MULTISTAKEHOLDERISM: THE PATH TO HUMAN-CENTRED DIGITAL CONNECTIVITY

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ABSTRACT

The so-called ‘multistakeholder approach’ is increasingly being promoted by many likeminded governments that aim to foster secure and sustainable digital connectivity. With a focus on Europe and Asia, this AESCON Policy Brief assesses how such an approach can facilitate inclusivity, greater interoperability between regions and trust between the key stakeholders. Closer engagement by the public sector, private sector and the people at all stages – from the early phase of technological development to the use of technologies by final consumers – is needed to promote a human-centred approach to digital connectivity, to which the EU and many Asian countries aspire. The level of empowerment – in particular of the private sector and people categories – differs greatly between multistakeholder initiatives. The main aim should be for a higher degree of decision-making power, along with open consultations and consensus-building in institutions, projects and regulatory processes.

INTRODUCTION

With the hardening of economic and political competition between more and less open systems, governments in Europe and Asia are grappling to deal with the growing global polarity. The Covid-19 pandemic exacerbated worldwide differences in norms, values and systems that are competing to assert global dominance. The war in Ukraine that erupted in February 2022 brought to the fore yet different sets of competing interests, values and dependencies, especially in Europe. The splintering world is challenging the foundation of globalization of recent decades, making it crucial in the view of many governments in Europe, as well as in Asia, that the post-pandemic recovery is sustainable, secure, inclusive and resilient.

In this polarized world, digital connectivity presents itself as a lifeline that not only facilitates communication between systems and people, but also offers opportunities to improve welfare and global standards. At the same time, new challenges present themselves, including: the use of cyber-attacks targeting critical infrastructure such as power grids; disinformation and polarization on social media that undermine democratic systems; and cryptocurrencies that are used both to evade sanctions on Russia and to raise donations.

The European Union’s (EU) current strategic priorities are in line with these global changes. The relevance of the digital domain within the EU is evident as the Union seeks to foster open strategic autonomy and digital sovereignty while driving the green and digital transitions. Efforts are being made to shield European industries and societies from the powerful Big Tech companies and to strengthen European competitiveness in the high-tech and digital domains with a smart industrial policy.

Similarly, since the economic disruptions caused by Covid-19, many Asian countries have prioritized transforming industries with the help of data analytics and digital models. These tools are important means to build robust and environmentally sustainable digital economies and recover from the pandemic.

Digital connectivity can be an opportunity for both the EU and Asian countries to bring together these internal priorities and pursue them externally through mechanisms such as cross-border data sharing, joint innovations and co-deployment of infrastructure. Creating strong and sustainable digital connectivity that is accessible yet protected is essential for such engagement.

The so-called ‘multistakeholder approach’ is increasingly being promoted by many likeminded governments in the domain of digital connectivity in order to encourage inclusivity, openness, transparency, interoperability and trust. Closer engagement by stakeholders at all stages – from the early phase of tech-

1 European Council: Digital sovereignty is central to European strategic autonomy, Press Release, 3 February 2021.

DISCLAIMER - This report has been prepared with the financial assistance of the European Union. The views expressed herein are those of the research team and therefore do not necessarily reflect the official position of EU institutions.
nological development to the use of technologies by final consumers – is a valuable way to promote the human-centred approach to digital connectivity, to which the EU and many Asian countries aspire. This is different from approaches that prioritize the interests of the state (such as China’s focus on state security) or of business (such as in the United States, where a small number of technology companies now dominate the markets and the system).

What exactly is the multistakeholder approach and which good practices exist to foster connectivity through this approach? Where do countries in Asia and Europe converge and diverge? What are opportunities and challenges of digitalization and new technologies? Are they making progress? Drawing from the second edition of the Asia-Europe Sustainable Connectivity Conference (AESCON) organized by the Clingendael Institute with partners in Europe and Asia in March 2022, this Policy Brief addresses the aforementioned questions and offers actionable steps.

A key conclusion from the debate was that closer engagement by a variety of stakeholders is needed to build a sustainable and resilient digital future for Europe and Asia, where most countries aspire to digital connectivity that is inclusive, open and anchored in a rules-based order. Formulating rules and norms that are underpinned by liberal values is going to be pivotal in determining whether the future of the digital domain is more open, inclusive and interoperable, or whether it will become more closed, state-guided and splintered.

