



MAKING THE DIGITAL ECONOMY AND SOCIETY INCLUSIVE, OPEN AND SECURE

*G7 ICT and Industry Multi-stakeholder
Conference*

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The digital transformation of economies and societies is under way....

NPR and digital technologies have become pervasive



Automation is becoming widely deployed

Artificial Intelligence emerges as a new technological paradigm





...and has unique characteristics that challenge traditional policy making...

“Scale without Mass”



Whatsapp: 300 M users, 50B message/day, 55 employees



Netflix: USD8.8B revenue, 3500 employees



Dropbox: 300M users, 1200 employees



...that are largely based on a traditional economy....

1990s

Top-3 US Automakers

- Revenues: 250B\$
- Market cap: 36B\$
- **Employees: 1.2M**

2014

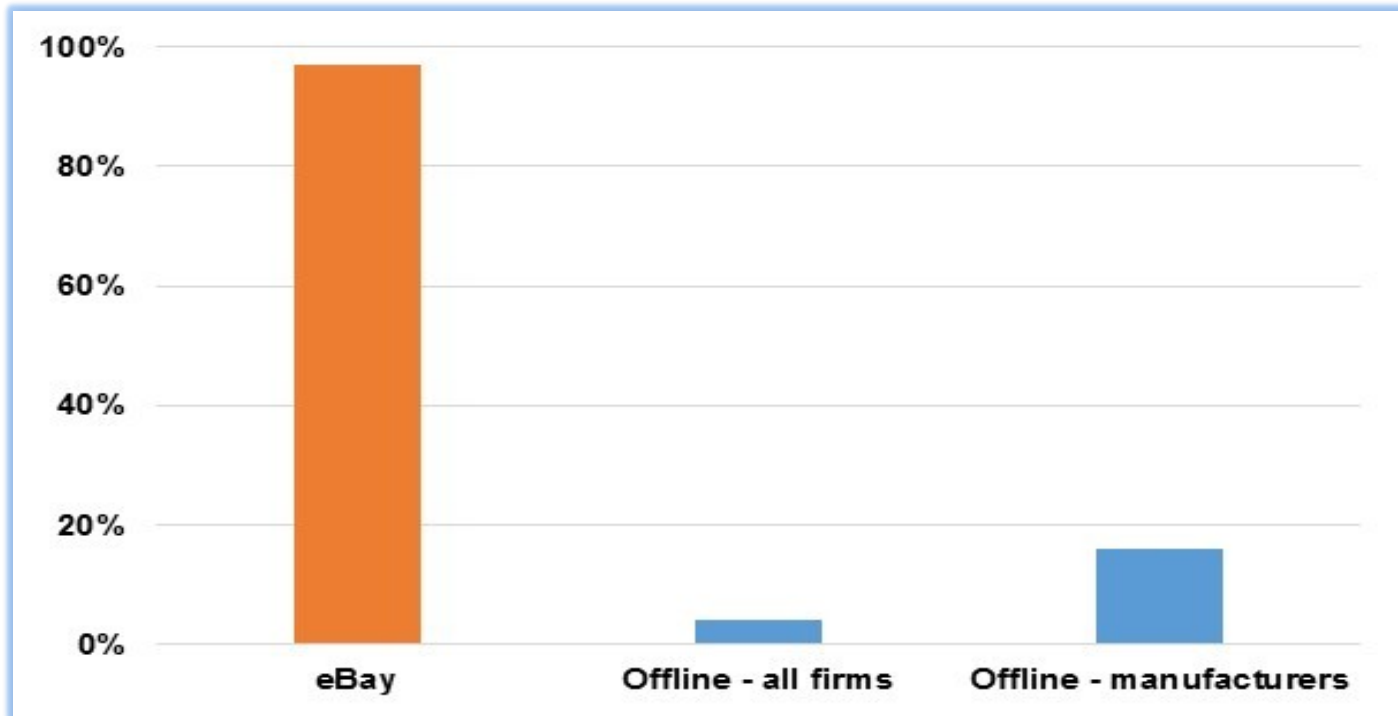
Top-3 US Tech

- Revenues: 247B\$
- Market cap: 1T\$
- **Employees: 137K**



...affecting policies from trade to...

