UNCTAD IGE

E-commerce and the Digital Economy

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Geneva, Switzerland
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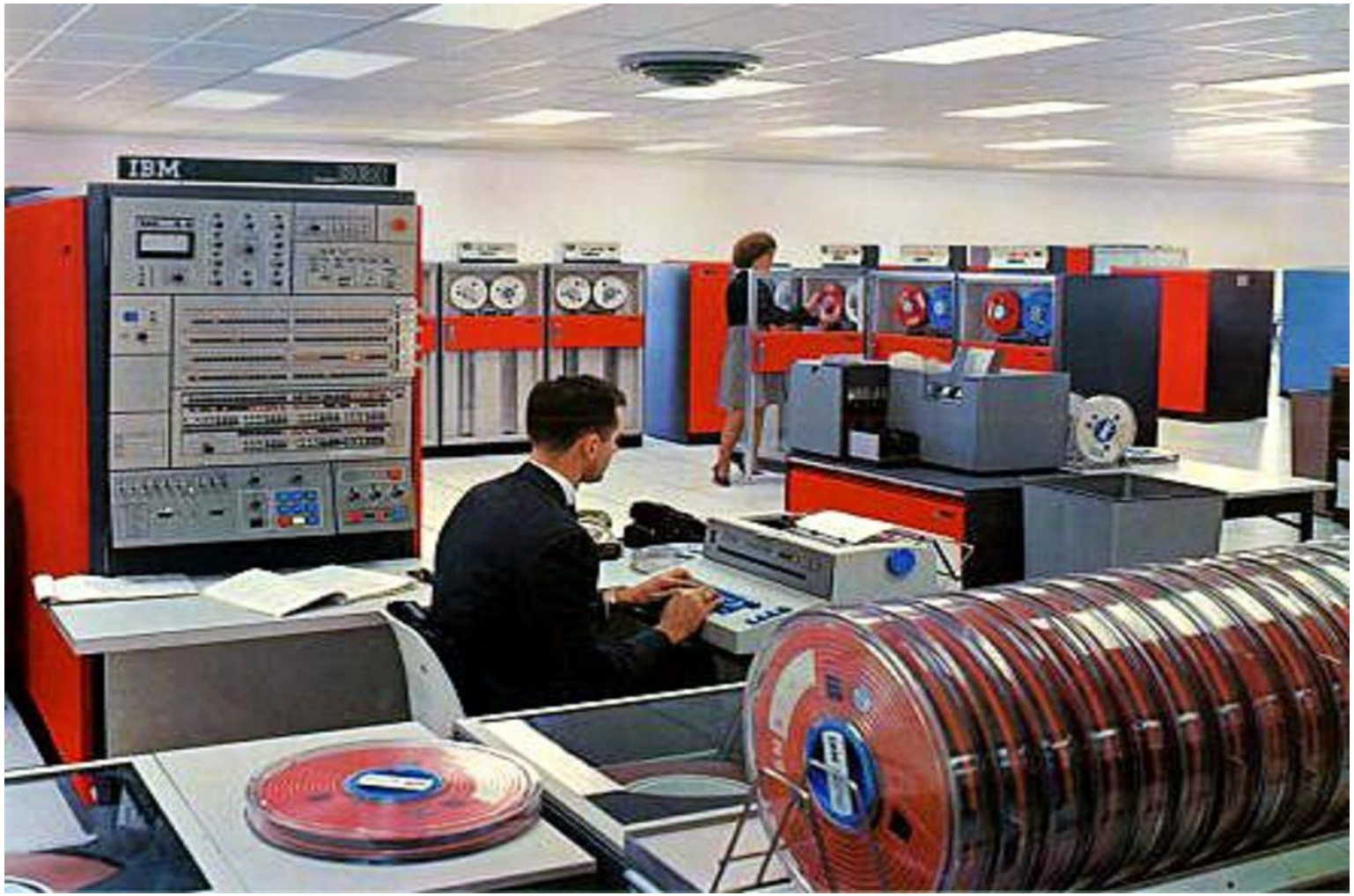
OECD
BETTER POLICIES FOR BETTER LIVES

