Tech Transparency Under the Spotlight

Adapting Global Human Rights Standards
in the Asia Pacific Region

DIGITAL ASIA HUB

Ranking Digital Rights

Acknowledgement

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Introduction

In recent years, conversations about the technology industry in Asia Pacific have focused largely on the economic growth that digitization is bringing to this socio-politically diverse region. As access to smartphones and internet connectivity becomes increasingly affordable, the prospect of millions of people being brought online every year, paired with the rise of tech startups as well as the expansion of digital services, has been a powerful formula for a digital economy boom[1] in the region.

Like in other parts of the world, the COVID-19 pandemic both accelerated this process and brought the phenomenon into greater focus.[2] Governments started to escalate the provision of public services digitally, while private companies benefited from people's need to stay connected with their families and to carry out business. In particular, the e-commerce and financial technology sectors are being named by industry groups, including in a report e-Conomy SEA, published by Google, Temasek, and Bain, as two of the fastest growing and most promising industries for investors.[3]

The development of the tech sector holds the potential to improve people's lives in many ways. By bringing about new opportunities for accessing education and healthcare, by helping to build relationships, enjoying and producing entertainment, or by the sheer convenience of carrying out daily chores like shopping for groceries through digitally mediated services. However, there are other factors at play that must also be considered in order to understand the consequences of these shifts, particularly in light of the harms to people's fundamental rights.

Most countries in the Asia Pacific are rated as "Partly Free" or "Not Free" by Freedom House's Freedom on the Net report.[4] Japan and Taiwan are the exceptions to this categorization, as their internet ecosystems are designated as "free". According to the digital rights organization DigitalReach[5], there are clear and worrying trends with regards to user rights in Southeast Asia overall. Information disorders, characterized by the spread of misinformation, disinformation, and malinformation[6], particularly in the context of elections, have made their way to video platforms such as TikTok. Authoritarian governments in the region are ramping up their efforts to control speech on social media platforms by, for example, demanding the removal of content along stringent timeframes, or by establishing data localization obligations. In addition, there is clear evidence of governmental use of commercial spyware to surveil dissidents and activists. The situation is compounded by the fact that communities most vulnerable to these governmental efforts do not possess the tools, training or knowledge to mitigate the threats against their rights.

In 2021, Ranking Digital Rights (RDR)[7] and Digital Asia Hub (DAH)[8] launched a new project with the goal of spotlighting corporate accountability practices in the Asia Pacific region and understanding

[1] "Southeast Asia's digital boom", Penny Burtt, Asialink: https://asialinkbusiness.com.au/news-media/southeast-asias-digital-boom

[2] "COVID's striking impact on Southeast Asia's digital economy", Stephanie Davis, Nikkei Asia, 17 November 2021: https://asia.nikkei.com/Opinion/COVID-s-striking-impact-on-Southeast-Asia-s-digital-economy

[3] Google, Temasek and Bain, e-Conomy SEA 2022: https://economysea.withgoogle.com/

[4] Freedom House, Internet Freedom Status: Explore the map https://freedomhouse.org/explore-the-map?type=fotn&year=2022

[5] "Digital Rights in Southeast Asia 2023 Annual Report", DigitalReach: https://digitalreach.asia/annual-report/digital-rights-in-southeast-asia-2022-2023/

[6] "Information Disorder", Council of Europe: https://www.coe.int/en/web/freedom-expression/information-disorder

[7] https://rankingdigitalrights.org/

[8] https://www.digitalasiahub.org/

how local and regional digital service providers are addressing their responsibilities toward human rights. Through this initiative, we sought to tackle three key challenges that civil society faces when carrying out corporate accountability work. First, we set out to provide the necessary resources to key partners so they could remain fully focused on research and advocacy. Second, given the complexity of the RDR Corporate Accountability methodology, we aimed to shorten the learning curve by training researchers and by providing feedback and support throughout the process. Lastly, RDR developed tools and materials to make it easier to collect the data needed to evaluate companies, process results, and analyze the findings.

Under this premise, RDR and DAH partnered with two other organizations, Open Culture Foundation (OCF)[9] and Open Net Korea (ONK)[10], to carry out pilot studies in Malaysia, Taiwan, and South Korea, respectively. To varying extents, internet freedom in these countries is either being challenged or is explicitly under threat. We designed the country studies with the assumption that positive corporate behavior can prevent or mitigate those challenges and threats. In that regard, the studies' findings, after evaluating companies' human rights commitments and practices, can inform public opinion, consumer and policy advocacy, regulatory trends, and investment strategies, in favor of an internet ecosystem that supports human rights.

The organizations in each country adapted the RDR Corporate Accountability Index methodology[11] to best address the realities of their local contexts. They did so by selecting the appropriate indicators relevant to local challenges and threats to internet freedom, and by choosing the technology companies in key industries and services connected to those underlying issues.

You can access each of the full country reports in the links below:

- "Voting and Shopping: Evaluating Media and Technology Companies in Malaysia in the Context of Elections and E-commerce"
- "Digital Rights in Taiwan: 2022 Corporate Accountability Report"
- "Bare Minimum: How indulgence in regulation limits user rights in Korea"

In this regional report, we draw from the findings at the country level, analyzing the results of the research carried out in Malaysia, Taiwan, and South Korea to synthesize trends and lessons learned about the policies and practices of the tech sector, and the future of corporate accountability and internet freedom in the region.

9   https://ocf.tw/en/

10 https://www.opennetkorea.org/

11 https://rankingdigitalrights.org/methods-and-standards/

Focus on Asia: Analyzing the Region's Data Economy

Asia encompasses various socioeconomic contexts from highly developed countries to developing nations in South, South-East, and East Asia; and, thus, varying degrees of internet freedom. In this report, we focus primarily on commonalities and differences identified in the three relevant country reports. We also analyze whether any broad potential trends in the region are discernible.

Despite the diversity of the region's economic and political systems, the data economy is very active and prosperous across the region. Besides the global platforms, which operate primarily from the United States, there are several regional and local digital platforms and startups in the fray. However, compared to the European Union and the United States, the regulatory environment in the region tends to be more erratic, with the added influence of China in shaping both the development of services and technologies as well as the regulations affecting internet freedom.

The countries selected for this project have topped some of the charts that measure the digital economy in the region. The World Economic Forum discussed[12] the role of digitalization in Southeast Asia, where the Philippines and **Malaysia** have become the top two countries in **e-commerce retail growth**, outperforming countries in Europe and North America. The **use of smartphones** is particularly high across Singapore (87%), **Malaysia (83%)**, and Thailand (75%). **Malaysia** also has the **highest social media penetration rate (81%) in Southeast Asia**, followed by Singapore (79%), the Philippines (67%), and Indonesia (59%).

