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Issue Brief

What Beijing's Expanding Digital Silk Road Means to India?

Jagannath P. Panda

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Summary

Driven by the Chinese Communist Party's (CCP) desire to make China a technological superpower, Beijing's Digital Silk Road (DSR) has emerged as an important initiative to enhance China's technological capabilities, and at the same time, ensure the international community's dependence on Chinese technologies. However, its implementation has geo-political, economic and security consequences for neighbouring countries such as India and regional powers at large. This brief examines the DSR in the context of India's national security calculus and draws implications for India's national interest. In specific, the brief analyses how the DSR aid China's technological power and contributes to enhancing its political and economic clouts and objectives. More importantly, it looks at how the DSR impacts the India–China balance of power in the region, and assesses how it is bound to grow and evolve in the post-pandemic period to bring new challenges for India and its partners in the Indo-Pacific. In other words, the brief draws the strategic imperatives of the DSR for India and its like-minded partners in the emerging geo-political order.

Introduction

Over the past decade, promoting infrastructure and connectivity projects has emerged as a key tenet of China's foreign policy, particularly under the leadership of Xi Jinping, as a way of expanding the country's power and influence in the region and beyond. Beijing's massive undertaking—the Belt and Road Initiative (BRI)—has sought to capitalise on China's rapid decades-long high economic growth[1] to build new global connectivity contours with China at its centre. More importantly, perhaps, the BRI aims to portray China as a benevolent aid provider in Asia and beyond. Although the BRI initially comprised of two components—the Maritime Silk Road (MSR) and the Silk Road Economic Belt (SREB)—in 2015, the Digital Silk Road (DSR),[2] a new sub-venture, was added to modernise the initiative, respond and take advantage of the new technological era.

Although initially a sub-component, DSR has now become the highlight of BRI and the primary channel for Beijing's foreign policy outreach in the digital sector. At a macro level, the DSR's primary objective is to improve regional and international e-connectivity while concurrently shaping Beijing's quest for great power identity. In other words, it aims to enhance digital connectivity by supporting regional digital infrastructure and digital security projects that integrate internet, big data, artificial intelligence (AI) and digitisation of industrial sectors. Such digital infrastructure building projects are intended to modernise various industrial sectors of the BRI participant states, thereby creating a market for China's digital assets; ultimately, this would enable the regional industrial architecture to be optimised and integrated with China and prevent the global digital value chains from being controlled by the West.[3]

This issue brief examines the DSR initiative in the context of India's national security calculus. It not only outlines the implications of the ever-expanding DSR's outreach in India's neighbourhood, New Delhi's own foreign policy and technological outreach as well as its "Digital India" vision but also explains how India must respond and stay prepared to face a stronger China that will emerge as a digital power in the region and beyond. In particular, the brief looks at how the DSR impacts the India–China balance of power in the region and assesses further how it is bound to grow and evolve in the post-pandemic period, amid a continuously intensifying US–China great power competition in the technological sphere, to bring new challenges for India and its partners in the Indo-Pacific. Based on this, it draws the strategic imperatives

[1] **"The World Bank in China"**, *The World Bank*.

[2] Wang Keju, **"Digital Silk Road Strengthening Commerce Ties"**, *China Daily*, 9 November 2018.

[3] Brigitte Dekker, Maaike Okano-Heijmans and Eric Siyi Zhang **"Unpacking China's Digital Silk Road"**, *Clingendael*, 27 July 2020.

of the DSR for India and its like-minded Indo-Pacific partners—the US, Japan and Australia—as well as technology partners like the European Union (EU).

