

POLICY APPROACHES FOR DIGITAL INCLUSION: COMPARING ASEAN AND THE EU

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PREPARING FOR ASEAN'S GROWING DIGITAL ECONOMY

- Value of SEA's digital economy in 2023 is US\$200 billion. It is predicted to surpass US\$330 billion by 2025.

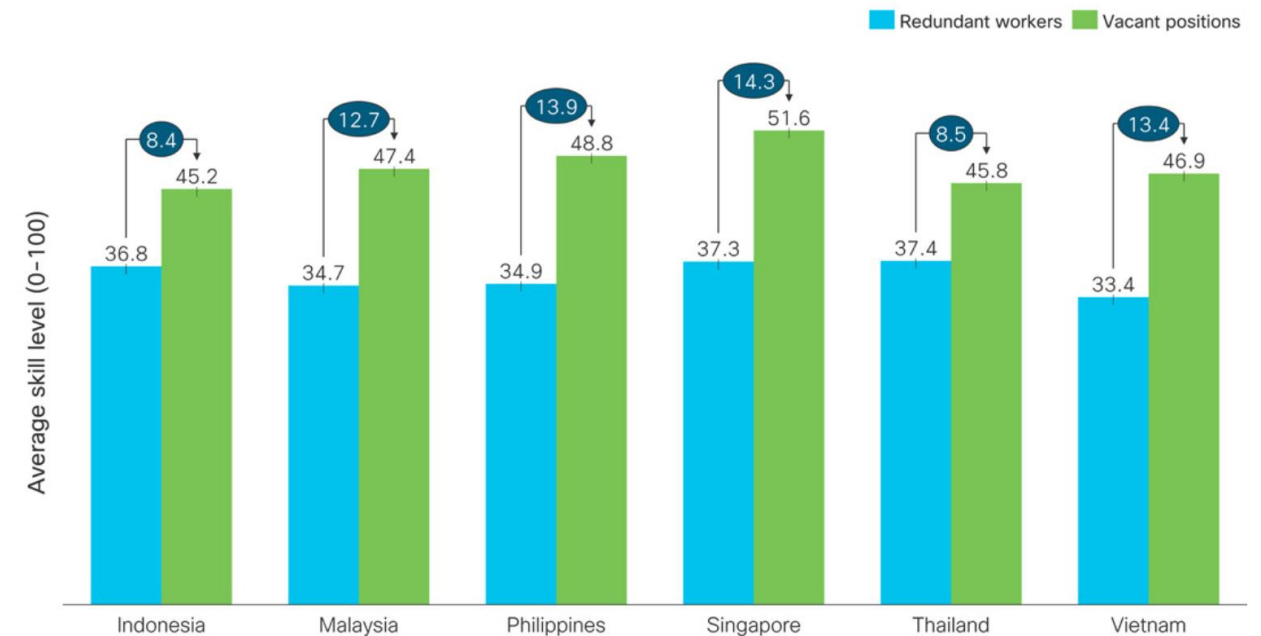
(Google, Temasek and Bain, 2022)

- Digital economy growth is coupled with changing labour market demands for skills:
 - Across ASEAN, 28 million lower-skilled workers face potential displacement between 2018-2028.
 - An estimated 27 million higher-skilled jobs will be created in ASEAN between 2018-2028.
- On the Digital Readiness Index, ASEAN countries have an average rank of 70 (average score of 0.10), while EU countries average 27 (average score of 1.01).

(Cisco, Digital Readiness Index, 2021)

Fig. 20. Skills mismatch by country

(Skills of redundant workers vs skills needed in vacant positions)