With regards to **South Korea** and **Taiwan**, both countries enjoy high internet access rates. This is particularly true of the former, where the quality of the infrastructure and the level of usage of the internet make it one of the most connected countries in the world.[13] Both countries play an important role in the technology landscape. The South Korean Government has helped incentivize the rise of new startups.[14] They are both players in the hardware manufacture sector: South Korea is home to some of the top hardware manufacturers, like Samsung and LG, and the Taiwan Semiconductor Manufacturing Company (TSMC) makes chips that power electronics and gadgets all over the world, including most likely those in your own home, and whatever device you're reading this on now.

12 "How digitalization is making South and Southeast Asia engines of growth", Azaz Zaman, World Economic Forum, 10 February 2022: https://www.weforum.org/agenda/2022/02/digitalization-south-southeast-asia/

13 South Korea Freedom on the Net 2022 Country Report https://freedomhouse.org/country/south-korea/freedom-net/2022

14 "This is how South Korea can become a global innovation hub", Saemoon Yoon, World Economic Forum, 31 January 2022: https://www.weforum.org/agenda/2022/01/startups-in-south-korea-are-thriving-this-is-why/

China in the Asian Market

With its vast resources, technological advancements, and strategic initiatives, China has been making significant strides in expanding its investment and influence in the Asia Pacific region. For instance, its "Belt and Road Initiative", designed to foster connectivity and infrastructure development—including in the technology sector—between China and countries in Europe, Asia, and Africa, has solidified China's geopolitical influence in the Asia Pacific.[15]

China's influence is being seen particularly in Southeast Asia's digitalization and internet business landscape. Chinese tech giants such as Alibaba, Tencent, and Huawei have been actively investing in the region's startups and infrastructure projects, fueling the growth of the digital economy. Shopee, an e-commerce platform popular in Malaysia and Taiwan, was founded by a China-born businessman and received funds from Chinese investors, such as Tencent.[16] In addition to TikTok[17], China's leverage and pressure over Taiwan is evident through two of their most popular social media apps: Douyin, mainland China's version of TikTok (also operated by ByteDance), and Xiaohongshu, a lifestyle-sharing social media platform. Although Instagram and Facebook are still the most-used social media apps in Taiwan, both Douyin and Xiaohongshu have grown in popularity, amassing a significant user base, especially amongst teens.[18] This has raised concerns about swaying the younger generation's view of China, particularly in light of the "One China" policy against Taiwan's autonomy and independence, as well as the potentially negative influence on Taiwanese traditions and identity. Chinese propaganda outlets have already started to echo these trends.[19]

China's model of internet governance, characterized by strict censorship and surveillance, has been, to some extent, exported. Several Southeast Asian countries, like Vietnam[20] and Thailand[21] have adopted or implemented similar measures, restricting online content, social media platforms, and digital communication. This has resulted in curtailed freedom of expression and more limited access to information, hindering the development of an open and democratic internet environment. Additionally, there are privacy concerns regarding data protection and security, as Chinese companies are involved in developing and operating critical digital infrastructure in the region.

The growing presence of China has thus raised questions about the potential erosion of online freedoms and the impact on citizens' rights to privacy and free expression.

15 https://www.cfr.org/china-digital-silk-road/

16 "Tencent divests 2.6% of equity interest in Sea Limited", 4 January 2022: https://www.tencent.com/en-us/articles/2201261.html

17 "Taiwan mulls banning TikTok, accuses it of eroding public's confidence in government", Wionews, 10 Dec, 2022: https://www.wionews.com/world/taiwan-mulls-banning-tiktok-alleges-latter-of-eroding-publics-confidence-in-govt-541880

18 "Pop And Propaganda – How Taiwan's Teens Are Lured By Chinese Social Media", Bosong Xu, Worldcrunch, 21 February 2023: https://worldcrunch.com/culture-society/taiwanese-teens-china-social-media

19 "Mainland apps trend in island of Taiwan, underlining deep-rooted cultural, lifestyle bond", Shan Jie and Lu Yameng, Global Times China, 19 July 2023: https://www.globaltimes.cn/page/202307/1294694.shtml

20 Vietnam Freedom on the Net 2022 Country Report: https://freedomhouse.org/country/vietnam/freedom-net/2022

21 "Thailand tilts towards Chinese-style Internet Controls", Bangkok Post, 15 April, 2019: https://www.bangkokpost.com/life/tech/1661912

Exploring Disparate Political Contexts: Malaysia, Taiwan, and South Korea

02

Exploring Disparate Political Contexts:
South Korea, Taiwan, and Malaysia

The political contexts of these three countries vary considerably and companies' data practices therefore reflect these differences. Taiwanese companies show a propensity toward higher standards of disclosures for freedom of expression and information. Similarly, public opinion in Taiwan tends to lean away from government regulatory interventions as compared to that of its two neighbors.

South Korea

While internet access is generally protected in South Korea, there has been a tightening of internet regulations, particularly of content moderation, in recent years. This trend can be attributed to increased public concern following the widely reported suicides of several well-known celebrities in the early 2000s.[22] In response, the government implemented laws and policies to ensure responsible online behavior and to protect users from so-called "harmful content".

Internet service providers and content platforms are required to monitor and filter user-generated content, removing or blocking any material that violates the law.[23] They must also respond to government requests aimed at addressing issues such as cyberbullying, defamation, and hate speech.

While these regulations are aimed at maintaining a safe online environment, there have been debates and concerns regarding their potential impact on the rights to freedom of expression and access to information.

For instance, the process for content restriction has remained opaque to the public. As an example, Naver, South Korea's largest web portal, has not made any data publicly available about content or account restrictions arising from violations of company rules or government requests.[24]

In terms of privacy protection, South Korea's Congress passed the Personal Information Protection Act Amendment in early 2023. Despite these efforts, incidents such as data breaches and unauthorized access to personal information continue to occur on a regular basis.[25] Rapid advancements in technology, including artificial intelligence and big data analytics further complicate the landscape for privacy protection, presenting new challenges for the country.

[22] "In South Korea, the Internet is a path to suicide", Choe Sang-Hun, New York Times, 20 May 2007: https://www.nytimes.com/2007/05/20/world/asia/20iht-suicide.1.5788474.html

[23] Under Article 44(3) of the Act on Promotion of Information and Communications Network Utilization and Information Protection (the 'Network Act').

