

**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INNOVATION
COMMITTEE ON DIGITAL ECONOMY POLICY**

OECD GOING DIGITAL PROJECT: STATE OF PLAY

This document presents an update on the Going Digital horizontal project. It reflects the input of the following core Directorates and bodies: CTP, DAF, ECO, EDU, ELS, GOV, SGE/NAEC, SGE/Foresight, STD, STI and TAD. Other OECD Directorates and bodies, including CFE, ENV, IEA and ITF, also provided input and comments. This update will be provided to all Committees that have an interest in the project in Q2 2017.

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March 2017

Background

1. 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.

2. 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 more – and more inclusive – growth. This requires overcoming organisational barriers to integration, sharing and horizontality of decision-making and use of data and digital technologies, across the public sector, for which the management of core processes and activities, and the governance of ICT use in governments need to be rethought and adjusted.

3. The window of opportunity for this action is now, because as these changes unfold and new technologies such as the Internet of Things become deployed, the gap between policy and the changes that the digital transformation are spurring will only become greater. To chart the road ahead, the OECD has launched a multidisciplinary and cross-cutting project on *Going Digital: Making the Transformation Work for Growth and Well-being* (Going Digital project). The project aims to help policymakers better understand the digital transformation that is taking place and develop tools to create a policy environment that enables their economies and societies prosper in a world that is increasingly digital and data-driven. The overall methodology to carry out this project, initially outlined in [DSTI/IND/STP/CDEP/CP\(2016\)2](#), builds on three pillars:

- **Pillar 1 (horizontal activities):** 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.
- **Pillar 2 (Committee-specific work):** *Relevant analysis of the digital transformation in specific policy areas* (e.g. tax, trade, competition, etc.) and in the broader economy as outlined in each Committee's respective PWBs for 2017-18.
- **Pillar 3 (cross-cutting modules):** A set of *modules focusing on key cross-cutting issues*. This work will involve a “deep dive” into specific issues involves some (but not all) policy areas to gain key insights into some of the big challenges we face in the digital era and that are at the intersection of more than one policy area.

4. The project leverages the unique capacity of the OECD to provide a whole-of-government perspective on complex policy challenges, bringing together a wide range of policy communities and building on the latest evidence and data across policy domains to collectively identify the opportunities and address the challenges our economies and societies face in a digital world. The project may support discussions on the digital transformation at the highest levels – national, regional and international (including through forums such as the G20 and G7).

Launch of the Going Digital project

5. The OECD Going Digital project was officially launched on 12 January 2017 at a conference organised jointly by the OECD and the German Federal Ministry of Economic Affairs and Energy in Berlin. The conference brought together a wide range of stakeholders to discuss some of the most pressing policy challenges related to the digital transformation. This conference served to inform the Going Digital project as well as kick-off the German G20 Presidency's digital agenda.

6. The conference was oversubscribed and well-attended. German State Secretary Matthias Machnig set the scene, Tim O'Reilly (a long-time Silicon Valley veteran) gave a forward-looking [presentation](#) on the future of the digital transformation, and OECD Chief of Staff, Sherpa and Special Counsellor Gabriela Ramos completed the session by presenting an OECD [background report](#). A panel discussion was followed by break-out sessions.

7. While it was not possible to cover all policy areas during the conference, several overall key themes emerged:

- The need to boost investment in digital infrastructures and their key enablers, such as access to Internet exchange points and spectrum, as well as take-up of the latest Internet Protocol (IPv6).
- The need to ensure competition in the ICT sector and in the broader economy, including by making a shift towards looking at data as a vital competitive asset, and ensuring greater international co-operation and co-ordination among competition authorities.
- The need for co-operation among stakeholders to establish sufficient trust in the reliability and security of networks, the respect of privacy and consumer rights, and interoperability of standards, particularly in support of enabling data flows, including Industrie 4.0 and the Internet of Things.
- The need to ensure that the digital transformation is truly inclusive, taking on board countries at all stages of development, firms of all sizes (especially SMEs), and people of all ages, gender, and levels of education and income.
- The need to better measure the digital transformation and its impacts, including with respect to data flows and macroeconomic statistics, among others.
- The need to rethink and adjust public sector and governments' ways of working as government 1.0 cannot serve economies and societies 4.0.