TOWARDS PUBLIC, PRIVATE AND PEOPLE PARTNERSHIPS (PPPPs)

Actionable steps

- Promote Public-Private-People Partnerships (PPPPs) that give the ‘people’ – that is, the digital users and citizens – a stronger voice and more decision-making power as a way to build trust in technological developments and digital regulation.
- Building on current best practices, require that all stakeholders contribute to new digital connectivity initiatives and projects between Asian and European countries, as a way of promoting trust also between governments and regions.

The digital domain is emerging rapidly, with data-driven societies now paramount and the digitalization of micro, small and medium-sized enterprises (MSMEs) and governments being the next frontier. MSMEs are the backbone of most economies – accounting for 98 per cent of Southeast Asian businesses and 99 per cent of Europe’s economy – yet their digital transition is much slower than in larger companies.

As the opportunities and challenges of digitalization and new technologies are becoming clearer, governments are employing measures to regain control of the digital space. For instance, by establishing regulations and industrial policies at home as well as coordinating with third countries. In Europe and large parts of Asia, ‘regaining control’ is about ensuring that digital infrastructure is built and operated by trusted vendors, and decentralizing the digital system is done by regulating Big Tech companies to enhance transparency, accountability and a level playing field. To some governments like China and Cambodia, however, it is (also) about using technology to control and regulate society. Differences in this regard make it essential to promote multistakeholderism as a way to empower all the stakeholders to have their voices heard, expertise used and interests considered.

Stakeholders involved in the digital transition range from individual internet users to businesses, governments and large international organizations. These stakeholders can broadly be categorized in three main groups, namely public, private and people, each with their own role, expertise and interests. The category ‘Public’ includes governments and international organizations, while ‘Private’ constitutes small-/medium-scale businesses, multinational companies and federations of industries. As semi-public actors operating in a market environment, public financing institutions and state-owned enterprises fall into the shared space of public and private. Finally, ‘People’ includes civil society organizations, experts, academics, users of digital services and, most importantly, the citizens. Clearly, in practice, certain actors cannot easily be placed in any one particular category.

Governments play a key role here, as public (democratic) institutions need to bring in the people’s voice to build legitimacy and trust with the other stakeholders. Differences in political systems are thus a key reason why governments engage with non-public stakeholders differently, and the private and people categories are not necessarily recognized as equal stakeholders. Likewise, the level of empowerment – in particular of the private and people categories – differs greatly between multistakeholder initiatives. This ranges from limited engagement in the form of consultation, to formats that contribute to consensus-building and those where formal decision-making power lies with non-public stakeholders.

The turn to a multistakeholder approach provides an opportunity to broaden from the traditional approach of public-private partnerships (PPPps) – a business model for investments – to a system where the people are included as important partners – a framework for policy and implementation. The shift is thus from one where public and private entities work for the people, to one where they work with the people (PPPPs).

In a splintering and polarizing world, coordination and communication between the various stakeholders is of growing importance to mitigate the risks and reap the benefits of the digital age. The involvement of all stakeholders is essential in order to protect and build democratic legitimacy, but processes for doing
so vary and, with that, so does the degree of empowerment of the non-public stakeholders.6

For example, public consultations on regulation (such as the EU’s open consultations on the new Digital Markets Act and Digital Services Act) and expert conferences hosting all stakeholders (like the AESCON) may be considered examples of multistakeholderism, where stakeholders are consulted and share ideas that may contribute to setting common standards. In the case of projects such as by Green Digital in India (details below), the implementation of digital projects facilitates a higher degree of engagement with the local stakeholders, especially in terms of providing decision-making power. On a larger regional level, the UN ESCAP’s Asia-Pacific Information Superhighway initiative (see Box 1 below) is another example of multistakeholderism, with the public sector still in the lead, but higher levels of empowerment among the non-public sector in on-the-ground projects. This differs from multistakeholder organizations like the Internet Corporation for Assigned Names and Numbers (ICANN) and the Internet Governance Forum (IGF), which genuinely empower non-public stakeholders by virtue of allowing them a formal say in a technical organization.

