



Exploring State-led Developmentalism of Video Game Industries in Southeast Asia

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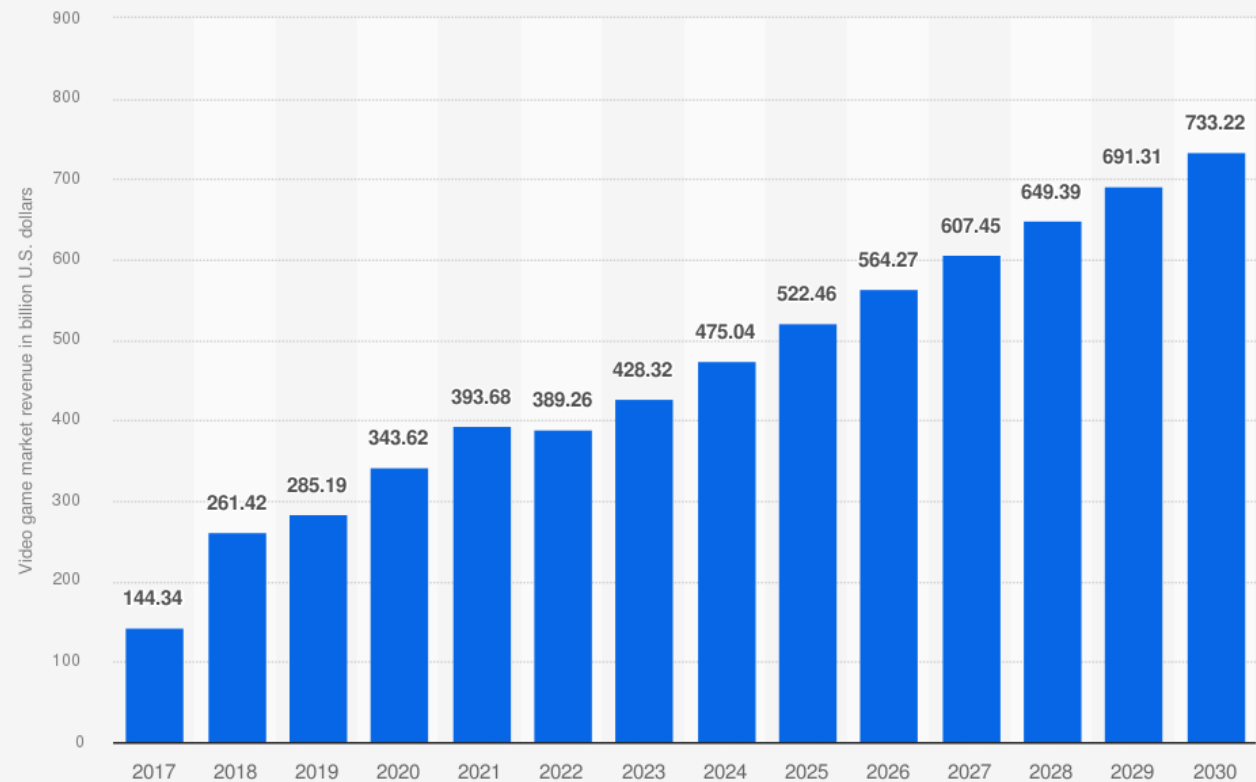
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Context: The Global Video Game Industry

- **Video games – one of the most lucrative and fastest growing entertainment industries**
- Relies on a complex global value chain