8. This was an important milestone for the OECD Going Digital project, and was extremely useful in gathering input for the project. It also helped raise the visibility of the Going Digital project and the OECD's work on the digital economy more broadly.

Pillar 1(horizontal activities)

9. The integrated policy framework represents one of the deliverables of the Going Digital project.¹ The framework is central to the horizontal nature of the project and therefore involves all “core” Committees, other interested Committees as practical and desirable, as well as the Strategic Foresight/NAEC units in SGE, with the Committee on Digital Economy Policy (CDEP) co-ordinating the work (see Annex I for a list of core Committees). Once completed, the framework could be useful in guiding 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.

10. The Secretariat – representing all core Committees – held a brainstorming meeting in autumn 2016 to discuss the content of, and process for, developing the framework. Based on this brainstorming and other discussions, a preliminary version of the draft framework was presented to CDEP [[DSTI/CDEP\(2016\)7](#)], in its capacity of lead Committee, at its November 2016 meeting, for input and directions. Subsequent consultations are being undertaken by the Secretariat representing all core Committees, and a revised version of the Secretariat’s suggested approach to develop the integrated policy framework will be discussed by the Going Digital Steering Group at its first meeting.

11. Other horizontal activities, such as collaborative projects relevant for all participating Committees, as well as analysis of the new technological and other drivers of the digital transformation and what this implies for policy, may also be undertaken under Pillar 1.

Pillar 2 (Committee-specific work)

12. Work to be undertaken under Pillar 2 – that is, related work that will be undertaken in each respective Committee’s PWB for the 2017-18 biennium – has recently begun. The Going Digital team is in the process of compiling a list of each core Committee’s PWB outputs related to the project. This overview will be presented to the Going Digital Steering Group at its first meeting with the aim of identifying synergies among the various pieces of work as well as possible opportunities for collaboration.

Pillar 3 (cross-cutting modules)

13. The Secretariat has begun refining the cross-cutting modules, based on feedback from Committees and discussions among the Secretariat. Subsequently, the proposed issues for cross-sectoral study in the modules will be discussed among the Directors, after which time the Secretariat will organise the modules. These modules are likely to proceed at different speeds.

Governance structure

14. The Going Digital project is designated as a horizontal project for the 2017-18 biennium. Pursuant to guidelines developed by the Secretary-General, and at the request of Members, the governance structure for the project will include a wide range of different groups (Figure 1).

1. The framework is a specific output in CDEP’s PWB for 2017-18.

Figure 1. Governance of the Going Digital Project



OECD Council

15. Council endorsed and approved the Going Digital project as a horizontal project for the 2017-8 biennium. Council will review progress of the Going Digital project biannually, with a view to providing strategic guidance and input. The next review will take place on 23 March 2017.

Lead Committee

16. The Committee on Digital Economy Policy (CDEP) has been designated as the Lead Committee for the project, and is accountable for the project overall. In particular, CDEP will lead and co-ordinate the development of the integrated policy framework (Pillar 1) and the synthesis report, and contribute to other horizontal deliverables.

Core Committees

17. The 14 Core Committees (see Annex I), including CDEP, are responsible for outputs in their respective areas of competence (Pillar 2) and may co-lead and participate in the cross-cutting modules (Pillar 3). The Secretariat of the core Committees provides input to the integrated policy framework (Pillar 1) to ensure that the latter adequately reflects each core Committee's perspective and is truly horizontal.

