



Innovation, Productivity, and Challenges in the Digital Era: Asia and Beyond

Next webinar: 1 December 2021, Wednesday

10:00 am – 11:10 am, Wednesday (Beijing-Singapore Time)

7:30 am – 8:40 am, Wednesday (India Time)

9:00 pm – 10:10 pm, Tuesday (US Time / Eastern Time)

8:00 pm – 9:10 pm, Tuesday (Central Time)

Artificial Intelligence (AI), Big Data, multilevel neural nets, the Internet of Things (IoT) and other digital technologies are transforming the world. They are strengthening innovation and productivity and innovation by rendering the future more predictable and reshaping individual, business, social, and government behavior. Asia leads the world in some of these endeavors, e.g., digital platforms. The OECD lists 40% of big new digital technologies as Asian. Almost half of global digital platform business-to-consumer revenues are Asian, versus only 22% from the U.S. and 12% from the Eurozone. Profound new policy challenges arising, in consequence, include: shifting skills demanded in labor markets and “digital divide” inequality, (ii) AI expanding financial inclusion or encoding inequality, expanding or obscuring accountability, increasing transparency or obscuring amoral decision-making, and (iii) digital privacy, unsanctionable on-line libel, misinformation, manipulation, and propaganda. The ABFER, therefore, plans a monthly e-seminar series spotlighting important new research, particularly the Asia-pacific related, into these issues and providing “state-of-the-art” overviews by prominent scholars. We hope policy makers and practitioners will find the e-seminars helpful and will alert researchers to issues needing attention.

UPCOMING WEBINARS

1 December 2021, 10:00 AM (SGT)

Merger Analysis in the App Economy: An Empirical Model of Ad-Sponsored Media

In the mobile app market, multiple monetizing policies such as paid and free ad-sponsored models co-exist. This paper proposes a novel model of ad-sponsored media with endogenous business model choice, that is applicable to the mobile app industry. The model defines an equilibrium over consumers’ downloads and usage decisions and app developers’ pricing and advertising decisions. The cost for a consumer to use an app is well defined regardless of the monetizing policy, enabling a Small, Non-transitory but Significant Increase in Cost (SSNIC) test for defining an antitrust relevant market. The authors estimate the model using mobile app data from Japan from 2015 to 2017. The SSNIC test shows that few non-game categories are relevant markets, whereas so are many game categories. The relevant market definition based on a full equilibrium simulation is aligned with this result. Furthermore, merger simulations show that the welfare damage is more pronounced in categories where the hypothetical monopolist’s profit increases more in the SSNIC test, validating the use of SSNIC test as a convenient screening tool. Merger simulations suggest the importance of endogenous business model choice, because price increase is often caused by the shift from free to paid model. The endogenous business model choice also affects the implication of the platform transaction fee reduction. Contrary to the standard vertical relation, in the app economy, the authors find that a reduction in the transaction fee increases the price, because apps find it more profitable to charge price rather than show advertisements to consumers.



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5 January 2022

FinTech Lending and Cashless Payments

Pulak Ghosh (Indian Institute of Management Bangalore), Boris Vallee (Harvard University) and Yao Zeng (University of Pennsylvania)

Session Format

The session lasts for 1 hour 10 minutes (25 minutes for the presenter, 25 minutes for the discussion and 20 minutes for participants' Q&A). Sessions will be recorded and posted on ABFER's web, except in cases where speakers or discussants request us not to.

Registration

Please register [here](#). A unique Zoom webinar link will be sent to you two days before the event. (Notice: Videos and screenshots will be taken during each session for the purpose of marketing, publicity purposes in print, electronic and social media)