

OECD *Multilingual Summaries*

Going Digital: Shaping Policies, Improving Lives

Summary in English



Read the full book on: [10.1787/9789264312012-en](https://doi.org/10.1787/9789264312012-en)

Digital technologies and data are transformational. People, firms and governments live, interact, work and produce differently than in the past, and these changes are accelerating rapidly. How can we realise the immense promises of digital technologies and data for growth and well-being in a fast evolving world? This report charts the road ahead. It identifies seven policy dimensions that allow governments – together with citizens, firms and stakeholders – to shape digital transformation and improve lives: 1) access; 2) use; 3) innovation; 4) jobs; 5) social prosperity; 6) trust; and 7) market openness. It also highlights key opportunities, challenges and policies related to each dimension; offers new insights, evidence and analysis; and provides recommendations for better policies in the digital age.

Access to communications infrastructures, services and data

Demands on networks are growing as more people, things and activities go online. By 2022, there will be three connected devices per person around the globe. Nevertheless, network capacity lags behind in many countries, with only 7% of people in the OECD having a fibre broadband connection. To enhance access to networks, services and data, governments should lower barriers to trade and investment, promote competition, simplify administrative procedures, and boost connectivity in rural and remote areas. Data also increasingly serve as a foundation of digital transformation, and enhancing access to data is essential, including through sharing mechanisms that reflect legitimate national, private and security interests.

Effective use of digital technologies and data

Most people and organisations use digital tools, but often far from their full potential. While nearly all firms are connected to the Internet, only 33% of large and 11% of small firms perform big data analysis. Closing the gap requires developing needed skills: only 31% of adults have sufficient problem-solving skills to succeed in a world of ubiquitous technologies. To increase effective use, policies should empower everyone with a mix of skills to thrive and trust in a digital world; boost adoption and diffusion of digital tools to drive productivity growth in firms, and small and medium-sized enterprises in particular; promote business dynamism and structural change; foster investment in intangible assets (e.g. patents, software); and make digital government services more user-centred.

Data-driven and digital innovation

Data-driven and digital innovation are on the rise. In the first half of 2018, artificial intelligence start-ups received 12% of private equity investment worldwide and the share is increasing in all major economies. But not all countries innovate in the same way or to the same extent: over 2013-16, about 60% of the People's Republic of China's patents were in information and communications technologies compared to 33% of OECD countries' patents. To unleash digital innovation, policies should promote entrepreneurship; facilitate access to finance; support basic research, knowledge diffusion and open science; and open up government data. Policies should also encourage experimentation and new business models across sectors, including by promoting the flexible application or enforcement of regulation (e.g. regulatory "sandboxes").

Good jobs for all

The world of work and labour markets are transforming. An estimated 14% of jobs across the OECD face a high likelihood of automation and another 32% are likely to face significant change over the next 10-20 years. However, over the past decade, four out of ten jobs were created in highly digital-intensive sectors and new forms of work arose in tandem. To ensure good jobs for all, we must get ready for a massive training challenge. Policies need to facilitate successful and fair transitions into new jobs and prepare for changes to existing ones by striking a balance between flexibility and mobility, on the one hand, and job stability on the other, including through social dialogue. Policies must also empower people with the mix of skills needed to succeed, improve social protection to ensure no one is left behind and address concerns about emerging forms of work.

Social prosperity and inclusion

Society is going digital too, as digital technologies and data empower people by increasing access to information and enabling new avenues of engagement. On average, 12% of people post civic or political opinions online. However, divides persist along a range of dimensions; for example, less than half of young women compared to young men are able to program. To promote social prosperity, policies should reduce divides by strengthening foundational skills and life-long learning and include everyone – notably women, the elderly and low-income individuals – while tackling risks like cyberbullying and disinformation. Digital technologies can also help to address collective challenges, for example by promoting energy efficiency and reducing healthcare costs, e.g. through mobile health technologies.

Trust in the digital age

Trust fundamentally underpins digital transformation. Almost 30% of Internet users do not provide personal information to social networks because of security or privacy concerns. Moreover, only 17% of peer platform (e.g. home-sharing) users read the terms and conditions in full, suggesting that more effective measures are needed to protect consumers online. To strengthen trust, policies should encourage people and organisations to better manage digital security and privacy risks and improve consumer protection online. National privacy strategies can help promote a whole-of-society perspective and facilitate cross-border data flows, e.g. through interoperable privacy frameworks.

Market openness in digital business environments

Digital technologies and data transform how firms compete, trade and invest. Cross-border acquisitions of digital-intensive firms grew 20 percentage points more than those in other sectors over 2007-15. Firms in highly digital-intensive sectors also enjoyed a 55% higher mark-up – the wedge between the price a firm charges for its output and the cost the firm incurs to produce one extra unit of output – than other firms. To foster market openness and dynamism in digital business environments, policies should: reduce barriers to trade and investment; promote open financial markets; tackle changing competition dynamics, including issues related to increasing concentration; and address tax challenges through more effective international co-operation.

None of these policies can be successful on their own. Governments need a comprehensive digital transformation strategy and governance approach that supports effective co-ordination across policy areas and among all stakeholders. A strategic vision, clear priorities and objectives, measurable targets, sufficient budget, and thorough monitoring of progress and policy evaluation are essential elements of a successful digital transformation strategy.

While this report addresses some of the most pressing and difficult questions societies face to make digital transformation work for growth and well-being, it also maps out a future global digital agenda to better understand and address new and complex issues. This agenda includes changing competition dynamics; privacy; data and cross-border data flows; growing inequalities and their relationship with digital transformation; restoring trust in government; democracy in the digital age; and the future of the firm. Finally, it remains essential to better measure digital transformation to provide sound evidence on which to base future policy decisions.

© OECD

Reproduction of this summary is allowed provided the OECD copyright and the title of the original publication are mentioned.

Multilingual summaries are translated excerpts of OECD publications originally published in English and in French.



[Read the complete English version on OECD iLibrary!](#)

© OECD (2019), *Going Digital: Shaping Policies, Improving Lives*, OECD Publishing.

doi: 10.1787/9789264312012-en