


DOES INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) DEVELOPMENT FOSTER ECONOMIC GROWTH OF ASEAN5 +3 COUNTRIES?

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ABSTRACT

Globally, digital technologies affect lifestyles, norms and business restructuring models. Correspondingly, it plays a significant role in fostering the economic growth of Association of South East Asian Nations (ASEAN) as well as Asian countries at large. This study aims to investigate the impact of ICT development on the economic growth of the ASEAN5 +3 nations over the period of 2011 to 2018. ASEAN5+3 comprises of eight nations namely Malaysia, Singapore, Philippines, Thailand, Indonesia, China, South Korea and Japan. The methodologies applied in this study include panel data regression analysis and several diagnostic tests such as the Hausman test and the Breusch-Pagan Lagrange multiplier (BPLM) test. The empirical results suggest there is a positive significant relationship between ICT development and economic growth among the ASEAN5 +3 countries. This relationship can be further strengthened through various policy implementations such as governmental investments. The results of this study imply that these Asian countries are growing in consistence with information technology (IT)-led development.

Contribution/Originality: Empirical studies on the nexus between ICT development and economic growth offer inconclusive evidence of the relationship; hence, the results of this study enrich the literature of IT-led development specifically in the context of ASEAN countries. This study also aims to address the gap in empirical evidence with regards to ICT development and economic advancements in the context of ASEAN nations plus the three advanced countries namely China, South Korea and Japan.

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1. INTRODUCTION

Digital economy is defined as the economic returns that is derived primarily from digital instrumentations with a business model based on digital goods or services, and it is assumed to have contributed about 5% of the worldwide gross domestic product (GDP) and 3% of global employment (Bukht & Heeks, 2017). Further development in digital innovations, including cloud computing, fintech, mobile services and artificial intelligence has significantly impacted business structures and interactions as well as many informational digital platforms across the world. Albeit the