Steering Group

18. The Steering Group is composed of delegates from the Core Committees and is chaired by the CDEP Chair, Mr. Wonki Min (Korea) (Annex II). Chairs were invited to sit on the Steering Group and to nominate one other representative for a total of two representatives per Committee (some Chairs decided to leave their seat on the Steering Group open for another Committee representative). Stakeholders were invited to each nominate one representative and a representative of the European Union was invited to join.

19. The Steering Group is not a Committee but an informal body or “group”. Its principal role is to maintain the active engagement of the 14 core Committees in the project and to ensure that a diversity of policy perspectives are reflected in the work, especially in documents that are synthetic in nature and intended to draw higher-level conclusions. Other Delegates from the core Committees can participate in the Steering Group as “interested delegates” without an official seat at the table and no direct participation in the discussions, but with access to all documents for each meeting.

20. It has come to the Secretariat’s attention that some Members would like to bring not only the Committee perspective, but also the country perspective, to the Steering Group. As such, OECD Ambassadors will be invited to nominate a representative from their country to participate as a full member of the Steering Group. The Steering Group will meet on 4 April 2017, Q4 2017, and at least once in early 2018, to discuss issues related to the horizontal nature of the project.

Going Digital Friends

21. The Going Digital Friends group is comprised of Ambassadors, and is co-chaired by Ambassador Christopher Sharrock (UK) and Ambassador Dionisio Pérez-Jácome Friscione (Mexico). External and national experts might also be invited to participate in Friends' meetings. Friends will ensure close links to capitals and their high-level priorities, contribute to coherence and co-ordination of the project, follow the evolving integrated policy framework for making the digital transformation work for growth and well-being, and provide a sounding board, in particular for emerging recommendations, including those proposed to be adopted by Council. Friends meet on a regular basis, according to the necessity to discuss a specific issue or topic. The Going Digital Friends held their first meeting on 31 January 2017.

Expert Advisory Group

22. The Expert Advisory Group is a small, informal independent group composed of leading academics, practitioners in the field, and business and civil society leaders (Annex III). It was assembled by the Director of STI to provide key analytical input into the project, notably as regards the truly cross-cutting aspects of the work, as well as to ensure that communities not represented by other governance groups – i.e. academia, non-member countries and technical experts – have an opportunity to provide input. The Expert Advisory Group will meet periodically in 2017 and 2018. The first meeting will take place on 5 April 2017.

Project Leader

23. Deputy Secretary General Douglas Frantz (DSG Frantz) is the Project Leader. DSG Frantz oversees the project, and is responsible for monitoring progress. The Project Leader chairs and is advised by the Directors' Group. He also works with PAC on communications to ensure the broadest possible dissemination of the project.

Director's Group

24. The Director's Group is composed of Directors that support core Committees and is chaired by DSG Frantz. It provides guidance on the strategic direction of the project in co-operation with the Steering Group, is accountable for delivering the project outputs, and decides on the allocation of the Central Priority Fund to the different activities.

Co-ordinators Group

25. The Co-ordinators Group is an active working group within the OECD Secretariat composed of focal points from the Directorates involved in the project. It helps co-ordinate the work within the OECD Secretariat, including for the development of an integrated policy framework, and helps develop a joint narrative and key cross-cutting components of the work. So far, this group has met four times.

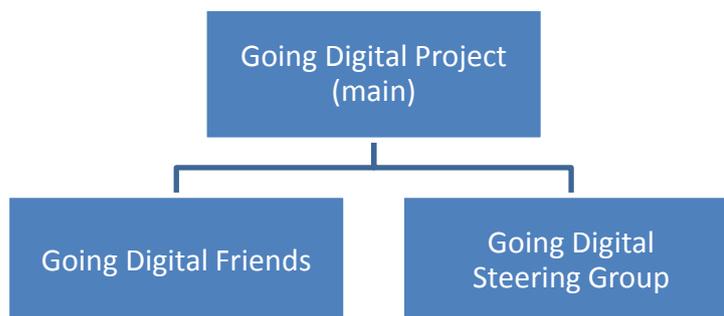
Communications Group

26. The Communications Group is composed of the Secretariat that supports core Committees as well as the Public Affairs and Communications Directorate (PAC). Reporting to DSG Frantz, it develops and implements a communications strategy for the project.

