Event Report

Unlocking the Potential

Digital Economy in India & South East Asia

August 23, 2018
Bangkok, Thailand

OPENING SESSION: DIGITAL ECONOMY ENABLED GROWTH TOWARDS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Session Overview

The aspect of 'digitalisation' being deliberated at numerous multilateral platforms, such as World Trade Organisation (WTO), United Nations Conference on Trade and Development (UNCTAD), G20, etc. highlights its growing importance. Also, the role of digitalisation-enabled Information and Communication Technology (ICT) in achievement of Sustainable Development Goals (SDGs), has been widely recognised. Further, digital technologies have opened new realms of economic opportunities globally, apart from propelling social wellbeing of citizens. Accordingly, speakers of the opening session discussed the need to strengthen Digital Economy (DE), in order to ensure inclusive and sustainable growth.

Chair: Alice Pham, Director, CUTS International, Vietnam

Panellists: Sameer Sharma, Senior Adviser, International Telecommunications Union

                Mia Mikic, Director, Trade Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific, Thailand

                Sanjay Kumar, Commercial Representative, Embassy of India, Thailand

                Pansak Siriruchatapong, Vice Minister for Digital Economy and Society, Ministry of Digital Economy and Society, Thailand

                Supruet Thavornyutikarn, Director, India Studies Centre, Thammasat Institute of Area Studies, Thammasat University, Thailand

Release of Country Research Reports: India, Vietnam and Philippines

Panel Discussion

Post the welcome address by the Chair, participants were acquainted with the genesis of CUTS and its work through an introductory video. The panel was opened subsequently, which discussed the role played by DE in enabling socio-economic development and achieving the SDGs 2030 in a timely and inclusive manner. Focus was placed on the need for enhanced global inter-operability and connectivity, through optimal use of new technologies, such as Internet of Things (IoTs), Artificial Intelligence (AI) and Cloud Computing. The role of ICT in transforming various sectors, such as treatment and prevention of non-communicable diseases, education, food and agriculture, financial inclusion, women empowerment, and building smart cities etc. was also highlighted.

Furthermore, aspects of the interface between digital technologies and international trade were also discussed, with the former being considered as the backbone of development for developing countries. Access to technology was noted to be a key enabler for reducing poverty in Asian countries. The need for leveraging technology in enabling cross-border trade was also flagged, with special emphasis on the potential benefits for Medium Small and Micro Enterprises (MSMEs).

Few important pain points and risks involved in the process of achieving digital transformation of societies were also discussed, such as bridging the digital divide (on the basis of gender, geographic location, economic status etc.), the need for a secure digital architecture, prospective job loss due to automation, consumer protection from cybercrimes and data privacy violations, along with framing conducive policies and regulations. The need for regulators to adopt a participative decision-making process by involving businesses, consumer groups and academicians was also stressed upon.

Initiatives taken by the Government of India, as well as the Government of Thailand for enabling DE in their respective countries, along with their experiences were also enumerated, post which the three country research reports – India, Vietnam and Philippines as a part of the Regional Inclusive Growth Project were released.

Session Overview

This session presented insights and recommendations, emanating from the research conducted in three countries, namely India, Philippines and Vietnam, under the 'Regional Inclusive Growth' Project (Diginomics). The session featured presentations from respective project countries, which was followed by deliberations on various challenges associated with digital economy.

Chair: Allan Asher, Chairman, Foundation for Effective Markets and Governance, Australia

Presenters: Alice Pham, Director, CUTS International, Vietnam

                Maureen Rosellon, Supervising Research Specialist, Philippine Institute for Development Studies, Philippines

                Sidharth Narayan, Senior Research Associate, CUTS International, India

Discussants: Sothi Rachagan, Vice Chancellor, Nilai University, Malaysia

                Maria Susan P Dela Rama, Executive Director, Certification Office, Technical Education and Skills Development Authority, Philippines

                Deepak Maheshwari, Director, Government Affairs India, ASEAN and China, Symantec, India

Panel Discussion

The Chair narrated a brief snapshot of the Diginomics project, which highlighted the need for equitable global growth by leveraging ICT as an enabler. The need for respective stakeholder groups to frame and implement relevant action points from the project's research was also raised. Stress was laid on establishing a social framework for international and regional cooperation. The importance of discussing consumer protection in DE from the lens of competition policy and law, efficiency and welfare

enhancement, etc. was also highlighted, along with the need to encourage innovation and responsible business practices.