Figure 2 presents examples of engagement between stakeholders at different levels, starting from micro concepts such as inculturating inclusivity at the grassroots level to engaging with macro concepts like trust and security.

The following paragraphs will delve into how the multistakeholder approach can help tackle these three key issues of digital connectivity with a human-centred approach, namely (1) inclusivity; (2) greater interoperability between regions; and (3) promoting trust between stakeholders and in technological developments and digital regulation.

1. Inclusivity

Actionable steps:

- Promote inclusive digital connectivity through investment in digital infrastructure, where the public sector identifies the needs and facilitates financing, the private sector and development banks contribute financially, and engagement of local partners ensures local ownership.
- Enhance the use of open-source software, so that people – the ultimate users – can benefit more and trust can be built in digital infrastructures for optimum utilization.
- Involve and empower the people by decentralizing power and improving decision-making capabilities in the process of identifying needs and directing investments towards the core issues, so that the full benefits of the infrastructure can be reaped.

Generating public welfare is an essential social facet of digital connectivity that promotes digital transformation in order to bridge the digital divide. Especially in Asia, large populations – especially women, children, the elderly, disabled and people living in rural regions – remain under-connected, with little or no access to the internet or other forms of digital services such as e-commerce, e-health and e-governance. As technology progresses, inequalities deepen, not only in terms of improved digital infrastructure, but also in terms of accessing socioeconomic opportunities, including access to education, health and other public services that are increasingly digitalizing.6

Digital illiteracy, inaccessibility and the unaffordability of technology are challenges to building resilient digital infrastructure. According to the International Telecommunication Union (ITU), at least 428 billion US dollars are needed to connect the remaining three billion people to the internet by 2030.7 Especially post-pandemic, as digital becomes increasingly prevalent, a big push is needed in terms of investment in digital infrastructures to provide universal and equitable digital access. Coordination with local stakeholders is necessary to build and spread technology efficiently. A multistakeholder approach can facilitate this.

The interests of all stakeholders, including the financial contributions of the private sector and the welfare interests of the public sector, should be balanced so that the needs of the people can be identified and focused investments can be made that truly cater to the people. Investments through public-private-people partnerships that involve local people at the grassroots level hence employ the un-utilized demand of the people – the ultimate users – can benefit more and trust can be built in digital infrastructures for optimum utilization. As depicted in Figure 2 (above), the people’s involvement in the process of identifying needs and directing investments towards the core issues is essential in order to reap the full benefits of the infrastructure.

The international development organization Green Digital’s efforts in rural India illustrate the benefits of the multistakeholder approach. Through grassroots partnerships, Green Digital collaborates with local youth and the Bihar government to improve soft digital infrastructure, such as by building the capacities of agricultural extension systems and virtual training institutions for the farmers.8 Here, the involvement of ‘people’ in the process of creating infrastructure proved to be useful, as the infrastructure was designed in such a way that it could adapt to the livelihood of the people, making it more accessible and easy to use.

Another example of using a multistakeholder approach to promote inclusivity concerns the involvement of cross-border tech communities, such as Internet Society and the ICANN. These organizations can

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5 Key point made by Charles Mok, founder of Internet Society Hong Kong and visiting scholar at the Global Digital Policy Incubator of the Cyber Policy Center at Stanford University, in the AESCON Opening Panel, 2 March 2022.

6 Bruno Carrasco, Director General for Sustainable Development and Climate Change, Asian Development Bank (ADB), in the AESCON Opening Panel, 2 March 2022.


8 More information is found on the Green Digital’s official website.
help to break down barriers and foster open-source technologies and software. Open-source technologies can be useful to provide better access to technology and information, especially to educate people who might also be sceptical about digital transition. Additionally, a common practice in the Asia-Pacific region is to invest in fibre-optic cables, so that revenues can be diversified and better digital connectivity can be ensured.9

Such arrangements involving local stakeholders can be a beneficial tool also in the EU, to maximize the positive potential of partnerships and explore new ways of connecting: governments, businesses and learning from the Africa-EU experience.10 The Digital for Development (D4D) Asia Hub that was established at the European Commission in early 2022 can benefit from multistakeholderism, to identify local needs, share expertise and foster investments by a variety of partners.

