A Business Vision for our Digital Future

Towards a Sustainable and Inclusive Global Economy for 2030

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Foreword

Six years after the last OECD Ministerial meeting on the digital economy in Cancun, governments, civil society, technical and business communities meet again at a critical time to discuss the future. Since 2016, our economies and societies have witnessed an increasingly rapid uptake of digital and data-driven innovation, benefitting from new forms of connectivity, business models and services. At the same time, our world faces significant challenges emerging from the global pandemic, the economic and social impacts of the war in Ukraine, and the global effects of climate change, for all of which digital technologies are highly relevant.

Against this backdrop, *Business at OECD* is more convinced than ever of the importance and value of the OECD's role in promoting evidence-based, consistent, and coherent digital policy frameworks. These are essential to ensuring that our economies and societies benefit from the promise of digital transformation, by promoting investment in and adoption of digital and data-driven innovation, supporting ecosystems, and infrastructure. They are also central to ensuring that the digital transformation is sustainable and trustworthy, by addressing issues such as online security and privacy, data protection, mis- and dis-information, harmful content and discrimination.

As a key partner alongside governments and other stakeholders of the digital transformation, the private sector is committed to working with policy makers to ensure that digital economies remain open, secure, sustainable, reliable and resilient for everyone through forward-looking leadership.

Business Priorities

To achieve a Sustainable and Inclusive Global Economy for 2030, we recommend that the OECD and Ministers work with businesses to:

1 Navigate economic and societal headwinds through multi-stakeholder dialogue with business as a trusted partner;

2 Advance data-driven innovation and opportunities including by enabling trusted cross-border data flows;

3 Facilitate more inclusive, green, connected, sustainable and data-driven technologies;

4 Provide leadership for innovative approaches to the evolution of the digital environment;

5 Strengthen the analytical role of OECD and its engagement with relevant fora.

Foster a multi-stakeholder approach to strengthen a coherent international governance for the digital economy

The policy landscape of the digital environment requires international and multi-stakeholder efforts to strike a balance between rights, interests and values. Effective communication and co-operation between relevant actors, including business, is necessary to reach a common understanding between divergent opinions, interpretations, and decisions as well as avoiding fragmentation across OECD members. Public-private partnerships are of particular importance for advancing innovation across sectors and diffusing the related economic and societal benefits. Private sector input is a vital part of a multi-stakeholder process to inform policy makers about what is technically feasible and commercially viable. The nature of underlying technologies and evolving market dynamics in the digital transformation must be well understood before appropriate and effective policy decisions can be made. The development of policy recommendations and guidance by the OECD should continue with this evidence-based approach.

Advance robust, coherent and evidence-based regulatory frameworks for the green and digital transitions to enhance competitiveness

Coherent and agile regulatory frameworks are essential to efficient and effective governance that encourages and advances data-driven innovation across sectors. Good regulation is essential to avoid fragmentation, diffuse benefits of digital technologies in an inclusive and sustainable manner, while also addressing related risks. Business-driven digital innovations play a key role in advancing a sustainable economy that is less intensive in resource consumption and lowers the emission of greenhouse gases throughout the entire supply chain. As we navigate green and digital transitions, which are intrinsically linked, it is important that they are effectively supported by necessary cross-cutting policies, such as education and employment, to ensure that they are inclusive and address economic and societal needs.

Deepen support for a human-centered approach to the governance and regulation of emerging technologies including AI

Technologies such as Artificial Intelligence (AI) have emerged as key enablers for innovation, scientific breakthroughs, and sustainable and inclusive economic growth across sectors. Businesses are applying a human-centric approach to AI and other emerging technologies that are being deployed across a broad range of markets and industries, as embodied in the groundbreaking OECD AI Principles. We encourage the OECD to build on the important work in this area to develop value and risk-based frameworks for responsible AI governance based on human-centric values, fair and ethical practices, and risk-mitigation. Such frameworks should be interoperable, include impact assessments, and align with the developing body of foundational international AI standards, with the engagement of all relevant stakeholders.

The last decades have been characterized by the increasing interconnectedness of national economies, coinciding with the ever-increasing volume, value and power of data underpinning and driving new business models, economic and societal development. Greater regulatory certainty and coherence, including for privacy and digital security, is needed to ensure and facilitate trusted cross-border data flows and data-driven innovation globally. Regulatory frameworks that engender trust and ensure the protection of privacy and security for individuals and business alike will serve to advance the benefits of data-driven innovation in support of economic and social development globally. The OECD frameworks for privacy and digital security, and efforts to deliver principles around government access to personal data held by private sector entities, are critical to ensuring data free flow with trust among countries with shared values. Businesses appreciate and strongly support the work initiated by OECD governments and consider that such principles will serve as an important baseline around the world to reinforce trusted cross-border data flow.

Fostering trust in technology and data flows is critical for our digital future

Advancing trusted data-driven technologies, including new and emerging technologies based on Artificial Intelligence, can drive productivity and efficiencies across sectors and disciplines. To fully embrace the benefits of new and emerging data-driven digital technologies, individuals, businesses, and governments must feel confident that the technologies can be trusted to manage and ethically treat their data, respect the privacy of their personal data, and that online systems are secure. Moving forward, multistakeholder processes should become the norm to shaping policies that advance trusted technological solutions, which are the path to ensuring broad acceptance and implementation of innovation across disciplines.

