

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.

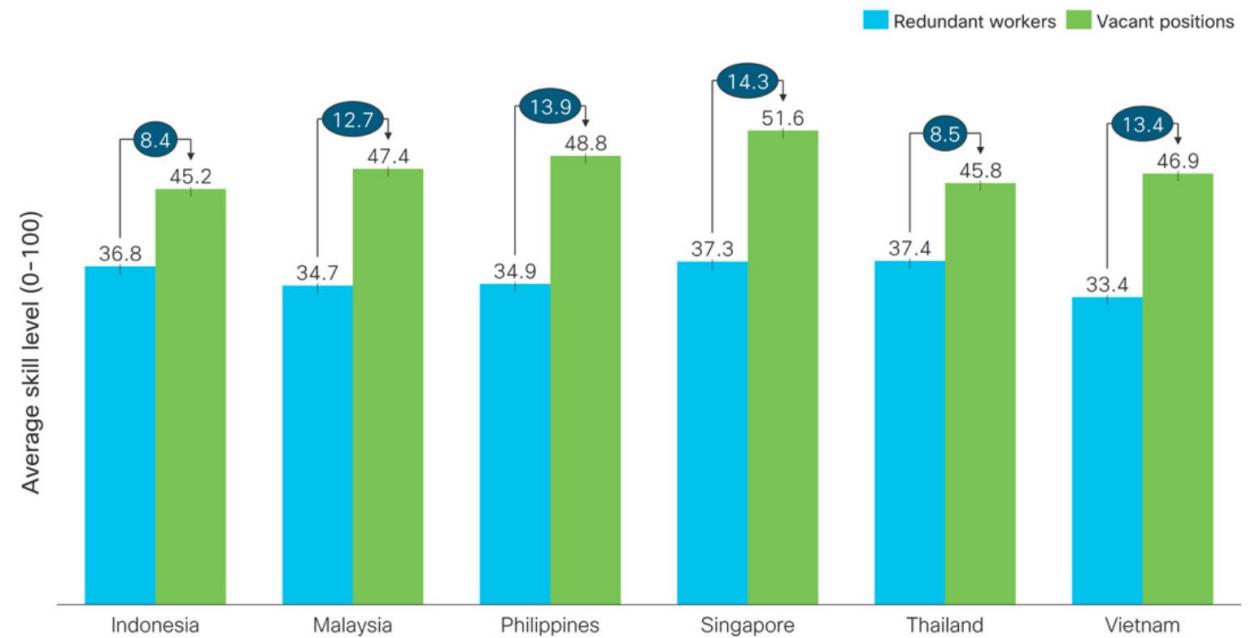
(Google, Temasek and Bain, 2022)

