Going Digital
in Sweden
OECD Reviews of Digital Transformation

OECD Reviews of Digital Transformation: Going Digital in Sweden analyses recent developments of the digital economy in the country and makes recommendations to improve policies for the digital transformation.

It reviews trends in the use of digital technologies by individuals, businesses and the government, and examines policies to foster diffusion. It examines recent developments in infrastructures, telecom markets and related regulations and policies. The Review also examines opportunities and challenges raised by digitalisation, and analyses policy responses to these changes. The areas covered range from global value chains and innovation to jobs, skills and work in the digital economy.
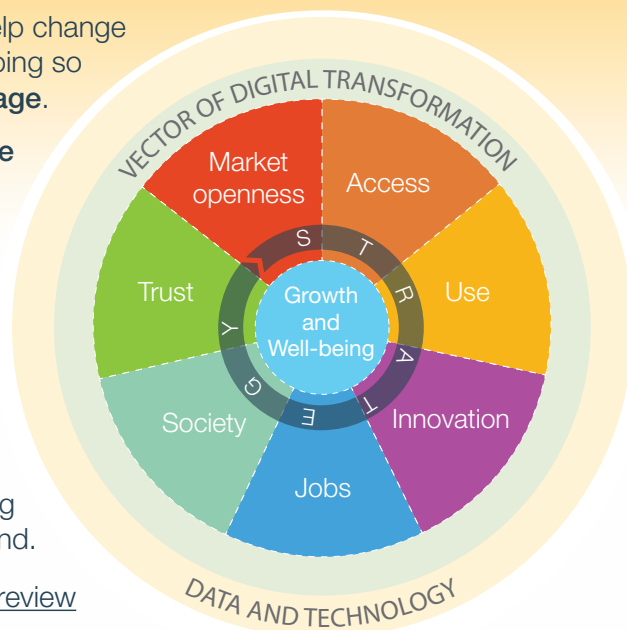
2018

GOING DIGITAL: AN INTEGRATED POLICY APPROACH IN THE DIGITAL AGE

One aim of the **Going Digital integrated policy framework** is to help change the way policy makers think about digital transformation and in doing so **change the way policies are developed in the digital age**.
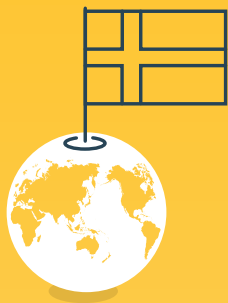
Digital transformation is challenging almost every aspect of the economy and society, and a wide range of policy areas need to be considered as much as **all actors** (individuals, firms, governments and other stakeholders) **need to be involved in the policy-making process**.

Rather than considering narrow policy silos, the framework aims to support an integrated approach because **policy changes in one domain may have implications in another domain**.

It is essential to be aware of **interconnections and relationships across policy domains** and to develop digital policy making with them in mind.

⤓ Report available at oe.cd/sweden-digital-review

VECTOR OF DIGITAL TRANSFORMATION

Market openness · Access · Use · Innovation · Jobs · Society · Trust

STRATEGY

Growth and Well-being

DATA AND TECHNOLOGY

OECD
BETTER POLICIES FOR BETTER LIVES

Sweden is among the leading countries in the diffusion and use of digital technologies. Internet use by individuals and businesses is widespread and the digital divides along lines of age, education, income and firm size are narrower than in most OECD countries. Broadband availability, quality and affordability score among the best in the OECD.

As the **digital economy evolves at a rapid pace**,
Sweden faces new **opportunities** and new **challenges**:

Increasing tradability of digital services is opening up new markets at the time when international competition in manufacturing is getting stronger.

Labour productivity growth has slowed down but investment in knowledge remains high and can be better used for innovation.
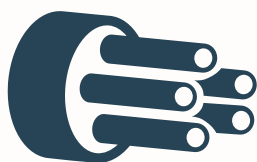
"Big data" and artificial intelligence are enabling new business models and new services, but require that digital risks and privacy be managed effectively.

Policy coherence has become essential to seize the benefits of the digital transformation while preserving the societal values of the Swedish people.

Creating an optimal infrastructure for Sweden's digital economy
Although Sweden is on a very positive path to achieve its broadband access goals, areas to continue building upon in terms of connectivity include:

Enhancing **co-ordination** among national, regional, and local strategies for **broadband deployment**.

Increasing the "**robustness**" of fibre networks.

Promoting the deployment of **high-speed broadband networks** in sparsely populated areas.

Spurring the uptake of **IPv6**.

Fostering the digital transformations among individuals, firms and in the government
Diffusion of digital technologies among Swedish firms is widespread. Many of the skills needed for effective use of these tools are widely used. Yet digital uptake and use could be further increased by:

Raising training incentives for individuals and firms to **boost ICT skills**.

Promoting ICT courses in education.

