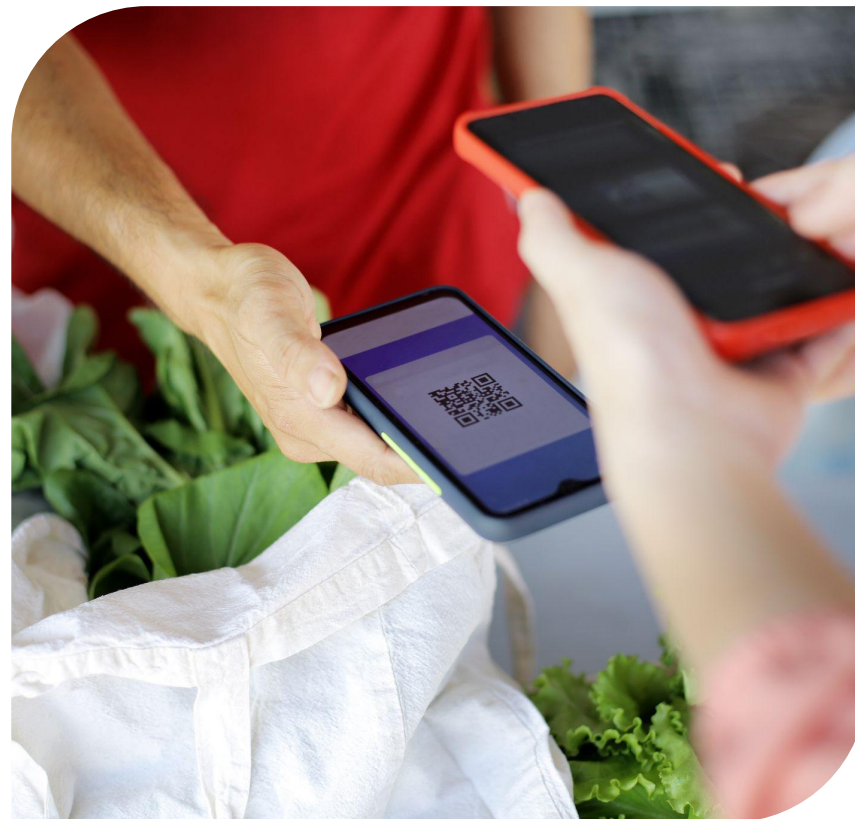
“companies either involved in economic activity as producers of digital contents, goods, and services or reliant on digitalisation to provide consumers with goods and services”.

DECs heavily rely on digital input (technologies, services, data) for their economic activities, and can be categorized into **three tiers of economic activity:**



Potential of Digital Economy Companies and Technologies

- ➔ DEC are key drivers and shapers of the digital economy and digital society in SEA-6.
- ➔ They identify market opportunities among mobile-native, young, and ambitious populations, addressing local development needs for mutual benefits.
- ➔ Digital solutions provided by DECs tackle urbanization challenges, including traffic congestion, water and air quality, energy demand, and community well-being.



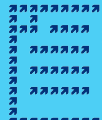
Current priorities of Digital Economy Companies in SEA-6

Many DEC's are currently focusing on more immediate concerns, the top of which are:



Cybersecurity and data protection

Risk mitigation



Diversity

Maintaining license to operate



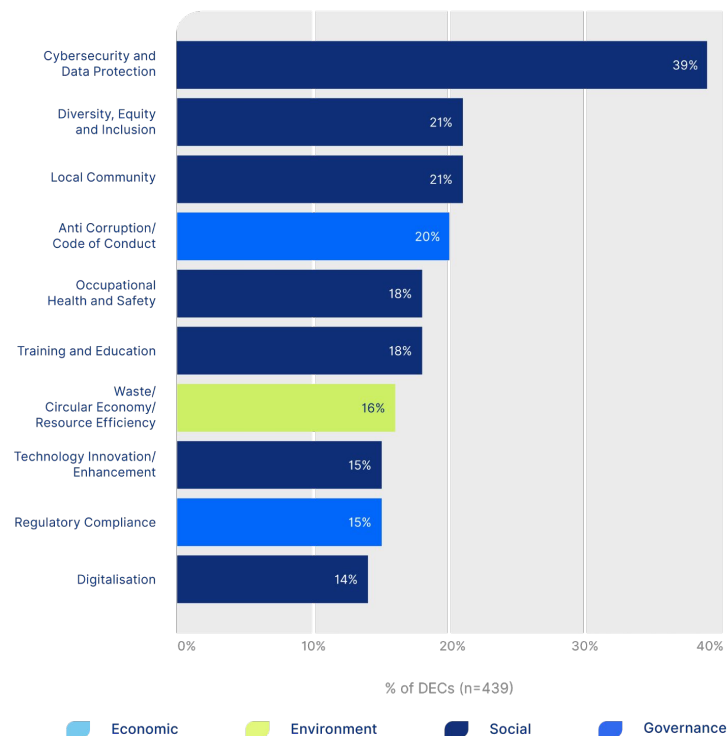
Equity and inclusion

Employee concerns

Current priorities of Digital Economy Companies in SEA-6

Despite the digital economy's significant carbon footprint and Southeast Asia's vulnerabilities to climate-related disasters, **climate change or carbon was not identified as a high priority among the analysed DEC.**

Top Issues of Focus amongst SEA-6 DECs



Source: Tech for Good Institute and NUS Centre for Governance and Sustainability, 2023

Significant opportunity to align intention with action for impact

The "**Say-Do-Act**" funnel highlights that many DEC's have not fully recognized impact as an investment narrative.

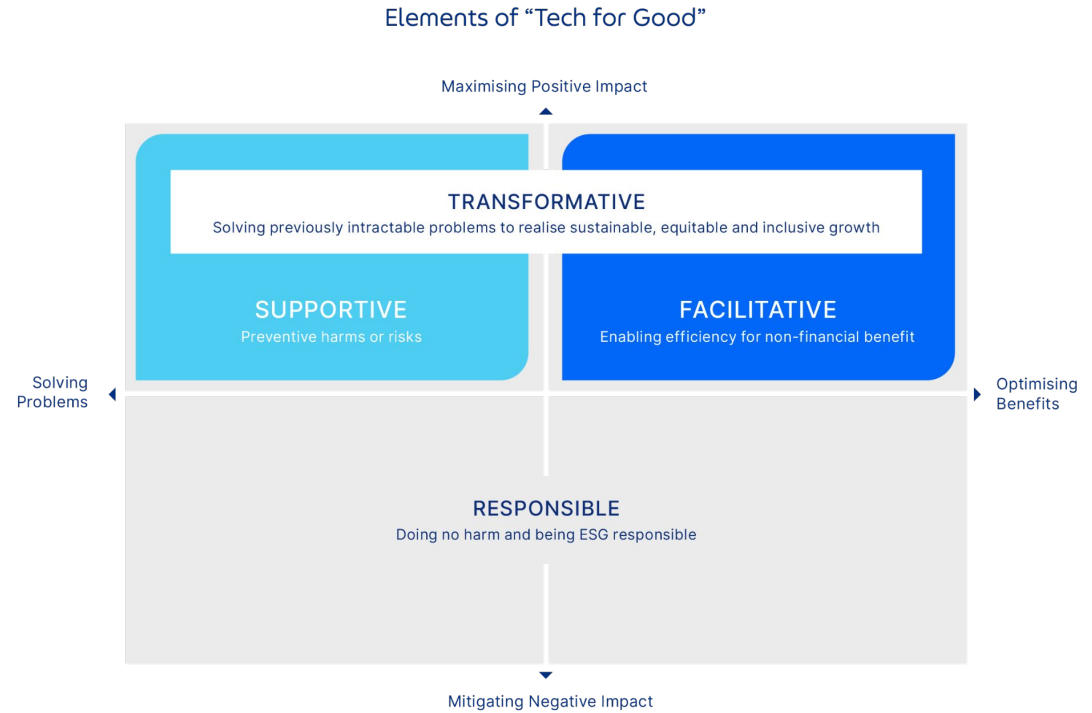
Integration of environmental, social, and governance issues into business models and institutionalizing impact as organizational practice remain challenges for DEC's.