Share of Sellers Exporting on eBay vs. Offline



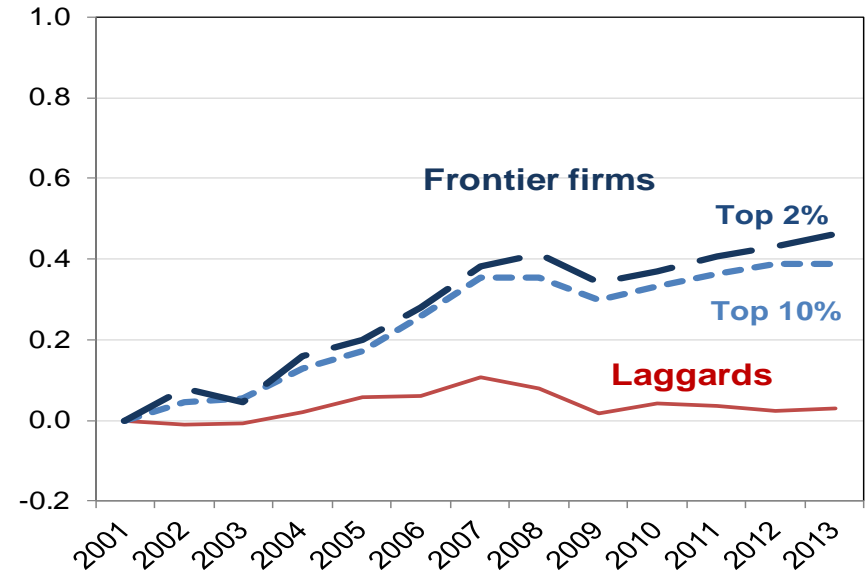
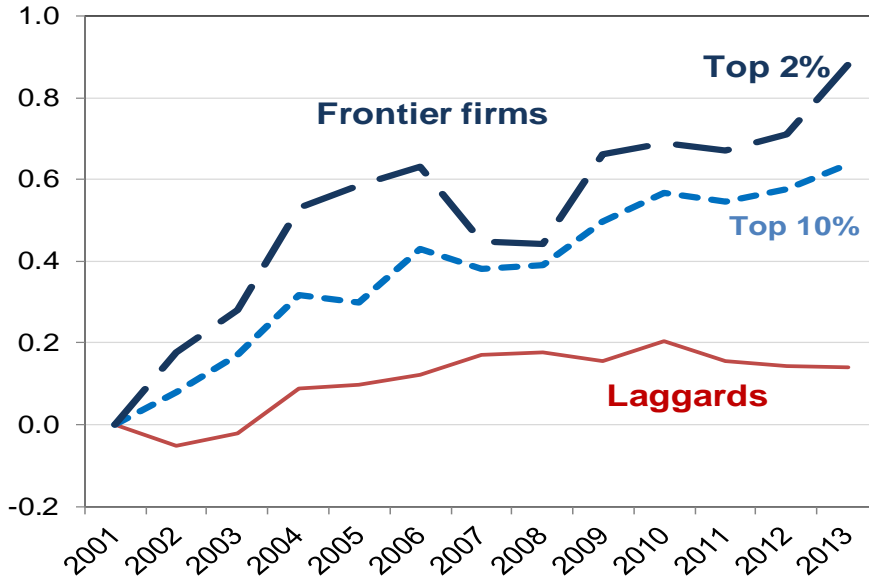


...to productivity, business dynamics and growth.

The divergence in multi-factor productivity growth

ICT services

Non-ICT services



Note: Excluding the financial sector

Source: Andrews, D., Criscuolo C., and Gal P. N., “The Best versus the Rest: The Global Productivity Slowdown, Divergence across Firms and the Role of Public Policy”, OECD Productivity Working Papers, 2016-05, OECD Publishing, Paris.