Going Digital communications (internal and external)

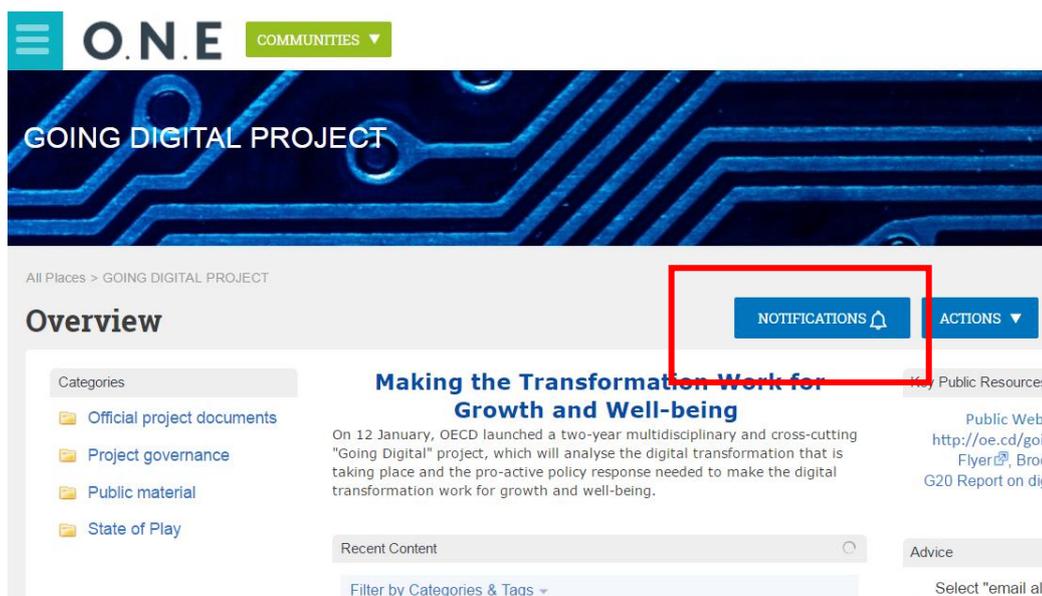
27. The Secretariat has created a Going Digital “ONE Communities” site to keep delegates informed about progress: <https://community.oecd.org/community/going-digital-project>. This site consists of a main site that includes general information about the project applicable to all delegates from the Secretariat; delegates may also post documents and initiate discussions. It also includes two separate “ONE Communities” sub-sites to enable discussions among the Going Digital Friends group and the Going Digital Steering Group (Figure 2).

Figure 2. Going Digital "ONE Communities" sites



28. Delegates who wish to access the site may “opt in” by sending an email to the Going Digital Secretariat in STL.² Access to the Going Digital Friends group site will be granted only after consultations with the permanent delegations of Mexico and United Kingdom, whose Ambassadors chair the Going Digital Friends group. Users are strongly encouraged to click on the "Notifications" menu on the home page of each site upon their first visit and select "email alerts" in order to automatically receive a message when new content is posted (Figure 3).

Figure 3. Going Digital Main communities site, notification box



29. With regard to external communications, on 9 February 2017 the Secretariat held a first meeting of the Going Digital Communications Group, comprised of communications staff from the core Directorates as well as PAC. The Group is working collaboratively to develop an OECD-wide “one-stop-shop” satellite web site with all relevant OECD policy analysis and data related to the digital transformation. This site is currently under development. In the interim, a temporary [external web page](#) to promote the project has been created. The Communications Group has also started to consider a visual

² Molly.Lesher@oecd.org, Laurent.Bernat@oecd.org, David.Gierden@oecd.org.

identity and other branding for the project, as well as a calendar of events, under the auspices of the Going Digital communications campaign.