Source: Oxford Economics, Cisco 2018, *Technology and the future of ASEAN jobs*

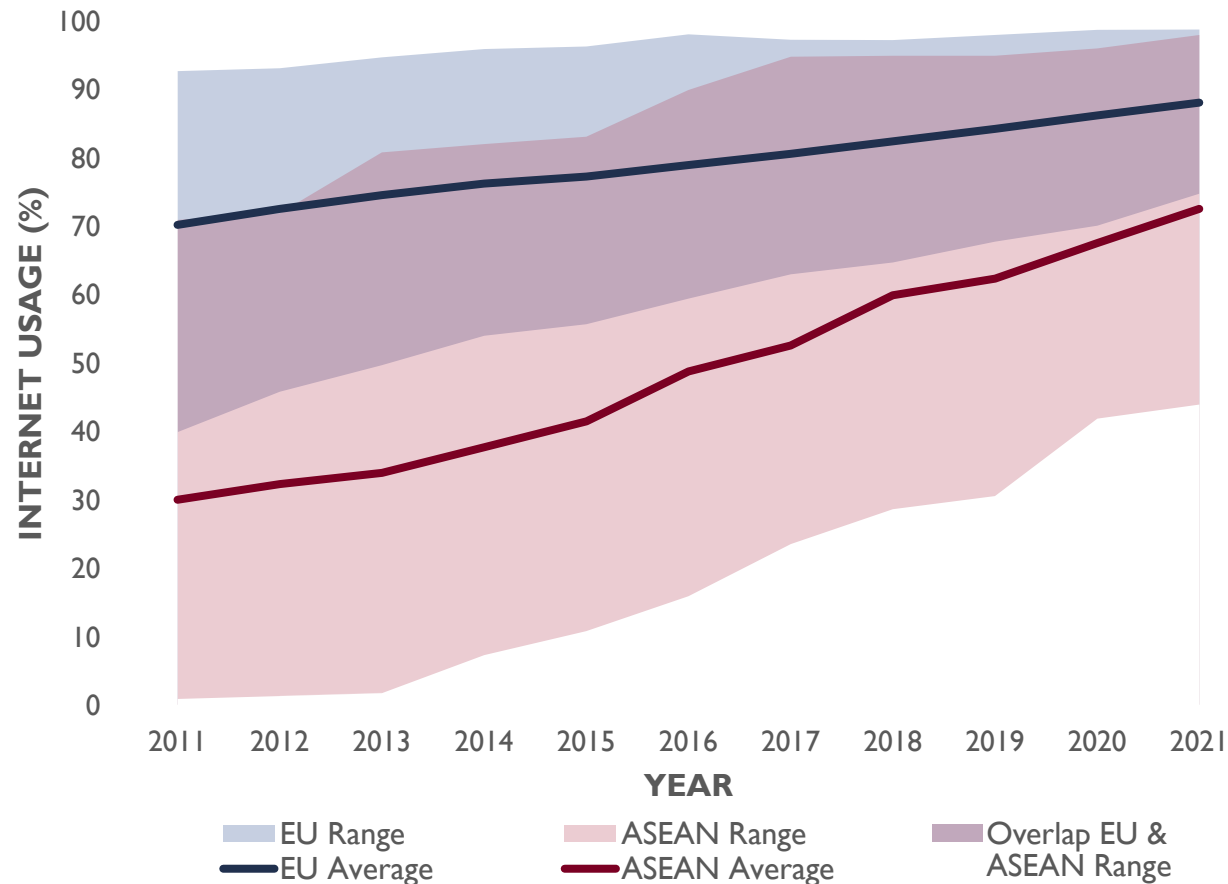
THE EUROPEAN UNION: A Benchmark for Digital Inclusion

- Digital economy is larger and more developed in Europe
 - Value of e-commerce in 2022 totaled US\$634 billion in the EU versus US\$131 billion in SEA.
(ecommerceDB, 2022; Google, Temasek and Bain, 2022)
- EU and ASEAN are both regional organizations with influence on policy making.
- What lessons can ASEAN learn from the EU?



Image Source: AFP in South China Morning Post, 2022

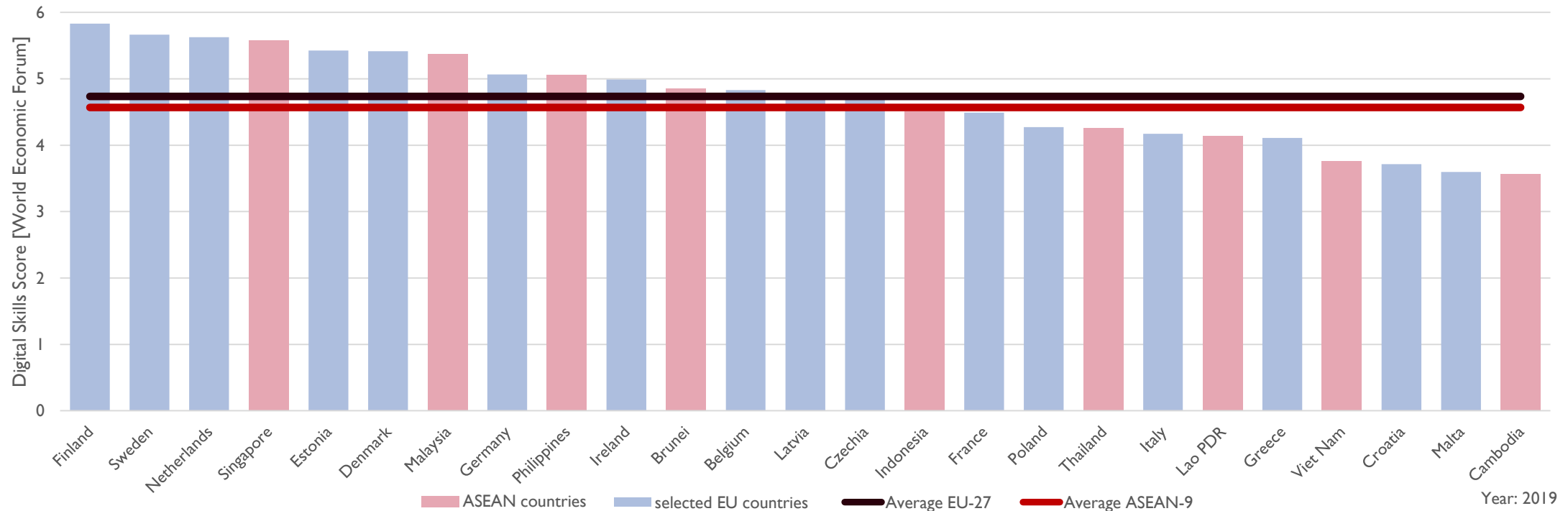
INTERNET USAGE TRENDS: Growth & Convergence