Digitalisation is not new…

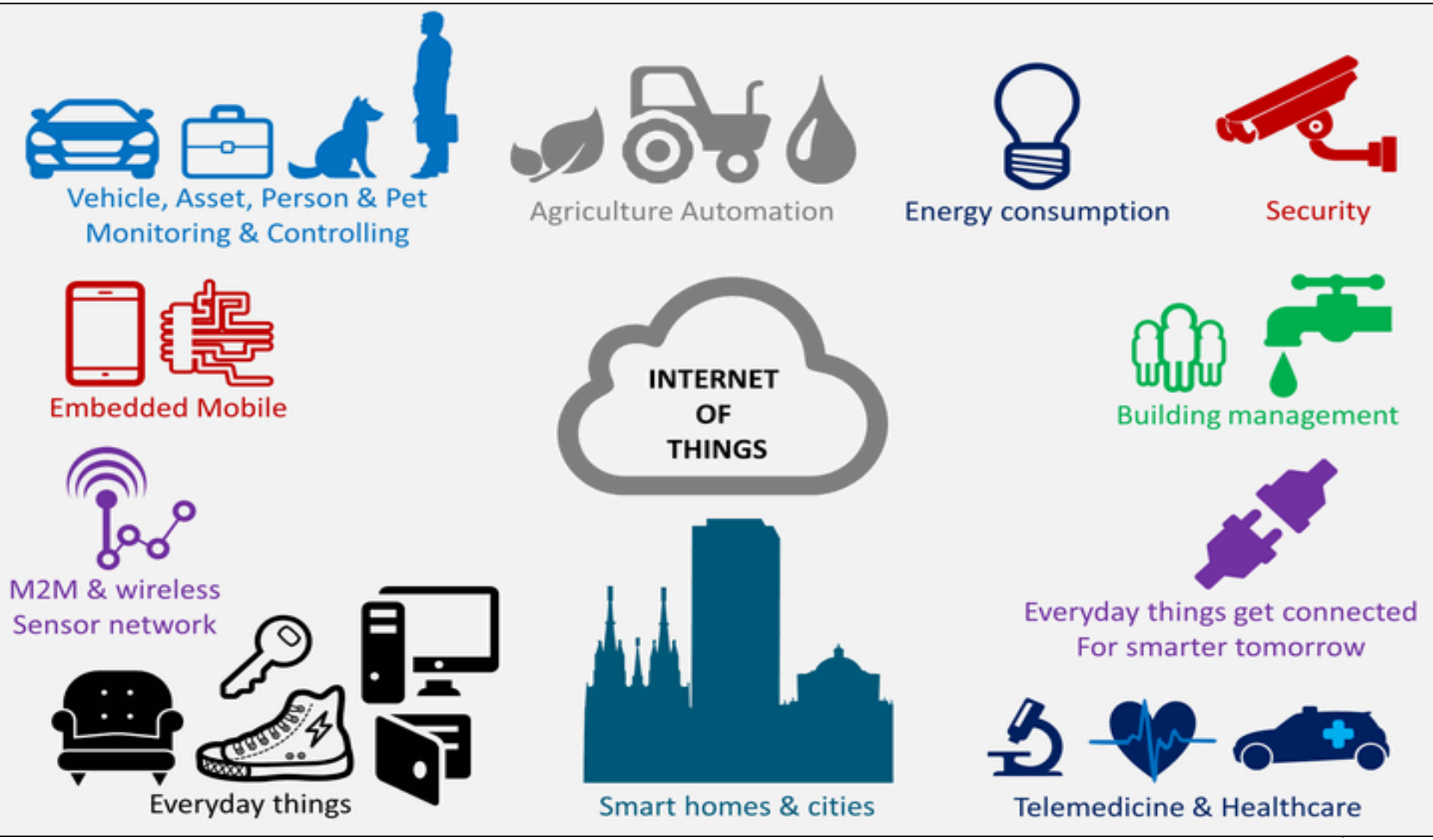
IBM 360 (1964) – the first commercial mainframe



…but the advent of ubiquitous computing is…

Sources: www.washingtonpost.com and OECD Broadband Portal

…and marks the ascent of the data-driven economy & society...



