

Конференция НИУ ВШЭ «Мировое большинство на пути к новому мировому порядку», секция «Страны Азии на пути к цифровой трансформации»: ключевые выводы

The HSE University Conference “The World Majority towards a New International Order”, the Section “Asian Countries on the Path to Digital Transformation”: Key Findings

Канаев Евгений Александрович

Д.и.н., профессор, НИУ ВШЭ ekanaev@hse.ru	Professor, HSE University ORCID: 0000-0002-7988-4210
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Гарин Артем Алексеевич

К. и. н., научный сотрудник Института востоковедения РАН, заведующий Лабораторией цифровых исследований современного Востока a.garin@ivran.ru	PhD (History), Head of the Digital Research Laboratory of Contemporary East, Research Fellow, IOS RAS ORCID: 0000-0003-4677-7221
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Гараева Айсылу Рафаеловна

Аспирант, преподаватель НИУ ВШЭ argaraeva@hse.ru	PhD Student, Lecturer, HSE University ORCID: 0000-0002-9246-208X
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В статье представлены результаты работы секции «Страны Азии на пути к цифровой трансформации», которая состоялась 29 октября 2024 года в рамках VI Международной конференции «Мировое большинство к новому международному порядку» НИУ ВШЭ. Секция организована в партнерстве с Институтом востоковедения РАН и была посвящена вопросам, определяющим цифровую трансформацию Азии. Комплексное исследование «Цифровая трансформация экономических и коммерческих практик в Азиатско-Тихоокеанском регионе: отдельные теоретические аспекты», представленное профессором НИУ ВШЭ Е.А. Канаевым, задало тон дискуссии, равно как позволило проанализировать многомерность эволю-

The article presents the results of the section "Asian Countries on the Path to Digital Transformation" that took place on October 29, 2024 as part of VI International Conference "The World Majority towards a New International Order", HSE University. The section was organized in partnership with Institute of Oriental Studies, Russian Academy of Sciences and focused on major issues that shape the evolution of Asia’s digital landscape. A comprehensive study entitled "The Digital Transformation of Economic and Commercial Practices in the Asia-Pacific Region: Selected Theoretical Aspects," presented by HSE University professor Evgeny Kanaev, set the tone for the discussion, as well as offered thought-provoking insights into the multidimensional evolution of digitalization-related

ции цифровой трансформации на азиатском пространстве. Среди обсуждаемых тем, наиболее важными стали нацеленность Индии на качественный рост при помощи цифровых инструментов, нынешнее состояние и вероятные перспективы эволюции цифровой поддержки внутристрановых и трансграничных инициатив в Азии. Наряду с этим, участники секции рассмотрели роль цифровых инструментов в преодолении существующих разрывов между азиатскими странами. Особое внимание было уделено влиянию искусственного интеллекта (ИИ) на достижение Целей устойчивого развития (ЦУР) ООН, а также имеющие отношение к цифровой сфере приоритеты основных международных акторов Азии. Поскольку эти и подобные им вопросы находятся на начальной стадии осмысления, выводы и оценки секции имеют несомненную научную новизну и практическую значимость.

Ключевые слова: глобальные тенденции, цифровая трансформация, теоретические выводы, Азия, международная конференция, НИУ ВШЭ, ИВ РАН

practices across Asia. The topics discussed included India's aspirations for transformative growth by means of digital instruments, the present state and likely prospects of digital support for intra-country and transboundary initiatives in Asia. Additionally, the role of digital instruments in bridging existing gaps across Asia was examined. A special emphasis was placed on the Artificial Intelligence (AI) profound impact on the United Nations Sustainable Development Goals (SDGs), as well as on the digitalization-related priorities of Asian international actors. The section participants discussed how AI technologies are reshaping the global and regional economic landscape with implications for regional development. As such issues are at the initial stage of conceptualization, the key findings of the section have obvious academic novelty and practical significance.

Keywords: global trends, economic issues, digital transformation, theoretical implications, Asia, international conference, HSE University, IOS RAS

On October 29, 2024, the International Conference “The World Majority towards a New International Order” was convened at the Moscow campus of HSE University, a globally renowned center of academic and teaching excellence. The conference was attended by 166 participants, including prominent scholars, policy makers, business leaders and industry practitioners, from 14 countries [3]. The conference agenda included the section “Asian Countries on the Path to Digital Transformation” co-chaired by the School of International Regional Studies, HSE University, and the Digital Research Laboratory of Contemporary East, the Institute of Oriental Studies, Russian Academy of Sciences. The section was a remarkable event for several reasons.

