

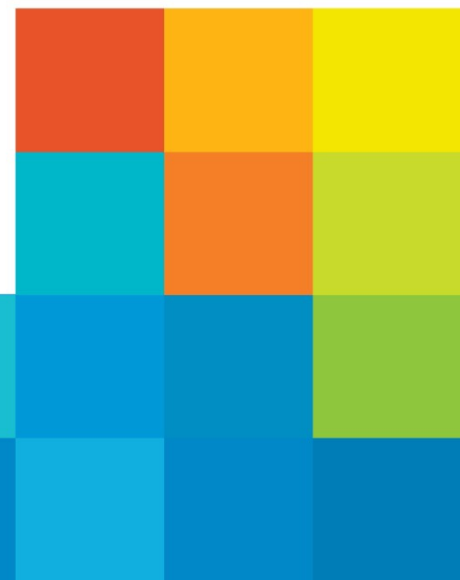


Overview of Book

“Harnessing Digitalization for Sustainable Economic Development: Insights for Asia”

John Beirne, Research Fellow, ADBI
Dave Fernandez, Director, SKBI, SMU

26 January 2022



HARNESSING DIGITALIZATION FOR SUSTAINABLE ECONOMIC DEVELOPMENT

Insights for Asia

Edited by John Beirne and David G. Fernandez

ASIAN DEVELOPMENT BANK INSTITUTE

Available for download on [ADBI website](https://www.adbinstitute.org/)

Book summary

- **Part I – Digitalization, Economic Development, and Trade**
 - Empirical evidence on the impact of digitalization on **economic performance in Asia**.
 - Identification of **key transmission channels** via trade and investment.
 - The role of **digital financial inclusion** on bank stability and sustainable development.
 - **Threshold effects** and nonlinearities.
 - **Regional and country-specific** analyses.
- **Part II – Firms, Technology Spillovers, and the Labor Market**
 - The role of **automation** on the labor market.
 - Financial leveraging benefits from **technology spillovers** and the role of R&D tax credit.
 - Perspectives from country-specific analyses on the **shift from analog-era assets** in SMEs from the PRC, the **changing labor market landscape** in Thailand, and **female employment effects** in Indonesia due to digitalization.
- **Part III – Digital Challenges and Opportunities for Macroeconomic Policymakers**
 - Highlights importance of **investment in digital infrastructure** and wireless capability; appropriate **training and education** for workers in a digital world.
 - **Regulatory challenges** to address risks to cybersecurity and financial stability.
 - **Striking the right balance** is key: safeguard trust in digital services and wider macrofinancial stability, while also allowing innovation to flourish.

Contents

Tables, Figures, and Box	v		
Abbreviations	x		
Contributors	xiii		
1. Introduction	1		
<i>John Beirne and David G. Fernandez</i>			
PART I: Digitalization, Economic Development, and Trade			
2. Digitalization and the Economic Performance of Two Fast-Growing Asian Economies: India and the People's Republic of China	9		
<i>Dukhabandhu Sahoo, Suryakanta Nayak, and Jayanti Behera</i>			
3. Is Digital Financial Inclusion Good for Bank Stability and Sustainable Economic Development? Evidence from Emerging Asia	52		
<i>Hasanul Banna and Md Rabiul Alam</i>			
4. Digital Financial Inclusion, Economic Freedom, Financial Development, and Growth: Implications from a Panel Data Analysis	78		
<i>AG Rekha, K. Rajamani, and AG Resmi</i>			
5. Bayesian Gravity Model for Digitalization on Bilateral Trade Integration in Asia	93		
<i>S.P. Jayasooriya</i>			
6. Impact of Information Technology and E-Commerce on Indonesia's Trade with ASEAN Countries	112		
<i>Yulya Aryani, Wina Andari, and Suhindarto</i>			
PART II: Firms, Technology Spillovers, and the Labor Market			
7. Three Challenges to Manufacturing Digitalization and How to Overcome Them: Lessons from Small and Medium-Sized Enterprises in the People's Republic of China	139		
<i>Yasheng Huang and Meicen Sun</i>			
8. Information Technology and the New Capitalism	157		
<i>James Bessen</i>			
9. Technology Spillovers, Asset Redeployability, and Corporate Financial Policies	180		
<i>Phuong-Anh Nguyen and Ambrus Kecskés</i>			
10. Labor Skills, Economic Returns, and Automatability in Thailand	225		
<i>Theepakorn Jithitikulchai</i>			
11. Can the Internet Increase the Working Hours of Married Women in Micro and Small Enterprises? Evidence From Yogyakarta, Indonesia	257		
<i>Ery Sulistyaningrum, Budy P. Resosudarmo, Anna T. Falentina, and Danang A. Darmawan</i>			
PART III: Digital Challenges and Opportunities for Macroeconomic Policy Makers			
12. An Integrated and Smart Association of Southeast Asian Nations: Overcoming Adversities and Achieving Sustainable and Inclusive Growth	283		
<i>Cyn-Young Park and Bernard Yeung</i>			
13. New Financial Technologies, Sustainable Development, and the International Monetary System	318		
<i>Eswar Prasad</i>			
14. Forecasting Private Consumption with Digital Payment Data: A Mixed-Frequency Analysis	346		
<i>Debasis Rooj and Reshmi Sengupta</i>			
15. Challenges and Opportunities for Digital Transformation in the Public Sector in Transition Economies: The Case of Uzbekistan	365		
<i>Gulnoza Kuldosheva</i>			