[24] https://policy.naver.com/policy/service_en.html

[25] See examples in Kakao's report in the 2022 RDR Big Tech Scorecard: https://rankingdigitalrights.org/bts22/companies/Kakao

In the last decade in South Korea, there have been strong contentions about network neutrality[26], the principle that all network traffic traveling over the Internet Protocol should not be tampered with, or treated equally, by intermediaries. New regulations calculate costs of internet access based on the volume of content downloaded by the consumer, as opposed to the established practice of charging consumers for maintaining physical access to the network. This is expected to increase the cost of connectivity, especially for access to content and infrastructure from outside the country, affecting the future of data and internet access within South Korea.[27]

Taiwan

Popularly known for its culture of transparency in governance and a generally democratic atmosphere, the main axis of concern in Taiwan is the interference in its domestic affairs by neighboring China. In recent years, it has been reported that Beijing employs various tactics to shape narratives and exert influence in Taiwan, particularly through online platforms.[28] These efforts include spreading disinformation, conducting cyberattacks, and engaging in propaganda campaigns aimed at influencing public opinion.

Overall, the country is known for its open and free online environment. Censorship is not prevalent, but the Taiwanese government generally has loose regulations on online speech, and only penalizes those who spread certain types of misinformation, instead of directly imposing content moderation orders. According to the 2022 Freedom on the Net Report, Taiwan has one of the most liberal online environments among Asian countries. However, the absence of an overarching policy framework to define digital service providers' responsibilities to users affords these companies tremendous power in deciding what content is allowed on their platform.

With respect to privacy protection, Taiwan enacted its Personal Data Protection Act (PDPA) in 2010. The law establishes principles and guidelines for the collection, processing, storage, and transfer of personal data. However, in today's fast-paced digital services environment, Taiwan's existing laws including the PDPA are struggling to keep up with rapid changes, leaving gaps in their ability to safeguard the human rights of users online. For instance, the PDPA has not been updated in response to the rising use of big data and tracking in the digital economy. And the Act fails to provide clear guidance on how to apply the principles in practice.

26 For more information, you can read Open Net's publications following the legislative developments and their advocacy campaigns: https://www.opennetkorea.org/en/wp/category/net-neutrality

27 "Afterword: Korea's Challenge to the Standard Internet Interconnection Model", Kyung Sin Park, Carnegie Endowment for International Peace, 17 August 2021: https://carnegieendowment.org/2021/08/17/afterword-korea-s-challenge-to-standard-internet-interconnection-model-pub-85166

28 "China spinning a 'web' of influence campaigns to win over Taiwan", Erin Hale, Al Jazeera, 13 June 2023: https://www.aljazeera.com/news/2023/6/13/china-spinning-a-web-of-influence-campaigns-to-win-over-taiwan

Malaysia

Over the last decade, Malaysia has witnessed strong-handed government interventions to censor and criminalize speech including satire, journalism, and other articulations of dissent.[29] Aided by overbroad provisions within laws such as the Sedition Act, the Peaceful Assembly Act, and the Communications and Multimedia Act, multiple governments have arrested and penalized speech critical of the government. This approach has been extended to newer laws such as the—now repealed—Emergency (Essential Powers) (No. 2) Ordinance 2021 that criminalized the creation, publication, and dissemination of 'fake news' relating to COVID-19, among other events. Companies operating in Malaysia are also conscious of sensitivities surrounding royalty, race, and religion, which is reflected in their content moderation policies.

The pandemic highlighted the ambiguous links between the government and private companies in the development and maintenance of information technology services. For example, the application *MySejahtera*, initially introduced for contact tracing purposes, was then used to regulate people's entry into public spaces and more. Although Malaysia passed its Personal Data Protection Act in 2010, stark gaps remain, including, for example, what the exceptions are for unchecked data collection and processing by government agencies.

Research Design: Adapting the RDR Methodology

The RDR Corporate Accountability Index methodology served as a starting point for designing the research scope and approach for each country study.

RDR's methodology can be divided into two main parts:
- The step-by-step procedure for carrying out the research,
- and the indicators that are used to evaluate and assess the companies.

RDR's research approach involves a seven-step process which includes the collection of data, the reviewing and reconciling of results, engaging with companies to discuss preliminary results, and the final calculation of scores.

[29] "Malaysia: Free Speech Under Increasing Threat", Human Rights Watch, 19 May 2021: https://www.hrw.org/news/2021/05/19/malaysia-free-speech-under-increasing-threat

Companies are assessed based on three categories: governance, freedom of expression and information, and privacy. There are 58 indicators in total across the three categories, which in turn include more than 300 individual questions that evaluate the companies' disclosures and transparency practices on their commitments to respect human rights.[30]

The corporate accountability methodology and research also serve as powerful tools for civil society organizations to engage more effectively with various stakeholders, including users, policymakers, other civil society members, journalists, intellectuals, and investors. They provide a deeper understanding of some of the most prominent challenges and key issues in the digital rights arena by offering easily accessible data and evidence to these stakeholders. It lays the foundation for society to establish a mutual understanding in bolstering public scrutiny of this less-regulated sector.

For this project, each partner decided what aspects of the methodology were useful to adapt based on the issues threatening internet freedom in their country, as well as the specific objectives they wanted to pursue.

The three country studies provide insights on the state of affairs for corporate accountability. However, the top priority was not to facilitate direct comparisons of company performance across the three jurisdictions, but rather to ensure that the findings could feed into and inform conversations taking place at the local level about risks and harms to human rights online.

Some of the most common types of companies studied were telecommunications companies, social media platforms, and e-commerce companies. Owing to differences in the corporate structures of these companies, as well as varying business operations and competition law regulations, these categories are not watertight, and sometimes overlap. Companies that perform functions related to telecommunications, for example, might be required to have human rights practices in place that are specific to that function, even if they also provide services that go beyond the scope of telecommunications.

[30] https://rankingdigitalrights.org/2020-indicators/

Companies selected for the evaluations in each country:

Company/Service Type	Malaysia	Taiwan	South Korea
Telecommunications	Usaha Tegas, Telenor, Telekom	Chunghwa Telecom, Taiwan Mobile, FarEasTone	SK Telecom, Korea Telecom
Social media	Telegram, Tiktok	Dcard, Bahamut Game community, Plurk, Xiaohongshu	
E-commerce	Shopee, AirAsia Superapp, Grab	Shopee Taiwan, Taiwan Rakuten, PChome24h Online, momo.com, Ruten.com, ETMall, Books.com.tw	
Fintech	Touch n Go eWallet, Boost, DuitNow		
Job-seeking		104 Job Bank, 1111 Job Bank, Yes123 Job Bank, 518 Xiongban, ChickPTs, Yourator	
Media corporations	TV3, Awani, Sin Chew		

Trends: Similarities and Divergences

Human Rights Commitments

Transparency of Content Moderation

Transparency of Algorithms

Privacy and Data Protection

Self-Regulated Transparency

Data Security Policies

03

Trends: Similarities and Divergences

In this section, we dive deep into specific issues of digital rights risks that allow for substantial comparisons across the three Asian countries in our study. Within the framework provided by the RDR methodology, we meticulously identify and delineate both the commonalities and distinctions in the transparency of regional and local tech companies on key human rights issues examined by the methodology. The elucidated topics, as presented below, serve as a foundational bedrock on which we can base any future analysis, while also helps to foster in-depth discussions to advance corporate accountability within the dynamic landscape of the Asia Pacific region.