- 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*

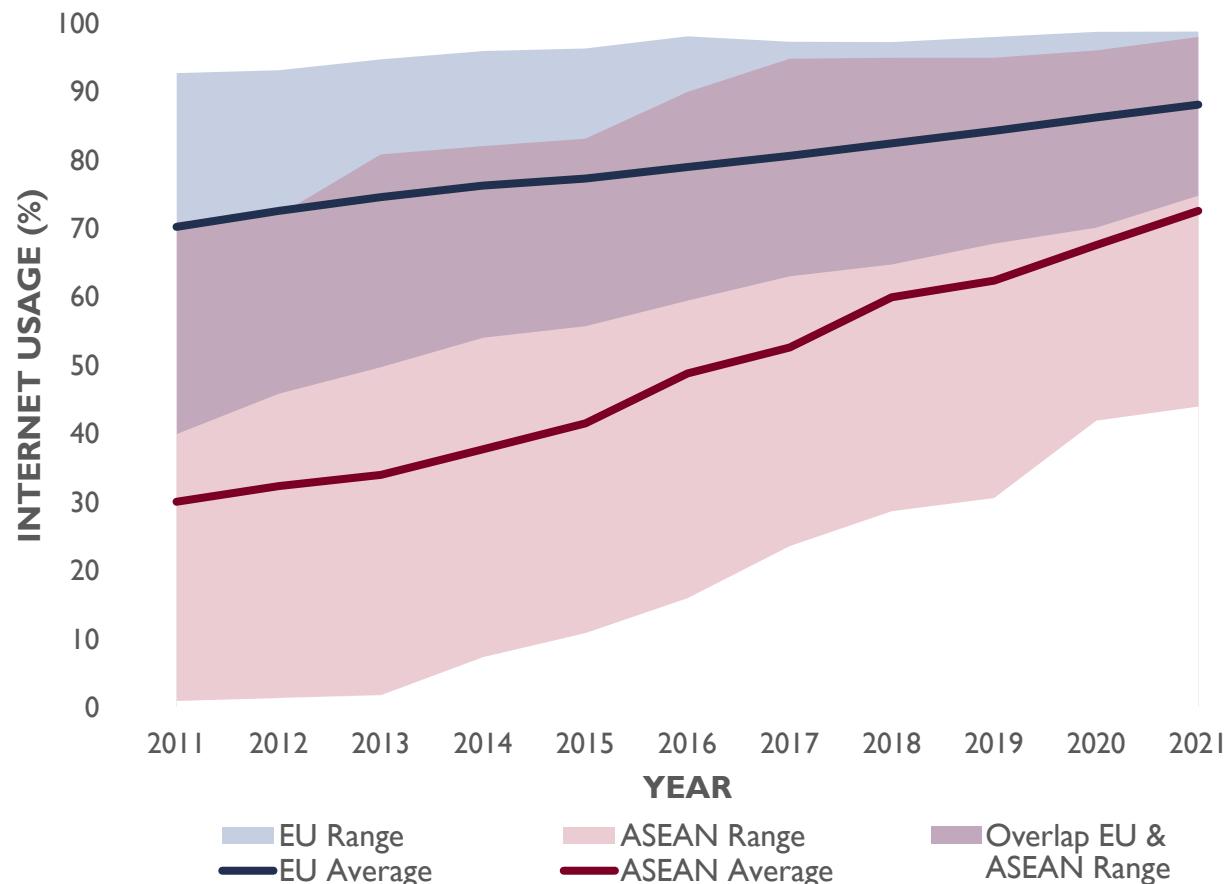
THE EUROPEAN UNION: A Benchmark for Digital Inclusion

- 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

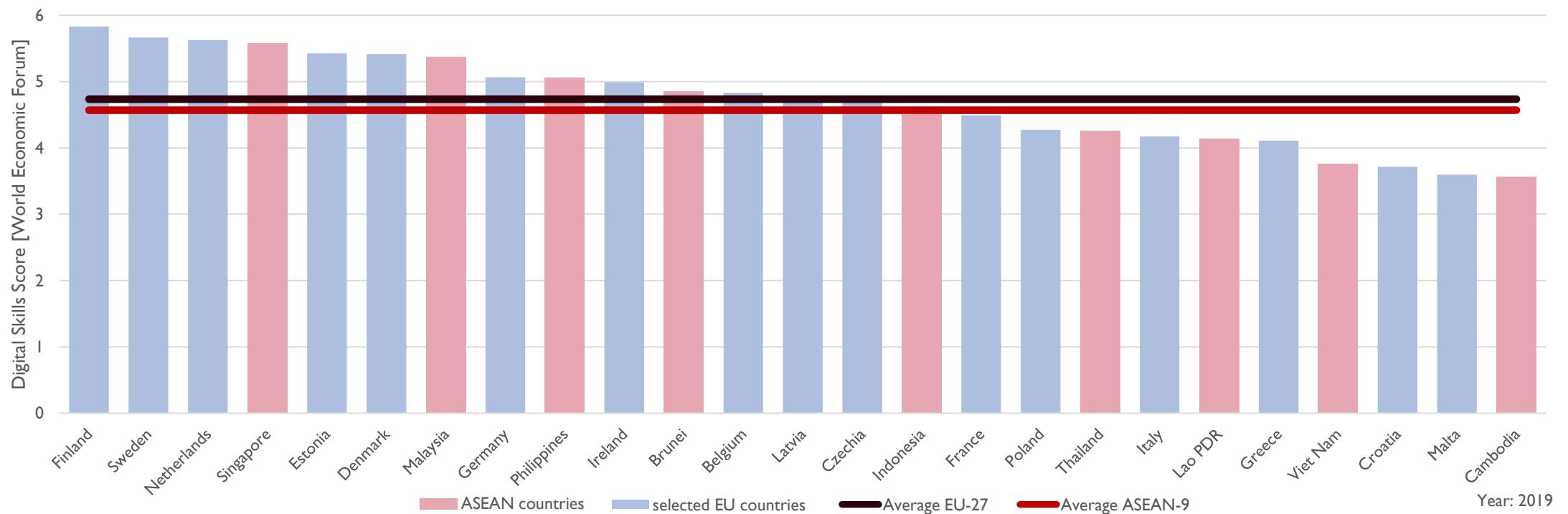
INTERNET USAGE TRENDS: Growth & Convergence



