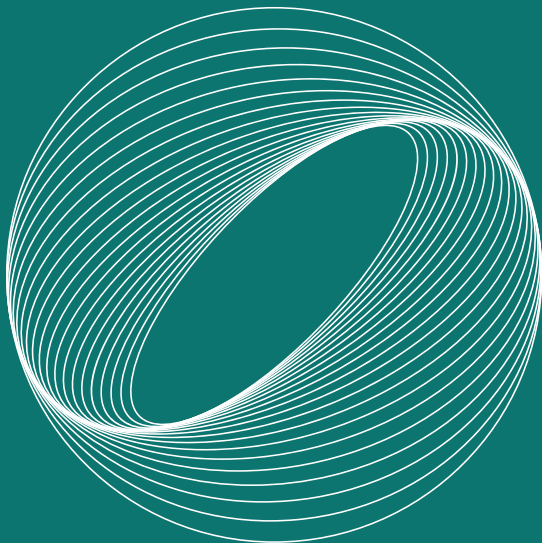




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MONTHLY REVIEW #2

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BEHIND THE GOTO-GRAB MERGER: UNSEEN POLITICAL CONTESTATIONS IN SEA'S STARTUP ECONOMY

Rumours of a merger between Indonesian super apps Grab and GoTo have been circulating since 2019 and have resurfaced again in early 2025. This merger effort is expected to be completed in the second quarter of 2025, with GoTo's non-financial business being transferred to Grab (Bloomberg, 2025). However, both GoTo's and Grab Indonesia's representatives stated that the merger process of the two companies has not yet been agreed upon, so there is nothing to respond to (Pradipta, 2025).

Focusing on the power of knowledge, including the Ease of Doing Business (EoDB) index, Singapore is becoming a top choice for Southeast Asian startups to build their business headquarters. Jessop (2010) explains that this strategy is a form of knowledge-based political economy, which believes that the source of state power is no longer limited to natural resources, but knowledge production can also be a force to dominate global decisions. There is no doubt that Grab's move to acquire GoTo could be a part of its business strategy to maintain investment stability in the country with the best startup ecosystem in Southeast Asia (StartupBlink, 2025).

On the other hand, this rumour triggers a discourse of potential market monopoly and reflects the struggle of Indonesian startups who must 'battle solo' amid the threat of tech-winter that has made many startups exit such as eFishery, BukaLapak, JD.ID, and Zenius. This phenomenon presents a critical reflection for the Indonesian government on ensuring the sustainability of domestic startup businesses in the global startup market. (Ahmad Fajar Maulana, DTC UGM 2023)

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THE MATURATION MAP: A FUNCTIONALIST PATH TO REGIONAL GOVERNANCE IN SOUTHEAST ASIA'S TECH ECOSYSTEM

In April 2025, five leading venture capital associations across Southeast Asia launched the "Maturation Map" – a comprehensive governance framework for startups responding to escalating regional startup governance failures (Techsauce, 2025; VPCA, 2025). The initiative's five-pillar framework – emphasising active diligence, technology utilisation, advisor ecosystems, higher standards, and enforcement – establishes cross-border accountability mechanisms without requiring formal state intervention (VPCA, 2025). This initiative emerged against the backdrop of high-profile startup scandals in ASEAN, such as eFishery's fabricated revenue fraud. Against this backdrop, the proposed Maturation Map offers a functionalist solution to harmonise regional standards. Drawing on David Mitrany's functionalist theory, which posits that technical cooperation can transcend political barriers (Mitrany, 1943), functionalist institutions that answer the ASEAN Economic Community Blueprint 2025 remain hindered by consensus-driven policymaking.

The Maturation Map represents a significant evolution in regulatory regionalism through industry self-regulation, creating political urgency for stakeholders to bypass slow-moving state-led processes. However, while industry-led initiatives provide valuable frameworks, the region's increasing technological interdependence demands complementary state-level mechanisms. Including the state in such governance also needs to balance the interests of the state, such as Singapore's investor protection, Indonesia's start-up growth, and Laos and Cambodia's capacity concerns. For such a functionalist institution to succeed, it must embody democratic and inclusive values. The Maturation Map, by involving multiple regional associations rather than individual nations, demonstrates how cross-border functionalism can balance regulatory harmonisation with regional diversity and interdependence, potentially providing a blueprint for more formal governance institutions. (Dhafin Izzanarsya Rhazdan, Department of International Relations UGM)

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INDONESIAN POLITICS: INEQUALITY AND POWER BETWEEN DEMOCRACY AND DYNASTIES

Ensuring equality for all citizens in a democratic government requires political inclusion. Nonetheless, democracy in Indonesia frequently serves the interest of a select few elites while continuing to marginalise groups like women and ethnic minorities. Despite the presence of coalition parties, political contestation has been dominated by a single power group during the New Order era. This system deviates from the principles of democratic equality in that it frequently advantages those with power and resources. Anthropologist Anna Lowenhaupt Tsing (1993) pointed out in her book *"In The Realm of The Diamond Queen: Marginality in An Out-Of-The-Way Place"* that Indonesian political culture differs significantly from Western models, particularly in the areas of power concentration and normalisation of exclusion.

Indonesia's colonial past has left a legacy of pervasive inequality and a growing divide between the people and the government. As a result, power and resources are frequently distributed unfairly, especially in national development programs, where elites often profit from the outcomes results (Bardhan, 2002). Pranab Bardhan (2002) pointed out in his journal article "Decentralization of Governance and Development" that unequal power distribution is caused by elites frequently taking advantage of development programs. During President Susilo Bambang Yudhoyono's (2004-2014) administration, bureaucratic reform, anti-corruption, and good governance were implemented to promote merit-based hiring in government, boost transparency, and reduce corruption. Nonetheless, nepotism commonprevalent in several government institutions today. Dynastic power transfer and the predominance of elites in key positions have significantly influenced political dynamics. In addition to raising questions about the legacy being passed down to future generations, these tendencies risk eroding democratic principles. (Halimatu Sa'diah, Faculty of Social Science, Chiang Mai University)

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CYBER SECURITY RISK FOR THE GLOBAL SOUTH IN THE MIDST OF GLOBAL NORTH'S TECHNOLOGICAL DEVELOPMENT

Global South countries are often found to be the testing ground for cyberattacks by hackers before they target higher-value targets in the Global North. A report issued by the cybersecurity firm Performanta details a hacker tactic where developing countries are used as a testbed before attacking higher value targets such as North America and Europe, the recent ransomware targets countries like Chile, Colombia, and Argentina due to the reason that developing countries are known to have weaker and less awareness of cyber security (Times, 2024). These security risks are among the new challenges that the Global North's technological development has brought. According to US News (2024), almost all countries with the most technological expertise are located in the Global North. This becomes an issue since innovation has fueled the existence of a new criminal ecosystem, such as cybercrime (Rush et al. 2009, 37).

Developing countries are particularly vulnerable to cybercrimes, making them more susceptible cyber-attacks (United Nations, 2011). The Global North countries, with their already developed cybersecurity, received less monetary losses than the Global South countries. According to Lewis (2018), countries that suffer significant monetary losses due to cybercrime are typically developing countries that are transitioning to a more digitised economy but are still in the process of developing their cybersecurity capabilities. These technological developments in the Global North, with the rise of cybercrime, without a collective approach, would continue to put the Global South at risk. (Baiq Cantika Gading Kirana, Department of International Relations UGM)

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