Beijing's Digital Superiority and India

Beijing has conceived several programmes and made significant moves to take the DSR initiative forward in the region—which forms India's neighbourhood. Post DSR's launch in 2015, China launched the Digital Belt and Road Program (DBAR) in 2016 which established the "Big Earth Data Alliance for the Belt and Road". This expects big data to be a "peace envoy" for all regions along the BRI, to build the same in an organised way while also practically implementing the Sustainable Development Goals (SDGs).[4] The DSR's integration with three of China's most crucial state-driven initiatives—BRI, Made in China 2025[5] and China Standards 2035[6]—further strengthens the central stage it holds in Chinese foreign policy.[7] Beijing has already signed 16 Memoranda of Understanding (MoUs) with various countries, out of which 12 have begun actionable implementation.[8] In fact, in 2019, on the sidelines of the

[4] See **Background**, *Digital Belt and Road*.

[5] The "Made in China 2025" has been a government launched industrial policy that seeks to transform China from a low-end manufacturer to a dominant player in global high-tech manufacturing. Further, the initiative aims to reduce China's reliance on foreign technology and invest in its own indigenous technology. The programme plans to use government subsidies, mobilise state-owned enterprises, and pursue intellectual property acquisition to be at par or even surpass Western technologically advanced nations. See **"Made in China 2025 Plan Explained"**, *China Daily*, 19 May 2015; James McBride and Andrew Chatzky, **"Is 'Made in China 2025' a Threat to Global Trade?"**, *Council on Foreign Relations*, 13 May 2019; Melissa Cyrill, **"What is Made in China 2025 and Why Has it Made the World So Nervous?"**, *China Briefing,* 28 December 2018; and Richard Ghiasy and Rajeshwari Krishnamurthy, **"China's Digital Silk Road and the Global Digital Order"**, *Diplomat*, 13 April 2021.

[6] The "China Standards 2035" plan seeks to lay out a blueprint for the CCP and the leading Chinese technological companies to set global standards for emerging technologies like 5G, Internet of Things, artificial intelligence, etc. It is set to work in tandem with other Chinese industrial policies, such as the "Made in China 2025" policy. While a proper report regarding the policy initiative is yet to be released, it undoubtedly puts China in a position to reshape the global technological industry. Thus, policymakers around the world have become increasingly concerned with the potential of the plan, as the initiative, at this development trajectory, is likely to facilitate a power shift in many new emerging industries, such as quantum networks, autonomy, blockchain, Internet of Things, etc. See Shawn Kim, **"China Standards 2035: How China Plans to Win the Future with its Own International Tech Standards"**, *South China Morning Post*, 21 May 2021; Alexandra Chipman Koty, **"What is the China Standards 2035 Plan and How Will it Impact Emerging Industries?"**, *China Briefing*, 2 July 2020; and **"China Standards 2035 and the Plan for World Domination—Don't Believe China's Hype"**, *Council on Foreign Relations,* 3 June 2020.

[7] Albina Muratbekova, **"China's Post-Pandemic Digital Silk Road"**, *Eurasian Research Institute*.

[8] Huang Yong, **"Construction of Digital Silk Road Lights up BRI Cooperation"**, *People's Daily*, 24 April 2019.

second Belt and Road Forum (BRF), China held a sub-forum on the DSR which drew immense attention. Xi Jinping in his opening address at the second BRF stated that China must "keep up with the trend of the Fourth Industrial Revolution" and focus on creating new drivers of growth such as building "the digital Silk Road and the Silk Road of innovation" which will aid the "Belt and Road Science, Technology and Innovation Cooperation Action Plan".[9] China also launched the World Internet Conference—also known as the Wuzhen Summit—to promote the DSR; its 2020 meeting witnessed participation and display of cutting-edge scientific achievements of over 130 well-known enterprises/institutions such as Alibaba, Huawei, Tencent, Baidu, Epson and Infosys (among others).[10]