Globally interoperable privacy and security protections enabling international data flows are essential

The need for relatively unhindered cross-border data flow coincides with a pressing need for cybersecurity and protection of users' privacy. Recent years have seen increased efforts by regulators around the globe to provide effective privacy protection in the context of digitizing societies. In this context, businesses play an especially important role as key actors in the collection, distribution and use of data. This crucial position goes with an equally important responsibility to harness the power of data while respecting individual privacy. Businesses remain committed to complying with applicable privacy regulations and recognize their responsibility to adopt best practices ensuring that personal data is appropriately secure as technology evolves.

Furthermore, businesses recognize that a risk-based and zero-trust[1] approach to online and digital security that leverages international standards, such as those adopted by the ISO and aligns with the [OECD Recommendation on Digital Security Risk Management for Economic and Social Prosperity,](#) is essential to ensuring a secure, stable and resilient Internet ecosystem. We believe that as more critical infrastructure sectors undergo digital transformation, zero-trust security principles will be essential to enhancing the resiliency across the digital economy.

Moving forward, we believe that businesses should be incentivized to foster both secure and ethical developments and uses of forward-leaning technologies which can be achieved, for example, by using risk-management data analytics, investing in responsible AI frameworks and adopting reasonable limits to data retention and collection.

Enhanced access to and sharing of data are critical to foster data-driven innovations, enable more inclusive growth, and address societal challenges

Responsible access to data, alongside the capacity to analyze and use this data in ways that respect privacy, intellectual property and other fundamental rights, drives innovation and is essential for public and private organizations of all sizes, across all sectors. This includes, for example, more effective evidence-based policymaking, accelerated medical research for diseases such as COVID-19, and more efficient supply chain management. Furthermore, enhanced sharing and use of data by a broad range of stakeholders nationally and globally will foster innovation in addressing societal and global challenges. We welcome the recently published OECD Recommendation on Enhancing Access to and Sharing of Data, as successfully harnessing the value of data will be essential in understanding and effectively responding to the societal and global challenges of today and tomorrow.

3   Facilitate more inclusive, green, connected, sustainable and data-driven technologies

The digital transformation is affecting all aspects of our societies, from classrooms to workplaces, and is creating opportunities for sustainable and inclusive economic growth. Digital readiness is now essential, not optional, to further opportunities, well-being, and resilience. Recent developments have made the digital transformation an integral part of society essential to firms' competitiveness. Digitally advanced firms tend to perform better than others do in terms of productivity, exports, investment, innovation, growth, and resilience[2]. It is therefore vital for the digital transformation to not leave anyone behind, that it remains inclusive and bridges digital divides in terms of gender, age, access, skills and learning opportunities.

Lowering barriers to digital trade to enable a prosperous, green and sustainable digital economy

Digital technologies and innovations will be central to advancing an open, competitive and sustainable economy that is less intensive in resource consumption and emission of greenhouse gases. However, existing and emerging trade barriers risk reducing the benefits of digitalization, holding back innovation and creating obstacles to the movement of digitally enabled goods and services across borders. Measures such as data localization, ownership restrictions on information services, cybersecurity exclusions, and blocking domains or services stand in the way of developing open, trusted, and competitive digital markets and services. While it is sometimes necessary to limit data flows, continued OECD evaluation of the impact of these policies on the global digital economy is necessary to ensure open, trusted, sustainable and competitive digital markets.

Invest in affordable, accessible, high-speed connectivity to bridge the Internet usage-gap

While access to connectivity has dramatically increased worldwide, the Internet has yet to be adopted by all. Bringing online the 3.2 billion people who live within coverage of a mobile broadband network but are not using the Internet (40% of the world's population[3]) must be a priority. Multiple factors influence this "usage gap", including a lack of literacy, digital skills, affordability, as well as safety and security concerns. It is critical to act swiftly to address these barriers, noting that the digital divide disproportionately affects women and girls[4], older people, persons with disabilities and members of disadvantaged socio-economic groups[5]. We point to the Roundtable on Global Connectivity's targets for meaningful connectivity f0or all actors in the ecosystem, and its five connectivity enablers, which include infrastructure, affordability, skills, devices, and safety and security, as a positive initiative.

The digital economy rests on a foundational connectivity infrastructure that evolves through continuous technological innovation. Fostering investment in networks such as fiber and next generation mobile networks such as 5G is key to meeting rising societal demands for digital services. In this context, it is crucial to develop frameworks and evidence-based policies that foster sustainable market structures for digital infrastructure investment allowing high-quality, ubiquitous affordable connectivity. Supporting network investment also requires making more spectrum available for broadband services. Effective and technology-neutral management of this increasingly scarce resource must be a priority for OECD members.