First, its agenda was part of broader processes discussed at the conference. Specifically, the section participants assumed that the world majority needs a goal-oriented vision with a strong consolidating component. This is especially relevant under current circumstances, as the institution-building in cooperation between the world majority countries is not accompanied by a commensurate extent of practically-oriented interaction that is lagging behind policy slogans. The section explored the digital transformation and related issues to outline niches where joint projects and initiatives are timely and relevant.

Second, the section role players were the representatives of world majority, namely, scholars from Russia, India and Iran. It allowed revealing points of convergence and divergence in their arguments, as well as outlining what policy directions and areas of cooperation are most rewarding.

At the same time, the section participants were realistic about the way global digital processes evolve. The regulation of Artificial Intelligence (AI) is still in its infancy. In September 2024, the US, the UK and the EU joined several other international actors in signing the world's first AI treaty [1]. In December 2024, Russia announced the formation of an AI Alliance Network in collaboration with BRICS countries and other interested nations [2]. This network is designed to facilitate joint research, technological development, and regulatory alignment in AI. However, there are still wide disagreements on digital issues in the world. For instance, differing approaches to data localization undermine prospects for establishing global value chains (in the current circumstances, GVCs must be supported by effective digital tools), as well as undertaking large-scale infrastructure projects (the ASEAN Power Grid and the Trans-ASEAN Gas Pipeline are among notable examples).

Third, the section participants discussed issues that cover both theoretical and practical aspects of digital transformation in Asia. This holistic approach is especially important, as nowadays theory is conspicuously lagging behind actual practice, and many grass-root digital processes await their conceptualization.

The section was a timely event. From a global perspective, the digital transformation in general and AI in particular raise many complicated questions. They include, but are not limited to, legal issues relating to copyright law (for instance, rights for intellectual products created by AI), responsibility for system failures, data confidentiality, privacy and security, including responsibility for deepfakes, a balance between efficiency and sustainability, as well as AI ethical issues, to mention just a few examples. Based on the evidence thus far, attempts to respond to those challenges, as well as to minimize bias and ensure fairness, have been a limited success. This factor further highlights the necessity to hold in-depth and detailed discussions on salient features of digitalization-related processes in synergy with major global economic, political and security trends.

From a regional (Asia-Pacific) and a national perspective, other factors strongly matter. The section took place on the eve of 2025, the target date of the establishment of ASEAN Economic Community. Besides that, 2025 marks a 10th anniversary of the Digital Silk Road, an initiative that is increasingly shaping global and regional digitalization-related trends. Importantly, the Digital Silk Road is synergized with China's other initiatives, including the "Make in China 2025", "Internet Plus" and the "Military-Civil Fusion". Finally, the section timing coincided with a 10th anniversary of India's Act East Policy (it is worth pointing out that among eight section role players, three were Indian scholars). Each of these factors individually, not to say about them collectively, suggests that the timing of the section that focused on digital transformation in Asia was entirely appropriate.

The section role players were scholars with a solid professional background. The key speaker, HSE University *Professor Evgeny Kanaev*, has prepared more than 350 research papers on current economic, political and security processes in the Asia-Pacific region with a focus on Southeast Asia. Since recently, E. A. Kanaev has been writing extensively on the digital transformation of economic and business practices in Asia-Pacific countries, ASEAN digital multilateral projects, as well as Russia's digital diplomacy in Southeast Asia. *Dr. Artyom Garin*, the debater, holds a PhD in History and is the head of the Digital Research Laboratory of Contemporary East at the Institute for Oriental

