Digitalisation, institutions and governance, and growth mechanisms and evidence

Author:Vincent LabhardJonne Lehtimäki

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AbstractDigitalisation may be viewed as a sequence of supply and technology shocks aﬀecting the economy through productivity and output, employment and labour markets, competition and market structure. This paper focuses on the eﬀects of digitalisation on economic growth, and how those eﬀects may be impacted by institutions and governance. It discusses a number of theoretical mechanisms and empirical evidence for diﬀerent sets of European and other countries. The results suggest that better institutions and governance tend to be associated with greater growth-enhancing eﬀects from digital technologies.JEL CodeE22 : Macroeconomics and Monetary Economics→Consumption, Saving, Production, Investment, Labor Markets, and Informal Economy→Capital, Investment, CapacityO33 : Economic Development, Technological Change, and Growth→Technological Change, Research and Development, Intellectual Property Rights→Technological Change: Choices and Consequences, Diffusion ProcessesO43 : Economic Development, Technological Change, and Growth→Economic Growth and Aggregate Productivity→Institutions and GrowthO52 : Economic Development, Technological Change, and Growth→Economywide Country Studies→EuropeO57 : Economic Development, Technological Change, and Growth→Economywide Country Studies→Comparative Studies of Countries