2. Greater interoperability between regions

Actionable steps:

- Develop a multilateral, cross-regional framework for standardization of cross-border data sharing and data security.
- Develop an intergovernmental framework for cross-border co-deployment of infrastructure, in order to allow connections with the help of shared infrastructure such as fibre-optic cables, power grids, railways and roads.

To build vibrant and resilient economies where all stakeholders can flourish and reap the benefits of digital connectivity, governments, businesses and civil society need to coordinate and produce concrete actions to promote (1) greater interoperability between systems; as well as (2) portability of data by making measure as well as a platform for information exchange. For instance, as demonstrated in Figure 2 above, users are enabled to participate in the decision-making process and voice their concerns regarding data management. Similarly, service providers can contribute to a trusted relationship through transparent and open communication with their users, for example on technical and political constraints. At the international level, mechanisms for interoperability such as mutual recognition of national trust marks11 and the issuance of certification could be established. For instance, the ASEAN developed a set of model contractual clauses known as the ASEAN MCCs12, which are instrumental in facilitating cross-border data transfers between businesses.13

Additionally, with the growth in cyber-crimes and data appropriations, knowledge-sharing and co-creation of guidelines are other important tools to foster trust. Here, the multistakeholder approach can be beneficial to ensure security by design - ethical codes

AESCON, can provide a platform where all the stakeholders come together and share opportunities and challenges, in order to facilitate open communication and formulate strategies in areas of convergence (see Figure 2 above). Such institutions and programmes play an important role in setting common standards, planning and implementing projects, safeguarding social and environmental interests, and effectively mobilizing public/private resources for impactful and sustainable infrastructure investment.

In the Asia-Pacific region, an intergovernmental framework could be developed to facilitate cross-border co-deployment of infrastructure.14 This would also make it easier for the private sector to make larger investments without getting into the hassle of gaining access rights across borders, thus making the process of digital connectivity much more efficient. The EU’s Global Gateway initiative,15 which places the multistakeholder approach at its core, should engage with this and facilitate involvement by the European private sector in the planning and scaling up of investments in digital infrastructure development. This requires a high level of coordination at a more granular level, involving stakeholders from the public, private and people categories.

3. Promoting trust

Actionable steps:

- Adopt the multistakeholder approach to set values and processes in order to facilitate transparent and open digital transformation.
- Regulatory approaches should be underpinned by the multistakeholder approach, by way of consultations prior to legislation, thereby also facilitating convergence of principles.16

Regional-to-region connectivity benefits all stakeholders, but requires trust. While understandings of trust differ among countries and regions, trust is a central element in digitalization processes people will not use systems if they do not trust them. Trust is about digital services as much as equipment: to which vendors and providers do we trust the handling of our data? Moreover, beyond the confidentiality of information, trust is also about continuity of services can we rely on providers for software updates and technical support.17 and do we trust they will not use political reasons to discontinue services?

Efforts to rebuild trust through a multistakeholder lens can facilitate open communication among the stakeholders, thereby serving as a confidence-building measure as well as a platform for information exchange. For instance, as demonstrated in Figure 2 above, users are enabled to participate in the decision-making process and voice their concerns regarding data management. Similarly, service providers can contribute to a trusted relationship through transparent and open communication with their users, for example on technical and political constraints. At the international level, mechanisms for interoperability such as mutual recognition of national trust marks and the issuance of certification could be established. For instance, the ASEAN developed a set of model contractual clauses known as the ASEAN MCCs, which are instrumental in facilitating cross-border data transfers between businesses. Additionally, with the growth in cyber-crimes and data appropriations, knowledge-sharing and co-creation of guidelines are other important tools to foster trust. Here, the multistakeholder approach can be beneficial to ensure security by design - ethical codes