Studies at the Russian Academy of Science (IOS RAS). The lab focuses on developing Oriental Studies by integrating digital technologies in traditional analytical methods. Through creating AI solutions, automation of data monitoring, software development, and training young scientists, the laboratory promotes a transformative vision for both academic and practical needs. *Ms. Aisylu Garaeva* is a young and promising scholar, a PhD student at the Doctoral School of International Relations and Regional Studies, HSE University. Her area of research includes, but is not limited to, the digital transformation of creative industries in Asia-Pacific countries with an emphasis on the Republic of Korea. Apart from academic activity, she teaches at the School of International Regional Studies, HSE University. *Mr. Abhijeet Singh* is a Research Fellow (PhD), School of Regional Studies, Faculty of World Economy and International Affairs, HSE University. *Mr. Akash Sahu* specializes in Indo-Pacific geopolitics with a focus on contemporary international relations and their evolving technological dimension. With extensive analytical experience, he has a thorough understanding of regional dynamics, strategic alliances, and the impact of emerging technologies on global economic, political and security processes. *Mr. Shashank S. Patel* is a prominent researcher from the Department of East Asian Studies at the University of Delhi, India. He studies the technological dimensions of global dynamics, focusing on the Indo-Pacific region. In his works, Mr. Shashank S. Patel emphasizes a critical need for technological cooperation within the Global South, highlighting its role in addressing global challenges. *Ms. Mariia Antasheva* is an expert at the Center for Strategic Analysis and Big Data, Institute for Statistical Studies and Economics of Knowledge, HSE University. She specializes in South Asian studies with a focus on AI-related implications. *Mr. Danial Khataei* is a PhD student who is preparing a dissertation on Iran — ASEAN relations at the Doctoral School of International Relations and Regional Studies, HSE University.

From a substantial point of view, the section covered issues focusing on both global digital processes with profound theoretical implications, and region-specific and country-specific developments. The discussion that followed addressed the most pressing processes considered and presented penetrating insights into their likely future evolution.

In his presentation entitled “The Digital Transformation of Economic and Commercial Processes in the Asia-Pacific Region: Selected Theoretical Aspects”, *Professor Evgeny Kanaev* explored three broad topics. First, the transformation of global value chains (GVCs) was scrutinized. The author revealed an Asian perspective of the shift from “Smile Curve” (a term offered by Stan Shih, the co-founder and honorary chairperson of Acer Inc.) to “Smile Curve Plus”, namely, the GVCs influenced by the digital transformation. Specifically, the area “the expansion of value contents”, actively explored by digital platforms, was discussed in detail. More specifically, prospects for reshoring and nearshoring of East Asian GVCs were reassessed. In the author’s opinion, this scenario is hardly realistic. Then E. Kanaev turned to exploring main digital instruments of international trade and their implications for the Asia-Pacific region. More specifically, emerging features of goods (or the digitizable goods factor) against the ongoing dematerialization of trade were revealed. The author outlined and reviewed new non-tariff barriers resulting from data localization and discrimination against foreign cloud providers, as well as major factors behind a rise in interest in trade regulation from new stakeholders. At the end of his presentation, the speaker summarized emerging global trends in the financial sector, including new functions of money, explored similarities

and differences between banks and peer-to-peer lenders to finally turn to detailing implications of cryptocurrencies for global financial stability.

Dr. Artyom Garin, as the discussant, emphasized the crucial role of practically-oriented theory. While analysts explore practical issues, sometimes a reflection on “where we are going, and how we plan to get there”, is relevant. By balancing field findings with theoretical insights, researchers can navigate the emerging digital landscape more effectively. This factor accounts for the academic value of E. Kanaev’s presentation, since it offered comprehensive and thought-provoking exploration of how the digital transformation is reshaping the Asia-Pacific region. In his own presentation entitled “Artificial Intelligence and the Economy: Implications for Cooperation in Asia”, Artyom Garin examined the opportunities and challenges in developing sustainable supply chains. Rising global labor costs provide developing countries, like ASEAN member states, with an opportunity to host technological production, enhance local expertise and innovation. However, major side effects include overreliance on foreign corporations and, by extension, vulnerability to external shocks. The presenter underscored the importance of building robust, resilient, and sustainable supply chains with collaborative infrastructure projects and trust-based partnerships. Digital sovereignty was another focus of the presentation. Countries, particularly in the Global South, are introducing data localization measures to protect their government agencies and companies against foreign surveillance, foster domestic innovative development and reduce reliance on foreign technology providers. While such policies may act as non-tariff barriers, they also address legitimate concerns over cybersecurity, sensitive data protection, and local competitiveness. Additionally, the speaker pointed out that banks have amassed vast amounts of data, including customer transactions, credit histories, investment behaviors etc., for decades. The data provides banks with a competitive edge, enabling them to offer personalized services, detect fraud, and improve risk management. Banks are increasingly recognizing the value of developing AI instruments not only within the financial sector, but also in other fields, because of which, speculations about the end of banks’ monopoly may be premature. But the emergence of new financial actors raises conceptual questions about the nature of money in the contemporary society.