Importantly, Southeast Asia—which is a central focus for India as part of its extended neighbourhood under its Act East Policy (AEP)—has emerged as the focus region for DSR. Even before the DSR initiative was launched formally, in 2014 itself, China held a cyber-space summit with the Association of Southeast Asian Nations (ASEAN) where Beijing initiated the establishment of the China–ASEAN Information Harbor. The Harbor was later approved by the China State Council in 2016 and has since expanded operations with offices overseas. Under the Harbor project, five telecom nodes, fifteen international fibre optic cables and seven big data centres have been planned—with some projects already completed— across the ASEAN states.[11] In ASEAN and beyond, China until 2019 had installed fibre-optic cables in 76 countries, surveillance systems in 56 countries, supplied telecom equipment to 21 countries and internet connection appliances to 27 countries.[12] In fact, China–ASEAN digital cooperation has seen such momentum that 2020 was declared as the ASEAN–China Year of Digital Economy Co-operation.[13]

Such overtures by Beijing in building its DSR are a matter of immense strategic concern for India. The CCP views the digital domain as the next key sector for its force projection and hence control over the same is one of the most noteworthy short as well as long-term goals of Xi. Importantly, for Beijing, demonstrating expertise in the technological domain and cementing its status as a digital power regionally and globally also ties into China's great power competition with the US for global primacy.

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[9] **"Xi Jinping Attends the Opening Ceremony of the Second Belt and Road Forum for International Cooperation (BRF) and Delivers a Keynote Speech"**, *The Second Belt and Road Forum for International Cooperation*, 27 April 2019.

[10] Ji Jing, **"Wuzhen Internet Conference Highlights the Importance of Digitalization and Cooperation in Cyberspace"**, *Beijing Review*, 29 November 2020.

[11] **"Infrastructure Platform"**, *China-ASEAN Information Harbor*.

[12] Sheridan Prasso, **"China's Digital Silk Road is Looking More Like an Iron Curtain"**, *Bloomberg*, 10 January 2019.

[13] **"The 2020 ASEAN-China Digital Economy Cooperation Conference Successfully Held in Chengdu"**, *ASEAN-China Centre*, 9 November 2020.

To that end, China is investing intensely in 5G infrastructure and organisation especially via tech-giants like Huawei, AI, and technological cooperation for innovative work, big data, information technology, block chain and the internet of things (IoT). In reflection of Beijing's focus on technology and digital connectivity, China's 14th Five Year Plan, which has been implemented in 2021, has an independent chapter focused on "Accelerating Digital Development and Building Digital China".[14]

By 2025, the additional worth of the key ventures of the digital economy is expected to represent 10 per cent of China's GDP.[15] Originally a US$ 200 billion [16] undertaking for the improvement of the country's own digital foundation, its scope has vastly increased wherein it is estimated that China has effectively put US$ 79 billion in DSR projects around the world.[17] For India, which is increasingly in a competition of its own for primacy in the region, the DSR only tips the already asymmetric balance of power in China's favour. With China now being India's top-most security concern—not only due to their military standoff along the disputed border at the Line of Actual Control (LAC) but also due to its increasing presence in India's backyard, the Indian Ocean—the DSR's potential to increase the gap in India and China's capabilities makes it a huge national security concern for New Delhi.

DSR Through India's National Security Lens

In India, the conversation on BRI has been a part of the strategic discourse for long, however, the growing concern about DSR, because of its overbearing security and strategic ramifications, has been more evident in the recent past. Albeit projected by the Chinese government as a worldwide advancement project, the goals and applications of the BRI and its segments like DSR are fundamentally geo-political and unilateral in nature. For instance, the e-commerce component of the DSR works towards building economic reliance of participating states on China, and therefore creates the conditions necessary for accomplishing Beijing's goal of being a financial superpower. Both e-commerce and fintech are fields that will dominate national economic trajectories in the coming times, as the COVID-19 pandemic has prompted a rapid and dramatic shift to

[14] **"The 14th Five-Year Plan Roadmap for Digital China Construction Released"**, *Seetao*, 8 March 2021.

[15] Ibid.

[16] Russell Deeks, **"The Digital Silk Road—China's $200 Billion Project"**, *Science Focus*, 8 December 2018.