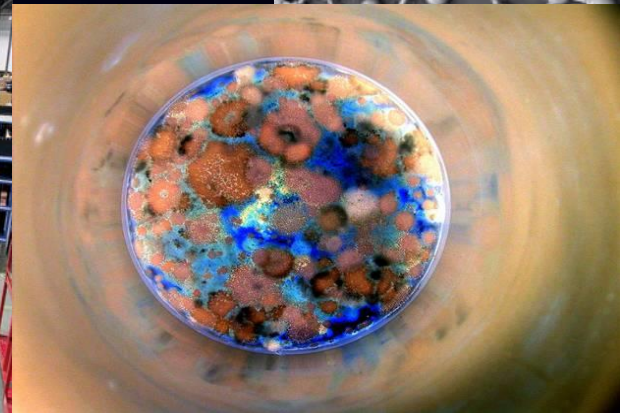
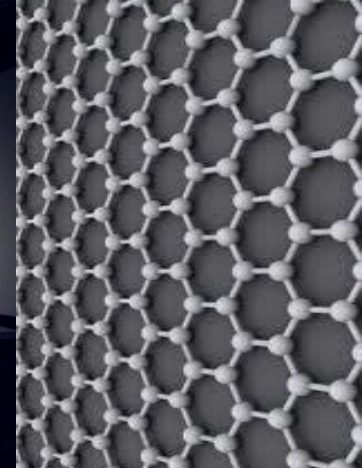
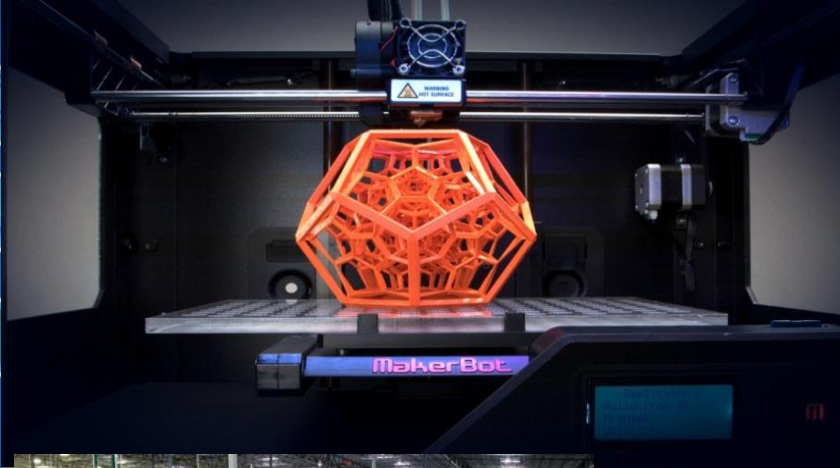
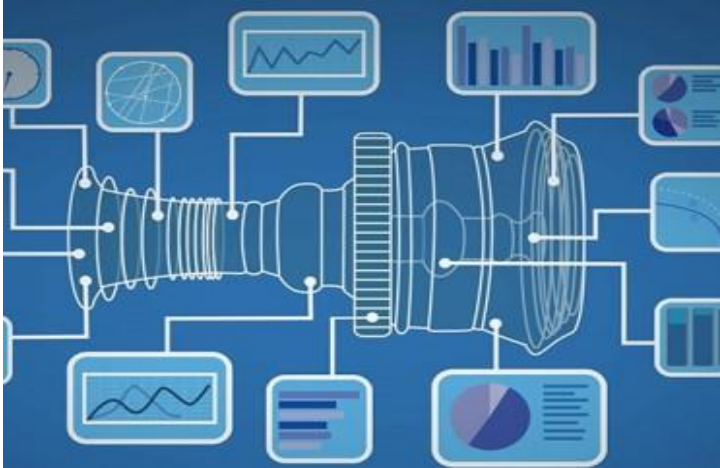


Implications for Policy Making

- Need to **rethink policies**, in light of digital vs. analogue economy;
- Is broad based and will affect all sectors / policies: **there is no “digital industry”**
- **Need for a proactive approach** so as to maximise the benefits and minimise the downside.