The presentation “The Republic of Korea on the Way to Digital Leadership” made by *Ms. Aisylu Garaeva* highlighted South Korea’s journey toward digitalization. It began in the 1990s and fostered the growth of major internet companies like Naver. The author explored The Roadmap of Digital Republic of Korea that outlines the government’s strategy to enhance the ROK’s digital capabilities and solidify its position in the global digital economy. The establishment of a Digital Platform Government, which aims to integrate public services and improve citizen engagement through advanced technologies like AI, is a crucial component of the roadmap. Additionally, the ROK’s strategy emphasizes significant investments in key technologies, including the 5G Internet, quantum computing, and cybersecurity. The author noted that the South Korean digital experience can serve as an example for other countries, especially ASEAN member states, along multiple criteria like, for instance, the platform economy, online education, e-government etc.

Mr. Abhijeet Singh demonstrated his latest findings in the presentation “Digital India: India’s push towards digital transformation”. The country has been globally recognized for its capacity to innovate in the digital field. The Digital India program was

launched to create a digitally empowered society and a knowledge-based economy, increasing digital inclusion through initiatives like Aadhaar, DigiLocker, Digital village, Aarogya Setu App, etc., as well as the rise of the FinTech sector. According to an RBI (Reserve Bank of India) paper, the digital economy increased from 5.4 per cent of gross value added (GVA) in 2014 to 8.5 per cent in 2019. India's digital economy, which is estimated at nearly 22 per cent of the national economy, grew 2.4 times faster than the non-digital economy. The Unified Payments Interface (UPI), an instant-payment system introduced in 2016, is of special importance. UPI was developed to incorporate the best features of all previous payment systems and standardized payment methods. Arguably, it has considerable potential to act as an alternative mechanism to other global systems.

In her report entitled "AI Market in India: Current State and Perspectives" *Ms. Mariia Antasheva* discussed major technological trends that shape the AI-related agenda of the contemporary Republic of India. Applying the methodology based on big text data analysis, AI technologies that are relevant to India (generative AI, large language models and natural language processing etc.) have been scrutinized. Moreover, the author discussed the potential of most promising nascent digital technologies. Then the presenter explored potential directions of cooperation between Russia and India in the AI field. Specifically, the Internet of things, e-commerce, and information security were identified as promising areas.

Mr. Akash Sahu, an analyst of Indo-Pacific geopolitics, highlighted the challenges faced by developing countries. In that context, the access to resources between urban and rural areas can be unequal, leading to limited scope of development for citizens residing outside urban areas. Therefore, the responsibility of the state is to address these disparities and improve the standard of living for all citizens. Digitalization has emerged as a powerful tool in bridging this gap, creating a direct link between the government and its citizens, the analyst rightly believes. By fostering the development of critical infrastructure, digitalization contributes not only to specific sectors but also to more equitable economic development, stated Mr. Akash Sahu. In his remarks, the analyst assessed the progress of digital transformation in India, evaluating its impact on the socio-economic improvements and the effectiveness of the governance mechanisms. The analysis performed led to better understanding of how digital tools may be helpful in addressing systemic inequalities, enhancing public services, and driving sustainable development in a diverse and dynamic country like India.