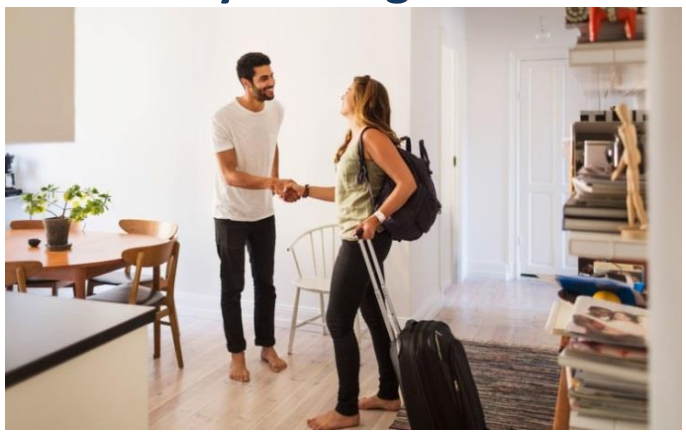
https://thepowerofus.org/2016/08/09/the-internet-of-things/

… fueling new types of disruptive innovation…

Note: 2013-14 based on estimates.Source: OECD based on *The Economist* (2012) and Aite Group;
http://informedinfrastructure.com/1900/new-york-city-adds-sensors-to-manhole-covers-to-monitor-flow/;
https://www.betterthancash.org/news/media-releases/sierra-leone-commits-to-digital-payments-to-encourage-growth

…providing new opportunities and enabling new business models…

I can afford this house,
by renting it out.



I don't need a car,
I need mobility.

I don't need a postman,
drones can do the job.

I don't need an employer,
I can use a platform.

upwork

…that expose gaps in public policies designed for an earlier era…

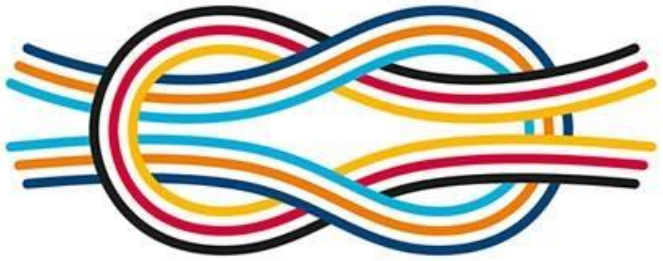
Benefit rules for the self-employed vs. standard workers, 2010

Source: OECD (2015), *In It Together: Why Less Inequality Benefits All*, OECD Publishing, Paris.

…across nearly all policy domains…

- **Trade Policy**
  - Rules of origin, goods vs. services vs. information and trade facilitation / customs
- **Tax Policy**
  - Concept of nexus and permanent establishment, transfer price of digitised intangibles and a value to data
- **Transportation**
  - Cyber security, public vs. private data and liability

…propelling it to the top of the global policy agenda.



„Shaping Digitalisation for an Interconnected World.“

„To unleash the potential of digital economy ...“

„Embrace Technological change to ensure a prosperous Europe.“

„ … to ensure everyone benefits fromt the digital revolution.“

GOING DIGITAL

Making the Transformation Work for Growth and Well-being

OECD
BETTER POLICIES FOR BETTER LIVES

Going Digital Objectives

- Understand the digital transformation and its impacts on the economy and society
- Provide policymakers with the tools needed to develop a forward-looking, whole-of-government policy response
- Help overcome the gap between technology and policy development

