

The Effects of Covid-19 on Digitalization in Southeast Asia: A Crisis Within a Crisis

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Technological progress is enabling machines to complete many of the tasks that once required people. Preparing for the future of work is one of the defining business problems of our time, yet it is one that most organizations are not prepared for. This transition to a digitalized society has been greatly accelerated by the Covid-19 pandemic. While Covid-19 has accelerated the implementation of digitalization with regard to artificial intelligence in Southeast Asia, it has also emphasized the need for reform and structural change in many sectors, notably education, business, healthcare, communications and banking, and most importantly, has compressed the time frame for those reforms. This paper examines the transition to digitalization in both the public and private sectors in Southeast Asia before and during the Covid-19 acceleration period. It examines the crisis and its unique problems and also the opportunities to install change. Many of the problems will create domino effects which will have far-reaching consequences. The economies covered are Cambodia, China, Hong Kong, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Many developing world leaders have focused on short-term needs and benefits without addressing the long-term implications. Institutions and governments are not only having to deal with the fallout from the pandemic and the economic hardships it has brought, but also with the likelihood that low-wage positions are most at risk from automation and digitalization. The greatest challenges caused by digitalization in the region are not technological but social.

RECOMMENDATIONS

Globalization has linked people to each other through business, communications, trade and tourism, but it has not done much to get people to accept and tolerate each other. We still cling to bias based on nationality, ethnic origin, race, language and culture. A crisis brings out the best or worst in individuals and nations. It either unites or divides them. Covid-19 is a healthcare crisis which caused an economic crisis. It is also a leadership crisis. Many world leaders have failed to deal with it adequately. Those who have fared the worst are those who have put their nation's interests – even their own interests in terms of staying in power – ahead of their country's national collective interest. The severity of the Covid-19 pandemic could have been averted by a proper global response, The Independent Panel for Pandemic Preparedness & Response, which is backed by the WHO, recently concluded (Guenot 2021). It noted that the resources and knowhow to control the coronavirus existed all along but world leaders failed to use them properly. For months after the WHO declared the coronavirus outbreak an emergency, too many countries adopted a wait-and-see approach,

which seemed less costly, instead of aggressively containing the virus. The panel's report found that countries that recognized the threat of Covid-19 early did much better than those that waited: "The Independent Panel has found weak links at every point in the chain of preparedness and response. Preparation was inconsistent and underfunded. The alert system was too slow—and too meek. The World Health Organization was under-powered. The response has exacerbated inequalities. Global political leadership was absent." (The Independent Panel for Pandemic Preparedness & Response 2021). ASEAN countries need to work together to combat this prolonged multifaceted crisis. No country in Southeast Asia is able to do it alone and no leader is able to go it alone either. The true test of a leader is in the quality and diversity of the teams he or she chooses to rely on. The strategy should be to reach out for advice and guidance rather than hunker down. No current world leader was elected or installed because he or she was good at crisis management. ASEAN leaders need to bring in people who are. Instead, we have seen numerous instances of healthcare workers lobbying for more lockdowns, while business leaders



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push for keeping things open. National leaders are caught in between. ASEAN governments need to form crisis management and response teams made up of individuals who are specialists and who do not represent or have any allegiance to special groups or interests. These teams must be given the power to make and shape policy. They should not just be convened for public relations purposes. ASEAN leaders need to recognize when they need help and to ask for it, doing so not out of weakness but out of strength and wisdom. Leaders need to remember that these are still not normal times and their strategies and decisions must be right for these extraordinary circumstances. The pandemic has revealed serious gaps in public health facilities and preparedness as well as a lack of coordination and communication among government agencies in many countries (Caballero-Anthony 2021). When representatives of sectors within a country turn on each other, it requires holistic thinking from its central leadership and intelligent decision-making. Good communication is one of the keys to managing through a crisis, yet communications and cooperation have not been strong points for many ASEAN leaders. Countries within southeast Asia have also not collaborated on vaccines. Success at holding back the virus in 2020 and into 2021 gave some ASEAN leaders, including those in Cambodia, Laos, Thailand and Vietnam hope that they could delay having to vaccinate large numbers of their populations to achieve herd

immunity. It was a failure in planning and in communicating to the public the safety of the new vaccines and the need for them. World health agencies have also been slow to highlight the increased dangers from some of the new virus variants and this has led to short-sighted strategies. Leaders need to equip themselves with the latest information and not rely on hope as a strategy. Here, the tendency to rely principally on information in only one language can be a handicap. Leaders need advisors who are capable of understanding and accessing news from a variety of sources and in a variety of languages. The recovery of one country depends on the recovery of all countries, yet even though this is accepted, on issue after issue countries revert to looking after only their own citizens. Covid-19 should not be looked upon as a small event or disruption. It has changed and will continue to change the way we live and act, and ASEAN leaders need to adopt strategies which encompass not only dealing with the crisis today but with the effects that the virus will have in the years ahead. Covid-19 has brought and will bring profound structural change to the areas of business, human resources, healthcare, banking and finance, education, transportation and security. Policy needs to be shaped not only to deal with the crises but also more importantly with the lasting effects of the crises.

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