[17] Sheridan Prasso, no. 12. Also see Matteo Giovannini, **"The Digital Silk Road's Growing Strategic Role during the Epidemic"**, *CGTN*, 10 June 2020.

digitalisation from the brick-and-mortar world; Beijing is already leading the global race in the fintech space, particularly in terms of adoption of technologies like digital currency, with its introduction of the digital yuan that could potentially challenge the primacy of the dollar.

Although the G7 has begun efforts to cooperate in the research and development of their own central bank digital currencies (CBDC),[18] China has already begun extensive domestic trials for the digital yuan with the aim of rolling it out in near future.[19] From a broad perspective, the DSR can be argued to be a vehicle for China to consolidate control over the international digital space and deploy a regulatory framework in countries which are a part of the BRI. The DSR can give China the power to shape global digital governance norms in its favour and the political, economic and strategic tools to be a technological hegemon, leaving enormous implications for emerging economies including India.

The export of technology under the DSR also has grave cyber security concerns; it could potentially make troves of data, including sensitive information available (whether openly or unknowingly) to China—hence positioning it in a place of data superiority.[20] By promoting cyber-sovereignty[21] as its favoured model of digital administration, the DSR allows China deep entry into the political and social networks of countries. Without a doubt, the DSR is perhaps the most potent of BRI's components; it has become even more relevant in the post-pandemic world where physical infrastructure projects have received a setback amidst a wider shift to the digital realm. It also stands as China's strongest tool in its foreign and security policy toolkit, in its quest for supplanting the US as the predominant politically influential nation.

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[18] **"G-7 Central Banks Agree CBDC Principles"**, *Central Banking*, 9 October 2020.

[19] Chen Bo, **"What Should China Do as G7 Starts Targeting Digital Yuan?"**, *Global Times*, 29 July 2020.

[20] R S Panwar, **"China's Digital Silk Road–National Security Implications for India"**, *Future Wars*, 14 July 2020.

[21] The term "cyber sovereignty" focuses on China's efforts to shape and influence the global governance of cyberspace. China's cyber sovereignty has both domestic and international components and seeks to result in flow of information which is restricted and controlled. In addition to regulations and controls, China has developed a robust internet governance system that consists of interlinked strategies, laws, measures and standards focused on securing and regulating critical infrastructure, data storage, personal data, etc. See Adam Segal, "China's Vision for Cyber Sovereignty and the Global Governance of Cyberspace", in Nadège Rolland (ed.), **An Emerging China-centric Order: China's Vision for a New World Order in Practice**, NBR Special Report No. 87, *The National Bureau of Asian Research*, August 2020; Justin Sherman, **"How Much Cyber Sovereignty is Too Much Cyber Sovereignty?"**, *Council on Foreign Relations*, 30 October 2019; Mrittika Guha Sarkar, **"China's Cyber Governance: Between Domestic Compulsions and National Security"**, Occasional Paper No. 55, *Institute of Chinese Studies*, August 2020.

From a strategic and security point of view, the DSR's potential implications present a clear threat for participant states in the region, including those in India's neighbourhood, particularly South and Southeast Asia. Beijing's advanced digital footprint via IoT in India's neighbourhood can be (perhaps already being) utilised by the CCP for spying, gathering sensitive intelligence and mounting digital assaults through sustained cyber-attacks. In combination with the Space Information Corridor, the DSR supports China's pursuit of its national interests and warfare capabilities in the space and cyberspace domains; actions like the enhancement of Command, Control, Communications, Computers (C4) Intelligence, Surveillance and Reconnaissance (ISR) capabilities under the DSR's digital and satellite networks can aid the People's Liberation Army Strategic Support Force's activities in the near future.[22] This presents a security risk not only for India but also regional partners like Japan, the US and Taiwan, all of which are currently embroiled in tensions with China.