Human Rights Commitment

Formal human rights commitments are conspicuously absent.

As we've noted, human rights commitments are essential for tech companies, particularly with reference to freedom of expression and privacy. Both rights are part of the Universal Declaration of Human Rights[31] and are enshrined in the International Covenant on Civil and Political Rights[32]. A strong human rights commitment is not just a matter of reputation, it is a foundational element that shapes a tech company's value, trustworthiness, and long-term social impact in an interconnected and increasingly digital world.

A formal public commitment to human rights is even more important here because of the critical functions carried out by some of the companies studied: telecommunications companies that serve as infrastructure service providers; social media platforms that have become de-facto sites of official communications for various levels of government; companies operationalizing key aspects of digital financial channels, and more.

Out of the 36 companies evaluated in the three reports, 26 made some sort of commitment to safeguard users' human rights with a primary focus on privacy protection, while ten companies did not make any such commitments at all. Additionally, a majority of the companies did not publicly share formal human rights commitments related to freedom of expression, privacy, or the development and deployment of algorithmic systems. Consequently, on average, companies shared little information about the presence of human rights impact assessment in their operations. In fact, 21 companies disclosed nothing about whether they conduct human rights impact assessment. Notably, South Korea's telco giants, KT Corporation and SK Inc, displayed greater transparency than any other companies by disclosing significantly more information about their human rights due diligence processes.

31 Universal Declaration of Human Rights: https://www.un.org/en/about-us/universal-declaration-of-human-rights

32 International Covenant on Civil and Political Rights: https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-civil-and-political-rights

Human Rights Commitment

	Top-ranked services		Worst-ranked services	
Telecommunications	Digi	75	Maxis; Telekom Malaysia	0
Social media	TikTok; Telegram	65	Dcard; Xiaohongshu; Bahamut Game Community	17
Social media (only local)	Plurk	33	n/a	
E-commerce	Taiwan Rakuten	67	Books.com.tw; Ruten.com; ETMall; AirAsia; Shopee	0
Fintech	All companies	17	All companies	17
Job-seeking	518 Xiongban	50	Yourator	0
Media corporations	Astro Awani	33	Media Prima; Sin Chew	0

Human Rights Due Diligence

	Top-ranked services		Worst-ranked services	
Telecommunications	KT Corporation	82	Telekom Malaysia	0
Social media	Telegram	23	Dcard; Xiaohongshu; TikTok; Bahamut Game Community;	0
Social media (only local)	Plurk	19	n/a	
E-commerce	Taiwan Rakuten	22	PChome24h Online; Momo.com; Ruten.com; Books.com.tw; ETMall; AirAsia; Grab; Shopee	0
Fintech	Touch n Go; DuitNow	5	Boost	0
Job-seeking	518 Xiongban; ChickPTs	22	104 Job Bank;1111 Job Bank; Yes123 Job Search; Yourator	0
Media corporations	All companies	0	All companies	0

Transparency of Content Moderation

Opaque content moderation poses a danger to freedom of expression.

Many Asian countries, including Taiwan, Malaysia, Indonesia, and Vietnam, are introducing, or considering, rules and regulations that would allow the government to exert more control over content moderation for digital platforms, often with the purported aim of addressing issues related to misinformation, online safety, and national security.[33] For instance, Malaysia released its new Content Code in 2022[34] intending to strengthen its existing content moderation rules to exert more control over content moderation decisions and align them with local contexts.

These laws pose different challenges to freedom of expression in the countries where they have been introduced. Regulations aimed at strengthening content moderation on digital platforms can inadvertently curtail freedom of expression[35] by causing over-censorship by the platforms, thus creating a chilling effect on user self-expression and a potential reduction in the diversity of perspectives. Such rules might disproportionately impact marginalized voices, hinder artistic expression, and drive certain discussions to unregulated spaces, thus eroding the freedom of the public digital sphere. Meanwhile, various definitions of acceptable content across countries could also lead to a fragmented online experience.

Under such circumstances, it becomes even more important for tech companies to maintain transparency throughout the content moderation process. Transparency can help mitigate the unintended consequences of over-censorship and help users understand better how content moderation decisions are made.

However, the tech companies assessed here exhibited a low level of transparency, on average, in their content moderation processes. While these companies do provide users with lists outlining prohibited content or activities on their platforms, these lists often lack comprehensiveness and feature vague definitions of prohibited content. Moreover, companies consistently provide minimal to no disclosure regarding the specific steps they take and tools they use to restrict content, whether this is to enforce their own policies or to comply with government requests.

For example, most Malaysian companies (over half) failed to offer publicly available guidelines detailing their criteria for approving advertising content showcased on their platforms. Apart from TikTok,

33 "Content Moderation of Social Media in Southeast Asia: Contestations and Control", Pauline Leong, Fulcrum, 27 July 2022: https://fulcrum.sg/content-moderation-of-social-media-in-southeast-asia-contestations-and-control/

34 "Malaysia: New Content Code effective from 30 May 2022", Kherk Ying Chew and Chun Hau Ng, Global Compliance News, 22 June 2022: https://www.globalcompliancenews.com/2022/06/22/malaysia-new-content-code-effective-from-30-may-2022-15062022/

