

## DIGITALIZATION AS A DRIVER OF ASEAN INCLUSIVITY AFTER THE GLOBAL PANDEMIC

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### ABSTRACT

Digitalization has been a key driver of inclusiveness in ASEAN post-global pandemic. Through the use of digital technology, countries in ASEAN can improve accessibility and connectivity for all people, especially for marginalized communities. Through digitalization initiatives, the education, health, and economic sectors can provide more affordable and efficient services to the entire ASEAN population. In addition, digitalization also enables the creation of new jobs and economic progress that is evenly distributed throughout the ASEAN region. However, the challenges that need to be overcome are limited digital infrastructure and inequality of internet access that still exists in some regions.

**Keywords:** Digitalization; Inclusivity; ASEAN

### Introduction

The Association of Southeast Asia Nations (ASEAN) was established in 1967 with initially only five member countries including Indonesia in it, over time, ASEAN members grew. The initial milestone of the formation of ASEAN did not escape the 1967 Bangkok Declaration which became the initial spirit of member states (I. Maulana et al., 2021). Of course, Indonesia plays an active role in it to build and improving the interests of ASEAN member states. Following that, in the following years when Indonesia became the chair of ASEAN, in Bali Concord I in 1976 established the Treaty of Amity and Cooperation (TAC) as the basis for peaceful dispute settlement, not only for ASEAN but also open with countries outside the ASEAN region (Hadibrata, 2015).

Continuing in Bali Concord II in 2003 by carrying out three pillars, namely economy, politics-security, and socio-culture to become a focus that needs attention in the Southeast Asian region. Furthermore, in 2011 ASEAN established a summit to cooperate with the United States and Russia by creating a mutual declaration. Furthermore, in 2015 the ASEAN Economic Community (AEC) blueprint was formed which opened up opportunities for fundamental cooperation and strengthened the centrality of ASEAN or partner countries in the Southeast Asian region. The issue brought by Indonesia during its leadership in ASEAN became an innovation that strengthened cooperation

between ASEAN member countries. This is also reflected by the ASEAN Charter which prioritizes the interests or benefits of the ASEAN community (Fardan, 2021).

As a region with a fairly high internet market and fast growth, ASEAN member countries are projected that their internet market will continue to grow for the next ten years (A. Maulana & Suryana, 2023). The discussion of Indonesia's digitalization issue in 2023 during the leadership period in ASEAN is an initiative that has relations with several aspects of it, both in terms of economy and socio-culture. This is an initiative offered that will benefit the ASEAN community and encourage higher inclusiveness in the future. Furthermore, the development of digitalization will also have a broad impact. Broadly speaking, this development needs to be aligned with facilities that can support the development of digitalization. Inclusive digitalization is needed to encourage a more advanced society. Digital transformation in society will have a progressive effect not only on technological developments but economic and geopolitical growth (Rosamond & Dupont, 2021)

ASEAN member countries have experienced a fairly high adoption of digital technology, especially in big cities. This can be seen from the use of social media, passenger shuttle services, and food, as well as the focus of people who prefer to shop online via smartphones rather than offline, this all happens due to the impact of the growth of the digital economy (Bank, 2019) Furthermore, this digital development is even more evident in the convenience of the logistics and financial sectors. So in other words, Southeast Asia has a high interest in the entry of digital developments, whether from the business sector, governments, or even individuals who are starting to feel the impact of these developments (Sri Adiningsih, 2019).

Technology has an important role in boosting growth in terms of the economy. The adoption of technological developments for the country to support industrial growth makes the country more productive and develops resources more efficiently. The integration between the economy and technology can also encourage stakeholders to strengthen their resilience to face more firm challenges in the future (Zaelani, 2019). Furthermore, in this case, policymakers or stakeholders have an important role in responding to the need to achieve inclusive digitalization. This process of inclusiveness toward digitalization is one of the initial milestones of the community's recovery process against the COVID-19 pandemic some time ago. Considering that the pandemic has a big impact, one of which is on economic growth which is quite detrimental. Not only has a big impact on the business but also the individual stage (Zein & Septiani, 2023).

Many people have lost their jobs due to reduced productivity due to limited space. However, besides that, the COVID-19 pandemic also has a significant impact on increasing digital services in ASEAN. This digital service is considered an indication that it can mitigate economic losses caused by the global pandemic (ASEAN, ADM 2023). However, unfortunately, despite the development of digitalization in society during the

pandemic, the development of digitalization is not evenly distributed, there are still difficulties in internet access, especially with the digital divide in the form of availability, affordability, and digital skills themselves (ASEAN, ADM 2023). ASEAN has a role to accelerate and reach out to the public to meet the needs of the internet, to make inclusive digitalization one of the top priorities today.

