



**Asian Development Bank (ADB)  
2017 ADB Conference on Economic Development (ACED)**

## **Entrepreneurship, Firm Dynamics, and New Technologies**

9-10 January 2017, Manila, Philippines

<http://k-learn.adb.org/learning-events/adb-conference-economic-development-2017-entrepreneurship-firm-dynamics-and-new>

**Organized by  
Economic Research and Regional Cooperation Department, ADB**  
6 ADB Avenue, Mandaluyong City 1550, Metro Manila, Philippines

It is widely believed that Small and Medium Enterprises (SMEs) play a major role in economic development through job creation, rural industrialization, creation of backward and forward linkages with existing industries, and entrepreneurial development, to name but a few. However, the more we learn about entrepreneurship in the developing world, the more new questions arise. The debate has broadened from the types of interventions that help SMEs grow, to encompass the types of enterprises that have the potential to grow, to the role of new technologies.

The first question is whether microenterprises have the potential to drive economic growth. Evidence suggests that they start small, and typically stay that way. On the other hand, Small and Growing Businesses (SGBs) are commercially viable enterprises that start small but, with the right support, can scale to employ hundreds. Can microenterprises become SGBs with the right inputs? In other words, how do we shift the paradigm from “necessity entrepreneurship” to “opportunity entrepreneurship?” A related question is that of how we can help informal micro and small enterprises to formalize, and is it necessarily the best way forward?

Governments use a wide variety of policies to promote SMEs: from access to finance and technology, to investment in crucial infrastructure and technology, and training. Which ones work? And how do we scale up these interventions?

Digital technology is changing how firms do business. It enables them to reach a larger customer base through the internet, interact with suppliers, and changes how they operate and manage their organizations internally. It also enables them to adapt and respond to changing technologies and conditions faster. This in effect also changes the skills that firms desire and employ to operate effectively and efficiently. While there is a growing literature on the impact of digital technology on firms in developed countries, there are few studies on how technology is changing firms in developing countries: how are technologies changing the distribution of firm productivity within industries? Are there particular localized markets and firms characteristics that appear to alter their skill demands and innovative activities in response to the penetration of new digital technologies? How does this affect growth in firm performance or labor productivity?

The objective of this conference is twofold: provide a forum for leading researchers in economics and business, developing country experts, and entrepreneurs to exchange ideas, and encourage further work in this area.

## Entrepreneurship, Firm Dynamics, and New Technologies

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Day 1, January 9, 2017 | Auditoriums A and B

- 08:00 – 08:30 Registration
- 08:30 – 08:35 Opening Session  
**Juzhong Zhuang**, Deputy Chief Economist, Asian Development Bank
- 08:35 – 08:40 Welcome Remarks  
**Bambang Susantono**, Vice-President for Knowledge Management and Sustainable Development, Asian Development Bank
- 08:40 – 09:20 Keynote Lecture on "Industrial Policy and Development"  
**Ann Harrison**, William H. Wurster Professor of Multinational Management, the Wharton School of the University of Pennsylvania
- 09:20 – 09:30 Presentation by the **Development Economics and Indicators Division (ERDI)** Team, Asian Development Bank
- 09:30 – 09:50 Open Discussion
- 09:50 – 10:00 *Coffee Break*

### Session 1 Technology Creation and Diffusion

Chair: **Jesus Felipe**, Asian Development Bank

- 10:00 – 10:20 The Long-Run Payoff to R&D Investment in the Electronics Industry in Taipei, China  
**Mark Roberts**, Pennsylvania State University
- 10:20 – 10:30 Discussant: **Nattapong Puttanapong**, Thammasat University
- 10:30 – 10:50 Notching R&D Investment with Corporate Income Tax Cuts in China  
**Daniel Xu**, Duke University (on videoconference)
- 10:50 – 11:00 Discussant: **Mark Roberts**, Pennsylvania State University
- 11:00 – 11:20 R&D Activities in Thailand: Survey of Firm-Level Data Analyses  
**Nattapong Puttanapong**, Thammasat University
- 11:20 – 11:30 Discussant: **Aya Suzuki**, the University of Tokyo
- 11:30 – 11:50 Open Discussion
- 11:50 – 13:20 *Lunch Break*

### Session 2 Trade, Global Value Chains, and Firms

Chair: **Abdul Abiad**, Asian Development Bank

- 13:20 – 13:40 Low-wage Import Competition, Product Switching and Performance of Manufacturing Plants: Evidence from India in the Wake of China Trade Shock  
**Shubhasish Barua**, University of Dhaka
- 13:40 – 13:50 Discussant: **Thi Xuan Thu Nguyen**, Leibniz Universität Hannover
- 13:50 – 14:10 Swimming Upstream: Input-Output Linkages and the Direction of Product Adoption  
**John Morrow**, University of Essex
- 14:10 – 14:20 Discussant: **Shubhasish Barua**, University of Dhaka