35 "Moderating online content: fighting harm or silencing dissent?", United Nations Office of the High Commissioner for Human Rights, 23 July 2021: https://www.ohchr.org/en/stories/2021/07/moderating-online-content-fighting-harm-or-silencing-dissent
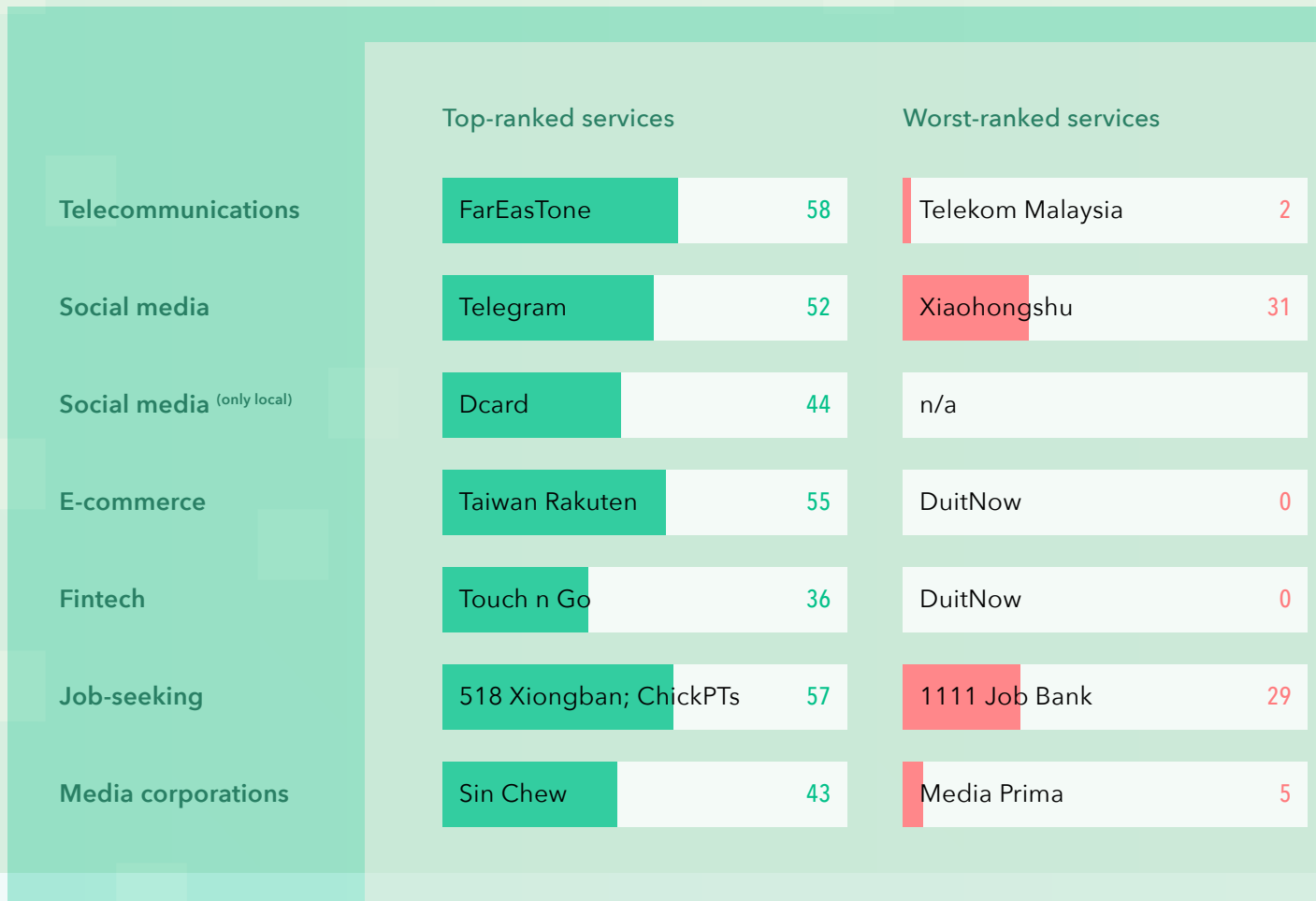
the majority of companies in Malaysia and South Korea provided minimal or no disclosure regarding the quantities of content, accounts, and advertisements they removed as part of their efforts to enforce platform policies.[36]

The deficiency in transparency demonstrated by tech companies in their content moderation processes can potentially exacerbate several issues detrimental to freedom of expression, compounded by the increasing scope of government regulations related to censorship in countries such as Malaysia.

[36] Taiwanese companies were not evaluated for transparency in ad content policy enforcement and content restriction data.

Content Moderation

Ranking based on a scale of 0 – 100

	Top-ranked services		Worst-ranked services	
Telecommunications	FarEasTone	58	Telekom Malaysia	2
Social media	Telegram	52	Xiaohongshu	31
Social media (only local)	Dcard	44	n/a	
E-commerce	Taiwan Rakuten	55	DuitNow	0
Fintech	Touch n Go	36	DuitNow	0
Job-seeking	518 Xiongban; ChickPTs	57	1111 Job Bank	29
Media corporations	Sin Chew	43	Media Prima	5

Transparency of Algorithms

Algorithmic transparency falls short, even as companies integrate algorithms within platform features.

The majority of companies driving the 'data economy' operate in the areas of e-commerce, fintech, and other consumer-facing service areas. The hallmark of many such platforms is the recommender system or the algorithm that determines a match between consumers and service providers for different services. Although Asia is a growing hub for such platforms, there is a lack of algorithmic transparency, both in national regulatory interventions as well as in company self-regulation.

Tech companies are diversifying their operations so that they can enter multiple markets and leverage network effects. Grab, which started as a ride-hailing service, has now expanded into logistics and food delivery. The two largest telecom operators in South Korea have already taken steps to help secure their place in the artificial intelligence (AI) market. SK Telecom announced its plan for 'AI to Everywhere' during the 2023 Mobile World Congress,[37] while KT Corp appears ready to invest billions to grow its AI business over the next five years.[38]

Though companies have begun embedding AI applications within workflows and products, there are no notable examples of companies disclosing information about training datasets and models, or the application of such algorithms. With regard to the multiplicity of factors involved in the determination of which ride is assigned to a Grab user, a company executive explains that Grab takes into account "over 50 attributes – driver profile, the timing of his last ride, location, time of day, etc. – to find you the best match."[39] Grab has been the subject of protests across its areas of operations in Asia, including in Thailand,[40] Indonesia,[41] and Malaysia, over issues including its opaque algorithms.[42] These issues aren't exclusive to Grab – they pertain to the entire ride-hailing industry.

Notably, none of the assessed companies have committed to safeguarding human rights in the utilization and advancement of their algorithmic systems. Only Digi, Malaysia's telecom service operated by Telenor, a prominent Norwegian telecom conglomerate, has made a statement acknowledging the need to balance the 'ethical' usage of data and AI with profit. However, they are far from providing actual meaningful disclosures about the use of the algorithms.