- Internet usage is a proxy for basic digital inclusion in society
- Convergence during the last decade:
 - Difference **between ASEAN and the EU** average has decreased from 40 to 16 percentage points
 - Differences **within both ASEAN and EU** have decreased by 16 and 29 percentage points, respectively

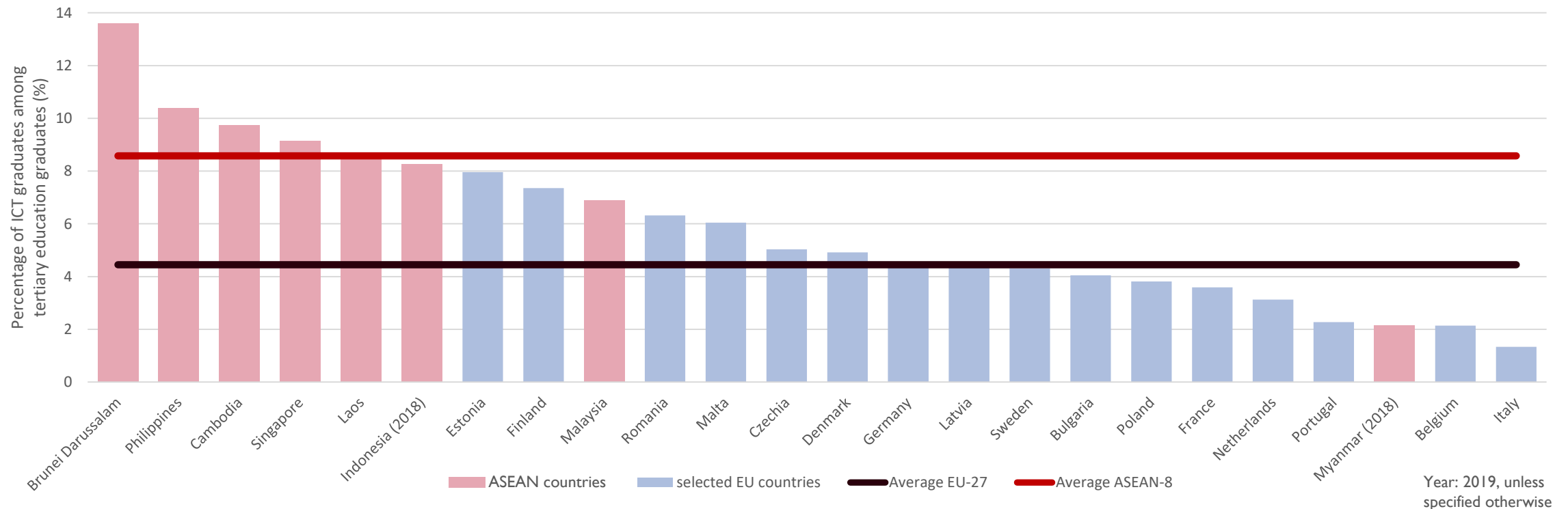
DIGITAL SKILLS: ASEAN close to Par with the EU

- In ASEAN lack of digital skills is seen as the main threat to achieving the goal of 'ASEAN as a leading digital community and economic bloc'
- The average digital skills gap between the EU and ASEAN is not large



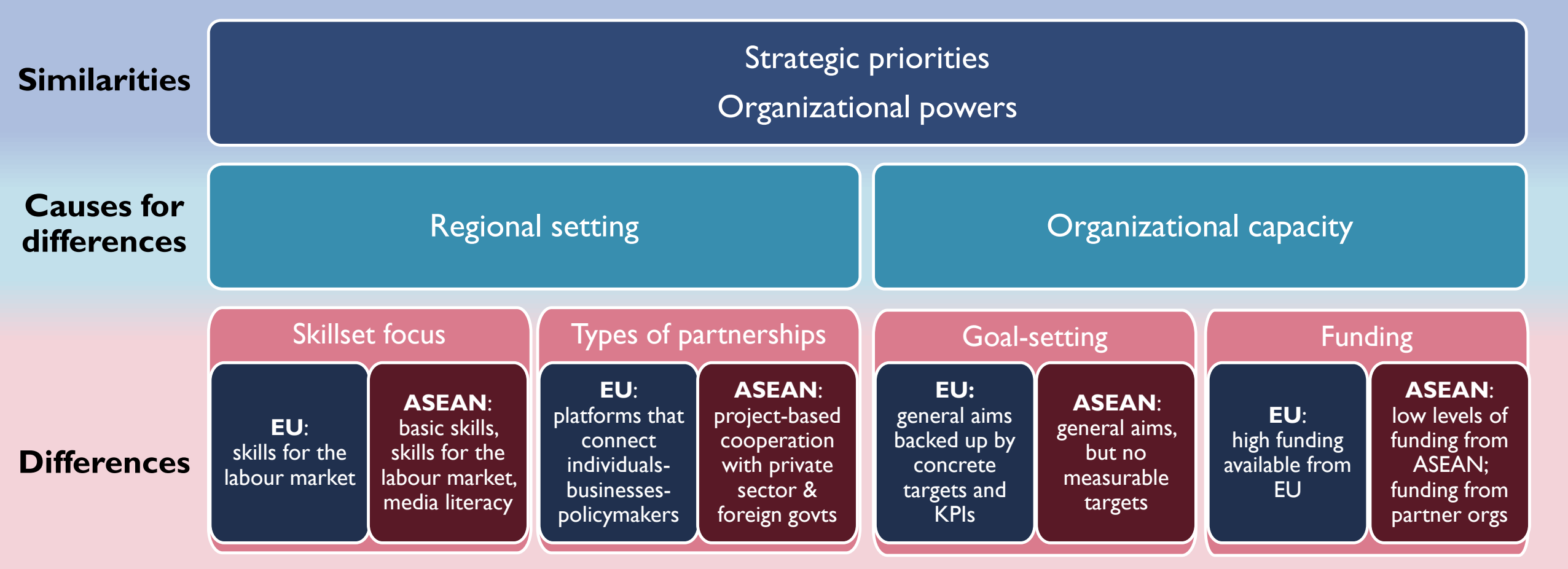
ICT GRADUATES: Higher Share in ASEAN than in the EU