Communicating impact through intentions, initiatives and reporting



Source: Tech for Good Institute and NUS Centre for Governance and Sustainability, 2023

How technology may support more than economic growth



Source: Tech for Good Institute, 2023

Different types of Impact with “Tech for Good”



Responsible Tech

Avoiding harmful outcomes with whatever is necessary



Facilitative Tech

Enhancing productivity and efficiency



Supportive Tech

Using data and predictive modelling to detect, mitigate, thwart or neutralise harms

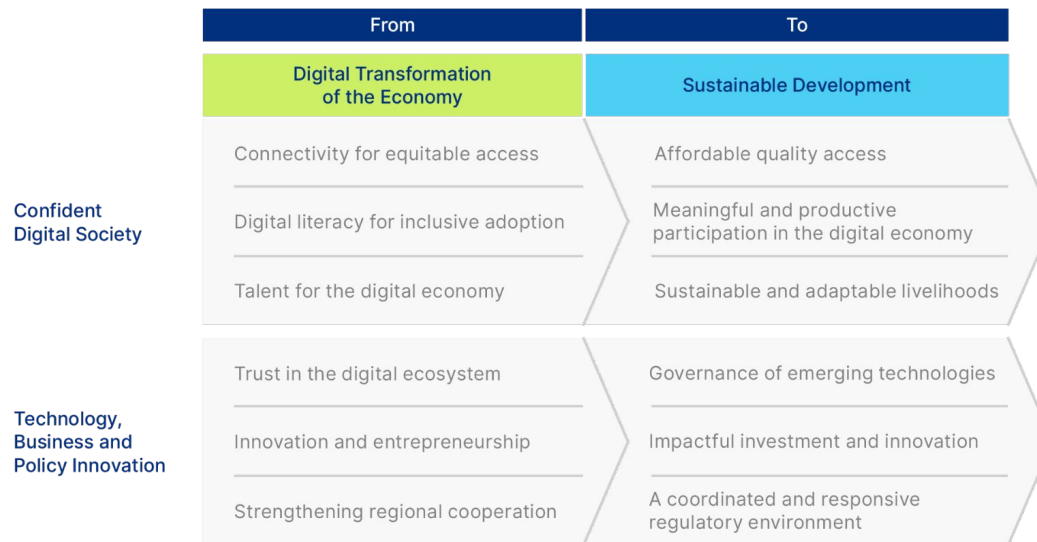


Transformative Tech

Complex or intractable problems are solved at scale

From “Tech for Growth” to “Tech for Good”

While existing priorities for digital transformation remain, they have broadened to enable sustainable development



Source: Tech for Good Institute, 2023

Cooperation, coordination and co-creation is vital to enable “Tech for Good” commitments in SEA-6

Citizens and consumers expect a commitment from the public, private, and civil sectors towards shared outcomes, innovative processes, collaborative perspectives, and a confident digital society. Specifically:

1. **Rethinking governance and regulation** to focus on outcomes, ensuring that frameworks remain fit-for-purpose to the ongoing development of technology and business innovation.
2. **Pursuing responsible innovation** so that digital products and services may be developed with the interests of society and the environment in mind.
3. **Fostering regional cooperation and partnerships.**



Commitment 1:

Rethinking governance and regulation to focus on outcomes, to keep pace with technology and business innovation

Cooperation

Engage a wider stakeholder set, including end-users and citizens, in the policy-making process for a more inclusive and robust assessment of impact

Coordination

Establish policy coordination mechanisms to strengthen analysis on policy trade-offs and drive win-win outcomes

Co-creation

Expand toolkit of policy practice and governance levers to balance innovation and risk management

Source: Tech for Good Institute, 2023

Commitment 2:

Pursuing responsible innovation so that digital products and services may be developed with the interests of society and the environment by design

Cooperation

Encourage awareness of the environmental and social impact through disclosures by both public and private sector providers of digital products and services

Coordination

Explicit metrics of sustainable digital development for quality growth, so that success looks beyond financial and commercial gain

Co-creation

Shared sustainable development outcomes with policy momentum and investment opportunity, to identify points of convergence for contribution

Source: Tech for Good Institute, 2023

Commitment 3:

Fostering regional cooperation and partnerships

Cooperation

Expand existing cooperation initiatives to align on principles for sustainable digital development, while remaining flexible enough to account for diversity in the region

Coordination

Where appropriate, develop standards based on mutually-agreed principles for practical adoption

Co-creation

Encourage innovative partnerships to leverage the collective and complementary strengths of countries, DEC, the public, and people sector, to drive impact at scale

Source: Tech for Good Institute, 2023

To read the full report,
scan the QR code below.