### Research Method

The method used is descriptive qualitative, as an approach used to understand and explore aspects of individuals or groups related to social or human problems involving questions, inductive data analysis, and building certain interpretations of the results of data analysis (Creswell, 2009). This research using descriptive qualitative will examine ASEAN's role in the process of developing digitalization inclusiveness, especially after the global pandemic COVID-19.

### Result and Discussion

#### The Importance of Digitalization Issues

Digitalization is the first step to summarizing daily activities only through the internet, by bringing efficiency and convenience to the wider community. Digitalization that leads to the digital economy basically in Indonesia has developed slowly. It is also seen to drive growth as well as build more towards inclusivity in the coming years. Not only focusing on developing internet networks, but this digitalization leads to the development of fintech, education, and telemedicine which will later help people to access, and facilitate the process related to these three things (Wu et al., 2021). Given that internet access users in Indonesia have increased over the past few years by around 60%, making opportunities for increased digitalization even more necessary. Moreover, with the COVID-19 pandemic, not only Indonesia, but almost all countries are experiencing an acceleration of digitalization for consumers, businesses, and governments who are turning to the digital world to carry out their daily activities (Aisyah, 2020).

The development of technology and digitalization in Indonesia itself will have a broad impact and encourage development. The reason is, that the development of digitalization in remote areas in Indonesia is still slowing, especially in underdeveloped areas, border areas, and located outside the reach of the central government (Huda & Tanos, 2022).. Thus, the plan to increase digitalization which requires this investment, is needed to expand the network by accelerating the entry of technology in several regions of Indonesia. This also needs to be done to encourage inclusive digital connectivity and the use of analytics services in fintech, education, and telemedicine as well as the use of mobile devices (Novitasari, 2022)

The development of digitalization is considered important, to provide internet services in public places to combat the digital divide, open access, develop adaptive skills, promote e-literacy, and also as a way to develop the community's economy (Njatrijani, 2019). Furthermore, digitalization is also closely related to the digital economy which is

a topic of discussion to be raised in ASEAN. Carrying out an economy based on digital technology is considered to be a new growth tool in business practices that allows it to have a faster and more efficient impact. In fact, with this digital economy, the Indonesian government can also use it as a source of growth and economic recovery after COVID-19 (Hartati, 2020).

Digitalization and the development of the digital economy have opportunities and needs for people to use technology in their daily activities. This can also encourage the acceleration of economic growth in communities that utilize the digital world, such as the growth of micro to macro enterprises that can be achieved at all levels of society in Indonesia. So, in Kalin's words, the development of digitalization will project Indonesia's economic growth along with the development of more advanced digital technology. Several efforts need to be made to encourage digitalization in Indonesia itself, such as the internet network and its supporting infrastructure, digital transformation, social security, and so on. However, the most important thing is that it is inclusive, affordable, and of adequate quality.

The role of the government and stakeholders is needed as a driver to ensure the sustainability of digitalization in the scope of fintech, education, and telemedicine as well as for business development as a form of economic growth. Indonesia needs to provide a digital transformation drive whose efforts are to trigger innovation in the digital world, not only but also guarantee inclusive community security for all levels of society. Thus, the need for digitalization development affects not only the scope of government but for the wider community which is fair to encourage the community to be digitally skilled. The goal is for post-COVID-19 economic recovery, digital skills, especially for regions that have not received adequate internet access, and data transparency.

### **ASEAN Digitalization Inclusiveness Post-Pandemic**

The COVID-19 pandemic has had a devastating impact on the world, especially on the economic sector. Not only for the private sector but also for governments and individuals. However, digitalization since the global pandemic has seen a considerable increase. The rapid development of the internet can be seen both domestically and internationally. Even the internet has also reshaped economic, social, and other systems, this is shown by the development of social media and access to information that is increasingly outside, and of course, this is driven by the growth of technology. However, the development of digital technology is not in line with its inclusiveness. The increasing development of digital technology, the more obvious the visible technology gap (Arianto, 2020).

Digital connectivity is an important thing for the world community today, this is also an important point adopted by ASEAN as a regional strategy. ASEAN Digital Masterplan 2023 (ADM) states that "ASEAN is a leading digital community and economic bloc

powered by secure and transformative digital services, technologies, and ecosystem" (Arianto, 2020) This statement is a form of support from ASEAN for society which requires market players, both individuals, the private sector, and the government to work together in completing the shortcomings in ASEAN towards inclusiveness in the field of digitalization. Not only that, but stakeholders who play a role in developing the inclusiveness of digitalization need to think of significant steps with supporting points in them. Several things also need to be considered in the potential development of technology to prioritize inclusive digitalization in the ASEAN region.