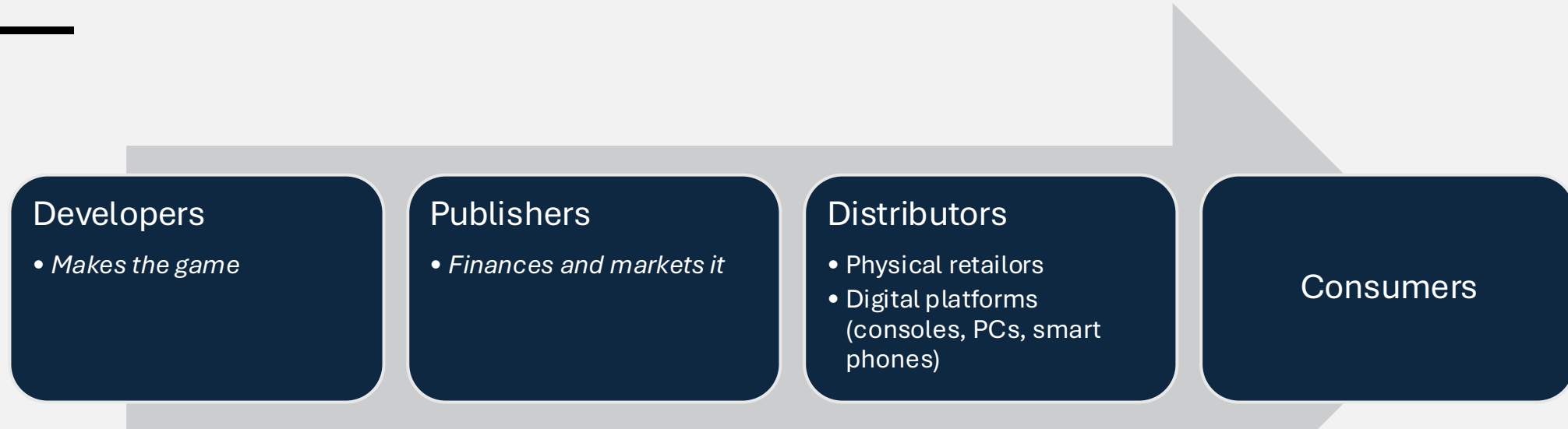
Video game market revenue worldwide from 2017 to 2030 (in billion U.S. dollars)



Sources
Statista; Statista Market Insights
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Additional Information:
Worldwide; Statista Market Insights; 2017 to 2030; digital and physical; all values are estimates

A (simplified) Video Game Global Value Chain



Adapted from “How Industries Work – Media and Entertainment” by W. Bachman, Umbrex Consulting, 2025, p. 107-9

- Industry historically situated within the **Global North** (major developers, publishers, and distributors particularly Atlantic West and East Asia)
- Now increasingly popular outside this “core”

Video Games and Southeast Asia (SEA)

Southeast Asia - “The World’s Fastest Growing Games Market”

- The region generated over \$5 billion in revenue in 2024 and is projected to reach almost \$6.5 billion by 2029 (Niko Partners, 2025).
 - Not just **consumption** but **production** of video games as well



SEA Government Support to Game Industries

NIKKEI Asia

Thailand and Indonesia level up burgeoning video game industry

Region's growing middle class draws developers looking beyond Japan, China

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Game On: How Southeast Asia is Leading the Global Gaming Charge

Madhu Pandya

🕒 December 7, 2025 | 5:00 pm

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Indonesia Pushes Local Gaming Industry to Become New Economic Power

Illustrative Cases: Singapore and Indonesia

Singapore

- First-mover in the region, government involvement since the mid-2000s
- Today, supported primarily by the Infocomm Media Development Authority (IMDA)



Indonesia

- Recognized in *Presidential Regulation No. 19 of 2024* in support of “the development of a national game industry”
- Support through umbrella of government entities such as Creative Economy Agency (EKRAF) and Ministry of Communication and Digital Affairs (KOMDIGI)



Puzzle: Why Support Games?

Games are an *unexpected* industry for these governments to support

- Dominated by the Atlantic West and Northeast Asia
- A **creative/cultural industry** or a **high-tech sector**?
- Complex GVC **problematizes how states capture value**
- Departure from more “traditional” targeted sectors like capital-intensive manufacturing and natural resource extractive industries

What explains government support for game industries in Southeast Asia?

Who has examined this phenomenon?

Regional game industry studies / media + communications studies literature

- Acknowledges growing government interest and support, but does not investigate rationale, drivers, or dynamics behind it (see Chung 2016; Fung 2016; Allifiansyah and Nedpogaeo 2022)

Political economy literature

- Significant engagement with understanding the political economy of state involvement of strategic sectors, but very little in *this* particular industry

Video Games as the Subject of State-led Development

Intervention: Government support to video games can be understood as a form of **state-led developmentalism**

- Emphasizes the role of economic statecraft, in which **state actors plays a proactive role** in directing economic development and industrialization, commonly associated with the economic rise of the Asia-Pacific region (Johnson, 1982; Woo-Cumings, 1999)
- In Southeast Asia, variations and diversity in state capacity have led to differing experiences in state-led development (Hayashi 2010; Larsson 2013)

In terms of video games...