No Malaysian or Korean company[43] has conducted human rights due diligence on their algorithmic systems. These companies also

[37] "SKT to Lead AI Transformation in Industry and Society with AI Services and Technologies", SK Telecom, 27 February 2023: https://www.sktelecom.com/en/press/press_detail.do?idx=1559

[38] "KT expands business into AI robots, AI care, and AI education... "Exceeds 1 trillion won by 2025"" (English translation from Korean), KT Corp, 21 June 2023: https://corp.kt.com/html/promote/news/report_detail.html?rows=10&page=1&datNo=17897

[39] "Here's how AI is powering Grab's ambitions for Southeast Asia", Winston Zhang, Tech in Asia, 3 December 2019: https://www.techinasia.com/ai-powering-grabs-ambitions-southeast-asia

[40] "Grab delivery service riders protest against allegedly unfair rule changes", Thai PBS World, 3 November 2022: https://www.thaipbsworld.com/grab-delivery-service-riders-protest-against-allegedly-unfair-rule-changes/

[41] "Resistance is Possible: Lives of Grab Workers in Indonesia", Arif Novianto, Asian Labour Review, 19 January 2023: https://labourreview.org/grab-in-indonesia/

[42] "Grab, Foodpanda strike: Riders call for better delivery fees, social security amid rising cost of living", Ashley Yeong, Malay Mail, 5 August 2022: https://www.malaymail.com/news/malaysia/2022/08/05/grab-foodpanda-strike-riders-call-for-better-delivery-fees-social-security-amid-rising-cost-of-living/21245

[43] Taiwan companies were not evaluated in relevant indicators about human rights due diligence on algorithmic systems or algorithmic system use policies.

failed to provide adequate explanations about the functioning of their algorithmic systems to users on their websites. Neither do they reveal any operating-level policies to regulate the deployment and advancement of such systems.

Targeted advertisements, a prevalent application of algorithmic systems, is another notable cause of mass data collection; it perpetuates the in-depth analysis of user data to personalize and deliver advertisements based on individual preferences and behaviors. These targeted advertisements are a profitable revenue source for numerous tech companies, including digital platforms and telecom operators. These companies can charge higher advertising rates because they provide users with personalized content, thereby optimizing engagement and potential conversions.

RDR's 2020 *It's the Business Model* report delves into the possible social impact of targeted advertising: It 'results in unfair (and sometimes even illegal) discrimination, but enables any organization or person who is allowed to buy ads on the platform to target specific groups of people who share certain characteristics with manipulative and often misleading messages'[44]. Despite the widespread adoption of targeted advertisements and their negative impact, many tech companies maintain opacity regarding the specifics of their targeted advertising systems.

Indeed, only five of the companies evaluated published policies that oversee the operation of such systems. Global platforms like TikTok and Telegram, along with South Korea's telecommunications giant KT Corporation, exhibited higher levels of transparency about their rules and enforcement mechanisms for targeted advertisements compared to other regional and local tech platforms.

Moreover, recommender systems are extensively employed by internet services, particularly within social media, news platforms, and e-commerce websites, to furnish users with personalized recommendations. These algorithmic systems analyze user data, including previous behaviors, preferences, and interactions, to anticipate and propose items that align with the user's potential interests. Much like with targeted advertisements, most of the companies assessed in Malaysia and South Korea[45] provided no insights into the inner workings of their recommendation or content curation systems.

[44] "It's Not Just the Content, It's the Business Model: Democracy's Online Speech Challenge", Nathalie Maréchal and Ellery Roberts Biddle, Ranking Digital Rights, 17 March 2020: https://www.newamerica.org/oti/reports/its-not-just-content-its-business-model/executive-summary/

[45] Tech companies in Taiwan were not evaluated for the F12 indicator, which pertains to recommendation systems.

Privacy and Data Protection

Disclosures about privacy and data protection are compliance centric.

All three countries have data protection laws in place. Data in Taiwan is governed by the Personal Data Protection Act of 2015 (Taiwan PDPA) and the Enforcement Rules of the PDPA; in Malaysia by the Personal Data Protection Act of 2010 (Malaysia PDPA); and in South Korea by the Personal Information Protection Act of 2011 (PIPA). Standard transparency elements of data protection legislation such as notice and disclosure clauses form part of the requirements under all three laws.

The Taiwan PDPA applies to governmental agencies, although two different sets of rules apply to governmental and non-governmental agencies, allowing the former more room for discretion in the use of personal data. Malaysia's PDPA, on the other hand, contains a broad exception to the application of the data protection law to government agencies.
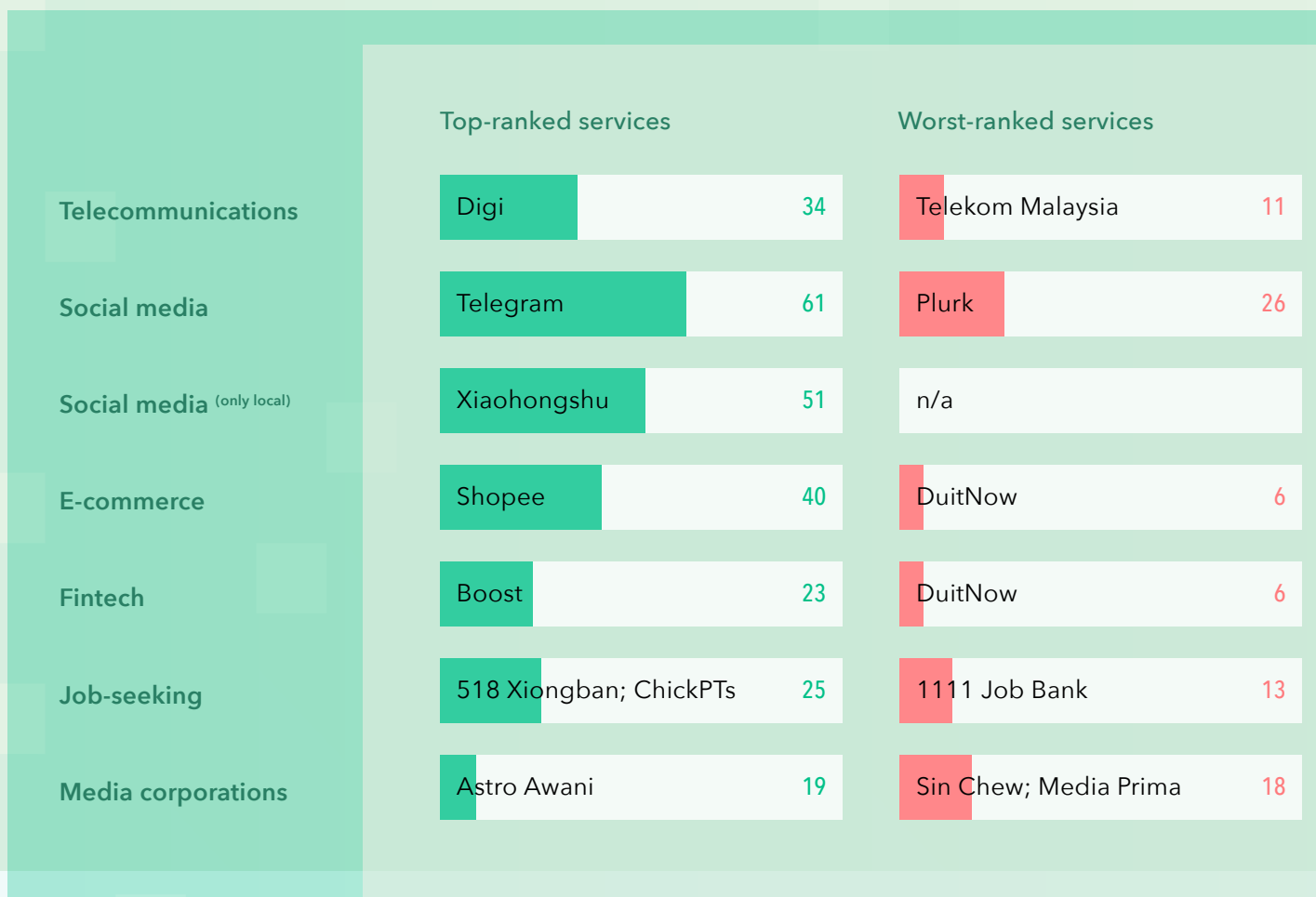
Companies operating in both Taiwan and Malaysia were most likely to have sufficiently detailed disclosures for ensuring compliance with the country's privacy laws, but did not go any further than what was required. For example, although companies in Taiwan demonstrated consistently high scores on privacy indicators – owing to Taiwan's PDPA – the Open Culture Foundation (OCF) noted that the terminology used in the disclosures was picked up directly from categorizations used in legislation from the Ministry of Justice. Where the Taiwan PDPA was found lacking, companies had not gone beyond their remit to better communicate their data practices. Similarly, companies operating in Malaysia offered privacy policies and terms of use, but fell back on language that protected them from incurring liability if part of their data practices were not reported in their disclosures. In other words, company practices indicate that data protection laws encourage compliance, but that this does not necessarily translate to meaningful disclosures.