This was followed by three presentations, which provided a snapshot of research studies conducted in respective project countries – India, Vietnam and Philippines, while highlighting the key findings of country reports. The way forward in terms of action points and areas requiring further research were also brought forth for discussion.

Three discussants gave their observations on reports, along with illuminating the way forward. Enhanced mobile internet penetration, especially amongst rural and remote areas and more marginalised sections of societies, was considered to be instrumental in an overall successful transformation into the DE. In this process, it is necessary to properly evaluate costs of digitalisation, bearing in mind that such costs would ultimately be borne by consumers, which called for taking a consumer-centric right-based approach. The need for developing employable skills by improving access to and ensuring the affordability of digital literacy and education was also considered to be an imperative for enabling DE. On regulatory aspects, the need for deploying tools, such as Regulatory Impact Assessment (RIA), Competition Impact Assessment (CIA) and Cost-Benefit Analysis (CBA) were considered to yield optimal regulations for all relevant stakeholders (consumers, businesses and governments).

Floor Discussion

Active floor discussions were witnessed in the session, with participation from the likes of Lurong Chen, Lalit Panda and Raghav Narsalay, who observed the following:

- There is a need to shift the focus from increasing production and productivity to increasing the income of the poor in order to achieve inclusive growth.
- Governments should highlight the roadmap of how they are incorporating DE in their national development plans.
- Substantial stress needs to be placed on better access to services for consumers, who are ultimate bearers of the cost of digitalisation.
- The reasons for choosing case studies need to be better substantiated, and a more scientific *ex post* analysis of their impact on achieving the SDGs needs to be conducted.
- More stress should be put on the resultant figures of 'growth', emanating from DE, through the case studies.
- Consumer groups were suggested to follow a rights-based approach, and also hold service providers accountable for enhanced consumer welfare.
- Innovation was considered to be inevitable. The need of the hour was to find ways to mitigate the disruptive impacts of innovation.

Session Overview

Speakers at this session discussed the creation, as well as effective enforcement of laws and regulations on data protection and privacy. The session intended to shed some lights about the on-going negotiations, similarities and differences between the national laws of various countries, and discuss the possible need for global cooperation.

Chair: Indrani Thuraisingham, Regional Networker Asia Pacific, Consumer International, Malaysia

Presenter: Lalit Panda, Research Fellow, Public Law, Vidhi Centre for Legal Policy, India

Panellists: Lurong Chen, Economist, Economic Research Institute for ASEAN and East Asia, Indonesia

Juan Paolo Fajardo, Data Privacy Lawyer and Partner, Fajardo Law Offices, Philippines

Soontaree Songserm, Strategy and Planning Division, Ministry of Digital Economy and Society, Thailand

Panel Discussion

The session commenced with a presentation on data protection and privacy. The knowledge gap between legal practitioners and technological experts in the field with regard to data protection was flagged as a possible pitfall while framing regulations for various aspects of data governance, such as data localisation etc. The need for an *ex ante* analysis of regulations, to see whether they could meet their envisaged economic and privacy gains was stressed upon. Instances, such as 'Cambridge Analytica' were flagged to have combined social and political aspects of data protection. Further, discussions also took place surrounding the possibility of co-regulation in this realm, wherein the

government frames a few baseline regulations, which may be coupled with self-regulation by businesses.

The importance of the Internet remaining free and secured was stressed upon. Caution was made with respect to over- and under-regulation, each having its own demerits – hindering *data-driven innovation vs. inadequate data protection*. Furthermore, Internet shutdowns and website blocking were thought to be likely obstacles against the development of DE. Discussants also referred to the Guidelines on the Protection of Privacy and Trans-border Flow of Personal Data by the Organisation for Economic Cooperation & Development (OECD) and the European Union's (EU) General Data Protection Regulation (GDPR) as best practices and possible reference points. The need for international collaboration was highlighted, considering the cross-cutting use of data, with issues such as consumer protection, competition and taxation etc.

Finally, the current data protection frameworks in Thailand, the Philippines, India, China and Vietnam were also introduced and discussed.

