OECD Going Digital Summit - Issues Note

Session 2: Strategies for Digital Transformation

Why Digital Transformation Matters

How do we – as citizens, governments and businesses – shape digital transformation so that it benefits society and leaves no one behind? This is a key question as digital technologies and data become increasingly present in our lives. From the government perspective, a key to unleashing the promise of digital transformation is to develop an integrated and coherent policy response across all areas. It also requires policies that seize the opportunities and maximise the benefits while addressing the challenges and minimising the costs.

Now is the time to act. We are at the beginning of the digital age where computing and data are ubiquitous. Designing and implementing an integrated policy framework fit for the digital age is a complex challenge, but one that we must all embrace given the many potential benefits. Digital technologies and data spur innovation, generate efficiencies, and improve many goods and services. They enable more trade and investment, and facilitate technology transfer. They help push out the productivity frontier, leading to more growth and economic opportunities. It is essential to realise this potential and ensure that it is broadly shared.

An integrated approach to digital transformation can also help mitigate the challenges it brings. We know that digital transformation leads to some job losses and some job gains, although there are no signs that it is affecting overall employment, with employment rates at record high levels in many countries. But it is important to ensure that all workers benefit more equally from digital transformation and are empowered with the right mix of skills as well as provided with social protection. Moreover, to ensure that digital transformation supports and growth and well-being it is important to reduce any inequalities that may be exacerbated by technological progress.

The Going Digital Integrated Policy Framework

Shaping an inclusive digital economy and society is not easy, but it is vital. The OECD Going Digital project makes the case for a flexible, forward-looking and integrated approach to policy making in the digital era. Such an approach is crucial because digital transformation affects different aspects of the economy and society in complex and interrelated ways, making trade-offs between public policy objectives difficult to navigate. Moreover, the borders between policy areas are becoming blurred, making stronger co-operation and collaboration across policy silos essential, including for policy development and implementation.

The Going Digital Integrated Policy Framework helps governments develop well-suited and resilient digital policies. It also ensures a coherent and cohesive whole-of-government approach to fully realise the potential of digital transformation and address its challenges. The framework includes seven policy dimensions to: 1) enhance access; 2) increase effective use; 3) unleash innovation; 4) ensure good jobs for all; 5) promote social prosperity; 6) strengthen trust; and 7) foster market openness (see illustration below). A set of Going Digital indicators map to each of these policy dimensions to help monitor key

digital trends, including by international benchmarking, to identify opportunities and challenges and related priorities to be addressed.

Going Digital Integrated Policy Framework

Source: OECD (forthcoming[5]), "Going Digital: An integrated policy framework to make the transformation work for growth and well-being".

Each of these integrated policy dimensions brings together multiple policy areas that do not stand in isolation, but are interrelated. This configuration underscores that leveraging the benefits and addressing the challenges of digital transformation requires identifying policy areas that are jointly affected and that need to be co-ordinated. It also highlights that all policy dimensions are needed to make digital transformation work for prosperity.

Governments and stakeholders must work together to shape a digital future that harnesses the immense opportunities of digital transformation to improve the lives of all people. This requires a balancing act that will not be the same for all countries, as cultural and other factors will influence the most suitable policy environment. The OECD Going Digital Integrated Policy Framework is designed to help countries strike this balance, make better policies in the digital era and ensure that no one is left behind. The *OECD Reviews of Digital Transformation* aim to help countries develop such policies at the national level.

> **Q1:** What are the key elements of your national strategy for digital transformation? What are the expected benefits?
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> **Q2:** What governance approach is used to co-ordinate policies for digital transformation? What are the main challenges you face in designing and implementing these policies and establishing an overall national strategy?
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> **Q3**: How can the OECD help? What role can the OECD's Going Digital reviews play?