1. Governments see there is **economic value** in cultivating this sector
2. Said cultivation is situated within **broader developmentalist programs, strategies and experiences differ across the region**

Situating Video Games within State-led Developmentalism

Singaporean Developmentalism

- The archetypal “Developmental State”
- Deliberate **state-led strategy** of inserting into GVCs, moving from low-cost manufacturing to high-value-added, knowledge-intensive industries (Arbatli and Hong, 2016; Choo and Chua, 2025)

Singapore’s support for video games

- Maintaining itself as a “regional hub” – attracting foreign multinational companies (**particularly publishers**) to develop regional offices, employing local ICT and digital talent



Situating Video Games within State-led Developmentalism

Indonesian Developmentalism

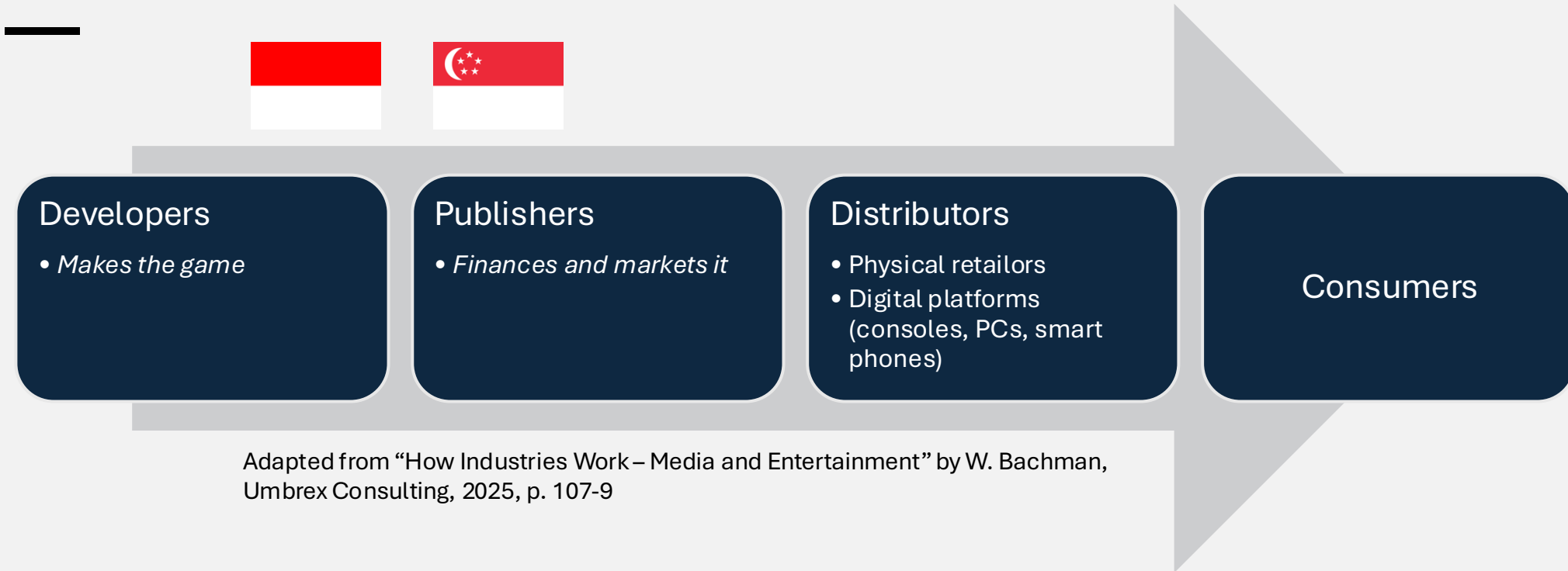
- Indonesia's "new developmentalism" – return to increased government involvement in strategic sectors (Warburton 2018; Syukri, 2024)
- *Hilirasi* ("Downstreaming") of global value chains, particularly in critical minerals

Indonesia's support for video games

- Aspirational developmentalism from the top
 - Emphasis on supporting **local national** companies, restrictions on **foreign** companies *entering* market
 - A kind of downstreaming of digital entertainment?