- 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

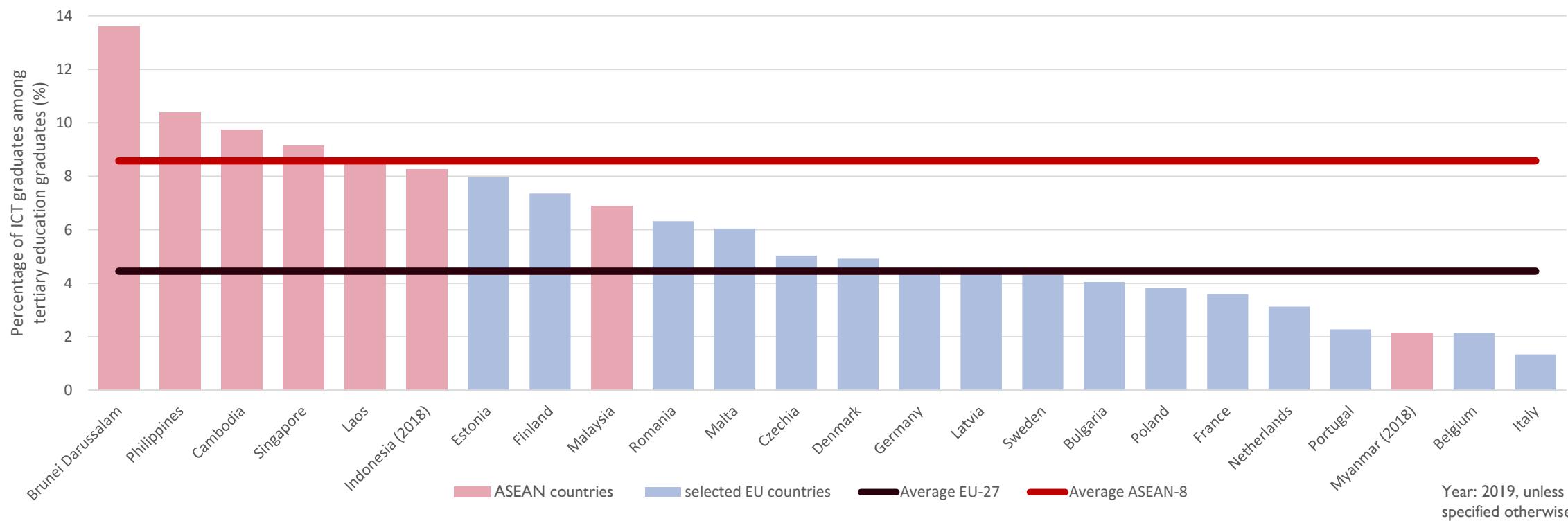
DIGITAL SKILLS: ASEAN close to Par with the EU

- 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

Similarities

Strategic priorities
Organizational powers

Causes for differences

Regional setting

Organizational capacity

Differences

Skillset focus

EU:
skills for the
labour market

ASEAN:
basic skills,
skills for the
labour market,
media literacy

Types of partnerships

EU:
platforms that
connect
individuals-
businesses-
policymakers

ASEAN:
project-based
cooperation
with private
sector &
foreign govts

Goal-setting

EU:
general aims
backed up by
concrete
targets and
KPIs

ASEAN:
general aims,
but no
measurable
targets

Funding

EU:
high funding
available from
EU

ASEAN:
low levels of
funding from
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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">1. Digital skills for youth2. Digital upskilling for adults3. Tech specialists4. 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
Organisational Powers	Structure	Supranational & Intragovernmental organization	Intragovernmental organization	Both organizations have no legislative power and can only support and coordinate digital skills policy.
	Competencies 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	