9 Tinizia Bonapace, Director for Information and Communications Technology and Disaster Risk Reduction Division, United Nations Economic and Social Commission for Asia and the Pacific (UNECSO), in the AESCON Closing Panel, 23 March 2022.
10 Pascal Kerneis, Managing Director of the European Services Forum (ESF), in the AESCON Closing Panel, 23 March 2022.
11 More information is found on the D4D Hub official website.
12 Tinizia Bonapace.
13 David Ringrose, Head of the Connectivity and Digital Transition Division, European External Action Service (EEAS), in the AESCON Closing Panel, 23 March 2022.
14 David Ringrose.
16 Trust marks are official seals on a website that indicate the site is secure.
17 ASEAN Model Contractual Clauses for Cross Border Data Flows, ASEAN Digital Senior Officials’ Meeting (ADGSOM), Jan 2021.
18 Aaron Maniam, Deputy Secretary for Industry and Information, Ministry of Communications and Information, Singapore, in the AESCON High level Opening Panel, 21 March 2022.
of conduct for each industry that encompass a variety of perspectives and create co-ownership. More collaborative endeavours like this can be a global asset for promoting trusted and secure digital connectivity, where all the stakeholders are part of the decision-making process.

However, it is important to acknowledge that applying the multistakeholder approach is not just about ensuring efficient decision-making, but also plays an important part in setting values and processes involving digital transformation, especially in the EU. To find the answer to ‘what kind of digital transformation are we looking for’, it is essential to develop strategies that are underpinned by individuals, the technical community, legislation and all the other stakeholders.

Russia and China have used their market size in recent years to internationalize their alternative vision of internet governance. This enforces an intergovernmental-dominated model and moves away from the multistakeholder approach, thereby further undermining trust. At the same time, this can weaken a safe, open, transparent and free and sustainable digital connectivity and threaten the values of the EU and other likeminded countries. Currently, efforts are being made by the EU and the US, along with G7 and G20 partners in the ITU, to push for a shift from the multilateral approach to a multistakeholder approach. Coordination among stakeholders, as well as between countries, is a challenge, but the convergence and coordination of approaches would create great benefits.

Digital connectivity is further complicated when data needs to be shared beyond borders. Developing a framework for standardization of cross-border data sharing and data security is crucial for maintaining and promoting interoperability between regions. Developing intergovernmental frameworks, in consultation with all the stakeholders, for cross-border infrastructure such as shared fibre-optic and submarine cables and power grids, could be useful for building a resilient digital future. Moreover, establishing soft infrastructure along with hard infrastructure is essential for paving a path towards trusted global digital connection.

The multistakeholder approach can be useful in facilitating transparent and open digital transformation, where all the stakeholders are involved and aware in the process of digitalization. Trusted and resilient digital connections can help in utilizing technology to its full potential, opening up many future opportunities for all the stakeholders.

As such, the multistakeholder approach is a valuable instrument to help achieve the goals of digital connectivity in and between Asia and Europe.

CONCLUSION: NEXT STEPS FOR A MULTISTAKEHOLDER APPROACH TO EU-ASIA DIGITAL CONNECTIVITY

Globally, we are at a crossroads, where we must make significant decisions regarding the future of digital connectivity. Much is at stake, and steering norms, values and systems towards a direction that can foster an inclusive, interoperable and trusted digital connectivity is a priority for both the regions in focus: the EU and Asia. This AESCON Policy Brief presents the multistakeholder approach as a tool to facilitate inclusivity, foster interoperability and promote trust among the various stakeholders. With ‘people’ being the direct users of technology, it is essential for policymakers to promote Public-Private-People Partnerships (PPPPs) to foster human-centred strategies where the people are involved in decision-making process.

To ensure investments are effectively directed towards the needs of the people, coordination between all stakeholders is necessary, with the public sector involved in identifying needs and enabling finance, while the private sector invests financially. People, as the major group of interest, may contribute to developing confidence in new infrastructures, by using open-source software that enhances trust in the system through transparency and openness.

The multistakeholder approach can be useful in facilitating transparent and open digital transformation, where all the stakeholders are involved and aware in the process of digitalization. Trusted and resilient digital connections can help in utilizing technology to its full potential, opening up many future opportunities for all the stakeholders.

As such, the multistakeholder approach is a valuable instrument to help achieve the goals of digital connectivity in and between Asia and Europe.