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Digital Platforms in Southeast Asia: Governance and Innovation

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Digital Platforms' Impact on Southeast Asia

The Association of Southeast Asian Nations (ASEAN) as part of Southeast Asia has its digital economy and digital society objectives detailed in the ASEAN Digital Masterplan 2025 (ADM 2025) and has over the years built a regulatory framework. For example, in 2016, at the Asian Telecommunications and Information Technology Ministers Meeting, the Framework on Personal Data Protection was adopted to "strengthen the protection of personal data in ASEAN."

ASEAN has also changed how it deals with Internet governance, choosing to address it as a digital and digitization issue rather than just a matter involving info-communication technologies. To enable this, ASEAN expanded the scope of its ASEAN Telecommunications and Information Technology Ministers Meeting (TELMIN) to become the ASEAN Digital Ministers Meeting (ADGMIN) in October 2019.

In 2021, as the digital economy continued to expand in the region, the ADGMIN adopted the ASEAN Data Management Framework to establish common frameworks and appropriate data protection measures. Going forward it has also considered developing regional guidelines beyond the scope of Internet governance, such as those for artificial intelligence (AI) governance and ethics.

This briefing examines how ASEAN member states, despite their diversity and different levels of digital transformation, are working towards implementing policy measures to regulate digital platforms on a national and regional basis for social and economic stability. However, while improving governance for cybersecurity cooperation and content regulation, these policies should also enable progress on innovation and freedom of expression.

Market Dominance and Competitiveness

The COVID-19 pandemic accelerated tech innovation in specific sectors like in high tech agriculture, healthcare, and teaching. However, concerns have also arisen over the power and influence of digital platform companies in terms of their market dominance and ability to influence public sentiments.

In Singapore, policy initiatives, research and development (R&D) investments and regulations boosted innovations in these sectors and the city-state attracted leading start-ups to these sectors. In Indonesia, innovative connections between mobile telecommunications companies and medical providers established remote healthcare platforms. For example, an Indonesian

telemedicine company Halodoc, connected patients to doctors across the country even during the peak of the pandemic.

Other digital platform companies in the region such as Grab, Gojek and Bukalapak could innovate as they have inherent strengths in their business models for expansion. These include first, network effects, as more users engage with the platform, it becomes more attractive to potential new users triggering a reinforcing cycle of growth. Second, expansion of digital technologies facilitates the establishment of interactive networks and matching effects. Third, ability to accelerate innovation and contributions of third parties by opening the digital platform to external innovators to concentrate on maximizing value across the entire business ecosystem.

Digital Fraud and Trust

The expansion of digitalization also created increased incidences of Cybercrimes. In 2023, several news reports alluded to Southeast Asia's vulnerability to digital fraud. For example, a global study found that victims in Singapore lost on average the most money to online fraud, with identity theft being the most common. In Thailand, a hacker demanded a ransom from the government by threatening to leak the personal data of 55 million citizens. In response, Southeast Asian governments are implementing national digital IDs as their top priority to protect their citizens.

As of 2022, eight of 10 ASEAN members have implemented or are planning to implement digital ID programs. For example, in recent years, the Singapore government has been fighting against online fraudsters, with the Singapore Police Force (SPF) reporting 31,728 fraud cases in 2022, a 32.6 percent surge from the previous year.

Despite these regulations, it is possible to drive innovation using regulatory sandboxes such as in Singapore. Within the regulatory sandbox, policies used to govern that specific sector could be suspended to enable experimentation in innovative development. These regulatory sandboxes also allow regulators to interact with the corporate sector to understand challenges and emerging trends. For example, trust and adequate cyber security measures are required to unlock the full potential of Southeast Asia's Digital Financial Ecosystem and implement more equitable social initiatives.

As a trade and business hub, the Singapore authorities are digitizing trade and commerce procedures. Given its economic profile, with 75 percent of the economy in the Services sector, Singapore is working towards compliance with the European Union (EU) Digital Services Agreement (DSA) that is intended to modernize the existing e-commerce directives and address illegal content, transparent advertising, and disinformation. It aims to create a safer and more transparent online environment for users.

Given the varying levels of digital development in the financial ecosystems within ASEAN, Singapore as a financial hub would be able to lead ASEAN in the digital financial area. The Singapore authorities have also taken several measures to ensure its cybersecurity framework is up to international standards. Singapore's Personal Data Protection Act (PDPA) is also in line with the EU's General Data Protection Regulation (GDPR) legislations, and it has signed several digital agreements with the EU such as the EU-Singapore Digital Partnership.

Digital Platforms and Social Media Networks

While digital financial scams are being tackled in various ways in Southeast Asia, the rise in digitalization has also grown in tandem with the proliferation of fake news. The Southeast region is home to millions of avid smartphone users. It is estimated that 68 percent of the region's total population are social media users and young people between 16-24 years old spend, on average, more than 10 hours per day on the internet. This makes the region a perfect breeding ground for fake news. The social media landscape in Southeast Asia is also complex due to varying levels of digital literacy, lack of capacity to govern and the rising influence of global tech firms.

ASEAN governments have shown greater willingness to regulate digital platforms to ensure that interests of foreign tech firms align with their own economic and political interests. For example, Indonesia, with 265 million people and a demographically young population, has the world's third largest group of Facebook users and the second largest pool of TikTok users. Indonesia has introduced new rules requiring digital platform companies to hand over data and comply with government content moderation orders. Since September 2023, Indonesia has also banned e-commerce transactions on its social media.

Other government agencies such as the Vietnamese Ministry of Information and Communication (MIC) have issued a directive to create mechanisms and tools on platforms to ensure the safety of Vietnamese users such as implementing solutions and tools to process and remove information that violates the law. The owners of digital platforms must ensure information security and protect consumers' personal information.