While the majority of evaluated companies do have privacy policies, with the exception of DuitNow – Malaysia's e-commerce and fintech platform – they generally lack transparency regarding the collection, inference, sharing, and retention of user information. Our data reveals that companies offer scant details regarding the types of user information they collect, how the data is collected, the specific parties with whom they share user information, as well as how they share user information with third parties. Moreover, users had very limited options to control the utilization of their data or to delete their own information.

Telegram, the instant messaging service provider, demonstrated the highest level of transparency in handling user information among all companies across the three countries; however, it received only a passing score on the relevant indicators. The company failed to share any information about whether it collects user information through third parties and it also shared little about the information users can access or download from the platform. On the other hand, DuitNow provided the least details regarding how the company manages user data among these companies.

User Information Handling

	Top-ranked services		Worst-ranked services	
Telecommunications	Digi	34	Telekom Malaysia	11
Social media	Telegram	61	Plurk	26
Social media (only local)	Xiaohongshu	51	n/a	
E-commerce	Shopee	40	DuitNow	6
Fintech	Boost	23	DuitNow	6
Job-seeking	518 Xiongban; ChickPTs	25	1111 Job Bank	13
Media corporations	Astro Awani	19	Sin Chew; Media Prima	18

Self-Regulated Transparency

Initiatives based on self-regulation for transparency are more performative than substantive.

More than a decade ago, concerns began to be raised about content moderation, privacy, government surveillance, and user data protection. As a consequence, big global tech companies began to publish transparency reports. Google was a frontrunner in this regard, releasing its first transparency report in 2010.[46] This report provided information about government requests for user data and content removal. The increased interest in transparency and accountability within the tech industry prompted other major companies to follow Google's actions. For instance, Microsoft released its first transparency report in 2013, detailing law enforcement requests for user data and content removal.[47]

Over time, more tech companies began recognizing the importance of transparency in addressing user concerns and building trust. These reports expanded to cover various aspects of company operations, including data protection, content moderation, and government requests for user information. Through transparency reports, tech companies aim to foster trust, accountability, and open communication between themselves and external stakeholders.

Global social media platforms such as Facebook, Instagram, and later TikTok, launched highly publicized initiatives purportedly offering transparency information. For example, Facebook and Instagram published periodic transparency reports, API access, and a graphical interface to provide transparency on political advertising to a selected group of countries in 2018.[48] TikTok launched brick-and-mortar "Transparency Centers" to offer information about their data practices.[49]

While transparency reports have become an essential practice primarily for global tech platforms, regional and local tech companies and startups still lack a consistent mechanism for publishing their transparency reports. This gap is evident in our data from South Korea, Malaysia, and Taiwan.

Among all the companies evaluated, TikTok exhibited the highest level of transparency regarding its content restriction activities, protocols for managing government requests related to user information and content removal, and pertinent data. This transparency can be largely attributed to the extensive security it has faced across multiple countries. Additionally, Digi, operated by Telenor from Norway, and South Korea's telecommunications giants, KT Corporation and SK Inc,

46 Google Transparency Report: https://transparencyreport.google.com/about?hl=en

47 "Microsoft Finally Releases Info About Law Enforcement Snooping On Skype, Other User Data", Ryan Gallagher, Slate, 21 March 2013: https://slate.com/technology/2013/03/microsoft-transparency-report-details-law-enforcement-requests-for-skype-data-and-more.html

"Microsoft posts its first Law Enforcement Requests Report, shows US-centric scrutiny", Jon Fingas, Engadget, 19 July 2019: https://www.engadget.com/2013-03-21-microsoft-posts-its-first-law-enforcement-requests-report.html

48 "Facebook and Instagram launch US political ad labeling and archive", Josh Constine, TechCrunch, 24 May 2018: https://techcrunch.com/2018/05/24/facebook-political-ad-archive/

49 "TikTok's transparency theater", Alex Heath, The Verge, 3 February 2023: https://www.theverge.com/2023/2/2/23583491/tiktok-transparency-center-tour-photos-bytedance

provided insights into their network and shutdown order management procedures, as well as their approach to handling government requests for user information and other relevant data. On the other hand, the majority of tech companies assessed in this project did not share any data regarding content restrictions or government requests for content removal and user information. This lack of transparency extended even to regional enterprises like Shopee, which is popular in Southeast Asia.

As the tech sector is growing prosperously in the region, it is increasingly important for Asian tech companies to establish more robust transparency reporting systems moving forward.

Data Security Policies

Inadequate data security policies that include broad commitments but lack detailed, proactive measures and protocols in case of breaches.

