



Going Digital: Making the Transformation Work for Growth and Well-being

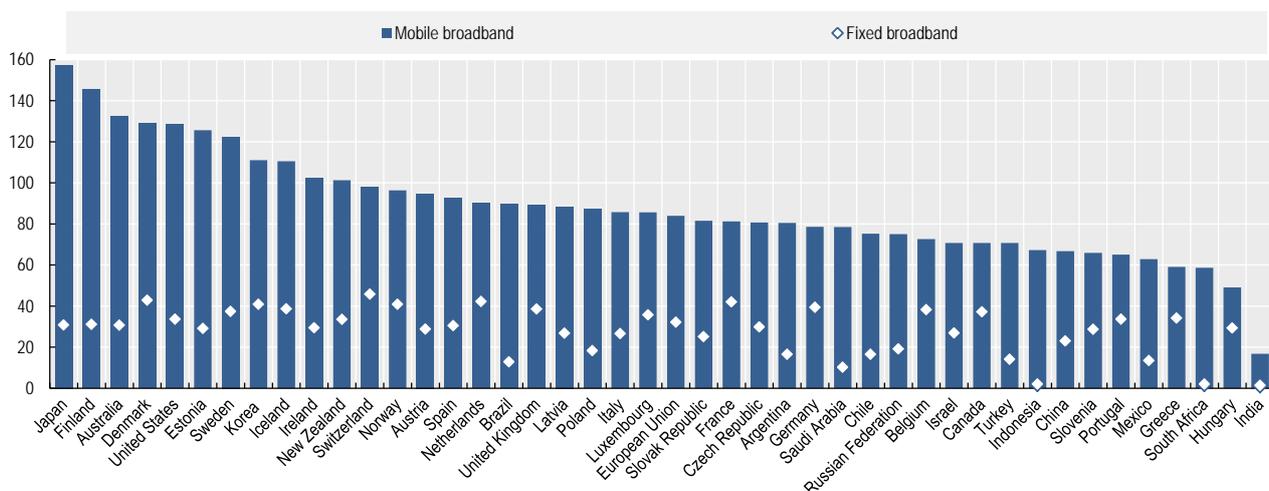
The opportunities and challenges of the digital transformation

We are at a pivotal point where the digital shifts underway are reshaping economies and societies. As the diffusion of digital technologies increases, and the cost of data collection, storage and processing declines, governments, businesses and individuals across the globe are “going digital”. By mid-2017, mobile broadband reached full penetration in the OECD, with over 100 mobile broadband subscriptions per 100 people in the OECD (Figure 1). At the global level, almost half the world’s population has Internet access, up from 4% 20 years ago. And almost no business today is run without the help of digital technologies. Self-driving vehicles are already on our roads, underscoring the significant impact that artificial intelligence will have in the coming years.

The ongoing digital transformation of the economy and society holds many promises to spur innovation, generate efficiencies, and improve services, and in doing so boost more inclusive and sustainable growth as well as enhance well-being. But these benefits go hand-in-hand with disruptions. Our interactions with one another and with society more broadly are being transformed, as are the nature and structure of organisations and markets, raising important issues around jobs and skills, privacy, security, and how to ensure that technological changes benefit society as a whole, among others.

The challenge for policymakers is to identify the policy mix that will enable their economies to maximise the benefits of an increasingly digitalised global economy and adequately address the related challenges. Only a coherent and comprehensive policy approach will have the scope to harness the benefits of the digital transformation for stronger and more inclusive growth. The window of opportunity for this action is now, as these changes unfold, new technologies such as the Internet of Things become deployed, and in advance of widespread use of artificial intelligence.

Figure 1. Broadband subscriptions per 100 inhabitants, June 2017 or nearest year



Sources: OECD for OECD countries; EC DG CONNECT for EU and ITU World Telecommunication/ICT Indicators database for the other countries.

A whole-of-OECD strategy to making the digital transformation work

To chart the road ahead, the OECD is undertaking a multidisciplinary and cross-cutting project on **Going Digital: Making the Transformation Work for Growth and Well-being**. It aims to help policymakers in all relevant policy areas better understand the digital revolution that is taking place across different sectors of the economy and society as a whole. It will articulate recommendations for forward-looking policies that will help to drive greater growth and societal well-being and help address the challenges of slow productivity growth, high unemployment and growing inequality in many countries.

The project draws on the OECD's unique capacity to provide a whole-of-government perspective on complex policy challenges. By leveraging the latest evidence and data across policy domains, it will give policymakers the tools they need to help their economies and societies prosper in a world that is increasingly digital and data-driven. It is already supporting discussions on the digital transformation at the highest levels – national, regional and international (including through forums such as the G20 and G7).

Taking a new approach

The project builds on three main pillars, each designed to break new ground in our understanding of the digital transformation and its effects on our economies and societies:

- **Pillar 1** includes an **integrated policy framework** for making the digital transformation work for growth and well-being and **other activities that are relevant across all policy areas**, including analysis of the new technological and other drivers of the digital transformation and what this implies for policy, as well as projects on foresight scenarios, using digital technologies to improve policy design and implementation, and digital security and resilience in essential sectors. Once completed, the framework will guide OECD reviews of the digital transformation in specific countries, helping countries self-assess how prepared they are for an increasingly digital world, supporting the development of national digital strategies, and analysing the digital transformation in particular policy areas from a holistic perspective.
- **Pillar 2** involves **analysis of the digital transformation in specific policy areas** (e.g. science, tax, trade, competition, etc.) and in the broader economy, carried out by domain experts working for specialised Committees at the OECD. This highlights the extent, nature, benefits and challenges of the digital transformation in each policy area, providing targeted insights and advice to policy makers.
- **Pillar 3** features a set of **modules focusing on key cross-cutting issues**. This work involves “deep dives” into specific issues straddling a sub-set of policy areas to gain key insights into some of the major challenges we face in the digital era and that are at the intersection of more than one policy area. Modules include jobs and skills in the digital economy, the implications of the digital transformation for productivity, competition and market openness, making the digital transformation work for society and well-being, and measuring the digital transformation.

Where from here?

The project was officially launched in Berlin on 12 January 2017, in conjunction with the kick-off event for Germany's 2017 G20 Presidency digital agenda. Over the course of the project, the OECD is engaging policy makers and stakeholders in a variety of ways, including through public events, country-specific roundtables, high-level ministerial discussions, and digital means. A high-level event to share the findings of the project and identify avenues for further work will be held in Paris on 11-12 March 2019.

Further reading

OECD (2017), *OECD Digital Economy Outlook 2017*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264276284-en>.

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