Upcoming events

30. In addition to discussions with a digital theme at regular Committee meetings, a series of events already foreseen for the first half of 2017 and related to the Going Digital project are listed below. This list will be updated as the project develops, and posted separately on the Going Digital ONE Communities site (see above) in due course.

- **14 March 2017:** “The Next Production Revolution: The Digital Transformation” seminar, organised by the Fundación Ramón Areces, with participation from SG Gurría and STI Deputy Director Dirk Pilat, in Madrid, Spain.
- **4 April 2017:** Going Digital Steering Group Meeting, at OECD headquarters.
- **5 April 2017:** Going Digital Expert Advisory Group meeting, at OECD headquarters.
- **5 April 2017:** “Digitalisation and Energy” technical workshop, organised by the IEA, in Paris.
- **24 April 2017:** "Going Digital: The Future of Industry and Jobs" workshop, organised under the aegis of the OECD Working Party on Industry Analysis (WPIA) and the EU-funded ISI growth project.
- **24-25 April 2017:** “Futures of the Global Economy” Government Foresight Community workshop, organised by the OECD Strategic Foresight unit, at OECD headquarters.
- **26 April 2017:** “Digitalisation, SMEs and Start-ups” workshop, jointly organised by the OECD Committee on Industry, Innovation and Entrepreneurship (CIIE) and its Working Party on SMEs and Entrepreneurship (WPSMEE), at OECD headquarters.
- **31 May 2017:** “The Implications of Digitalisation for More and Better Jobs” NAEC seminar, with Economics Nobel Prize Winner Edmund Phelps, at OECD headquarters.
- **6-8 June 2017:** OECD Week (the OECD Forum and MCM), where the Secretariat will prepare a short report on interim findings (forthcoming, C(2017)39) for discussion among Ministers.
- **23 June 2017:** NAEC Seminar (Digital Economy Series) with EC Commissioner Carlos Moedas, at OECD headquarters.
- **26-27 June 2017:** Annual Conference of the Global Forum on Productivity “Openness, Global Value Chains, and Productivity Enhancing Policies” in Budapest, Hungary.

ANNEX I: CORE CONTRIBUTORS TO THE PROJECT

- The Competition Committee (CC),
- The Committee on Consumer Policy (CCP),
- The Committee on Digital Economy Policy (CDEP),
- The Committee on Industry, Innovation and Entrepreneurship (CIIE),
- The Insurance and Private Pensions Committee (IPPC),
- The Committee on Financial Markets (CMF),
- The Committee on Fiscal Affairs (CFA),
- The Committee on Scientific and Technological Policy (CSTP),
- The Committee on Statistics and Statistics Policy (CSSP),
- The Economic Policy Committee (EPC),
- The Education Policy Committee (EDPC),
- The Employment, Labour and Social Affairs Committee (ELSAC),
- The Public Governance Committee (PGC), and
- The Trade Committee (TC).

Other Committees and OECD bodies (e.g. the International Transport Forum, the Health Committee, the Environment Policy Committee, the Committee for Agriculture, the Investment Committee, and the International Energy Agency etc.) may further enrich the overall project with their insights and would be very welcome to participate, as practical and in line with their respective work programmes.