- A higher share of students in ASEAN graduate from ICT fields than in the EU
- Allows ASEAN to further narrow the gap with the EU in areas requiring advanced digital skills



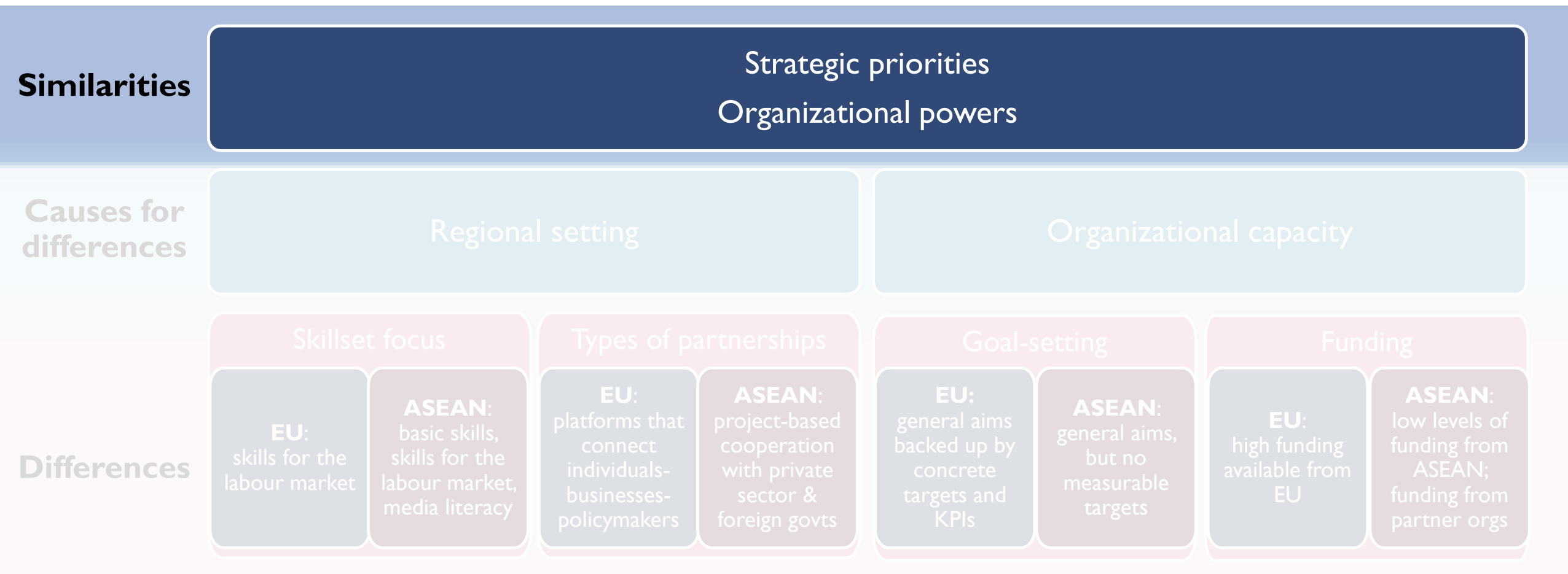
FRAMEWORK:

EU and ASEAN Policy Approaches



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SIMILARITIES:

4 Strategic Priorities

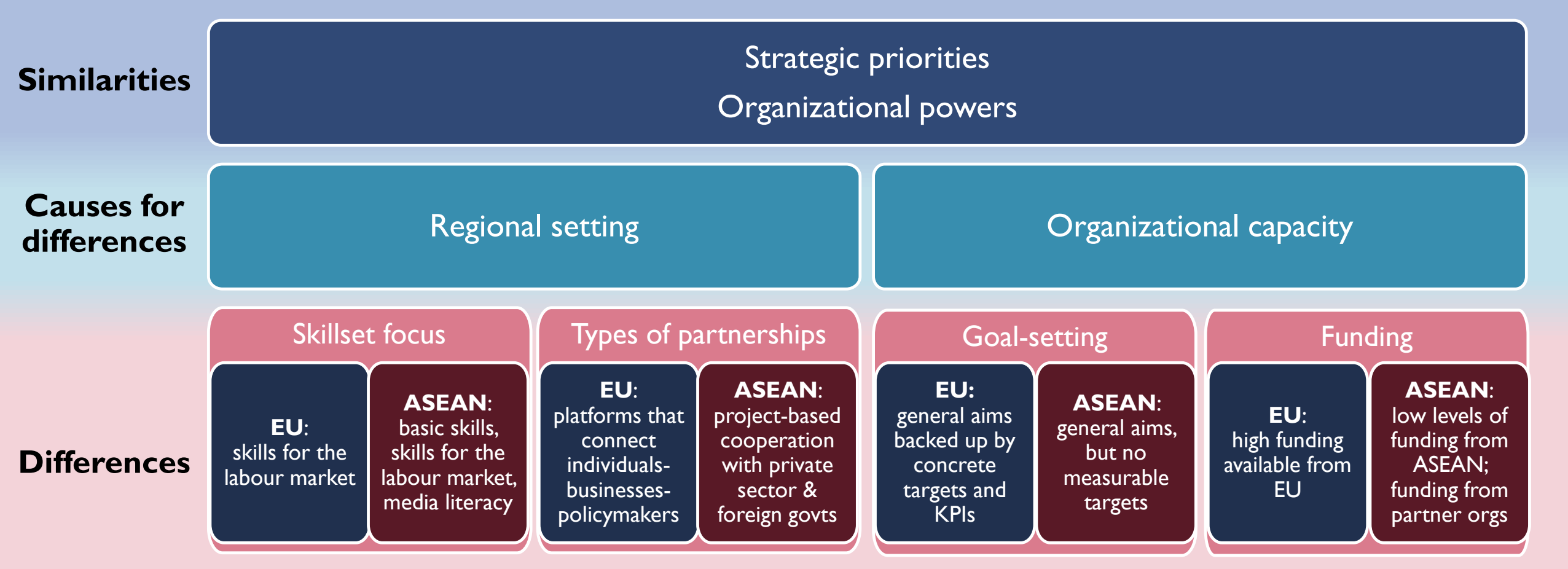
	EU	ASEAN	Similarities
Strategic Priorities	<ul style="list-style-type: none"> By 2027: “Less than 15% low-achieving 8th-graders in ICT” ¹ By 2030: “80% of adults have at least basic digital skills” ² By 2030: “20 million ICT specialists are in employment” ² “ensure universal access to inclusive and high-quality digital education and training, to address the digital divide” ¹ 	<ul style="list-style-type: none"> “Promoting ICT in education” ³ “Ensure citizens and businesses have the skills to use digital services” ⁵ “Promote development of advanced digital skills” ⁵ “digital inclusion to minimise digital divides” ⁴ 	<ol style="list-style-type: none"> Digital skills for youth Digital upskilling for adults Tech specialists Bridging the digital divide

Sources: 1. Digital Education Action Plan; 2. Digital Decade; 3. ASEAN Comprehensive Recovery Framework and ASEAN Work Plan on Youth; 4. 4th Industrial Revolution Consolidated Strategy; 5. ASEAN Digital Masterplan 2025.

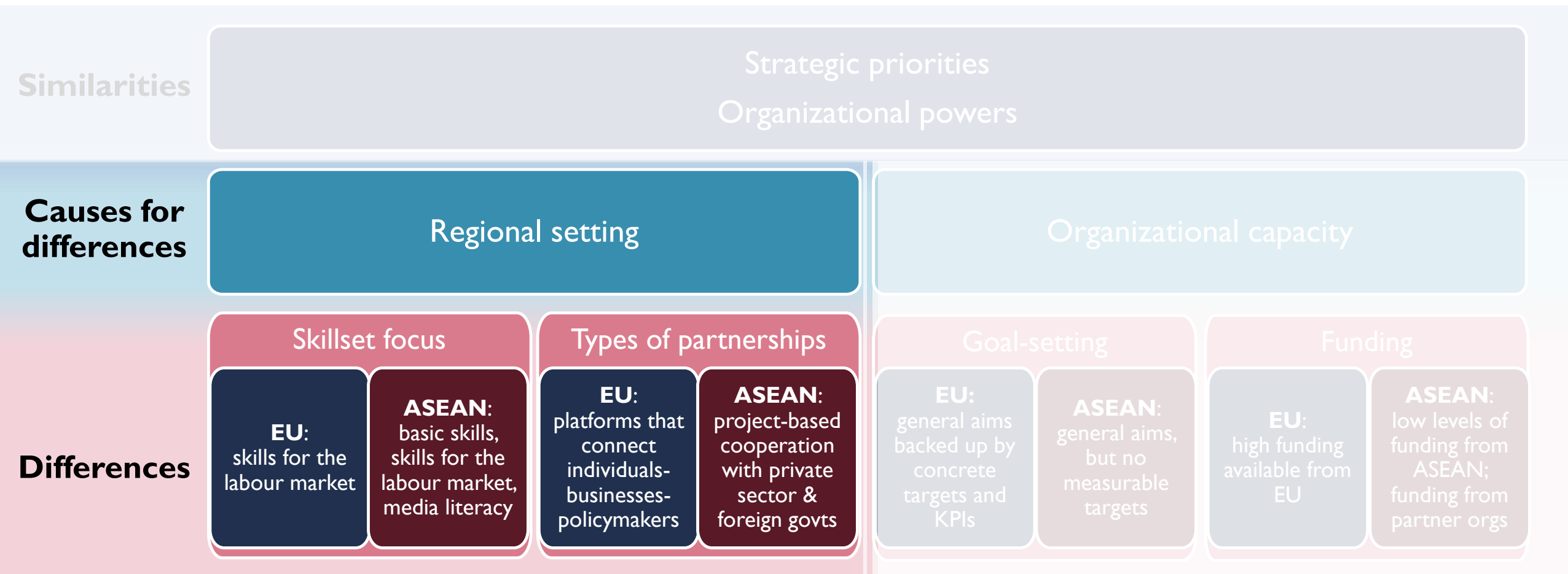
SIMILARITIES: Organisational Powers in the Domain of Education