14:20 – 14:40 Trade Liberalization, Technology and Labor Market Outcomes: Evidence from India  
**Asha Sundaram**, the University of Auckland (on videoconference)

14:40 – 14:50 Discussant: **John Morrow**, University of Essex

14:50 – 15:00 *Coffee Break*

15:00 – 15:20 Less Than Expected - The Minor Role of MNEs in Upgrading Domestic Suppliers - the Case of Vietnam

**Thi Xuan Thu Nguyen**, Leibniz Universität Hannover

Discussant: **Zhigang Li**, Asian Development Bank

15:20 – 15:40 Open Discussion

### Session 3 Business Skills and Practices

Chair: **Cristina Martinez**, Asian Development Bank

15:40 – 16:00 Culture and Management in a Dominant Industry

**Christopher Woodruff**, University of Oxford

16:00 – 16:10 Discussant: **Rana Hasan**, Asian Development Bank

16:10 – 16:30 How Can SMEs Leverage Data to Boost Productivity and Business Value?

**Stephanie Sy**, Thinking Machines

16:30 – 16:40 Discussant: **Yeshanth Gunewardena**, Hire 1 Technologies

16:40 – 17:00 Can Efficient Provision of Business Development Services Bring Better Results for SMEs? Evidence from a Networking Project in Thailand

**Aya Suzuki**, the University of Tokyo

17:00 – 17:10 Discussant: **Christopher Woodruff**, University of Oxford

17:10 – 17:30 Open Discussion

18:00 – 20:00 *Cocktails at the Oakwood Hotel (5th floor, Nostalq 3)*

Day 2, January 10, 2017 | Auditoriums A and B

08:30 – 09:10 Keynote Lecture on "Jugaad"

**Chang-Tai Hsieh**, Phyllis and Irwin Winkelried Professor of Economics, the University of Chicago Booth School of Business

09:10 – 09:30 Open Discussion

### Session 4 SMEs and New Technologies

Chair: **Minsoo Lee**, Asian Development Bank

09:30 – 09:50 E-commerce Expands the Bandwidth of Entrepreneurship

**Ruochen Dai**, Peking University

09:50 – 10:00 Discussant: **Kausik Chaudhuri**, Leeds University

10:00 – 10:15 *Coffee Break*

- 10:15 – 10:35 Online Peer-to-Peer Business Lending, Returns, and Risks: Evidence from the Korean Debt Crowdfunding Market  
**Eun Young Oh**, University of Portsmouth
- 10:35 – 10:45 Discussant: **Ruochoen Dai**, Peking University
- 10:45 – 11:05 Broadband Adoption and Firm Performance: Evidence from Informal Sector Firms in India  
**Kausik Chaudhuri**, Leeds University
- 11:05 – 11:15 Discussant: **Eun Young Oh**, University of Portsmouth
- 11:15 – 11:35 Open Discussion
- 11:35 – 13:05 *Lunch Break*

### Session 5 The Role of Institutions

- Chair: **Yi Jiang**, Asian Development Bank
- 13:05 – 13:25 Opening Factory Doors to Government Regulation: An Experiment on Participation by Firms in the Design of Labor Protection in Vietnam  
**Markus Taussig**, National University of Singapore
- 13:25 – 13:35 Discussant: **Ritam Chaurey**, State University of New York at Binghamton
- 13:35 – 13:55 Creditor Rights and Corporate Labor Policy: Evidence from a Policy Experiment  
**Ritam Chaurey**, State University of New York at Binghamton
- 13:55 – 14:05 Discussant: **Markus Taussig**, National University of Singapore
- 13:55 – 14:15 Startup Growth in Sri Lanka  
**Yeshanth Gunewardena**, Hire 1 Technologies
- 14:15 – 14:25 Discussant: **Stephanie Sy**, Thinking Machines
- 14:25 – 14:45 Open Discussion
- 14:45 – 15:00 *Coffee Break*

### Session 6 Planning a Research Agenda

- Chair: **Rana Hasan**, Asian Development Bank
- 15:00 – 16:00 Key Takeaways from our Eminent Panelists:  
**Ann Harrison**, William H. Wurster Professor of Multinational Management, the Wharton School of the University of Pennsylvania  
**Chang-Tai Hsieh**, Phyllis and Irwin Winkelried Professor of Economics, the University of Chicago Booth School of Business  
**Mark Roberts**, Professor, Pennsylvania State University  
**Christopher Woodruff**, Professor, University of Oxford
- 16:00 – 16:30 Open Discussion
- 16:30 – 16:50 Closing Remarks  
**Rana Hasan**, Asian Development Bank