

# The Asian Prospect

In the Age of Digital Technology and Declining Demand for Labor

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## Comments and Suggestions

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# 1. Context: Asia's Rising Prominence

- The author constructs a comprehensive framework that explores the relationship between technology, labor demand, and economic policy, and offering valuable insights for policymakers.
- Asia's Rising Prominence: Political and Economic
  - **From a political perspective**, Asia has made remarkable strides in economic progress. However, it remains politically and socially fragmented and faces significant disadvantages.
  - **From an economic perspective**, the rapid advancements in technology are reducing the demand for traditional labor while giving rise to new markets and products. These developments require innovative approaches to economic policy interventions.

## 2. Context: Future Long-term Growth

- The immediate causes of economic turmoil are evident, often attributed to the pandemic and ongoing conflicts. However, it is equally crucial to address the deeper, underlying factors:
  - The diminishing demand for traditional labor, driven by the rapid growth of the digital technology and AI
  - The proliferation of global supply chains (GVCs)
- The author argues that, as the demand for traditional labor diminishes, the long-term economic growth focus will shift to *innovation* and *creativity*. The future belongs to the nations that nurture creativity and innovation.
- The most important of these efforts is probably a greater collaboration and cooperation *among* countries in Asia, particularly the critical role that China and India must play in shaping Asia's future, which calls for collaboration between these two giants.

# 3. Major Suggestions

While the paper offers significant insights, there are several areas for improvement:

- Engaging with counterarguments could further enhance the analysis by providing a more balanced perspective.
- Including more empirical evidence and case studies would strengthen its arguments by illustrating how technological changes have impacted labor markets across Asia.
- Providing detailed policy recommendations or implementation frameworks would increase the paper's practical value, as Asia's diverse economies and varying stages of development require tailored approaches rather than generalized solutions, across Plurilateral, Regional, and National efforts.

# 3. Major Suggestions

The paper will provide better policy recommendations, if it includes:

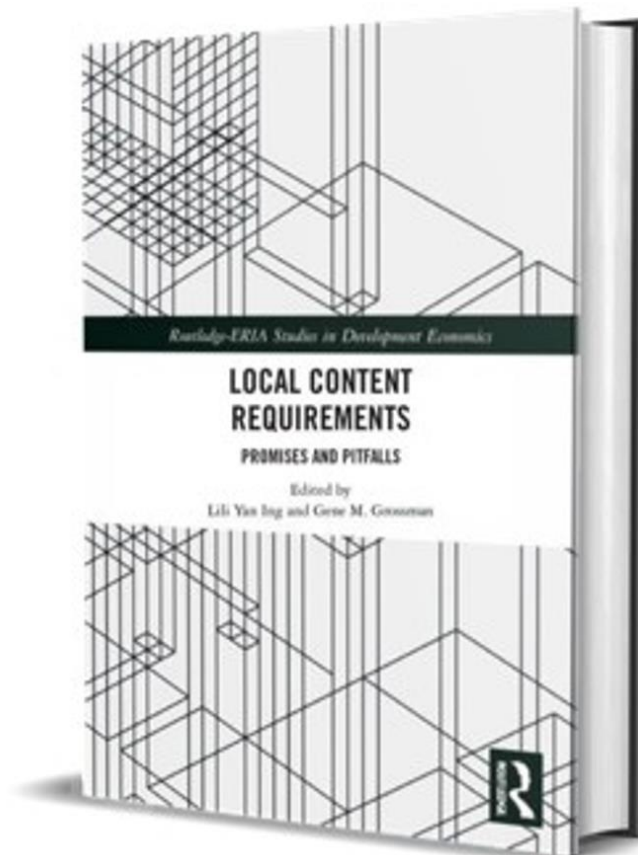
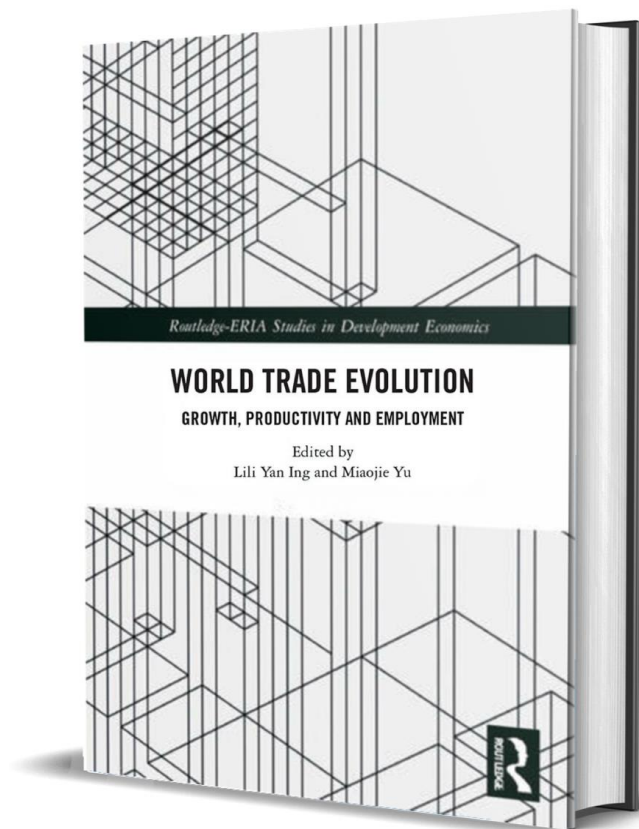
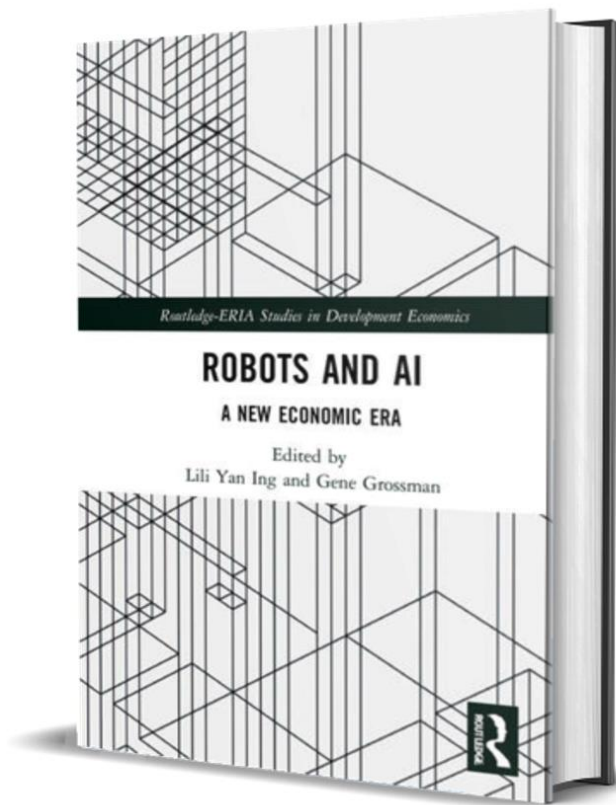
- A review of the existing frameworks and efforts (including policies, laws, and regulations) in Asia concerning the digital economy, industrial robots, and AI:
- A review of efforts in upskilling and reskilling, along with recommendations for what can be done next to increase productivity by working together with robots, AI, and generative AI, focusing on:
  - Critical thinking, Data Literacy, Basic Programming
  - AI governance
- The discussion on innovation and growth would also benefit from a deeper examination of long-term sustainability, including environmental considerations and alignment with global development goals.

# 4. Minor Suggestions

- In a few of paragraphs: providing complete arguments
- On a minor note, a few figures and tables are not adequately explained in the main text, and they lack sources, notes, and access dates.
- Outlining specific areas for future research would help scholars and policymakers build on the paper's themes.

# 5. Suggested relevant references

- One Man's View, Lee Kuan Yew
- Asian Century, Khisore Mahbubani
- Economic Transformation and New Economic Order, Lili Yan Ing and Justin Lin
- Grossman and Oberfield, 2022, Annual Review of Economics
- Acemoglu and Restrepo, 2019, JEP
- AI 2041, Kai-Fu Lee
- Digital Empires, Anu Bradford
- New Global Economic Order, eds. Lili Yan Ing and Dani Rodrik (forthcoming)





Interestingly, the author concludes the paper with a note that states "*to be completed*," leaving readers anticipating the final piece.

Despite this unfinished ending, Khausik Basu's work-in-progress paper remains a highly intelligent and thought-provoking analysis, well worth reading for anyone interested in the future of Asian economies.