OECD's "Horizontal" project approach

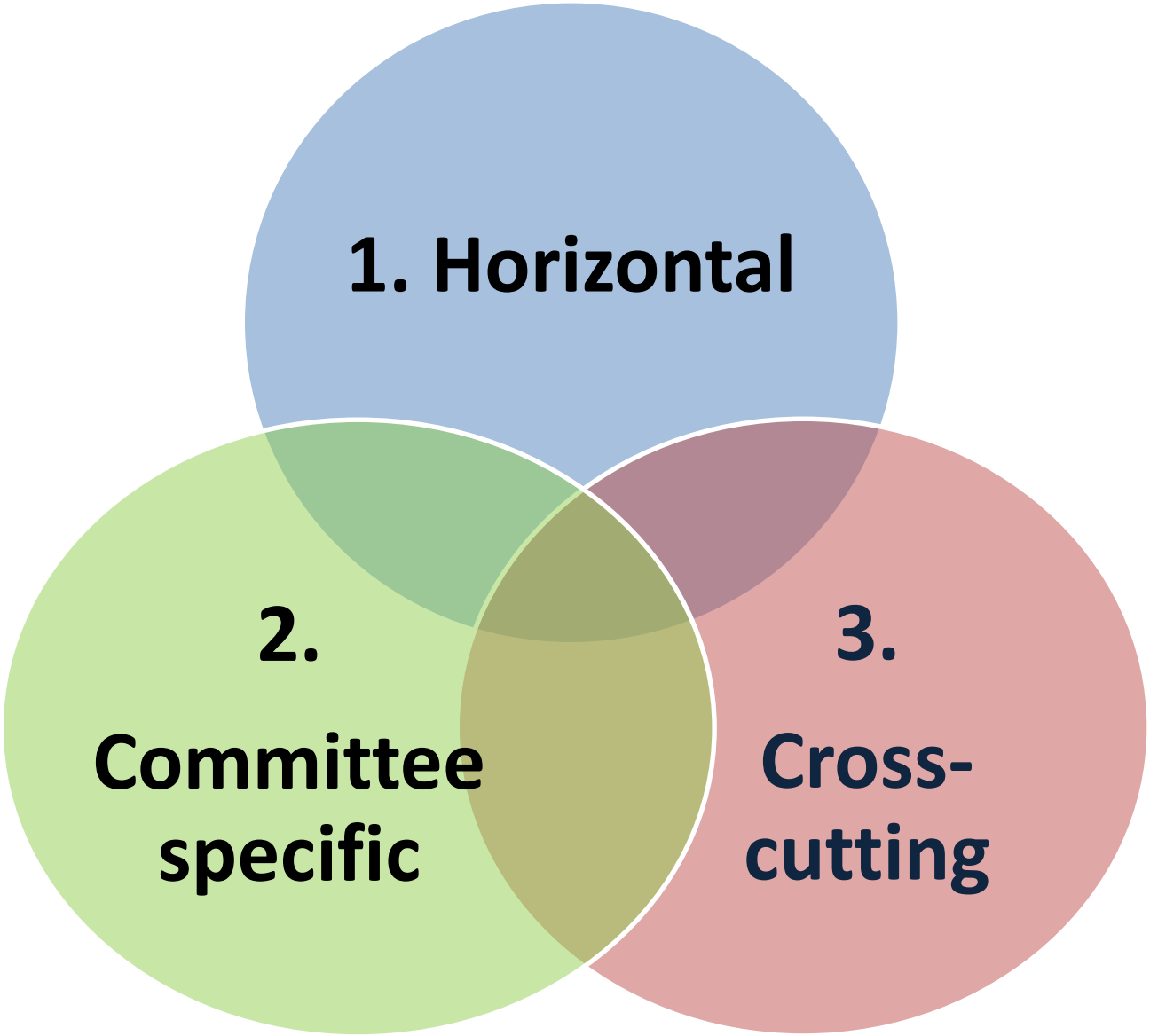
- **14 "core" Committees**
  - **CTP**: Committee on Fiscal Affairs
  - **DAF**: Competition Committee, Insurance and Private Pensions Committee, Committee on Financial Markets
  - **ECO**: Economic Policy Committee
  - **EDU**: Education Policy Committee
  - **ELS**: Employment, Labour and Social Affairs Committee
  - **GOV**: Public Governance Committee
  - **STD**: Committee on Statistics and Statistics Policy
  - **STI**: Committee on Consumer Policy, Committee on Digital Economy Policy (lead Committee), Committee on Industry, Innovation and Entrepreneurship, Committee on Scientific and Technological Policy
  - **TAD**: Trade Committee