Southeast Asia in the Video Game GVC



To benefit from the growing game industry, governments in Southeast Asia are strategically inserting themselves into its GVC

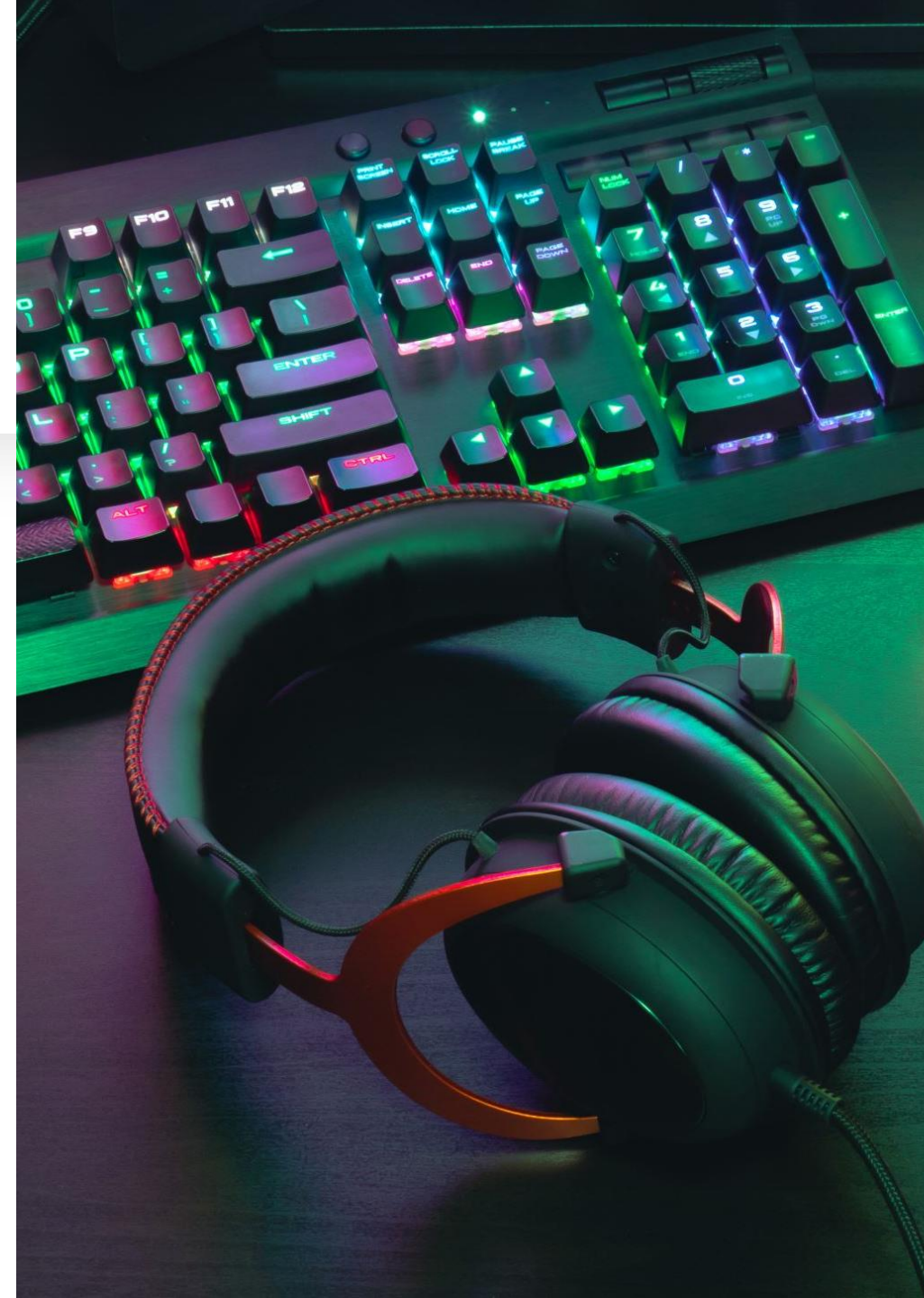
With growing government interest in this industry, Indonesian and Singaporean state-led developmentalism informs the way they interact this industry

Value of the Research

- 1) Explore the processes behind state actors exploring “**new**” **sectors** of the digital economy – inserting themselves into tech GVCs
- 2) Highlight the under-explored importance that **video games** have in the rapidly changing global digital economy
- 3) Foster an **interdisciplinary dialogue** between political economy studies, regional Southeast Asia studies, and game industry studies

Further Questions to Explore

- How do support to video games compare to support to **other similar industries**? (Film, music, television?)
- How does support to video games connect with government efforts to **promote** and **regulate culture** and **technology**?
- What, if any, **interest groups** have pushed for support of this industry? (Local developers, multinational game companies, etc.?)



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