European powers like France, Germany, the Netherlands and also the United Kingdom—each of which is now subscribing to a more overt Indo-Pacific outlook, if not entirely strategy—are also strategic partners of India that are wary of China's digital footprint. Yet, some of the top recipients of DSR include important European and G-7 powers like Germany and Italy. Furthermore, a study commissioned by UK's Department for International Development on DSR and the sustainable development goals (SDGs) concluded in praises for the Chinese venture; reportedly, two authors of the report were affiliated with a Chinese think tank, showing an example of influence operations by Beijing.[23] Ultimately, DSR focus in Europe has been on smart-city technology, fintech and 5G.[24] Nonetheless, in areas such as physical infrastructure in the digital sphere—like undersea cables and submarine cable construction—mainstream Europe and the European Union largely view China's ascendance as a threat.[25]

Additionally, there has been an increase in Chinese players in the Indian digital economy through funding ventures and the dispatch of web applications. Chinese web goliaths like Alibaba, Tencent and Xiaomi were supporting ventures of almost US$ 10 billion through 125 exchanges within a short span of time—from 2016 to

[22] Nadège Rolland, **"Securing the Belt and Road Initiative: China's Evolving Military Engagement Along the Silk Roads"**, NBR Special Report No. 80, *The National Bureau of Asian Research*, September 2019.

[23] Rebecca Arcesati, **"The Digital Silk Road is a Development Issue"**, *MERICS*, 28 April 2020.

[24] Richard Ghiasy and Rajeshwari Krishnamurthy, **"China's Digital Silk Road and the Global Digital Order"**, *The Diplomat*, 13 April 2021.

[25] **"China's Digital Silk Road and Undersea Cables: Prospects and Threats Posed to the EU"**, *The German Marshall Fund of the United States*, 19 March 2021.

2019.[26] In fact, it is estimated that China-linked investments in India's tech start-ups add up to US$ 4 billion, including companies like Big Basket, Byju's, Flipkart, Make My Trip, Ola, Oyo, Paytm, Swiggy, Zomato, etc.[27] In 2018, among the 100 most downloaded web applications in India, 44 were dispatched by Chinese engineers.[28] Chinese support in the Indian web industry is generally spurred by market potential; this has led to the deep integration of Chinese tech-giants like Huawei into the Indian digital market. However, due to security concerns, India has excluded Huawei and ZTE from participating in 5G trials and banned many Chinese applications, particularly in the backdrop of rising India–China border tensions over the last couple of years.[29] Nonetheless, while India needs to maintain harmony between its public security interests and keep up with cost-efficiencies through Chinese telecoms[30], in the post-Galwan security sphere, a return to erstwhile high China's technological presence in India is unlikely even as economic decoupling takes a longer, more nuanced approach.

India's own digital initiatives, like "Digital India"—which is the Indian government's flagship initiative aimed at building the country into a digitally "empowered" society[31]—have seen growth, leading to India's inclusion as a founding member in multilateral ventures such as the Global Partnership on Artificial Intelligence (GPAI).[32] Amidst the pandemic, India's digital health initiatives like the National Digital Health Blueprint and *Arogya Setu* mobile applications have received focus. Yet, there remains a substantial gap between India's true digital economy potential versus its present ranking. China's comprehensive role in supplying digital connectivity via DSR additionally gives Beijing a more prominent say in moulding technological guidelines and standards of digital administration empowering China to control streams of data as well as the selective militarisation of specific technologies. As the world deals with the Pegasus data security leak, such power exerted by China must be viewed as a predecessor to a similar Beijing-driven data security and digital over-dependency leak. Importantly, it increases the power

[26] **"Chinese Investments in Indian Start-ups Grow 12 Times to USD 4.6 bn in 2019: Global Data"**, *The Economic Times*, 28 June 2020.

[27] Palak Shah, **"How China Dominates Tech Investments in India"**, *The Hindu BusinessLine*, 19 April 2020.