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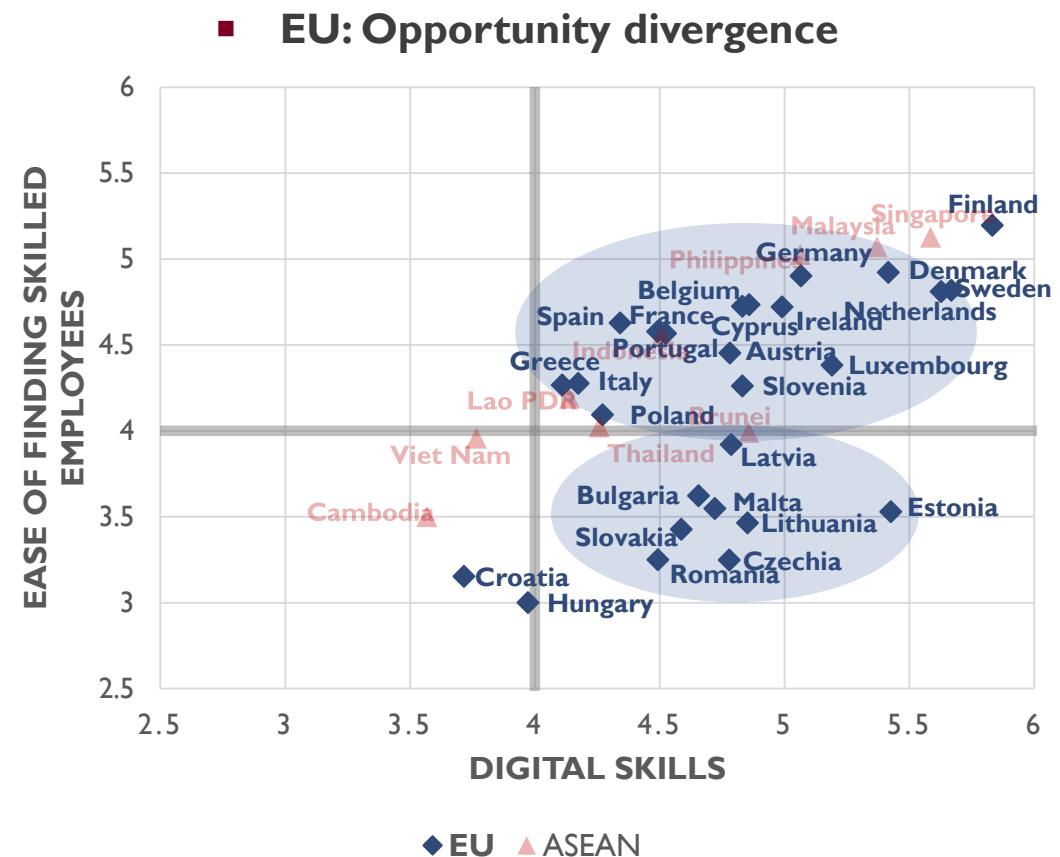
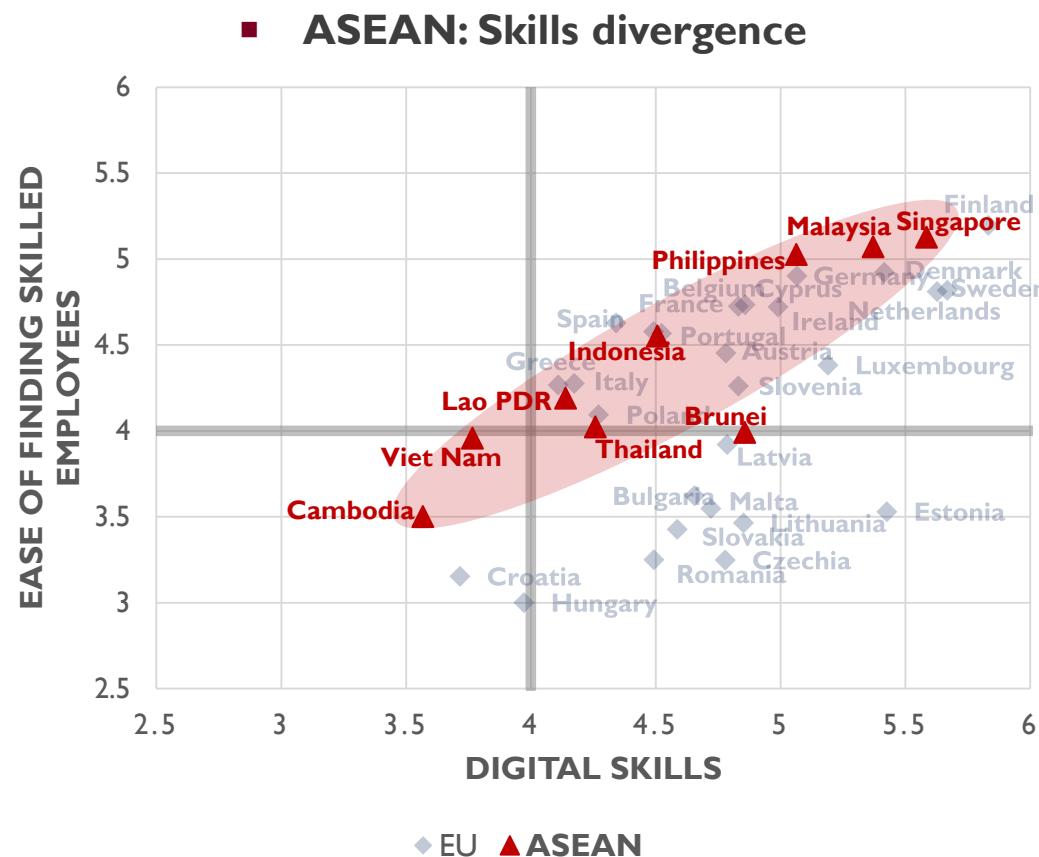
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REGIONAL SETTING: Different Job-Skill (Mis)matches in ASEAN and the EU



