MEASURING THE IMPACT OF INFORMATION AND COMMUNICATION TECHNOLOGY CAPITAL (ICT-CAPITAL) ON ECONOMIC GROWTH: EVIDENCE FROM SAARC COUNTRIES

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Abstract

Since early 90’s, the information technology is playing an important role in economic activities. Information and Communication Technology (ICT) is important drivers of Productivity. Modern growth theories argued that economic growth is driven by ICT related capital. However, empirical literature on this issue have produced mixed results, regarding different geographical configuration. Here, we study the impact of ICT related capital on the economic growth of south Asian countries (SAARC) from 1990-2014. Study also provides a view on this issue by assessing the role of ICT and non-ICT capital in total factor productivity of selected countries. We found that both types of capital have positive impact on growth. Empirical analysis also concludes that contribution of ICT capital for TFP is effective involving time lag.

Keywords: Economic Growth, ICT-capital. Total Factor Productivity, Information Technology.

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