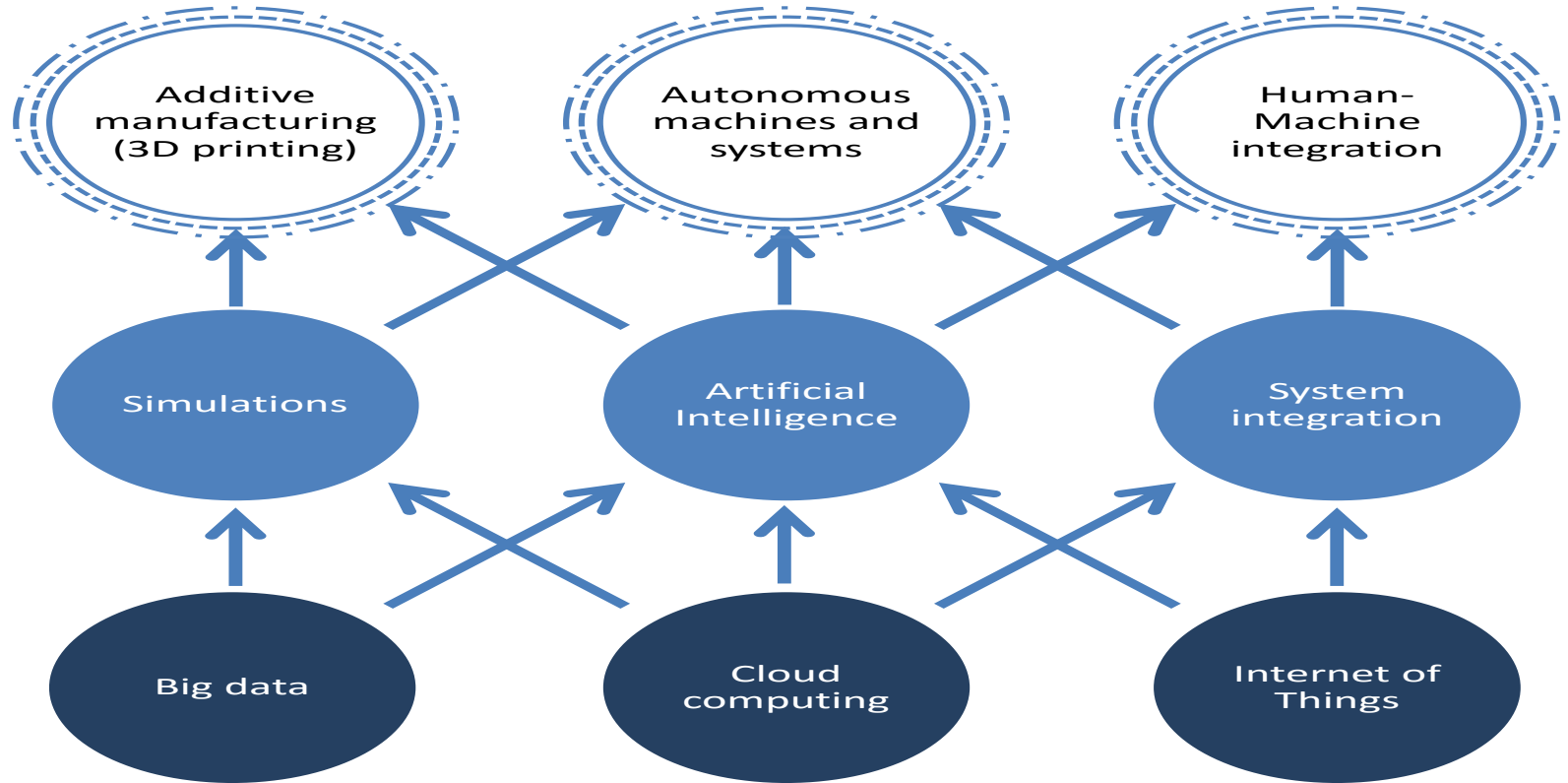


NPR: A confluence of new technologies...





The shift is distinguished by data and its analysis...





Implications for the nature of production and jobs...





...the nature of capital investment...