- **Other interested bodies actively participating**
  - **CFE**: Working Party on SMEs and Entrepreneurship
  - **DAF**: Investment Committee
  - **ELS**: Health Committee
  - **ENV**: Environment Policy Committee
  - **GOV**: Regulatory Policy Committee
  - **International Energy Agency** (IEA)
  - **International Transport Forum** (ITF)
  - **SGE**: Foresight, NAEC & Inclusive Growth

Why a horizontal approach?: the need for an integrated policy framework

- The digital transformation cuts across traditional sectoral boundaries and challenges established categories of actors
- Working in the silos of Policy 1.0 will not enable economies and societies to adapt to the changes promised by Technology 4.0
- Policies must be co-ordinated and integrated both within and across tiers of government

Three Pillars of Work



Going Digital:
Pillar 1: Horizontal

Developing an integrated policy framework

1. Improving policy design, implementation, evaluation and enforcement through digital tools

2. Foresight scenarios for the digital transformation

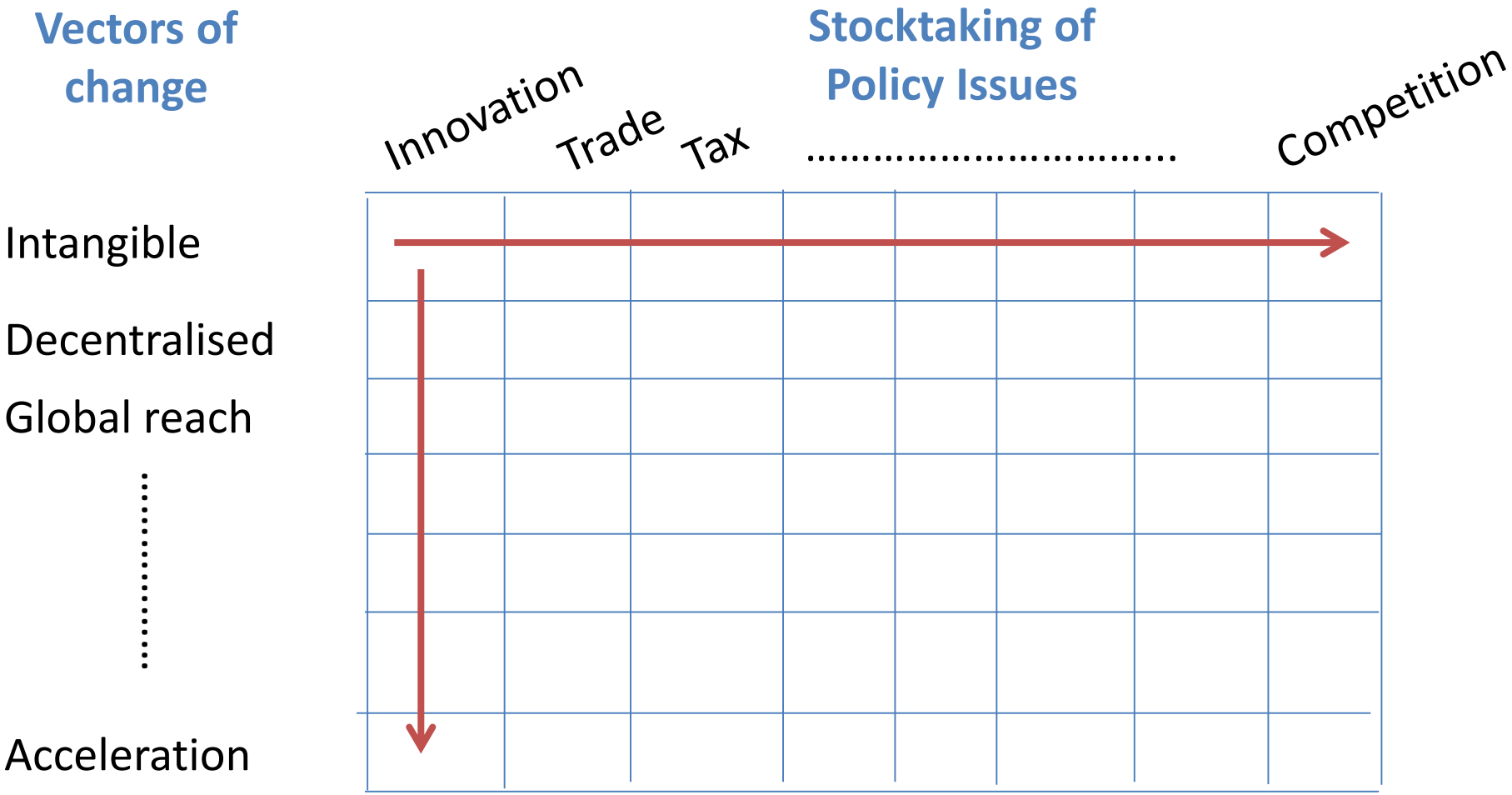
3. Ensuring policy coherence

4. Adressing digital risks

5. Vectors of digital transformation – understanding the fundamental changes

6. Policy assessment by OECD Committees

Applying the horizontal approach

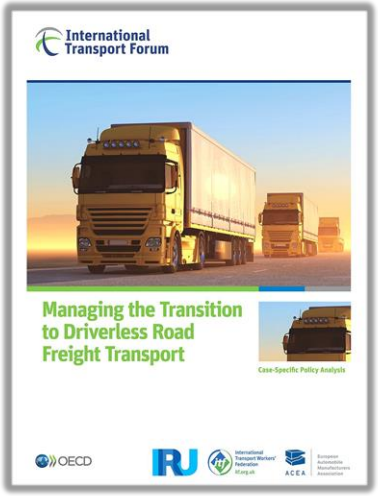


Going Digital:

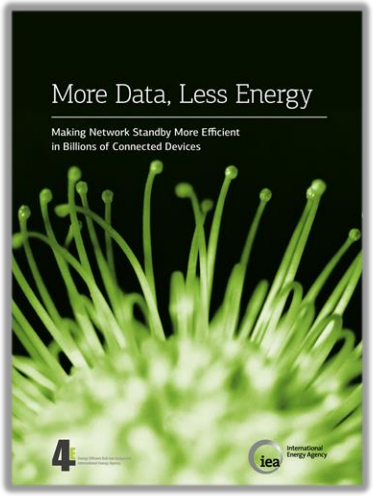
Pillar 2: Committee Specific

Committee-specific work

- Over 80 projects, resulting in more than 70 reports and over 15 workshops;
- Projects include the range of policy domains participating in the project