SKILLSETS & PARTNERSHIPS: EU's Labour Market Emphasis vs ASEAN's Holistic Approach

	EU	ASEAN
Skillset Focus	<p>Focus only on skills for the labour market</p> <ul style="list-style-type: none">• Digital Skills & Jobs Coalition• Digital Skills & Jobs Platform• Advanced Digital Skills Europe Coordination and Support Action	<p>Focus on both basic skills and skills for the labour market</p> <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	<p>Programmes that encourage and facilitate long-term collaboration with private sector</p> <ul style="list-style-type: none">• EU Digital Education Hub• Digital Skills & Jobs Coalition• Advanced Digital Skills Europe Coordination and Support Action	<p>Direct project-based partnerships with private sector and international actors</p> <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

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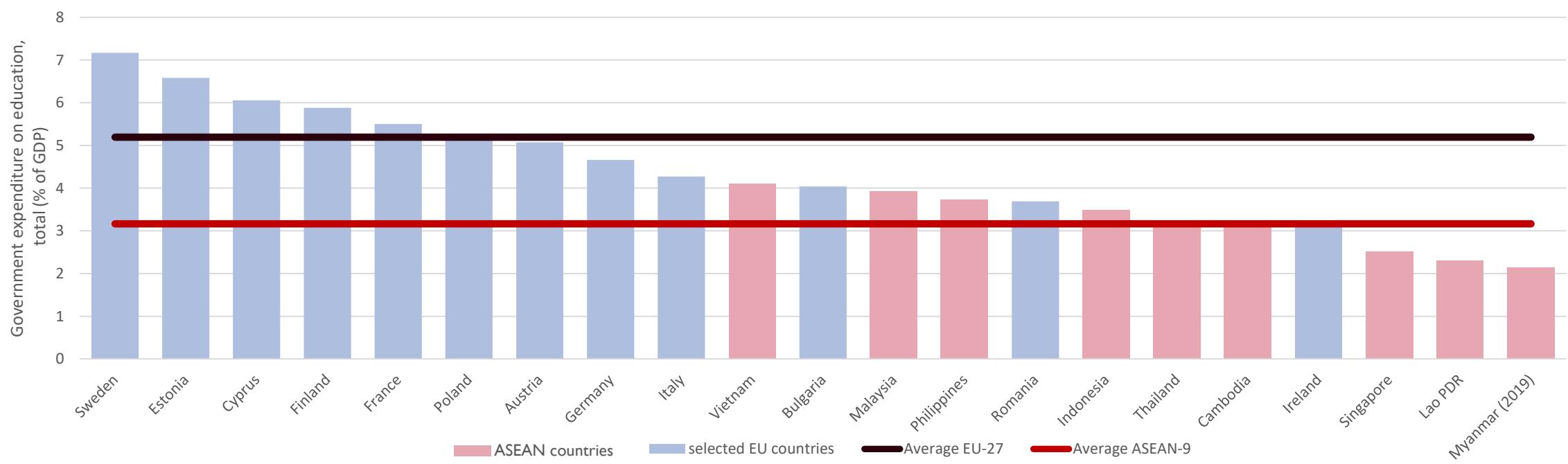
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GOAL-SETTING & FUNDING: More Accountability & Resource Investments in the EU

	EU	ASEAN
Goal-Setting	Measurable KPIs attached to strategic priorities, including: <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	General goals without measurable targets, including: <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	Self-funding for strategic priorities and programmes <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	Funding for specific projects with financial support from external project partners <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