**New
Holland :
Precision
Land
Management**



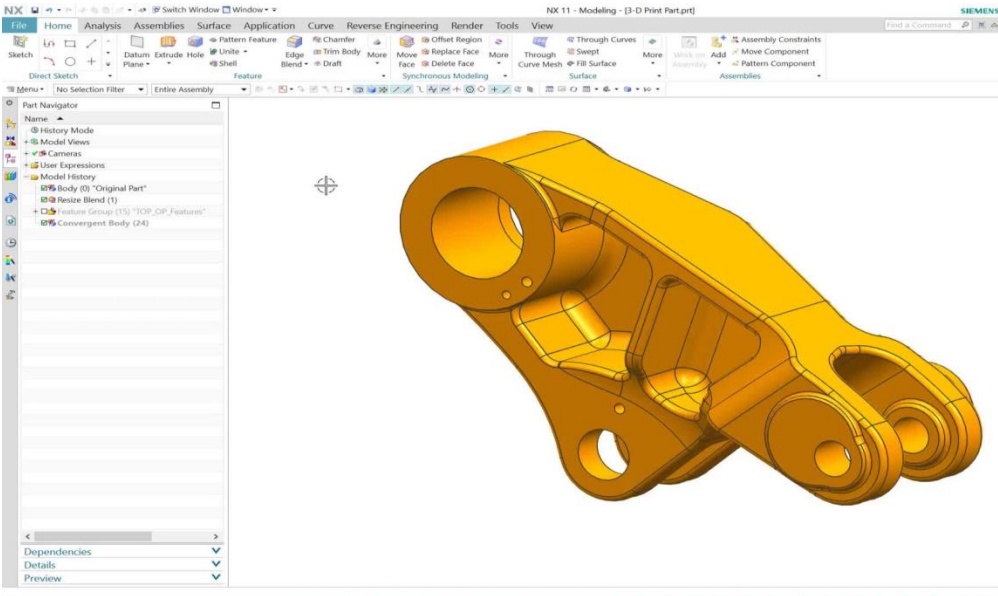
**Rolls
Royce:
Power-by
the-hour**



**AWS:
Cloud
Computing**

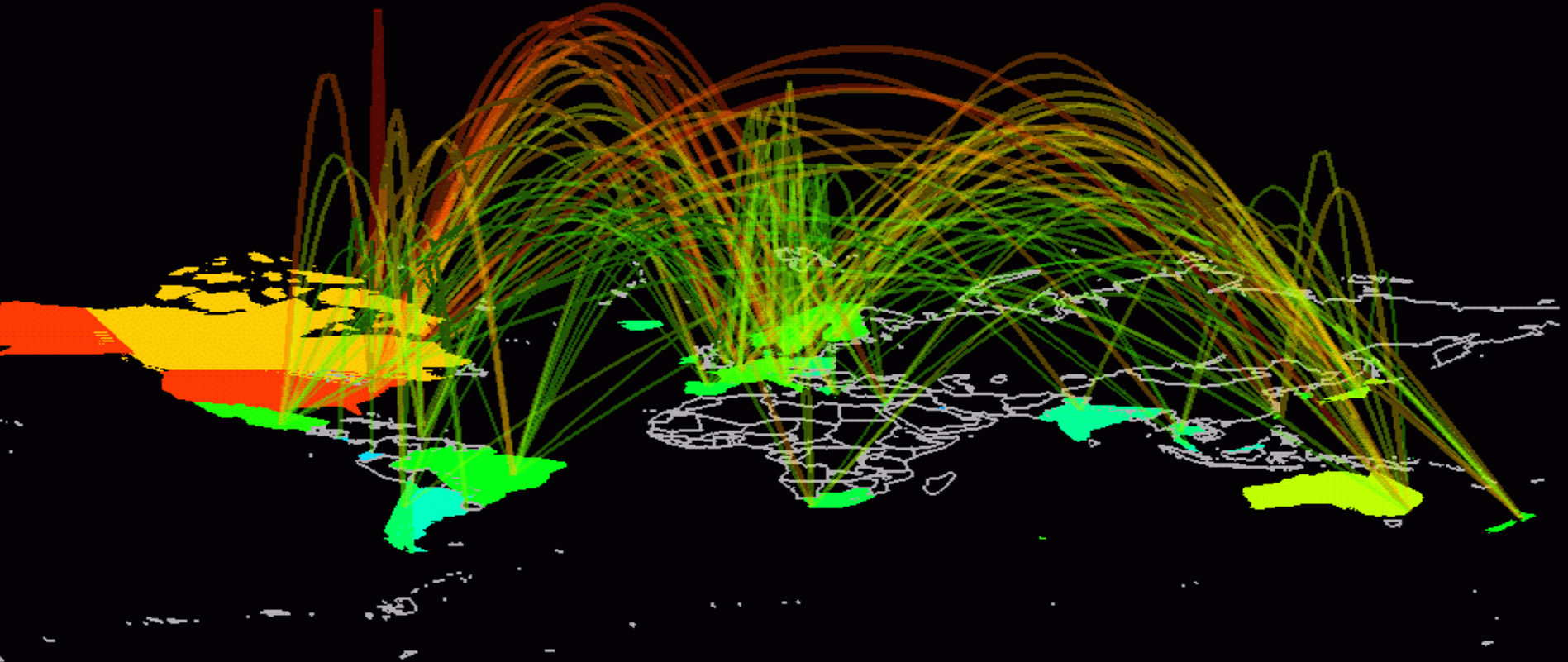


...and international trade...