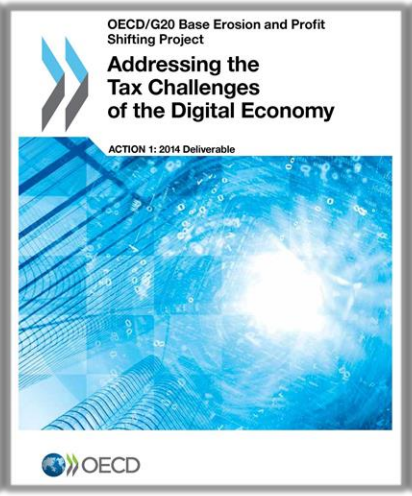


Transport



Energy

STI



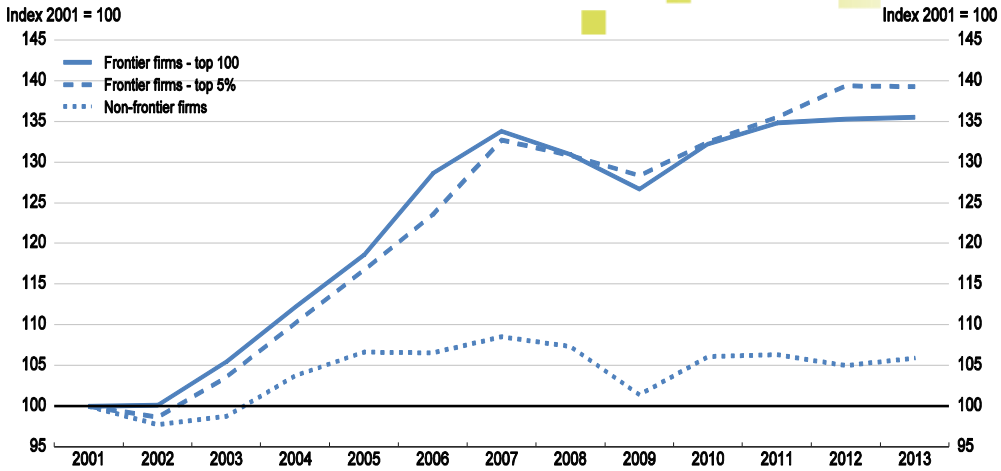
Tax

Labour

Going Digital:
Pillar 3: Cross-cutting

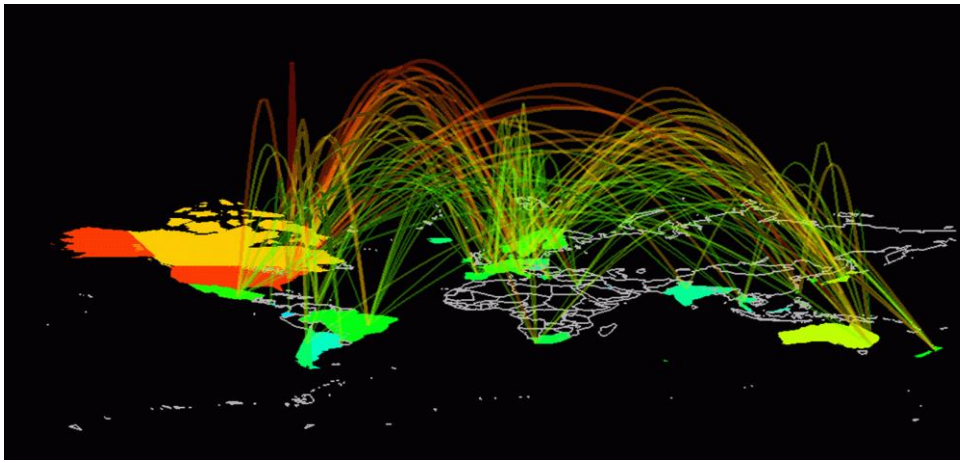
Cross-cutting work: addressing the big policy questions

Jobs, skills and the nature of work



Productivity, competition & market openness

Well-being & inclusion



Measurement

Expected deliverables

- **Stand-alone reports and policy notes;**
- **Report to the 2018 OECD Ministerial Meeting;**
- **Final synthesis report at the end of the project;**
- **"Beyond the book":**
  - Roundtables and national discussions to help develop national digital strategies.
  - One or more OECD Council Recommendations related to the digital transformation may be undertaken.
  - A Going Digital toolkit, including a final integrated policy framework that will provide countries with practical examples and good practices.