[28] Amrita Nair-Ghaswalla, **"Of India's Top 100 Apps, 44 are Chinese"**, *The Hindu BusinessLine*, 16 April 2019.

[29] **"India Excludes Huawei and ZTE from Participating in 5G Trials"**, *Nikkei Asia*, 5 May 2021.

[30] **"China's Digital Silk Road: Implications for India"**, *Institute of South Asian Studies*, January 2020.

[31] See **About Digital India**, *Digital India*.

[32] See **About GPAI**, *The Global Partnership on Artificial Intelligence*.

asymmetry between India and China, substantially reducing India's bargaining power in front of China.

Summing Up: The Indo-Pacific Calculus

As the US seeks to balance—if not counter—the emerging Chinese superpower, India's vast size, geographical location, and wealth of skilled information technology (IT) professionals are more important than ever before. India is gradually moving up the value chain when it comes to advanced technologies, with more focus on research and development, and innovation in fields like machine learning and IT. However, for the Quad group of countries—as well as other like-minded powers from the EU—to effectively challenge China's increasingly dominant position, cooperation to rapidly bolster capabilities and increased collaboration with third countries is essential. As the US–China tech-war builds,[33] and China's ties with the EU, Japan and Australia grow adverse, the focus of multilateral groupings such as the Quad and the India–Japan–Australia trilateral is also looking towards tech and digital connectivity.

The Quadrilateral Security Dialogue (Quad)—comprising India, Japan, Australia and the US—offers a natural platform for cooperation in the tech and economic domains, as it is already being seen "developing regulatory frameworks for the subsea cable market".[34] As part of the March 2021 Quad Leadership Summit, the group announced the formation of a "Working Group on Critical and Emerging Technologies", clearly indicating their intent to scale up collaboration in the field.[35] The Quad's broad focus through such initiatives must, first and foremostly, be to ensure that the development of emerging technologies is governed via democratic norms—along the lines of building a free, open, inclusive and liberal digital order—and not autocratic trends which Beijing is likely to further. In this context, the Quad states must seek to coordinate digital policy within themselves, as well as with other major and middle like-minded global and regional powers. It must push back against Beijing's efforts to use its first-mover advantage to influence global standard-setting processes.

Furthermore, the Quad states can enhance collaborations at the research and development level to support and bolster each other's capabilities and thus gain a competitive edge *vis-à-vis* China. More importantly, such collaborations must extend to pooling of capabilities and resources to extend digital outreach to South and Southeast Asia in direct competition with the DSR. The four Quad states already

[33] Haiyong Sun, **"U.S.-China Tech War: Impacts and Prospects"**, *China Quarterly of International Strategic Studies*, Vol. 5, No. 2, 2019, pp. 197–212.

[34] Elizabeth Roche, **"Quad can Pool Resources to Prevent China from Dominating Global Tech"**, *Live Mint,* 28 June 2021.

[35] **"Fact Sheet: Quad Summit"**, *The White House*, 12 March 2021.

have a strong interest in balancing out or countering the BRI's influence in the region by promoting quality infrastructure development under projects that impose fair, transparent and sustainable debt upon borrowing nations; the Blue Dot Network, led by Japan, Australia and the US aims to further this goal. Now, however, there must be a renewed focus on supporting digital infrastructure development in the region based on transparency and democratic values. One potential area for cooperation could be undersea fibre-optic cables, which are responsible for a majority of global data transfers, in the Indo-Pacific. Beyond the Quad too, such a focus on countering or managing the influence of the DSR can emerge under the recently proposed and adopted G7 initiative, the Build Back Better World (B3W).