Data security refers to the measures, protocols, and practices put in place to protect data from unauthorized access, breaches, and cyber threats. It plays a pivotal role in today's digital landscape, holding immense importance for both tech companies and users of technology. For individual users, it's a shield that guards their personal information, maintains their privacy, and prevents the misuse of sensitive data like financial records. In an era where cyber threats are rampant, tech companies need to handle and store users' private information responsibly. As digital technologies continue to advance and play an integral role in our lives, the need to protect sensitive information and address the potential risks associated with data breaches has gained increasing attention from lawmakers and regulatory bodies.

As the Asia Pacific region emerges as a prominent driver of digital transformation, it also grapples with significant challenges in data security management. Even though privacy protection laws in South Korea, Malaysia, and Taiwan mandate data processors to implement security safeguards for personal data, substantial hurdles persist. A recent case study comes from the experience of Telekom Malaysia (TM), which just acknowledged, in July 2023, that it suffered a data breach involving historical Unifi customers, in which names, national identification, passport numbers, and contact details were taken.[50]

Nearly half of the companies analyzed across all reports did not disclose whether they had established security mechanisms for conducting internal and external security audits. Among them,

[50] "Telekom Malaysia confirms customer data breach", S Birruntha, New Straits Times, 12 July 2023: https://www.nst.com.my/business/2023/07/930316/telekom-malaysia-confirms-customer-data-breach

only four telecommunications companies—Chunghwa Telecom and FarEasTone from Taiwan, along with KT Corporation and SK Inc from South Korea—provided comprehensive disclosure about their security auditing systems. Although it is clear that cyberattacks can potentially lead to unauthorized access, data breaches, and system crashes, only five companies have implemented a public loophole reporting system: Plurk and 104 Job Bank in Taiwan, as well as TikTok, Telegram (operating in Malaysia), and KT Corporation in South Korea. Furthermore, over two-thirds of the companies failed to share any information about their follow-up measures to handle potential data breaches. Given these gaps, it is imperative for Asia's tech companies to urgently increase their transparency about data security to effectively address ongoing challenges.

Security

Ranking based on a scale of 0 –100

	Top-ranked services		Worst-ranked services	
Telecommunications	Chunghwa Telecom	61	Telekom Malaysia	0
Social media	TikTok	63	Dcard	0
E-commerce	Shopee	29	DuitNow	0
Fintech	Boost	4	DuitNow	0
Job-seeking	104 Job Bank	46	Yourator	0
Media corporations	Media Prima	8	Astro Awani; Sin Chew	0

Conclusion:
Setting priorities straight to respect human rights while fostering economic development

04

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Both rights-based approaches favored by human rights advocates and risk-based approaches favored by businesses consider transparency as an important part of their modalities.

Corporate accountability in the tech sector in Asia should grapple with the tensions between anticipated economic growth stemming from data businesses, and anticipated human rights implications. A focus on the growing data economy has meant that national governments are incentivizing domestic companies to create data businesses, to leverage data within existing sectors, and even compete with global (prominently US-based) tech giants. The flip side of this is the relegation of people's data to the market – to be commodified, traded, and monetized. While Big Tech companies recognize that they cannot simply avoid engaging with civil society and key stakeholders regarding their business models and data practices, smaller companies in Asia with national or regional operations are able to escape comparable scrutiny.

It is also important to note that in the absence of regulation, company self-regulation has fallen short of preventing harm, while several jurisdictions with authoritarian regimes, or relatively less free internet, consistently use the law to crack down on internet freedom. For example, data protection laws have cemented wide exemptions to government data practices (Malaysia and India); criminal provisions that govern content on digital platforms are interpreted and applied loosely to target content undesirable to ruling parties in the absence of a strong rule of law (the fake news ordinance in Malaysia); and legislation requiring domestic data storage doubles up as a mechanism for mass domestic surveillance.

A final key finding from these reports has been the difference between transparency as compliance–or performance–and meaningful transparency that can shift the balance of power between technology companies and people. Proactive self-disclosures by companies have often taken the form of deficient information, which then forecloses the question of what information the public and the regulators should seek to find out about company data practices. Civil society groups participating in and shaping advocacy around transparency should pay attention to the substance of company initiatives, disclosures,

and programs on transparency. The transparency data sought from companies should be defined in clear terms, and the type of data sought should be capable of addressing the scope of harms possible due to companies' data practices.

As we presented in this report, most of the tech companies evaluated were opaque regarding those issues, only sharing the minimal information to meet the basic compliance requirements – it is imperative to establish a transparency norm for tech platforms operating in the region, encompassing both domestic, regional, and global entities, grounded in universal human rights standards.

In addition to accomplishing our research goals with our partners, this report stands as a building block for fostering discussions on corporate accountability in the Asia-Pacific region. It aims to illuminate specific areas requiring increased scrutiny from civil society.

The adoption of RDR's corporate accountability methodology for local adaptations establishes a baseline research benchmark for companies that directly impact millions of users. However, the efforts highlighted in this report only focused on a limited number of influential companies in three countries, leaving a vast and growing landscape to explore in the future. The methodology empowers future researchers to gather key information required to analyze and address the issues they seek to tackle. This report is an initial step toward encouraging more civil society organizations in the region to adopt and adapt RDR's methodology to assess the transparency of tech companies.

Additionally, this research plays a crucial role in helping civil society organizations engage with tech companies. Firstly, the ranking of companies creates peer pressure and offers incentives for them to enhance their performance. Open Culture Foundation, a partner based in Taiwan, has noted that many evaluated companies were keen to learn about their rankings and engage in discussions. Furthermore, the methodology and research provide a clear, actionable roadmap to guide tech companies in improving their practices and transparency. For instance, Telefónica, a Spain-based telecom company, established a transparency center[51] on its website, aligning with RDR's guidelines as a direct result of this research.

[51] Telefónica Global Transparency Center: https://www.telefonica.com/en/global-transparency-center/

During our research, we also identified some limitations of the methodology. We recognize that a focus on the disclosure of company policies in the absence of accountability mechanisms for their implementation allows companies to use their policies as a site of public relations management, rather than a site for normative and operational commitments. Indeed, the negative social impacts that have emerged with certain data-centric business models cannot be addressed purely by transparency mandates. We encourage future partners to design their research in ways that integrate contextual analysis into the research process, and to consider the interplay between the different incentives for companies to disclose information.

As we move forward, we aim to see those corporate accountability principles not only held by civil society organizations, but embraced by tech companies in their business operations and governance in the Asia-Pacific region. It is our collective responsibility to foster an environment where the rights of users are safeguarded, and where technology is harnessed for the betterment of all, ensuring that the digital age truly benefits the development and improvement of our societies.