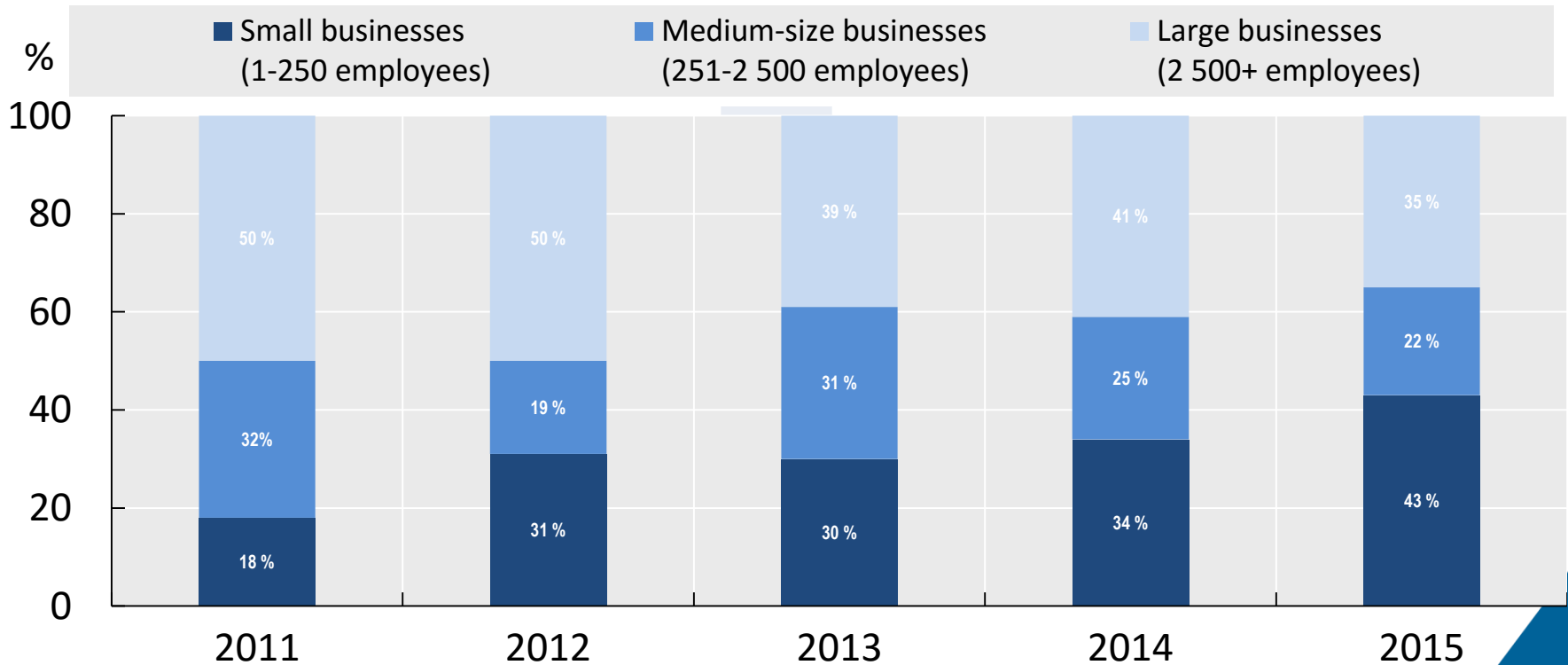
**...where the Internet becomes the new
sea lane.**





Openness needs to be accompanied by security, especially for SMEs

Spear-Phishing Attacks by Size of Targeted Organization





Filling the “Technology 4.0 / Policy 1.0” gap

- **Rise above the Silos:** take a whole-of-government approach;
- **Close the gap:** foster SMEs competitiveness & help them seize digital era via finance, skills & diffusion;
- **Inspire innovation:** promote high-tech start-up ecosystems; protect and enforce IPR;
- **Connect to the future:** ensure access to 21st C networks;
- **Keep it open:** protect the free flow of information;
- **Make it secure :** foster cyber security for economic prosperity;
- **Put people at the center:** share a human-centric vision of Artificial Intelligence.

GOING DIGITAL

Making the transformation work for growth and well-being



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