Mr. Shashank S. Patel's presentation entitled "AI Enchantment: Transposing Asian Societies" explored the AI impact on five United Nations Sustainable Development Goals (SDGs). The researcher presented statistical evidence highlighting AI's transformative influence across critical sectors such as healthcare, education and governance. For example, AI-driven innovations are reshaping consumption patterns, and economic structures, with projections indicating a potential 13% increase in Asia's GDP by 2030. As the scientist rightly noted, this growth is attributed to enhanced efficiency, automation, and new employment opportunities. Mr. Shashank S. Patel also highlighted the AI impact on education in Asia is also profound and multifaceted. AI transformative role in education extends beyond mere percentage growth, as it democratizes access to high-quality learning, transcending geographical barriers and socio-economic gaps. Another valuable contribution is that the paper explores the AI-driven growing energy demand, exemplified mostly by data centers. His study presented a compelling duality: while AI significantly escalates energy consumption, it simultaneously holds the potential to reduce

global greenhouse gas emissions by 5–10% by 2030. This reduction is attributed to AI-driven efficiency gains across numerous sectors, including energy, transportation, and industry. The examination of this balance between AI's energy intensity and its role in sustainability was both timely and thought-provoking, offering valuable insights into AI transformative yet complex environmental impact, emphasized Mr. Shashank S. Patel.

Among the topics raised at the discussion part of the section, the role players considered the emerging ASEAN regulatory regime with a focus on the on-going negotiations over the Digital Economy Framework Agreement (DEFA). *Mr. Daniel Khataei* stressed that ASEAN consensus model could significantly impact on these talks, as countries that import technologies from either China or US would have contending opinions on data governance. This divergence could pose a challenge to reaching a workable agreement, since ASEAN member states may prioritize national interests aligned with their primary technological partners. In light of this, the association must maintain internal unity while responding to external pressure.

The Q&A session that followed was as insightful as the presentations and the subsequent debates. The “Splinternet phenomenon” was a recurring theme that generated the strongest interest, as well as tied presentations and discussions. Under the current circumstances, due to tensions between major global actors over technology-related issues aggravated by inefficiency of regulatory institutions, prospects for separate tracks along which digital cooperation will evolve (in terms of infrastructure, regulation and upskilling) are real. The section role players offered penetrating insights about the Splinternet (through the prism of their respective topics), as well as assessed the degree of reversibility of these processes. The prevailing opinion was that the ongoing developments undermine prospects for establishing effective regulatory frameworks, while the grass-root activity will be increasingly shifting to the legal grey zone, to the disadvantage of global and regional trans-boundary cooperation.

Major implications of the section can be summarized as follows. Its findings contributed to the conceptualization of digital transformation, as its basic parameters remain unclear. Revealingly, there is no overwhelming definition of the digital transformation in official documents and academic literature. To aggravate the problem, the digital transformation is a multi-directional and a very dynamic process, because of which any predictions are mostly paper exercises. In these circumstances, any attempts to elaborate on a comprehensive vision of digital transformation upon which an effective long-term strategy may be premised implemented require a cutting-edge analysis. Ample evidence suggests that the section role players have successfully performed this task.

More fundamentally, the role players clarified major region-specific and country-specific digital processes seen through the prism of global trends. It relates to the digital transformation of India, including the AI market in India, major digitalization-related processes in the Republic of Korea, the influence of digital instruments on Asia-Pacific institution-building and East Asian global value chains. Besides that, main implications of digital transformation for international trade, central bank digital currencies (CBDC) and fintech instruments were considered. This array of topics and the depth of their coverage evidence that scholars from the world majority countries focus on crucial issues generated by the digital transformation and substantiate their insights by conclusive evidence.

Finally, the section has good chances to expand cooperation between scholars and practitioners from the world majority countries. As science and practice are closely intertwined, the section implications go beyond academic discussions per se and have a considerable impact on political decision-making. The more so since the current bifurcation of the world economy in two competing technological blocks, with negative implications for international cooperation, is a likely scenario.

The accomplishment of any ambitious objective requires addressing and eventually resolving tactical and strategic tasks. Concerning the former, many pressing analytical issues relevant to the ongoing digital transformation have to be raised and comprehensively discussed. As mentioned earlier, the section findings have both theoretical and practical significance. Regarding the latter, the section provides an intellectual platform that is impactful in strengthening links between academic science and industries, as well as to forming new partnerships, inter-disciplinary and inter-industry collaborations. Towards this vision, to make the section, as part of the annual HSE University conference on regional studies, a permanently convened event with an expanding number of participants is a high academic and practical priority. For its part, the Digital Research Laboratory of Contemporary East of the IOS RAS continues multi-vector applied research into the integration of digital technology into Oriental Studies, as well as conceptualizes, promotes and demonstrates the prospects of digitalization in science with colleagues.

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