Co-ordinating reskilling measures with social partners.

Closing the digital gender divide.

Developing complementary skills, possibly in a comprehensive digital skills strategy.

Promoting diffusion of advanced digital technologies, in particular among **SMEs**.

Focusing on the diffusion of big data analytics, possibly through a **national big data strategy**.

Fostering complementary investment across sectors and firms, in particular **SMEs**.

Fostering digital innovation

Sweden is an international hub of scientific excellence and technological leadership. The government, through its innovation and research agencies, could further improve the performance of the Swedish innovation system by:

Continuing current efforts to set priorities for innovation policies related to digitalisation.

Scaling up programmes for **digital innovation** in order to exploit economies of scale in research and testing.

Undertaking a more **systematic evaluation** of research projects and innovation programmes supported by public funds.

Strengthening **policy labs and regulation sandboxes as an innovative approach** to the design and implementation of policies and regulations in the digital economy.

Strengthening labour market institutions

The Swedish model, based on a strong dialogue between the social partners and the job security councils (JSCs), seems well-equipped to facilitate a smooth transition for workers affected by the digital transformation. To improve the coverage and the quality of services, social partners may want to:

Extend the provision of JSC services to all displaced workers, including blue-collar, youth and other vulnerable groups.

Promote successful job-transition services, e.g. the Early Risk Service, in all JSCs.

Improve **co-ordination between the JSCs and Public Employment Services** at an early stage of the dismissal procedure.

Establish a **negotiation council for platform-mediated jobs**, where platforms and trade unions may negotiate collective agreements.

Promote regulatory **sandboxes to facilitate the compliance** of new forms of work enabled by digitalisation with existing labour market regulations and the development of new ones.

Enhancing digital security

The 2017 National Cybersecurity Strategy marks a turning point towards a more holistic approach to digital security in Sweden and should be further developed in several directions:

Digital security is a multifaceted policy area

Economic and social prosperity

Technology

National and international security

Law enforcement ("cybercrime")

Promote a **clear vision of digital security risk** management as an economic and social responsibility of leaders and decision makers in public and private organisations.

Provide policy leadership on the economic aspects of digital security, by strengthening **ministerial co-ordination**.

Promote the role of the **Digitalisation Council as a hub** for co-operation on digital security issues.

Develop **adequate mechanisms for policy co-ordination** around digital security, taking stock of the different approaches adopted by other OECD countries.

TURNING THE DIGITAL STRATEGY INTO POLICY ACTIONS

In 2017, the Swedish government launched a **new Digital Strategy** whose overall goal is for Sweden to be **the best in the world** in the **use of digitalisation opportunities**.

The strategy set a number of targets to achieve this goal:

Digital **literacy**

Digital **security**
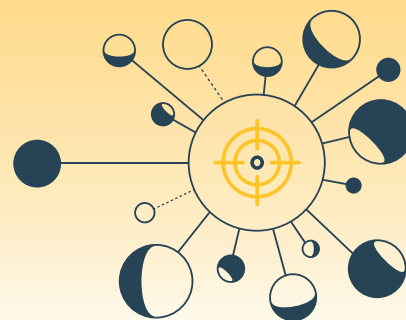
Digital **innovation**

Digital **leadership**

Digital **infrastructure**

## TO TRANSLATE THESE TARGETS INTO EFFECTIVE POLICY ACTIONS, THE GOVERNMENT SHOULD:

Link the Digital Strategy's targets to **specific policy instruments**, with well-defined and quantifiable objectives.

Assign institutional responsibilities for the Digital Strategy's targets, in order to **facilitate policy co-ordination** and **increase accountability**.
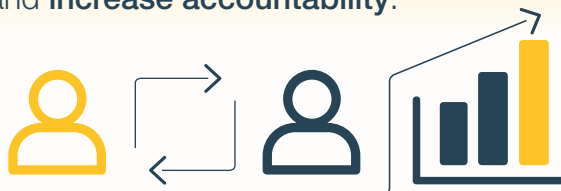
Provide for clear appropriations in the Budgetary Bill, in order to signal the government's commitment and **strengthen the political credibility of the strategy**.

Budgetary Bill
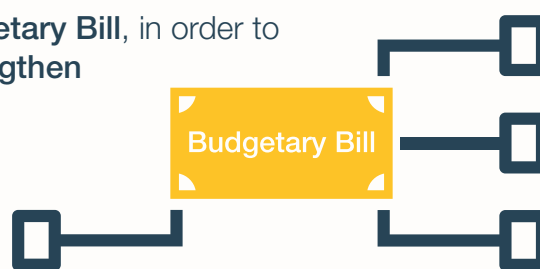
Set up **stronger co-ordination mechanisms** among ministries, agencies and across levels of government, possibly supported by **an appropriate matching grants scheme**.

going **digital**