		EU	ASEAN	Similarities
Organi- sational Powers	Structure	Supranational & Intragovernmental organization	Intragovernmental organization	Both organizations have no legislative power and can only support and coordinate digital skills policy.
	Compe- tencies in Education	Supporting Competence: EU can only support, coordinate or complement action of its Member States	ASEAN fosters cooperation through dialogue and coordination among member states	

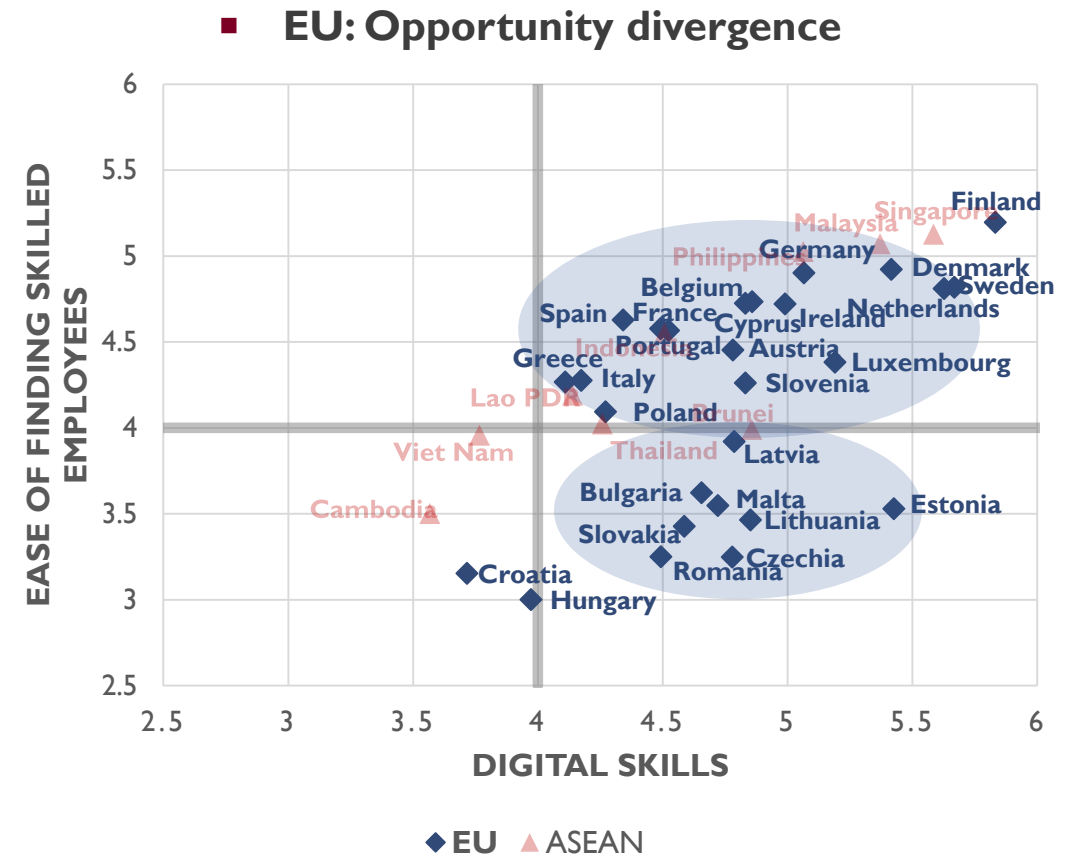
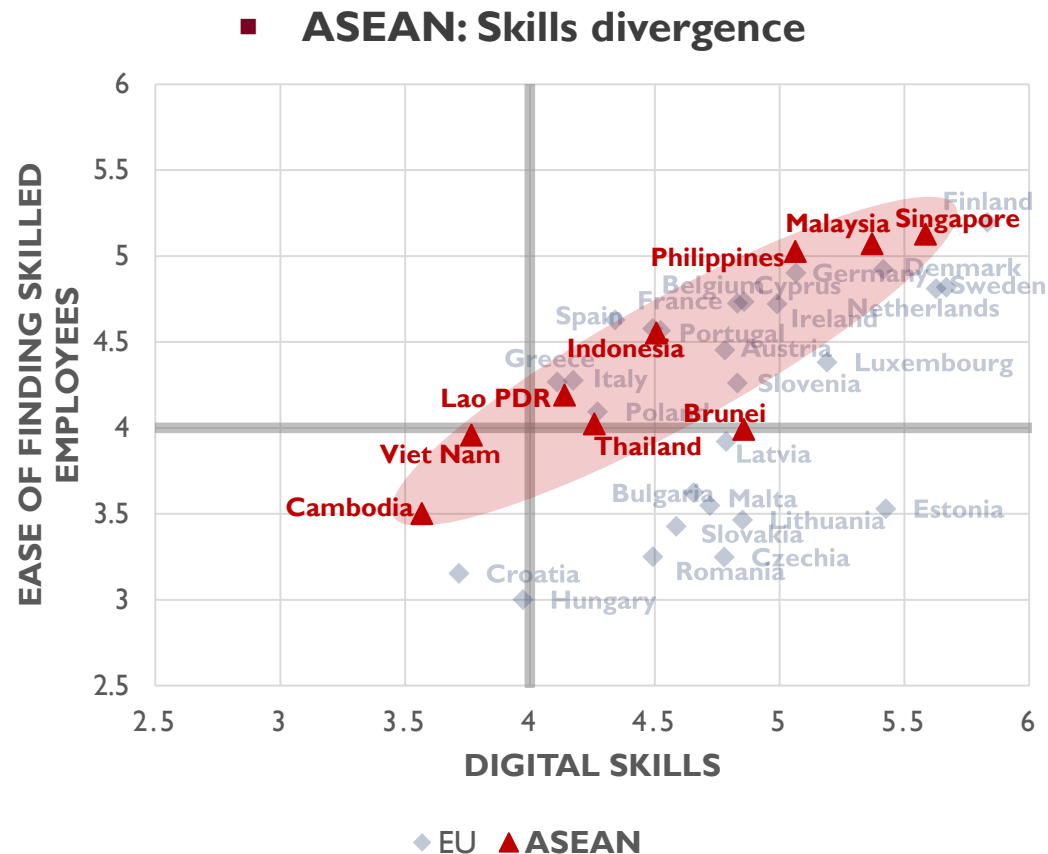
FRAMEWORK: EU and ASEAN Policy Approaches