Engaging UNCTAD: not just a developed country phenomenon

“Leapfrog” opportunities and lessons-learned

e-Estonia.com
The Digital Society

WELCOME TO ESTONIA

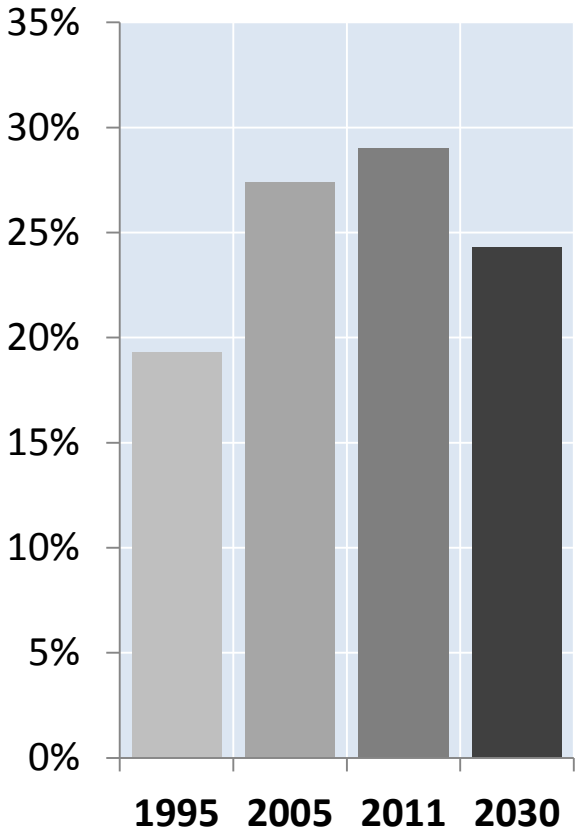
m-pesa

WeChat

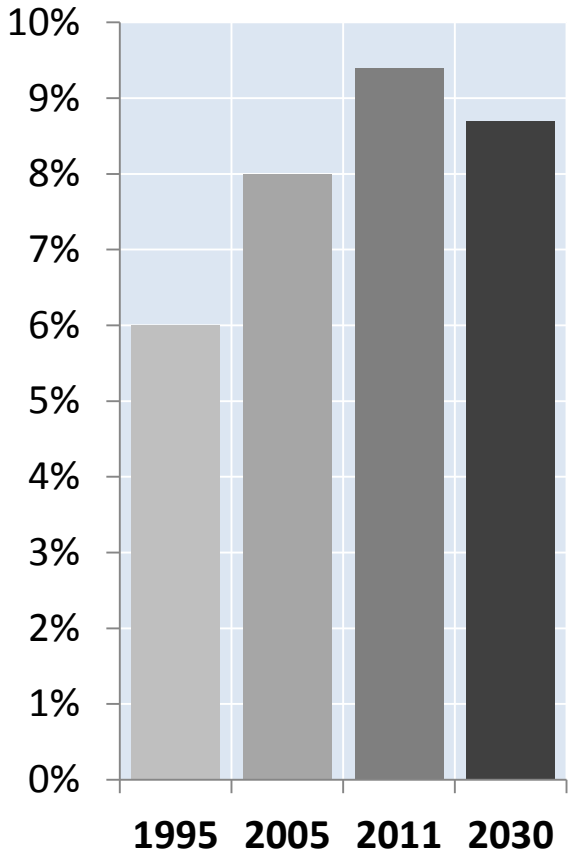
RED COMPARTIDA

Engaging UNCTAD: What is the Future of GVCs? impact of BaU and "new normal"

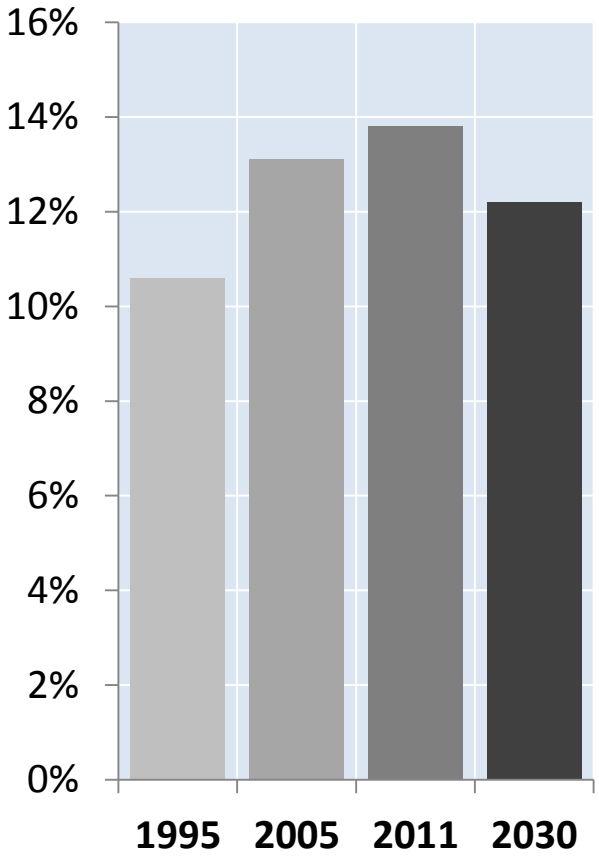
Trade/ GDP



Imported intermediates / production



Exports / production



Source: De Backer, K. and D. Flaig (2017), "The Future of Global Value Chains", STI WP No.41

A request for feedback and input

- Have we identified the right building blocks?
- Are there any gaps in the proposed framework?
- Are they any further extensions or interconnections that should be considered?
- How do we further collaboration with UNCTAD work?

Thank you

http://oe.cd/goingdigital

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www.oecd.org/sti/news.htm

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