

For Official Use

C(2016)116

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

05-Jul-2016

English - Or. English

COUNCIL

Council

**OUTCOMES OF THE 22-23 JUNE MINISTERIAL MEETING ON THE DIGITAL ECONOMY
ORGANISED BY THE COMMITTEE ON DIGITAL ECONOMY POLICY**

(Note by the Secretary-General)

JT03399039

Complete document available on OLIS in its original format

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

**C(2016)116
For Official Use**

English - Or. English

1. A Ministerial meeting on the Digital Economy organised by the Committee was held on 22-23 June 2016 in Cancún, Mexico, under the chairmanship of Mr. Ildefonso Guajardo Villarreal, Minister of Economy of Mexico, and with Mr. Navdeep Singh Bains, Minister of Innovation, Science and Economic Development of Canada, Mr. Yanghee Choi, Minister of Science, ICT & Future Planning of Korea, Ms. Axelle Lemaire, Deputy Minister in charge of Digital Affairs of France, Ambassador Daniel Sepulveda, Coordinator, International Communications & Information Policy, Department of State of the United States and Mr. Andrus Ansip, Vice-President for the Digital Single Market, European Commission, as co-Vice-Chairs.

2. The meeting, which was the first OECD Ministerial meeting on the Digital Economy held in Latin America, brought together Ministers, senior government officials, the heads of major international organisations, industry leaders and representatives of the Internet technical community, civil society and organised labour. In addition to OECD Members and the European Union, participants included representatives of the following non-Members: Argentina, Brazil, China, Colombia, Costa Rica, Ecuador, Egypt, Indonesia, Latvia (which has since become the 35th Member of the OECD), Lithuania, Malaysia, South Africa. Altogether, over 1 300 participants attended the event, which was also webcast.

3. The Ministerial meeting helped strengthen the position of digital issues on the global political agenda. Discussions stressed the urgency to develop a strategic vision and fully integrated policy approach to digitalisation in order to maximise its benefits and respond to the transformative digital shifts underway across the world. The Secretary-General opened the discussions and underlined the need to better measure the digital economy, analyse the effects of the digitalisation of the economy and society, and keep the Internet open and accessible. OECD Members were fully aligned with those messages, as exemplified by the opening remarks of United States Secretary of Commerce Pritzker who called on OECD Members to redouble their efforts to implement the Recommendation of the Council on Principles for Internet Policy Making which promotes openness, free flows of information and multi-stakeholder governance of the Internet. European Union Commission Vice-President Ansip further supported the Ministerial agenda, urging all participants to ensure global connectivity and emphasising that we live in an age where access to broadband can have a greater effect on GDP than access to ports and railways.

4. The Ministerial meeting also provided a unique forum to discuss how to harness the benefits of the digital economy in countries of various levels of development. Holding the meeting in Mexico not only allowed showcasing the significant policy reforms that this country has undertaken in the area of digitalisation, but also helped position the OECD as a partner for Latin American and Caribbean (LAC) countries which are increasingly aligning with the OECD policy approach to digitalisation. The concomitance of the Ministerial meeting and the meeting of LAC Telecom Regulators in Cancún added to the richness of debate, with cross-attendance of stakeholders. At the same time, the meeting was held back-to-back with a Hackathon and four stakeholder forums – of the Business and Industry Advisory Committee (BIAC), the Trade Union Advisory Committee (TUAC), the Civil Society Information Society Advisory Council (CSISAC), and the Internet Technical Community (ITAC) -- which evidenced the OECD's commitment to the multi-stakeholder model of digital economy policymaking.

5. The main outcome of the Ministerial meeting was the adoption of the Declaration on the Digital Economy: Innovation, Growth and Social Prosperity ('Cancún Declaration'), reproduced in the Annex [for reference, see also [C\(2016\)69](#)]. The Cancún Declaration calls on governments to actively leverage the opportunities of the digital economy for more sustainable and inclusive growth focused on well-being, equality of opportunities, and trust. At the meeting, OECD countries, including Latvia, along with seven non-Member countries (Argentina, Colombia, Costa Rica, Ecuador, Egypt, Indonesia and Lithuania) adopted the Cancún Declaration. Brazil and Malaysia have expressed their interest in adopting the Declaration in the near future.

