

# Technology and Inclusive Development: the Case of China's Digital Silk Road Initiative



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Digital transformation has rapidly reshaped world development in recent years. With the 'digital' increasingly considered as the panacea of all the remedies, digital megaprojects and infrastructure initiatives are taking roots globally to impact the world for the better across the Sustainable Development Goals (SDGs) framework. During the pandemic, Digital Silk Road (DSR), including digital economy, e-commerce, 5G and artificial intelligence, have been an integral part of the Belt and Road Initiative (BRI) cooperation. While digital connectivity and the emerging digital economy can have positive impacts on development in developing countries, issues such as the alignment of BRI strategies and policies with the UN 2030 Agenda for Sustainable Development, whether and how Digital Silk Road contributes to inclusive economic and social development in developing countries remains under-studied. Technology and capital are essential drivers of urban change. Not only do these features relate to economic growth, they are shaped by institutions and reshape them in turn. Efforts to drive industrialisation or leverage urban labour for economic growth must take into account how technology tends to impact society.

## The objectives and research questions



The purpose of this article is to comprehensively, extensively and critically explore the inclusive development potential of the DSR for the countries in the global south, along with the possible concerns and challenges going forward. To help unlock development potential in the BRI partner countries, we will seek to answer the following questions: What are the priority problems that prevent DSR and its partner countries fulfilling their inclusive development potential? How are these problems related to the complex interactions among DSR and the domains of actors, ideas and power that coalesce – or fail to coalesce – around them? To what extent and in what ways are Chinese high-tech enterprises helping to meet the socio-economic challenges in the BRI partner countries? How can the answers to these questions improve efforts to make DSR more productive, equitable and inclusive?

## The methods



This study has applied the methodology of extensive field research, literature review of academic papers, government publications, journals, media reports, corporate reports, articles, commentaries and other related material available in the public domain. It begins with exploring the concepts around digitalisation and digital economy in the 21st century and the role which the initiatives like DSR can play in promoting inclusive growth and industrialisation for countries across the developing world. It identifies the crucial components, key actors, implementation infrastructure composed of 5G cables, satellite connectivity, undersea cables etc. and strategy in place for the DSR to take

wings across the BRI participating countries and beyond. It has also deployed the case study approach in deeply analysing certain aspects of the DSR vis-a-vis Information Communication and Technology (ICT) connectivity, ecommerce, digitalisation of financial services, health silk road and other infrastructural projects like smart city development and so on, making this study a cross-sectional analysis. In this regard, the study has used the prominent examples from existing and upcoming DSR projects across the countries like Laos, Indonesia, unlocking the potential through the digital infrastructure.

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### The main results



In summary, the study argues that initiatives like Digital Silk Road are the need of the 21st century, as they are likely to bridge the resource and infrastructural gap in the developing countries which suffer from many constraints in their growth stories and thereby usher in the new inclusive development paradigm. For this reason, DSR also need not be necessarily seen as a challenge to the western models and initiatives, as the combined impact and complementarity of all such initiatives can lead to equitable global growth for the digital future.

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### The main policy recommendations



However, like any other digital initiative, the benefits arising out of DSR too needs to be checked and qualified across the dimensions of digital inclusion, market biases across the e-commerce exchanges, anxieties over geo-political and geo-economic hegemony, the operations and dominance of big giants affecting smaller firms, and last but not least, the concerns around privacy, data protection and digital sovereignty. These concerns stand in their own right and does not exclusively pertain to DSR, but rather the entire global digital ecosystems going forward and developing countries can strike the much-needed balance by putting in the required policy and institutional framework to make digital growth work for one and all.