Various Southeast Asian governments have acted against fake news. For example, in 2019, Singapore implemented the Protection from Online Falsehoods and Manipulation Act (POFMA) or commonly known as the Fake News Law. Further, in November 2023, Singapore's parliament passed the Online Safety (Miscellaneous Amendments) Bill, which empowers the Infocomm Media Development Authority (IMDA) to deal with harmful online content accessible to Singapore users, regardless of where the content is hosted or initiated. Social media sites will be required to block access to harmful content within hours. Failure to comply, the IMDA could issue a direction to Internet access service providers to block access by users in Singapore. This is important because there have been cases of self-radicalization through social media.

Other ASEAN countries have similar laws: First, in Indonesia, the Minister of Communication and Information Technology introduced Ministerial Regulation 5 (MR5) on Private Electronic System Operators, which requires all companies providing online services, businesses, and platforms in the country to comply with content removal orders within 24 hours. Second, Vietnam has plans to introduce laws that require social media networks to remove "illegal content and services" within 24 hours and active "illegal live streams" within three hours. Content that harms national security interests must be blocked immediately. Data from Vietnam's Communications Ministry showed that in the first quarter of 2022, Facebook's compliance rate was at 90 percent, Google at 93 percent, and TikTok at 73 percent. Third, in Thailand, social networks and users must grapple with strict "lese-majeste" laws in the criminal code and Computer Crime Act (CCA).

Digital Platform Content Regulation

In 2023, the ASEAN published their ASEAN Guideline on Management of Government Information in Combating Fake News and Disinformation in the Media (2023) to provide guidelines for its members. However, this only addressed fake news and disinformation and does not include the control of harmful online content, which may conflict with freedom of expression issues.

However, concerns over curbing freedom of expression on digital platforms were being addressed by the ASEAN Intergovernmental Commission on Human Rights (AICHR). In December 2023, the AICHR hosted a regional consultation in Jakarta on freedom of opinion and expression in ASEAN. The consultation is part of the AICHR Five-Year Work Plan 2021-2025 and was organized by AICHR Indonesia and the Ministry of Foreign Affairs of Indonesia.

The consultation recommended the following to realize ASEAN as a region free from hate speech, fake news, and disinformation:

First, the AICHR encourages ASEAN, Member States, and corporate sectors to consider the views of children in formulating policies governing digital transformation and human rights in a digital world.

Second, the AICHR ensures that universal human rights principles and norms, such as inclusivity, accountability, transparency, safety, non-discrimination, and intersectionality are followed when it comes to artificial intelligence regulations.

Third, AICHR and ASEAN were to protect and amplify the spaces where civil society and other stakeholders can be heard, particularly for vulnerable and marginalized groups, such as people with disabilities, the elderly, and those living in rural areas, among others, and to recognize their autonomy in deciding when and how to participate, for instance by providing interpreters, translators, and sign language.

Fourth, ASEAN to establish a Regional Task Force for Digital Rights and Cybersecurity to monitor digital rights violations, cybersecurity breaches, online harassment, including technology-facilitated gender-based violence, and to develop referral mechanisms for transboundary cases to prevent and address gender-based violence.

Parliamentarian Actions

Depending on the system of governance, parliamentary representatives across the region in the context of regulatory measures could do the following against fake news:

First, adopt laws and budgets to accelerate the building of infrastructure, especially in underserved populations, and to allow diversity in Internet service providers to encourage competition and fair and affordable pricing and connectivity speeds.

Second, ensure any legal framework referring to Internet shutdowns is in line with international human rights law and meets the requirements of legitimacy, necessity, and proportionality.

Third, ensure that all restrictions aimed at tackling disinformation and hate speech comply with international human rights law and standards.

Fourth, when possible, collaborate and engage with independent fact-checking organizations to combat disinformation. Support empowerment and education programs for Internet users to capacitate them in identifying false information.

As shown by Indonesia's actions within the AICHR framework due to the diversity of its population profile and experience in governance of diverse cultures and regions, it would be the ideal member to lead ASEAN on access and promotion of online expression and democracy.

Conclusion

On a national and regional basis, regulators are managing various digital platform providers. In the economic sphere, their domination of the market was curtailed to enable other smaller companies to benefit from digitalization. In the social public sphere, the digital platforms face contesting demands from stakeholders in different markets over their control of the online public sphere.

Digital platform companies, in obeying the law of the various jurisdictions they operate, might conflict with their corporate values on issues such as human rights and free speech, including the protection of their users' fundamental rights to express themselves on these platforms. However, they must also contend with those who deliberately create and circulate harmful content and propaganda that sow confusion and social discord.

While it is important to regulate digital platforms, digital platforms should also be able to collaborate with institutional regulators for antitrust, consumer protection and data privacy challenges. For example, on social media platforms, regulators are interacting with Meta (Facebook, Instagram, Whatsapp), X (formerly twitter) and TikTok. Using digital IDs is one-way regulators use to build trust on digital platforms.

Alternatively, establishing an independent third-party oversight board or international arbitration council in each jurisdiction can also be useful for discussing and evaluating content moderation dilemmas and adjudicating complaints or grievances from users or governments. Even in the strictest mode, digital platform companies could be placed in a regulatory sandbox for policymakers to evaluate their actions but also enabling them to innovate and evolve.

While the standard of the EU on digital regulation may be the ideal example, in Southeast Asia's context given the varying levels of digitalization, infrastructure development and diverse national regulations, the region would have to navigate its own pathway to regulate social media and other websites. ∎

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