### **Implementation of Digitalization in ASEAN 2023**

Internet usage in the Southeast Asia region is quite high, for some countries it even reaches almost 70% of its people as Internet users, except for Laos and Myanmar (Statista, 2022). Although the achievement of internet users in Southeast Asia is high, the level of internet accessibility at home has not been fully felt by all people. Moreover, for areas that are considered underdeveloped, far from reach, or remote areas, this also makes the number of e-literacy needs to be increased. Furthermore, the development of digitalization is also needed to encourage economic growth after Covid-19. This is in line with the role of the ASEAN chair in the ASEAN Charter on resolving problems in crises (ASEAN Charter, 2008).

ASEAN member countries have the readiness to welcome the digital revolution and develop digitalization. This is reinforced with high support and interest from governments, businesses, and individuals in the Southeast Asia region to support economic growth. Although the number of internet users in the ASEAN region is quite high, it is undeniable that internet access, speed, and costs have not been achieved by all levels of society, especially in remote areas. So that the growing entry of digitalization requires implementation in the ASEAN region in several ways. Starting from a simple thing in the form of increasing the availability of the internet with high speed which can be reached by layers of society in ASEAN member countries. Given the fact that almost half of ASEAN people still lack internet access that can be reached using smartphones (World Bank, 2019) both for business, education, and data containment.

Increasing internet access in its implementation can be realized with public and private investment, as well as the role of policymakers to make regulatory reforms to this effect. Switching from 4G to 5G networks for faster internet access for the entire ASEAN region can be the right effort, but it also requires adequate infrastructure to capture the entire region. In addition to increasing internet access, strengthening the digital skills of the ASEAN community is also important to carry out the implementation of digitalization. It will also encourage the ASEAN community in the growth of the digital economy, by ensuring that every level of society takes advantage of the opportunities of digitalization. In other words, the cultivation of education related to digital economy skills needs to be improved, both computer learning, coding, data analysis, software, and communication

(World Bank, 2019). Achieving this is not easy, but it does not take a long time and certification at a high level.

Furthermore, this digitalization can be used as a form of payment whose digital nature can be summarized only by the use of gadgets. This is an important part of the digital economy process and expands its use as a priority form of inclusiveness in the ASEAN member states. If you look at World Bank Global Findex data, only about 19% of ASEAN people who have accounts can access these accounts using internet access and smartphones (World Bank, 2019). Compared to the people of regions with high-income communities such as Sub-Saharan Africa where usage reaches 25%, ASEAN member states are quite lagging in this regard. The convenience of these payment methods can be improved with assistance from the government and related stakeholders.

Digital skills are necessary and important, especially for areas that do not have adequate internet access and data transparency. It does not stop there, the development of digitalization can also be done by building a personal identity scheme that can be accessed through digital, both identities within the country, driver's licenses, and so on that can be accessed via *smartphones*. This is not only to make efficiency, practical, but also to keep the identity safer because it can only be accessed digitally by the identity owner. However, several options that can be done at the beginning of the implementation of this digitalization can be enhanced by prioritizing digital *security*. Thus, the government in collaboration with relevant *stakeholders* also needs to improve cybersecurity to develop greater digitalization in the future, such as the existence of laws regulating digitalization activities to prevent crime in the digital world.

### Conclusion

The role of the government and *stakeholders* is needed as a driver to ensure the sustainability of digitalization in the scope of *fintech*, education, and *telemedicine* as well as for business development as a form of economic growth. The Indonesian government needs to provide a digital transformation drive whose efforts are to trigger innovation in the digital world, not only but also guarantee inclusive community security for all levels of society. Thus, the need for digitalization development affects not only the scope of government but for the wider community which is fair to encourage the community to be digitally skilled (Kominfo, 2021). Increasing internet access in its implementation can be realized with public and private investment, as well as the role of policymakers to make regulatory reforms to this effect. Switching from 4G to 5G networks for faster internet access for all regions in Indonesia can be the right effort, but it also requires adequate infrastructure to capture the entire region. In addition to increasing internet access, strengthening people's digital skills is also important to carry out the implementation of digitalization. This will also encourage people to grow the *digital economy*, by ensuring that every level of society takes advantage of opportunities from digitalization. In other words, the cultivation of education related to *digital* skills needs

to be improved, both computer learning, *coding*, data analysis, *software*, and communication.

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