ANNEX II: GOING DIGITAL STEERING GROUP MEMBERS

Competition Committee (CC)

- Lord David Currie, Member (UK)
- Mr. Frédéric Jenny, Chair (France)

Committee on Consumer Policy (CCP)

- Ms. Nathalie Homobono, Chair (France)
- Mr. Hugh Stevenson, Bureau member (USA)

Committee on Digital Economy Policy (CDEP)

- Mr. Wonki Min, Chair (Korea)
- Prof. Morikawa, Bureau member (Japan)
- Mr. Luis Magalhães, Bureau member (Portugal)

Committee on Fiscal Affairs (CFA)

- Mr. Edouard Marcus, Co-chair of CFA Task Force on the Digital Economy (France)

Committee on Industry, Innovation and Entrepreneurship (CIE)

- Dr. Alex Cooke, Member (Australia)
- Mr. Raúl Rendon Montemayor, Member (Mexico)
- Ms. Henriette Whitmore (Germany)

Committee on Financial Markets (CFM):

- Mr. Grant Spencer, Chair (New Zealand)

Committee on Statistics and Statistical Policy (CSSP)

- Mr. Jorgen Elmeskov, Member (Denmark)
- Mr. Didier Blanchet (France)

Committee on Scientific and Technological Policy (CSTP)

- Mr. Patrick Vock, Chair (Switzerland)
- Mr. Yongsuk Jang, Bureau member (Korea)

Education Policy Committee (EDPC)

- Ms. Moonhee Kim, Bureau member (Korea)

Employment, Labour and Social Affairs Committee (ELSAC)

- Mr. Michael Schönstein (Germany)
- Mr. Patrick Jeurissen (Netherlands)

Economic Policy Committee (EPC)

- Ms. Gloria Bartoli, Member of WP1/EPC (Italy)

Insurance and Private Pensions Committee (IPPC)

- Ms. Norma Alicia Rosas Rodriguez, Chair (Mexico)

Public Governance Committee (PGC)

- Mr. Magnus Enzell (Sweden)
- Mr. Yih-Jeou Wang, Member of PGC's Working Party of Senior Digital Government officials (E-Leaders) (Denmark)

Trade Committee (TC)

- Mr. Tetsuya Watanabe, Bureau member (Japan)
- Mr. Johannes Rühl, member of the Working Party on Trade (Switzerland)
- Mr. Jonathan McHale (USA)

Business and Industry Advisory Committee (BIAC)

- Mr. Joe Alhadeff

Civil Society Information Society Advisory Council (CSISAC)

- Mr. Marc Rotenberg

Internet Technical Advisory Committee (ITAC)

- Mr. Nigel Hickson

Trade Union Advisory Committee (TUAC)

- Ms. Anna Byhovskaya

European Commission:

- Mr. David Ringrose

ANNEX III: GOING DIGITAL EXPERT ADVISORY GROUP MEMBERS

Ms. Monica Aspe, Undersecretary of Communications at the Mexican Ministry of Communications and Transportation

Ms. Marjory Blumenthal, Senior Policy Analyst and Director of RAND's Science, Technology, and Policy Program

Mr. Nicolas Colin, Co-Founder & Partner of The Family, and Professor at the Université Paris-Dauphine

Sir Peter Gluckmann, Chief Science Advisor to the New Zealand Prime Minister

Mr. Kris Gopalakrishnan, Executive Vice Chairman and Founder, Infosys

Dr. Yuko Harayama, Executive Member of the Council for Science and Technology Policy, Cabinet Office of Japan

Ms. Malavika Jayaram, Executive Director of Digital Asia Hub

Mr. Janis Karklins, Latvian Ambassador to the UN in General and also Chairman of the WIPO General Assembly

The Honourable Kevin Lynch, Vice Chairman of BMO Financial Group

Dr. James Manyika, Senior Partner at McKinsey and Director of the McKinsey Global Institute

Ms. Anne Mettler, Head of the European Political Strategy Centre

Mr. Diego Molano Vega, Senior Advisor to McKinsey & Company and the Inter-American Development Bank, formerly Minister of Information Technologies and Communications of Colombia

Mr. Geoff Mulgan, Chief Executive of the National Endowment for Science Technology and the Arts (NESTA)

Professor David Weil, Professor of Management at Boston University's Questrom School of Business

Professor Lan Xue, Professor and Dean of School of Public Policy and Management at Tsinghua University