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REGIONAL SETTING: Different Job-Skill (Mis)matches in ASEAN and the EU



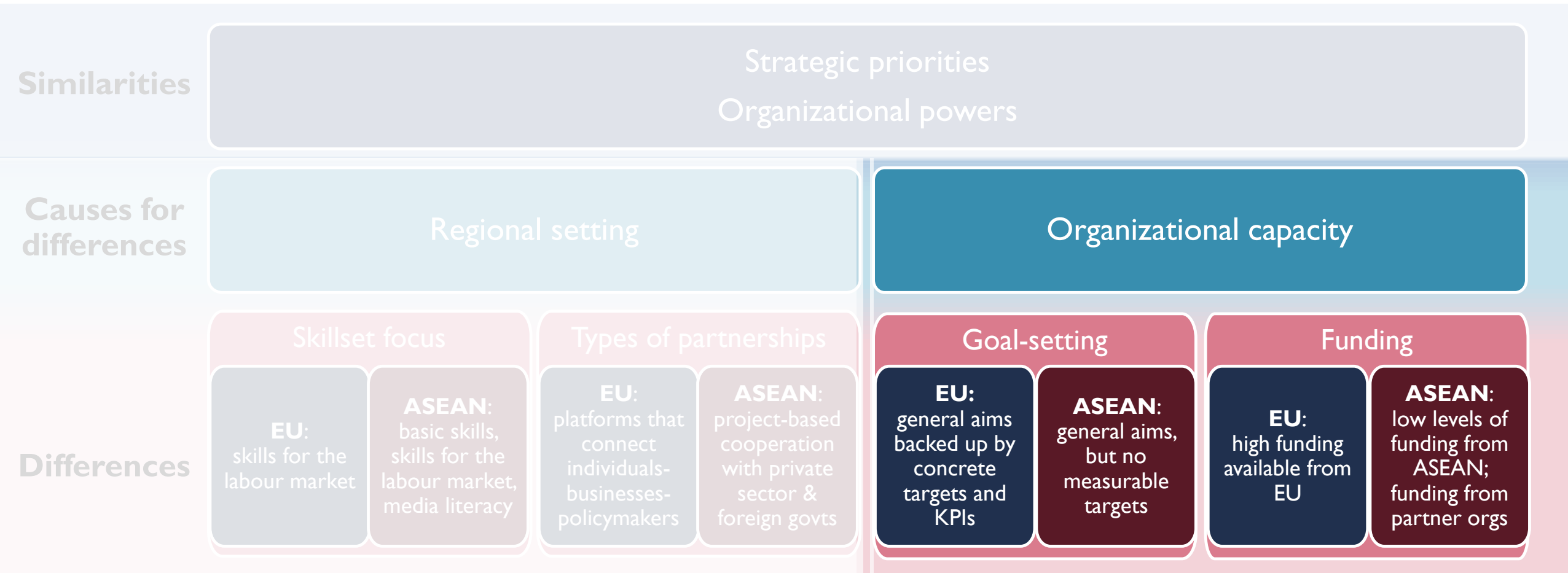
SKILLSETS & PARTNERSHIPS:

EU's Labour Market Emphasis vs ASEAN's Holistic Approach

	EU	ASEAN
Skillset Focus	Focus only on skills for the labour market <ul style="list-style-type: none"> Digital Skills & Jobs Coalition Digital Skills & Jobs Platform Advanced Digital Skills Europe Coordination and Support Action 	Focus on both basic skills and skills for the labour market <ul style="list-style-type: none"> ASEAN Resource Centre for Digital Inclusion Go Digital ASEAN programme ASEAN Digital Literacy Programme (Media Literacy)
Type of Partnerships	Programmes that encourage and facilitate long-term collaboration with private sector <ul style="list-style-type: none"> EU Digital Education Hub Digital Skills & Jobs Coalition Advanced Digital Skills Europe Coordination and Support Action 	Direct project-based partnerships with private sector and international actors <ul style="list-style-type: none"> ASEAN Digital Literacy Programme (Google.org) Training-of-Trainers Program to Counter Disinformation and Promote Media Literacy (USAID) EU-ASEAN SHARE Project

FRAMEWORK:

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GOAL-SETTING & FUNDING:

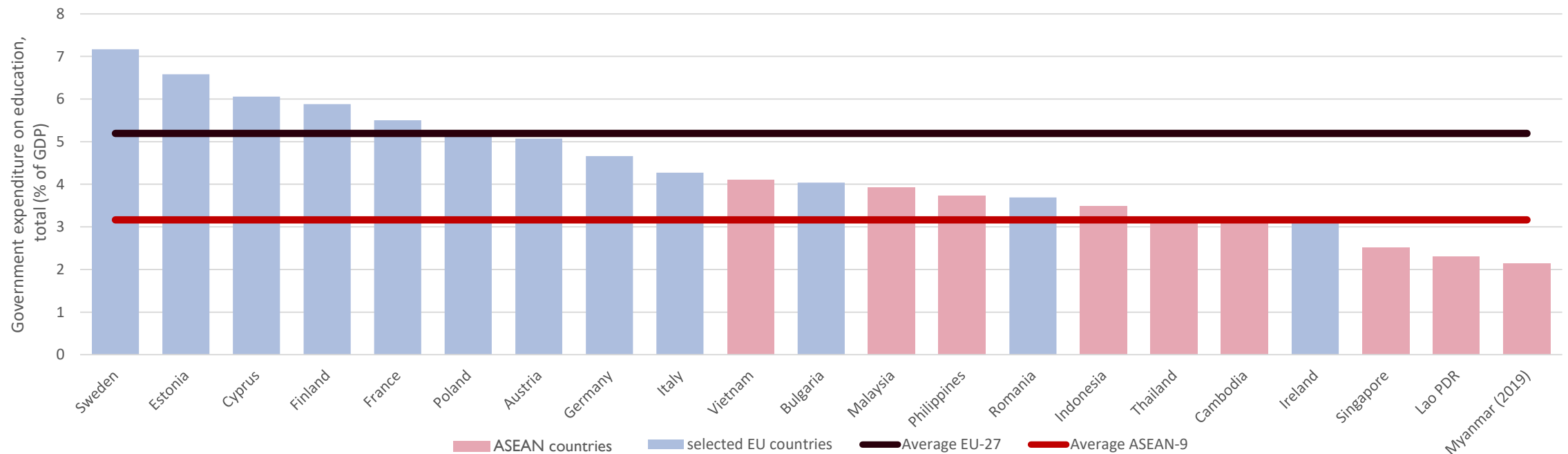
More Accountability & Resource Investments in the EU

	EU	ASEAN
Goal-Setting	<p>Measurable KPIs attached to strategic priorities, including:</p> <ul style="list-style-type: none">• 80% of adults have at least basic digital skills by 2030• 20 million ICT specialists in employment by 2030• 60% of adults in training per year by 2030	<p>General goals without measurable targets, including:</p> <ul style="list-style-type: none">• Ensure citizens and businesses have the skills and motivation to use digital services• There is a growing need to emphasize adult training and lifelong learning
Funding	<p>Self-funding for strategic priorities and programmes</p> <ul style="list-style-type: none">• 25 billion USD of NextGeneration EU fund committed to digital education and skills• 12 billion USD under Cohesion Policy 2021-2027 dedicated to digital skills	<p>Funding for specific projects with financial support from external project partners</p> <ul style="list-style-type: none">• Go Digital ASEAN: 3.3 million USD (Google.org)• ASEAN Digital Literacy Programme: 1.5 million USD (Google.org)• EU-ASEAN SHARE project: 16 million USD

FUNDING EXAMPLE:

Higher Government Investments in Education in the EU

- EU member states' governments spend on average 2 percentage points of GDP more on education than ASEAN member states
- Shows higher willingness to invest in education and skills development by EU countries



CONCLUSION:

Turning Strategic Priorities into Effective Policies through Collaboration

- Digital skills must match the needs of the economy
 - Requires close collaboration with the private sector
- Similar strategic priorities must be translated into policies that address local deficiencies
 - Must be complemented with national and sub-national programmes and initiatives

