



Digital Economy, Digital Industrialization

- An Agenda for South-South Cooperation

Parminder Jeet Singh
IT for Change



What is digital economy?

And, what is digital industrialization?

A data centric approach

It is data economy and data/ digital intelligence economy

**As fundamentally as the earlier paradigm was industrial –
it is now “digital”**

Truely post-industrial phenomenon

As industrialization was dis-embodiment of physical power, so digital is of dis-embodied intelligence

Forming large autonomous systems, disembodied digital intelligence fundamentally re-organizes production, and all other economic activities

It is inadequate to study it from traditional technology or information economic frameworks

(McKinsey called data as a new factor of production)

Platform as the key economic institution

**Factory was the key institution of the industrial age
(complex organizations that of the service economy)**

Digital servicification and platformisation

**Platform is the key institution of digital economy – serves
firstly as a “data mine” and, then, the “brain” of the
concerned sector**

**It is here that conversion of data to digital intelligence
takes place**



Every sector gets platformized

Manufacturing, agriculture, even governance (beyond commerce, transport, energy, health, education etc)

Sectoral data produced sectoral intelligence which re-organises and controls all action and actors in the sector – creating huge efficiencies

Not a marketplace, not aggregator – Don't think Amazon, better think Uber

It is a new form of capital in its role of organizing production – digital capital

There is no separate digital economy, everything gets into digital economy and vice versa

Locating South in the global digital economy

South as a location on industrial and IP value chains

Top of value chain: industrial capital, IP capital, and now, digital capital

Digital economy – more concentric layers or ecosystems than a value chains

Centre denoted by highest digital power (software power + network power + data power)

Centre – periphery relationships -- South is the periphery

Three characteristics – one or two centres, tight coupling, and a basic global / non-territorial nature

AI supermacy based geo-politics

“The Keynesian approach I have sketched out may be feasible in the United States and China, which will have enough successful A.I. businesses to fund welfare initiatives via taxes. But what about other countries?”

“..... Unless they wish to plunge their people into poverty, they will be forced to negotiate with whichever country supplies most of their A.I. software — China or the United States — to essentially become that country’s economic dependent, taking in welfare subsidies in exchange for letting the “parent” nation’s A.I. companies continue to profit from the dependent country’s users. Such economic arrangements would reshape today’s geopolitical alliances.”

– Kai-Fu Lee, Chinese venture capitalist, in New York Times

South South knowledge cooperation

A southern conception of digital economy

And, of digital industrialisation

**Local, collective, national data rights as the key leverage
– infant industry protection, regulating platforms, creating
public value**

**A new political economy of data, jurisprudence, first
principles, laws and regulation**



What should South do?

Stick on to the current arrangements, and progressively, and deliberately, create maneuvering space

Individually, enhance digital power to move closer to the centre

Collectively, developing countries must confront the three characteristics of the dominant digital economy model

Decentralize – Seek alternative centres of digital power

Loosen the digital ecosystem's coupling attachments and forces

Territorialize – Bring politics, law, regulation to it (data as local and community resource based approach)

Digital infrastructures

Connectivity and hardware

Software and cloud infrastructure

Transactions-enabling infrastructures

Most important – data infrastructures

And, data rights and policies – community and national rights to data, that is the key point of leverage for developing countries in the global digital economy



South South knowledge cooperation

A southern conception of digital economy

And, of digital industrialisation

**Local, collective, national data rights as the key leverage
– infant industry protection, regulating platforms, creating
public value**

**A new political economy of data, jurisprudence, first
principles, laws and regulation**



South South digital market integrations

Digital economy needs economies of scale

Cooperation in all mentioned areas of digital infrastructures – cloud, enabling systems, data

Progressive approach – retain policy controls, new paradigms of regional trade frameworks

International standards, rules, principles, policy/regulatory frameworks, also cooperation at global levels

What NOT to do

Do not enter TPP style trade deals – a globally unified, unregulated, global digital economy space, run under private law and not public law frameworks

Do not think: We don't (and won't) get it! So, let global trade deals lead us to the digital future!

They are the blue-prints of the dominant monopolistic global digital ecosystems (dependency creating, single mono/bi-centric, tight coupling, de-territorialized)

Exactly the opposite of what South must do!!

Moral of the story:
Moral of the story

There is a bright digital future

But, the South will have to find it for itself!

For a start, open your eyes

and do not deny the writing on the wall!

Get deliberate,

**begin developing collaborative knowledge for and by
the SOUTH!**

**Start with reclaiming and owning your DATA
and DIGITAL INTELLIGENCE**

Thank you