Floor Discussion

Several pertinent issues were raised from the floor by Simon Lacey, Naman Aggarwal, Deepak Maheshwari, Allan Asher and Udai Mehta, which triggered responses from Lalit Panda and Juan Paolo Fajardo. The main issues raised and discussed include:

- The concept of privacy and the way people view it has evolved over time and therefore, the legal framework needs to be updated to afford an adequate level of protection to citizens, while trying not to block innovation.
- There is a need to ensure that the registration requirement in data protection and privacy laws do not hinder the development of small businesses, due to possible high compliance costs.
- While 'State functions' is a legitimate exception to 'consent' in data protection and privacy law, it is important to consider the danger of an overbroad definition and to be vigilant against possible abuses of 'State functions'.
- It is important to develop a balanced/optimal definition of 'personal data', its compositions and also alternatives.
- In the post-privacy world, there is a need to visualise the worst harms that could happen in the future, and use technology-based solutions to address technology-based problems.
- It should also be considered whether consumers have the necessary capacity to hold ownership of their personal data and exercise their rights, which point to the urgent need for consumer capacity building.

SESSION III: AUTOMATION PLUS ARTIFICIAL INTELLIGENCE: IMPACT OF THE FUTURE OF WORK

Session Overview

This session brought together representatives from public and private sectors, as well as subject experts, to discuss the array of challenges that automation, further exacerbated by AI, poses to the future of work. The goal was not to arrive at definitive solutions but to frame issues and identify avenues for future research and engagement.

Chair: Raghav Narsalay, Managing Director, Accenture Research, India

Panellists: Simon Lacey, Vice-President, Global Government Affairs, Trade Facilitation and Market Access, Huawei, China

              Naman Aggarwal, Asia Policy Associate, Access Now, India

              Anthony Amunategui Abad, CEO, TradeAdvisors, Philippines

Panel Discussion

The distinction between automation and AI was made at the outset. The former being advancement in the work processes, and the latter being a complete re-imagination of the work processes. Both called for humans and machines to work together in future. Technological advancement was considered as a means to an end and not an end in itself, which required AI to be responsible and responsive towards human/consumers. Automation was also touted to provide more functionality in the future, but its evolution was noted to likely take time.

The constant advancement in AI and automation leading to enhanced efficiency and reduced costs, was considered to have raised the need for efficient re-training of the workforces several times in a lifetime in order to remain relevant. However, the future

of work might indeed become uncertain for some, but the overall benefits of AI were thought of being promising.

Furthermore, user rights were considered to be of primary importance while deliberating upon any technology and its potential impacts. Inclusivity aspect of technological advancements in terms of gender and race were also flagged through the example of visual recognition, highlighting the need for inclusive and participative policy and decision making.

In conclusion, AI was considered to be 'seductive and scary' at the same time, due to its efficiency-inducing characteristic versus its attribute of being a labour-saving device. Diversification of the work-force while protecting the 'right to work' was thought to be an imperative in today's age.

Floor Discussion

Floor interventions from many participants were witnessed, such as those by Deepak Maheshwari, Lalit Panda, Mia Mikic, etc. These revolved around the following:

- The need to focus on 'ethical use of AI', with particular reference to the vision of the Institute of Electrical and Electronics Engineers (IEEE).
- Focus must also be placed on 'right to be trained' in addition to the 'right to work'.
- Contrary view-points to a rights-based approach were also brought forth, citing China's success in poverty alleviation without a rights-based approach.
- Caution was made against rights giving rise to a sense of entitlement, which must be restricted through corresponding responsibilities attached to them.
- Discussions were noted to have largely revolved around AI, and not much on automation.

Session Overview

The closing session summarised the deliberations of the conference, and discussed the way forward for governments, businesses and consumers alike, in order to harness the full potential of DE.

Chair: Udai S Mehta, Deputy Executive Director, CUTS International, India

Presenter: Sita Zimpel, Adviser, Competition Policy and Law in ASEAN, *Deutsche Gesellschaft für Internationale Zusammenarbeit,* Indonesia

Panellist: Supruet Thavornyutikarn, Director, India Studies Centre, Thammasat Institute of Area Studies, Thammasat University, Thailand

Panel Discussion

The importance of adopting a bottom-up approach in order to raise awareness and enhance digital literacy among consumers was stressed upon. Such an approach must also be complemented with top-down actions which will strengthen political commitments and regulatory frameworks through inter-agency cooperation. The need to share experiences and good practices in regional and international forums was also highlighted. A call was also made to get the philosophical discussions on the subject, down to ground actions and effective implementation. The conference concluded with a vote of thanks to participants and organisers.

The conference witnessed active participation of more than 50 participants from Malaysia, Singapore, Indonesia, Thailand, India, Vietnam, Australia, China and the Philippines etc. that included government officials, think-tanks, academicians, media, businesses, subject experts and consumer groups.

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