6. The Cancún Declaration sets out a shared and ambitious roadmap to push the digital agenda forward. It invites the OECD to work on avenues to preserve the openness of the Internet while pursuing the following public policy objectives: to bring access to higher speed broadband connectivity and digital technologies and services to all; to ensure people have the right skills mix for their inclusive participation in the digital economy; to allow new forms of work enabled by digital technologies while ensuring job quality; to develop privacy and data protection strategies at the highest level of government; to analyse the digitalisation of the economy and society from a whole-of-government perspective; and to address the digital data deficit in order to provide better evidence to inform policymaking as digitalisation progresses. These objectives have been taken into account by the CDEP in the submission of its PWB for 2017-18 and will be pursued, including through the proposed horizontal project on the digitalisation of the economy and society.

7. According to established practice, all Declarations adopted within the OECD framework are transmitted to the Council, inviting the Council to “note” these legal instruments. The Cancún Declaration will then be added to the list of OECD legal instruments, with a list of Adherents to be updated as appropriate.

Proposed Action

8. In the light of the preceding, the Secretary-General invites Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document [C\(2016\)116](#);
- b) noted the Declaration on the Digital Economy: Innovation, Growth and Social Prosperity (‘Cancún Declaration’), set out in the Annex to document [C\(2016\)116](#);
- c) noted that seven non-Members (namely Argentina, Colombia, Costa Rica, Ecuador, Egypt, Indonesia and Lithuania) have adopted the Declaration and other non-Members have been encouraged to adhere.

ANNEX

**DECLARATION ON THE DIGITAL ECONOMY:
INNOVATION, GROWTH AND SOCIAL PROSPERITY ('CANCÚN DECLARATION')**

WE, the Ministers and representatives of Argentina, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, the Czech Republic, Denmark, Ecuador, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States, and the European Union, assembled in Cancún, Mexico, on 22-23 June 2016;

COMMITTED to the rule of law and respect for human rights, to advancing freedom and democracy, and to increasing economic, civic and social opportunities for all;

RECOGNISE that the world economy is becoming ever more digital; that growing use of and investment in digital technologies and knowledge-based capital is profoundly transforming our societies;

RECOGNISE that the digital economy is a powerful catalyst for innovation, growth and social prosperity; that our shared vision is to promote a more sustainable and inclusive growth focused on well-being and equality of opportunities, where people are empowered with education, skills and values, and enjoy trust and confidence;

RECOGNISE that advancing our vision relies on the participation of all countries and on collective action to seize the opportunities and tackle the evolving challenges of the digital economy;

RECOGNISE in this regard, that we need to adopt holistic and whole-of-society approaches that encompass coherent evidence-based policies to stimulate investment in higher speed broadband connectivity, reduce barriers to use of digital technologies, foster research, innovation and new business opportunities, strengthen trust, promote job quality and address skill needs;

RECOGNISE that the 1998 Ministerial Conference on Electronic Commerce in Ottawa and 2008 Ministerial on the Future of the Internet Economy in Seoul helped pave the way for the digital economy to flourish through a successful combination of policies developed in close collaboration with experts from business and industry, trade-unions, civil society and the Internet technical community through their advisory committees; and that we need to continue working closely together and with all stakeholders;

RECOGNISE that the OECD Recommendations of the Council on Principles for Internet Policy Making, Consumer Protection in E-commerce, Digital Security Risk Management for Economic and Social Prosperity, Cryptography Policy and Protection of Privacy and Transborder Flows of Personal Data, which all stem from multi-stakeholder cooperation, provide a robust foundation for guiding the development of coherent policies for an increasingly digitalised economy;

FURTHER RECOGNISE in this regard, the important contribution of the Internet Governance Principles of the NETmundial Multistakeholder Statement;

UNDERLINE the critical need for continued multi-stakeholder, consensus-driven approaches to developing global technical standards that enable interoperability and a secure, stable, global, open, and accessible Internet; and the equally critical ongoing need for open, transparent and inclusive processes in global multi-stakeholder Internet governance;

FURTHER UNDERLINE that our initiatives to support the digital economy also help attain the United Nations 2030 Agenda for Sustainable Development and the outcomes of the World Summit on the Information Society and its ten year review; and that we need to promote gender equality and be inclusive of vulnerable or disadvantaged groups;

DECLARE that we will:

- 1. Support the free flow of information** to catalyse innovation and creativity, support research and knowledge sharing, enhance trade and e-commerce, enable the development of new businesses and services, and increase people's welfare through policies, grounded in respect for human rights and the rule of law, that reinforce the Internet's openness, in particular its distributed and interconnected nature, while respecting applicable frameworks for privacy and data protection, and strengthening digital security;
- 2. Stimulate digital innovation and creativity** to spur growth and address global social issues through coordinated policies that promote investment in digital technologies and knowledge-based capital, encourage availability and use of data, including open public sector data, foster entrepreneurship and the development of small and medium enterprises, and support the continued transformation of all economic sectors, including public services;
- 3. Increase broadband connectivity and harness the potential of interconnected and converged infrastructures and digital services** to bridge digital divides and foster innovation by adopting technologically neutral frameworks that foster investment in broadband networks, protect consumers, promote competition and enable opportunities for all;
- 4. Embrace the opportunities arising from emerging technologies and applications** such as the Internet of Things, cloud computing, digital transformation of manufacturing and data analytics, while addressing their economic and social effects, and assessing the appropriateness of policy and regulatory frameworks, and of global standards;
- 5. Promote digital security risk management and the protection of privacy at the highest level of leadership** to strengthen trust, and develop to this effect collaborative strategies that recognise these issues as critical for economic and social prosperity, support implementation of coherent digital security and privacy risk management practices, with particular attention to the freedom of expression and the needs of small and medium enterprises and individuals, foster research and innovation and promote a general policy of accountability and transparency;
- 6. Stimulate and help reduce impediments to e-commerce within and across borders** for the benefit of consumers and businesses by adopting policies and regulatory frameworks that strengthen consumer trust and product safety, promote competition and support consumer-driven innovation, and enable co-operation among consumer protection and other relevant authorities within and among countries;
- 7. Take advantage of the opportunities arising from online platforms** that enable innovative forms of production, consumption, collaboration and sharing through interactions among and between

individuals and organisations, while assessing their social and economic benefits and challenges as well as the appropriateness of related policy and regulatory frameworks;

- 8. Spur the employment opportunities created by the digital economy** by reducing barriers to investment in and adoption of digital technologies in all economic sectors, promoting an attractive and agile business environment, in particular for new digital entrants, adapting labour policies and programmes to foster job quality and social protection, in particular in new work arrangements facilitated by digital technologies, and by continuing to address job displacement and mitigate the related social cost especially for vulnerable groups;
- 9. Strive for all people to have the skills needed to participate in the digital economy and society** through policies that improve the capacity of educational and training systems to identify and respond to the demand for general and specialist digital skills; that facilitate up- and re-skilling through lifelong learning and on-the-job training; and that promote digital literacy as well as inclusive and effective use of ICTs in education and training;

FURTHER DECLARE that we will deliver on our objectives in a timely manner in close co-operation with all stakeholders, and that, with the support of the OECD, we will share experiences and work collaboratively to:

- help preserve the fundamental openness of the Internet while concomitantly meeting certain public policy objectives, such as the protection of privacy, security, intellectual property and children online, as well as the reinforcement of trust in the Internet;
- identify, develop and activate the mix of skills needed to enable inclusive participation in an increasingly digitalised economy; and analyse new work arrangements enabled by digital technologies and their implications for job quality and labour relations;
- develop privacy and data protection strategies at the highest level of government that incorporate a whole-of-society perspective while providing the flexibility needed to take advantage of digital technologies for the benefit of all; and support the development of international arrangements that promote effective privacy and data protection across jurisdictions, including through interoperability among frameworks;
- assess the effects of digital transformation on society and on all parts of the global economy to identify expected benefits and challenges, and to examine how national strategies and policies can address these transformations and take advantage of innovation to help bridge digital divides;
- strengthen the collection of internationally comparable statistics on the adoption and use of broadband infrastructures and digital services together with the use of digital technologies by firms and individuals across the economy and society; and contribute to developing new metrics for the digital economy, such as on trust, skills and global data flows;

INVITE the OECD to further develop its work related to the digital economy, and in this regard, to build on its work in other areas, including the OECD Skills Strategy and the update of the OECD Jobs Strategy;

CALL ON the OECD to continue to provide us with strong evidence and the innovative analysis needed to develop sound policies to achieve our objectives and contribute to a flourishing digital economy.