It is pertinent to note that the G7 industrial democracies have already taken several steps to promote digital connectivity on the global scale; the G7 Digital and Technology Ministers meet of 28 April 2021 witnessed the release of a ministerial declaration on collaboration *vis-à-vis* technical standards, free flow of data with trust, internet safety and electronic transferable records.[36] Similarly, the EU Commission has released in 2020 its 2030 Digital Targets that seek to build sustainable and successful digital transformation in Europe; under the presidency of Portugal that year, the European Council even pushed for pan-Europe investment to expand undersea cables across the continent.[37] Importantly, in July 2021, the EU agreed on an infrastructure plan that seeks to rival China's "Silk Road"; this build on partnerships Brussels has signed with India and Japan focused on energy, digital and transport connectivity projects between Europe and Asia.[38] Such initiatives can find further synergy with national and regional programmes established by the Quad states. For instance, New Delhi's "Digital India" vision as well as its bilateral economic and technology-driven initiatives like the Platform for Japan–India Business Cooperation in Asia–Africa Region can coordinate goals and objectives with the broader global focus under the G7, or even the Quad. Countries in the African continent should also be taken into confidence since Beijing's DSR is expanding its footprint continuously in Africa. The aim here could be to bring together all like-minded countries in their efforts to further regional and global digital connectivity to help cement a democratic, open, rules-based, transparent and inclusive digital order to effectively limit Beijing's rising dominance via its DSR.

Lastly, India and its like-minded partners must also cooperate to control crucial supply chains of critical rare earth minerals as well as technologies, or build alternative global value chains for these materials, so as to ensure their continued access—even in the face of future "black swan" events. While the trilateral is looking

[36] **"Ministerial Declaration"**, *G7 Research Group*, 28 April 2021.

[37] **"Europe's Digital Decade: Digital Targets for 2030"**, *European Commission*, 9 March 2021.

[38] Jamie Dettmer, **"EU Agrees on Infrastructure Plan to Rival China's New Silk Road"**, *Voice of America*, 13 July 2021.

to build the Supply Chain Resilience Initiative (SCRI) to limit dependency on China across sectors—especially semiconductors—the Quad's Critical and Emerging Technology Working Group has also pledged to "facilitate coordination on technology standards development".[39] Here, cooperation with tech giants like Taiwan, a global (untapped) leader in the semi-conductor industry, and South Korea, which is not only home to some of the world's largest technology firms but also a leader in 5G technology, must be pursued.

For New Delhi, the strategic ramifications of DSR are unmistakable. Beijing is clearly employing the DSR as a medium for greater digital outreach to non-industrial economies to garner greater political and geo-economic power prevalence in Asia (especially in Southeast Asia) and beyond. This not only presents a security concern for New Delhi but holds the potential to further skew the asymmetry between the two nations posing foreign policy challenges. Further, China is making an enormous digital market for itself, offering reconnaissance technology, advanced services for surveillance, building "Smart Cities" and more. The DSR will enormously upgrade Chinese soft power via favourable ventures like online training, telemedicine and e-commerce. In future, it will be critical for India to delve deeper into the direct consequences of DSR on India's security and geo-political position; cooperating with like-minded partners to limit or counter Beijing's outreach must be a vital priority. Moreover, it will be imperative for India to strengthen its digital resilience and capabilities so as to balance its national interests and secure it from risks emanating from unilateral actors. It should do so by creating a regulatory framework[40] that facilitates the advancement of an innovative and competitive technological ecosystem to precipitate its emergence as an emerging digital actor.

[39] *The White House*, no. 35.

[40] **"China's Digital Silk Road: Implications for India"**, *Konrad-Adenauer-Stiftung (KAS),* 25 September 2019.

About the Author

Dr Jagannath P. Panda is Research Fellow at the Manohar Parrikar Institute for Defence Studies and Analyses, New Delhi.

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Manohar Parrikar Institute for Defence Studies and Analyses
1, Development Enclave, Rao Tula Ram Marg
New Delhi 110 010 India
T +91-11-2671 7983 F +91-11-2615 4191
contact.idsa@nic.in www.idsa.in
Twitter @IDSAIndia
www.facebook.com/ManoharParrikarInstituteforDefenceStudiesAnalyses