TECH FOR GOOD INSTITUTE

Report — June 2023

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

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

About This Study

Digitalisation has transformed the way we work, transact, communicate and live. At the same time, the disruptive nature of digitalisation has also exacerbated existing structural inequities and introduced new challenges, such as data protection and security.

Southeast Asia is no exception to this trend. While the digital economy plays a crucial role in post-pandemic recovery and driving economic growth, stakeholders are now examining the digital trajectory that would best serve society and generations to come. The future of Southeast Asia, at both regional and national levels, will depend on a collaborative effort to foster inclusive, equitable, climate-resilient and sustainable growth.

This Special Report builds upon a previous study by the Tech for Good Institute and the NUS Centre for Sustainability and Governance (CGS), which reviewed how 439 digital economy companies ("DECs") across Southeast Asia currently assess its non-financial impact. Using the study's results as a catalyst for conversation, this Special Report synthesises the findings from a series of in-person roundtables held between February to March 2023. These discussions centred around salient trends and collaborative opportunities for stakeholders who are driving digitalisation in Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam (collectively, "SEA-6"). Over 130 policymakers, investors, DECs, institutions and academics in the field across SEA-6 were involved in these roundtables.

We hope that this Special Report will promote understanding and foster action by all stakeholders in the digital ecosystem to align interests for inclusive, equitable and sustainable growth across the region.

This is a Special Report produced by the Tech for Good Institute for Asia Tech x SG (ATxSG).

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We would also like to thank the over 130 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.

In particular, we wish to thank the following individuals for their guidance and feedback on this report:

- Fabian Bigar (CEO, MYDigital Corporation, Malaysia)
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Funders do not determine research findings nor the insights and recommendations of research.

About the Author: Tech for Good Institute

The Tech for Good Institute (TFGI) is a non-profit organisation on a mission to leverage the promise of technology and the digital economy for inclusive, equitable and sustainable growth in Southeast Asia.

With a population twice the size of the U.S. and strong demographics, Southeast Asia's digital economy is evolving rapidly. Technology has and will continue to have a tremendous impact in aiding the region's development. We are optimistic about technology's potential to advance growth, while acknowledging that innovation is influenced by cultural, social, political and economic contexts.

TFGI serves as a platform for research, conversations and collaborations focused on Southeast Asia while maintaining global connections. Our work focuses on topics at the intersection of technology, society and the economy, and is intrinsically linked to the development in Southeast Asia. Through research, effective outreach and evidence-based recommendations, we seek to understand and inform policy with rigour, balance and perspective.

TFGI was founded by Grab with the goal of promoting a thriving and innovative Southeast Asia for all. We welcome opportunities for partnership and support, financial or in-kind, from organisations and individuals committed to fostering responsible innovation and digital progress for sustainable growth in the region.

For more information about the Institute, please visit www.techforgoodinstitute.org.

With thanks to:

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Asia Tech X

ATxSG 2023 is Asia's leading technology event jointly organised by Infocomm Media Development Authority (IMDA) and Informa Tech - supported by the Singapore Tourism Board (STB). The event consists of two main segments, ATxSummit and ATxEnterprise.

ATxSummit comprises the invitation-only Plenary covering themes like generative AI, web 3.0 and trust, "soon-icorns" and sustainability across four key pillars: Tech x Trust, Tech x Good, Tech x Builders and Tech x Creative. ATxSummit also features the ATxAI and SG Women in Tech conferences, alongside government-to-government and government-to-business closed-door roundtables to facilitate a closer partnership between the public sector and digital industry.

ATxEnterprise organised by Informa Tech and held at Singapore Expo, will host conferences as well as exhibition marketplaces comprising B2B enterprises across Technology, Media, Infocomm, Satellite industries and start-ups. ATxEnterprise consists of BroadcastAsia, CommunicAsia, SatelliteAsia, TechXLR8 and InnovFest x Elevating Founders.

For more information, please visit asiatechxsg.com.

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Executive Summary

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

Digital technologies and the business models they enable can underpin Southeast Asia's growth in and through the digital economy. This potential lies in the region's mobile-first population's adoption of digital tools, the integration of the digital and non-digital economies through online-to-offline (O2O) platforms, and increasing innovation and startup activity.

The digital transformation agenda continues to be prioritised by Southeast Asia's governments.

While strategies and implementation plans reflect the diverse economies and societies of SEA-6, two common objectives emerge: advancing the digitalisation of Micro, Small and Medium Enterprises (MSMEs) and key sectors, and the digitalisation of government and public services.

Common priorities to achieve these two objectives are:

1. developing digital infrastructure,
2. building digital literacy,
3. developing digital talent,
4. fostering trust in the digital ecosystem,
5. encouraging innovation and entrepreneurship, and
6. strengthening regional cooperation.

Yet, digital transformation and the growth of the digital economy should not be pursued as standalone developments. The concept of "Tech for Good" emphasises that disruptive innovation should be at the service of national and regional economic, social and environmental goals.

