

Research on the Impact of Digital Economy on Inflation: Promoting or Discouraging? -- Based on Empirical Analysis of 127 Developing Countries in Asia, Africa and Latin America

Zhiyang Liu, Yaoshu Xie*

School of Economics and Management, Northeast Normal University, Changchun, China

Email address:

layliuzhiyang@126.com (Zhiyang Liu), 1737918817@qq.com (Yaoshu Xie)

*Corresponding author

Abstract

The research on the relationship between the digital economy and the inflation rate is relatively new. Generally, theoretical research argues that the digital economy has the effect of reducing the inflation rate, but practical experience is often another story. This paper takes 127 developing countries in Asia, Africa and Latin America as research samples, and uses the World Bank database to empirically test the mechanism and characteristics of digital economy on the inflation rate of developing countries. The empirical results show that, first, the development of digital economy has increased the inflation rate of developing countries, and this conclusion is still valid after a series of robustness tests; Second, for developing countries with good institutional environment, digital economy can reduce their inflation; Third, the development of digital economy will increase the inflation rate of developing countries by increasing their foreign debt level and carbon emissions.

Keywords

Digital Economy, Inflation Rate, Developing Countries, Institutional Environment