Mobilize and coordinate education and training systems to strategically ensure that all talents participate in the global economy

Promoting digital education and training, including re- and up-skilling for all ages, is fundamental to diffusing benefits and opportunities in the ongoing digital transformation of our economies and societies. There is a need to build a strong talent pipeline with multiple and varied opportunities to develop digital skills that support employability and a sustainable digital future. To advance a mindset for lifelong learning, including digital skills is paramount to help the workforce of today navigate the twin digital and green transitions. Moreover, people with disabilities represent one of the world's largest untapped talent pools. Digital technology can play a critical role in bridging barriers to communication, interaction, and information. Accessible technology is a fundamental building block that can unlock opportunities in every part of society and can be further encouraged by developing new technologies in an accessible-by-design manner.

4 Provide leadership for innovative approaches to the evolution of the digital environment

As noted throughout this paper, the digital economy requires the support of trusted and inclusive governance frameworks coordinated at the international level, which do not hamper experimentation and innovation. By gathering like-minded countries and stakeholders, the OECD provides the right platform for strong leadership to guide the evolution of policies around digital innovations and emerging technologies. In this context, it is critical that governments, businesses, and relevant stakeholders continue to support regulations that do not stifle or impair innovations at the nascent stage of technology development. Broad multistakeholder dialogue should continue to underpin the development of OECD global guidance for new and emerging technologies, such as undertaken in the development for the OECD AI Principles.

Empower businesses of all sizes to thrive and grow in the digital age

As we navigate the digital transformation in a complex geopolitical, economic and social environment, a good public governance approach through multistakeholder cooperation is fundamental to businesses and governments. Respect for fundamental rights, both off- and online, will continue to ensure confidence in the growing digital economy. A lack of trust and confidence will seriously hinder the adoption of digital products and services, and diffusion of the benefits of digital transformation. At the same time, addressing potential resource constraints, particularly for SMEs, which could discourage investment in the development and deployment of digital technologies, including AI, is essential. This includes, among others, ensuring opportunities for education and skills, access to finance, and networks for collaboration among actors within the digital eco-system.

Proactively support and implement the use of defined experimental frameworks such as regulatory sandboxes to advance effective regulation for the digital economy

While innovative digital technologies and use of data render possible transformative and beneficial change across government, civil society, and business, their introduction within existing regulatory frameworks may be complex. In this context, regulatory experimentation, such as via regulatory sandboxes, is proving to be an innovative and effective way to prepare for the evolution of technology and how to regulate it[6]. This allows for controlled experimentation assessing yet unforeseeable risks, locating potential legal barriers and inconsistencies, building capacities within regulators as well as improving communication between regulators and firms. The interest for regulatory experimentations is further prompted by the overarching need to understand the application of existing regulation, frameworks and policies to new digital technology and data innovation, which may not easily fit into existing regimes.

The OECD is more important than ever in delivering evidence-based analysis to advance sound and coherent policies for the digital economy, while working with all stakeholders to further the achievements of the Ottawa, Seoul, Cancun and now the Gran Canaria Ministerial Conferences.

A sustainable and inclusive digital economy can only be achieved through continued and enhanced collaboration among all stakeholders and sectors. In this context, the OECD has an important role to play in advancing and continuing cross-cutting multidisciplinary evidence-based discussions that shape relevant, balanced and coherent regulatory approaches. Such dialogue will enable further inclusive and sustainable digital opportunities by deepening the commitments of Member States to advance OECD guidance globally.

In this context, we call on the OECD with the engagement of Business to:

- Deliver evidence-based analysis that examines current market conditions and the impact of new developments for digital innovation, AI and emerging technologies including the metaverse;

- Advance coherent and globally interoperable data policy frameworks that facilitate enhanced access and sharing of data and collaboration, business accountability, enforceable cross-border data flows with trust and data-driven innovation;

- Advance a globally coherent framework for responsible AI that is founded on a risk-based approach and the OECD AI Principles, and is developed in cooperation with countries and other international and regional organizations;

- Formulate policies through multi-stakeholder collaboration that foster sustainable investment in open and secure digital infrastructure with high quality and capacity;

- Foster practical solutions for advancing digital technology and reducing the digital divide, including for enhanced access to education, training, upskilling and increased technology adoption as part of capacity building for SMEs;

- Work co-operatively with international fora and organizations such as the G7, G20 and APEC on issues of mutual relevance such as the Global Gateway Initiative, to create synergies whilst ensuring that each group focuses on its competence and avoids duplication of effort and resources;

- Engage OECD non-member economies to expand the relevance of OECD global standards for the digital economy.

References

1. A zero-trust approach complements risk management practices by suggesting an evolution in digital security architecture. It assumes that a breach is inevitable and enhances digital security by implementing the principle of "defense-in-depth" and by eliminating implicit trust to any device, service or identity.

2. Digitalisation in Europe 2021-2022, Evidence from the EIB Investment Survey, European Investment Bank, May 2022

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5. The Mobile Disability Gap Report 2021, GSMA, December 2021

6. A. Attrey, M. Lesher and C. Lomax, "*The role of sandboxes in promoting flexibility and innovation in the digital age*", OECD Going Digital Toolkit Policy Note, No. 2, 2020