At the same time, the unintended consequences of rapid digitalisation are emerging, both in Southeast Asia and globally. The approach of "Move Fast and Break Things," popularised by early generations of digital startups, is giving way to a new paradigm in which digital economy companies ("DECs") are called upon to be responsible and impactful. The focus on solving isolated problems at scale is shifting towards a deeper understanding of the complex interconnectedness between technology, economy and society. While economic value creation is crucial, it is not enough to achieve the broader objective of fostering quality growth for a sustainable, inclusive and equitable transformation of both the economy and society.

“Tech for Good” and sustainable digital development can enable quality growth.

DECs develop, deploy and drive adoption for innovation. Given their scale, ubiquity and integration across all sectors, DECs play an influential role in shaping the digitalisation trajectory of the markets it serves. Its products and services shape the way consumers approach digital government services as citizens. DECs can contribute to SEA-6’s development by striving for:

- *Responsibility,* ensuring that no harm is done;
- *Supportive* outcomes, when harms are mitigated;
- *Facilitative* outcomes, in which benefits are optimised through efficiency; and
- *Transformative* outcomes, requiring radical new approaches to address local, national or global challenges previously deemed intractable.

While *transformative* outcomes may dominate headlines, *responsible, supportive and facilitative* outcomes are all needed for “Tech for Good” to serve society.

Stakeholders in SEA-6’s digital economy are ambitious for “Tech for Good.”

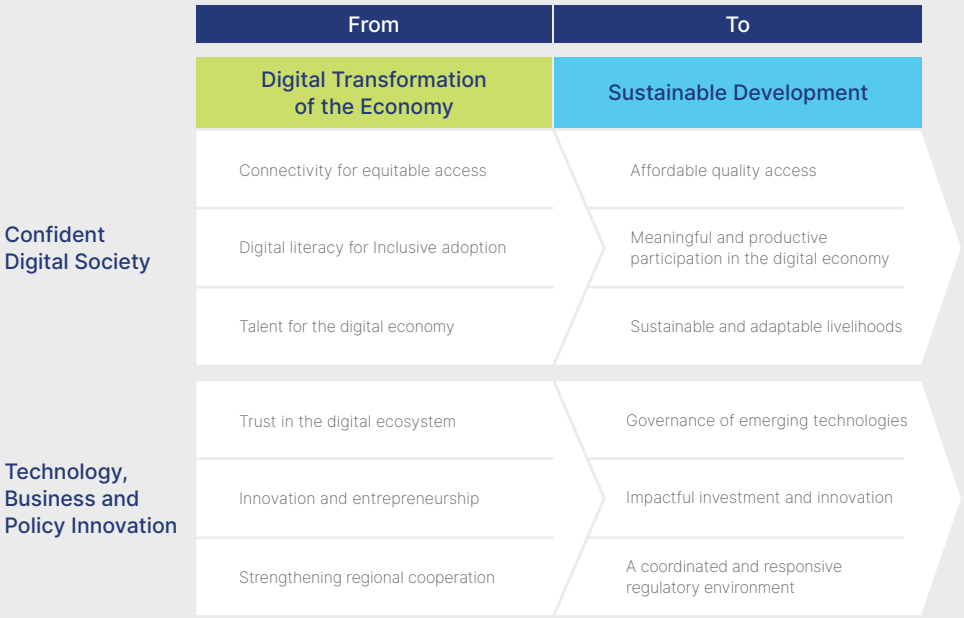
Stakeholders across SEA-6 are keen to build on the progress made in the digital economy thus far. The growth of the digital economy must lead to sustainable digital development, empowering a confident digital society that leverages innovation to foster inclusive and equitable progress.

This next phase builds on the hard work of governments, DECs and stakeholders to date. Key enablers for digital transformation of the economy must evolve to facilitate sustainable transformation of both the economy and society.

While existing priorities for digital transformation remain, outcomes are broadened:

1. Affordable quality access
2. Meaningful and productive participation in the digital economy
3. Sustainable and adaptive livelihoods through the digital economy
4. Governance of emerging technologies
5. Impactful investment and innovation; and
6. A coordinated and responsive regulatory environment, nationally and regionally.

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



Source: Tech For Good Institute, 2023

Commitment, cooperation, coordination and co-creation is vital to enable "Tech for Good" in SEA-6

Citizens and consumers deserve a **commitment** from the public, private and civil sectors to shared outcomes, new processes and perspectives, and a more collaborative and holistic approach to enable innovation within a confident digital society. In particular:

1. Rethinking governance and regulation to focus on outcomes so that frameworks remain fit-for-purpose as technology and business innovation develops new solutions.
2. Pursuing responsible innovation so that digital products and services may be developed with the interests of society and the environment by design.
3. Fostering regional cooperation and partnerships.

These goals need **cooperation** towards shared outcomes, **coordination** with clear communication to prevent knowledge or operational silos, and **co-creation** to ensure inclusion of diverse or underrepresented interests so that the needs and rights of all parties are respected. Not only will this foster a conducive environment for technology and business innovation, but also develop the craft of policy-making and governance for the digital age.

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