Towards ICCS 2022

Digital Destinies:
Geopolitics, Division and Cohesion

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SYNOPSIS

Thanks in part to geopolitics, the digital economy is leading towards less, not greater, integration, connectivity and connection. Defusing tensions by redesigning technology to work for cohesion will be pivotal to reversing this trend.

COMMENTARY

DESPITE THE potential for technology to usher in more equitable economic globalisation and social connection, the digital economy has more often been seen instead as a source of wealth concentration and division.

Much of this can be attributed to escalating geopolitical tensions in this space, though non-state actors are likewise complicit in eroding cohesion. Shifting the focus away from geopolitics and monopoly will be crucial to putting the world back on track to a digital future that is both more connected and less divisive.

Building Blocs

Historically, geopolitics has skewed technology away from cohesion and towards division. The digital economy is no different. Governments have been vying for some time now to write the rules, export the infrastructure, and control the actors critical to securing wealth and the keys to power in the Fourth Industrial Revolution.

In some ways, the pandemic has brought digital geopolitics to a boil. Beijing has placed a renewed focus on the Digital Silk Road because COVID-19 stalled Belt and

Road projects. In the meanwhile, the US has doubled down to deter the adoption of Chinese technologies and standards.

If there were hopes that the pandemic would compel countries to find common ground among divergent digital trade and data governance models, these were not wholly realised. Accelerated digitalisation and the skyrocketing value of technology companies has underscored the market dominance of US and Chinese businesses.

This has reinforced thinking, such as in the European Union (EU), on [digital sovereignty](#). The logic behind it is to reduce dependencies on either the US or China, the protection of infant industries, as well as to enable — and prohibit— access to data troves given that around 92% of data in the West is stored on US-owned servers.

The Rise of Techno-Nationalism?

This turn towards entrenched techno-nationalism could make it harder to mend rifts among [allies](#) and rivals alike, dampening chances at closing multilateral agreements and using technology to improve collective fortunes.

Moves in lessening digital vulnerabilities and regulating Big Tech — however fairly or unfairly — to address issues of monopoly and disinformation, among others, are read as attempts to [undercut](#) companies of certain nationalities and forcibly share proprietary resources.

To be sure, not all divisions in the digital economy are attributable to geopolitical jostling. Big Tech companies have given caustic rhetoric and polarising beliefs — such as on racism, extremism, and anti-vaccination — a platform to go viral, and have been reluctant to change their division-enabling business models where profit is concerned.

[Facebook](#) is a prime example: it has blocked states and social actors from accessing and better understanding its algorithms and data where relevant to tackling disinformation.

Third Way Across the Great Divide

This divisive turn is understandable, even if not agreeable. With power and prosperity on the line, it can be tempting to think that building exclusive blocs and market dominance is the only path forward. But substantive issues and serious risks bedevil this strategy.

First, a focus on geopolitics short-changes development. Even limited decoupling increases business costs, while monopoly leads to inequalities. This would be especially taxing for small and medium enterprises, and could add to economically induced social frictions and therefore incohesion.

Meanwhile, rather than choosing sides, the world may benefit more from a 'third way' between differing visions for digital governance that better incorporates the strengths and minimises the flaws of all the options on the table — including policies from smaller, digitally savvy economies like Singapore and South Korea.

Second, unnecessarily hostile framing and communication frustrates international and domestic cooperation. Narratives — on techno-Orientalism and fundamentally different values, among others — shift the negotiable issues of different wealth distribution preferences and industrial policy levers into the non-negotiable territory of national security threats and a clash of civilisations.

It also makes diplomatic environments less conducive, emboldens hard-line nationalists on all sides, and amplifies racism, impacting social cohesion on the home-front. Case in point, Sinophobic rhetoric has contributed to hate crimes against Asian Americans.

By defaulting on cohesion, governments could be giving malicious political actors ammunition and opportunity to exploit social schisms and spread misinformation in their COVID-strained societies.

Taking Steps Towards Cohesion

Working together hence makes sense for the digital economy. How then can countries move towards cohesion?

The digital economy must be re-designed to facilitate less division and dominance. In regulatory terms, this means tweaking the business models that facilitate wealth concentration and social conflict rather than relying on other solutions, such as antitrust, that do not address how monopoly and division is enabled in the digital economy.

But any technological, political-economy solution to foster connection, rather than just connectivity, must be complemented by a willingness to better understand, communicate, and work together with different societies.

Dialling down on inflammatory and racist rhetoric in policy circles is necessary. States should also advocate for their governance models and chosen technologies more constructively, such as by focusing on leadership by example: the provision of digital public goods can be done without excessively undermining other countries, and governments can unilaterally remove barriers to digital trade and data.

Relatedly, stakeholders — especially policymakers — must keep socialising across ideological aisles. These interactions could help keep biases in check, while facilitating engagement until wider consensus can be achieved.

From a Boil to a Simmer

Taking these first steps to pivot away from thinking, models and practices that sow division is crucial to forging a more sustainable modus vivendi between diverse societies. It could divert political energy to more pressing questions (such as what technology can reasonably deliver for societies or how social contracts might be updated in the post-COVID digital age), as well as create more politically and socially stable environments for the digital economy.

By choosing cohesion, businesses would meanwhile burnish their environmental,

social and governance (ESG) credentials, making them harder to side-line in a post-pandemic era more concerned with social awareness.

The long-term prospects of the digital economy hence benefit from better informing people of differences and diversity, and building bridges in multicultural societies. States and businesses can both lead the charge, by crafting policy and technologies that foster connection respectively — in turn strengthening resilience in multicultural societies and contributing to purposeful co-existence. Ultimately, while the digital economy may be divisive, division need not be destiny.

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