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How's life in the digital age?

How does the digital transformation affect people's lives and well-being? Digital technologies have radically changed the way people work, consume and communicate over a short period of time. It is necessary that statistics help understand the rapid transformation that is at stake. This first monograph of the How's Life? series aims to meet this need, providing a comprehensive description of digital impacts on people's life and underlining some important data gaps.

The digital transformation creates both opportunities and risks for well-being

While several OECD reports have documented the effects of digital technologies on the economy and society, this report uses the How's Life? well-being framework to assess how the digital transformation affects people's life as a whole. Chapter 1 provides an overview of the methodology and results described in this report. The OECD well-being framework is used to review the impacts of the digital transformation on the 11 key dimensions of people's well-being (income and wealth, jobs and earnings, housing, health status, education and skills, work-life balance, civic engagement and governance, social connections, environmental quality, personal security and subjective well-being). This chapter also looks at ICT access and use as a cross-cutting dimension of the digital transformation. A summary of a large number of existing studies highlights 39 key impacts of the digital transformation on people's well-being. The review shows that impacts can be positive as digital technologies expand the boundaries of information availability and enhance human productivity, but can also imply risks for people's well-being, ranging from cyber-bullying to the emergence of disinformation or cyber-hacking.

This report has assembled 33 indicators of key impacts of the digital transformation, including 20 indicators to monitor digital opportunities and 13 indicators to reflect digital risks. This empirical analysis can help policy-makers and concerned citizens to assess the digital situation in their country. However, empirical analysis has also to contend with important limitations, due to the lack of harmonised data and the imperfect coverage of key digital impacts. The international statistical community should invest to improve available information and to move this statistical agenda forward.

Safe digital technologies improve the life of those who have the skills to use them

For each dimension of people's well-being, Chapter 2 presents evidence on the opportunities and risks created by the digital transformation. This chapter builds on a review of a large number of scientific studies in a range of disciplines. The main insight from this review is that safe digital technologies improve the life of those who have the skills to use them. This message is two-sided. Benefiting from digital opportunities depends, first, on meeting some skills requirements, and second, on operating in safe digital environments. On the one hand, digital technologies can improve people's life as they provide access to more information and services at a reduced cost: for instance, they simplify access to education, to health information, to consumption goods via online shopping, they cut transportation time via teleworking and

improve the efficiency of energy use at home and at the city level; in sum, they make human activities more efficient. On the other hand, digital technologies entail a major inequality risk for society, as they introduce a digital divide between those who have the skills to use them and those who do not. These skills include pure digital skills but also the emotional and social skills associated with safely navigating the online world. Possessing this mix of skills, conveniently labelled as “digital literacy”, is a pre-condition for people to harmoniously combine their digital and real lives, and to avoid the mental health problems associated with abuses of digital technologies. The second type of digital risks relates to safety issues such as cyber-bullying and cyber-security breaches. In a nutshell, making the digitalisation work for people’s well-being would require building equal digital opportunities, widespread digital literacy and strong digital security.

Digital opportunities come naturally with broader Internet access, while digital risks are multi-faceted

Available indicators of opportunities and risks allow clustering countries and identifying their relative digital strengths and weaknesses. While understanding the drivers of opportunities and risks of the digital transformation is beyond the scope of this report, this provides a number of important insights. First, digital opportunities and risks are not correlated across countries, i.e. there is no mechanical association between the two. This implies that a successful policy framework can mitigate risks even in a digitally-rich environment. Second, digital opportunities are strongly associated with broad Internet access, which is a necessary but not sufficient condition for seizing the opportunities offered by the digital transformation. Finally, risks are very diverse in nature and it is impossible to single out a key driver. However, the prevalence of digital security incidents is a powerful predictor of risks overall, as it reflects (to some degree) the maturity of digital societies, as well as the soundness of national digital strategies.

Evidence of impacts is sparse and many topics remain contested

The conclusions drawn in this report are based on an imperfect set of indicators that do not adequately cover all life dimensions and OECD countries. In this sense, this report provides the motivation for the statistical work ahead. As the momentum on collecting complementary measures of progress persists, National Statistical Offices and other data collectors will need to design new instruments to improve the evidence on the well-being impacts of the digital transformation. Importantly, for many impacts discussed in this report, the jury is still out. Key opportunities and risks, such as the impacts of online networking sites on people’s social lives, the mental health effects of extreme Internet use, or the effects of automation of jobs are still debated by researchers and analysts. This report takes stock of current evidence, but continued research will need to expand and deepen our knowledge on the many topics covered in this report.

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