THE ROLE OF THE OECD IN SHAPING THE FUTURE OF THE DIGITAL ECONOMY

USCIB/BIAC/OECD CONFERENCE

ANDREW WYCKOFF

DIRECTOR STI

10 MARCH 2015

OECD

BETTER POLICIES FOR BETTER LIVES
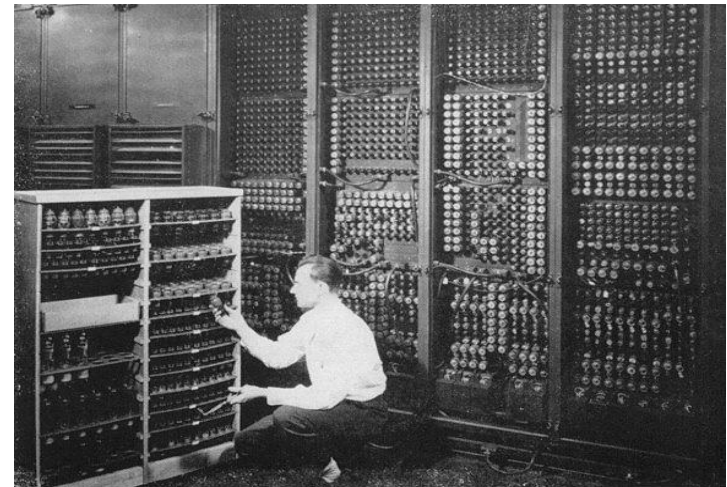
The OECD

The role of science in WWII

Radar / Battle of Britain

Jet engines: Messerschmitt

Operations Research

Replacing a bad tube meant checking among ENIAC's 19,000 possibilities.
UK Computing: Turing

OECD's Role

1. **Early adopter / shaper of the international dialogue**

2. **Provider of an evidence base**

3. **Forum for sharing experiences, collective learning**

OECD's Role

1. **Early adopter / shaper of the international dialogue**

2. Provider of an evidence base

3. Forum for sharing experiences, collective learning

OECD Internet Policy Making: Principles/Instruments

- 2016 - Revised 1999 E-Commerce Consumer Protection

- 2015 - Revised Cyber Security Guidelines

- 2012 - International Mobile Roaming Services

- 2011 - Principles for Internet Policy Making

- 2010 - Information and Communication Technologies and the Environment

- 2008 - The Future of the Internet Economy (Seoul Declaration)

- 2002 - Security of Information Systems and Networks

- 1999 - Consumer Protection in the Context of E-Commerce

- 1980 – (revised in 2013) Protection of Privacy and Transborder Flows of Personal Data
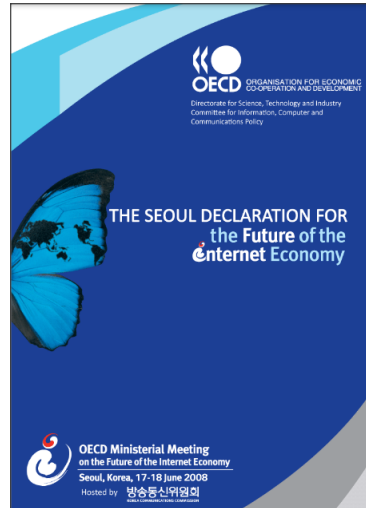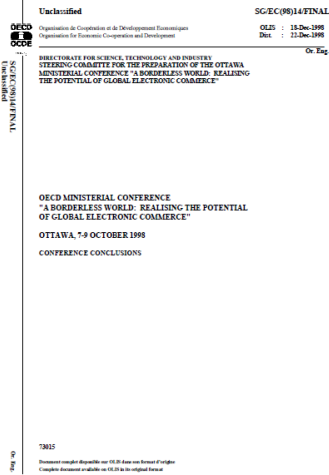
OECD Internet Policy Making: Key Events

1998: Ottawa   2008: Seoul   2011: Paris   2016: Mexico

- **First Ministerial on e-commerce in 1998**
  - **Google incorporated in 1998; Amazon launched in 1995; Skype didn't exist…**

- **signed by OECD MCs, Egypt, India, Indonesia, Latvia, Senegal, the EU**
- **Adhesion by Costa Rica and Lithuania**

- **Communiqué signed by OECD MCs, Colombia, Costa Rica, Lithuania**

- **Maximising the benefits of the Digital Economy**

Horizon Scanning

- **Deregulation: 1980s**
- **Domain Names: 1996**
- **E-commerce: 1998**
- **Broadband: 2006**

- **Convergence: 2008**
- **Internet of Things / M2M**
- **Data Driven Innovation**
- **AI**

Updating & Re-establishing Norms: *What is a digital company?*

- TomTom has 5 trillion data points on traffic, adding 6 billion per day.

- BMW cars have 50 sensors, 7 cameras, could recognize open parking spots for other cars

- NEST makes Internet connected thermostats, that save energy use

- GE expects to connect all machines to the Internet, making them more efficient.

Taking the broader economic and social pervasive…

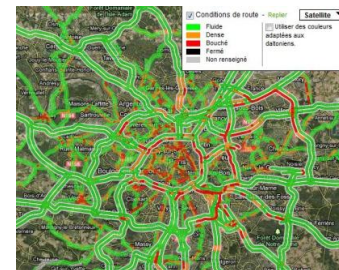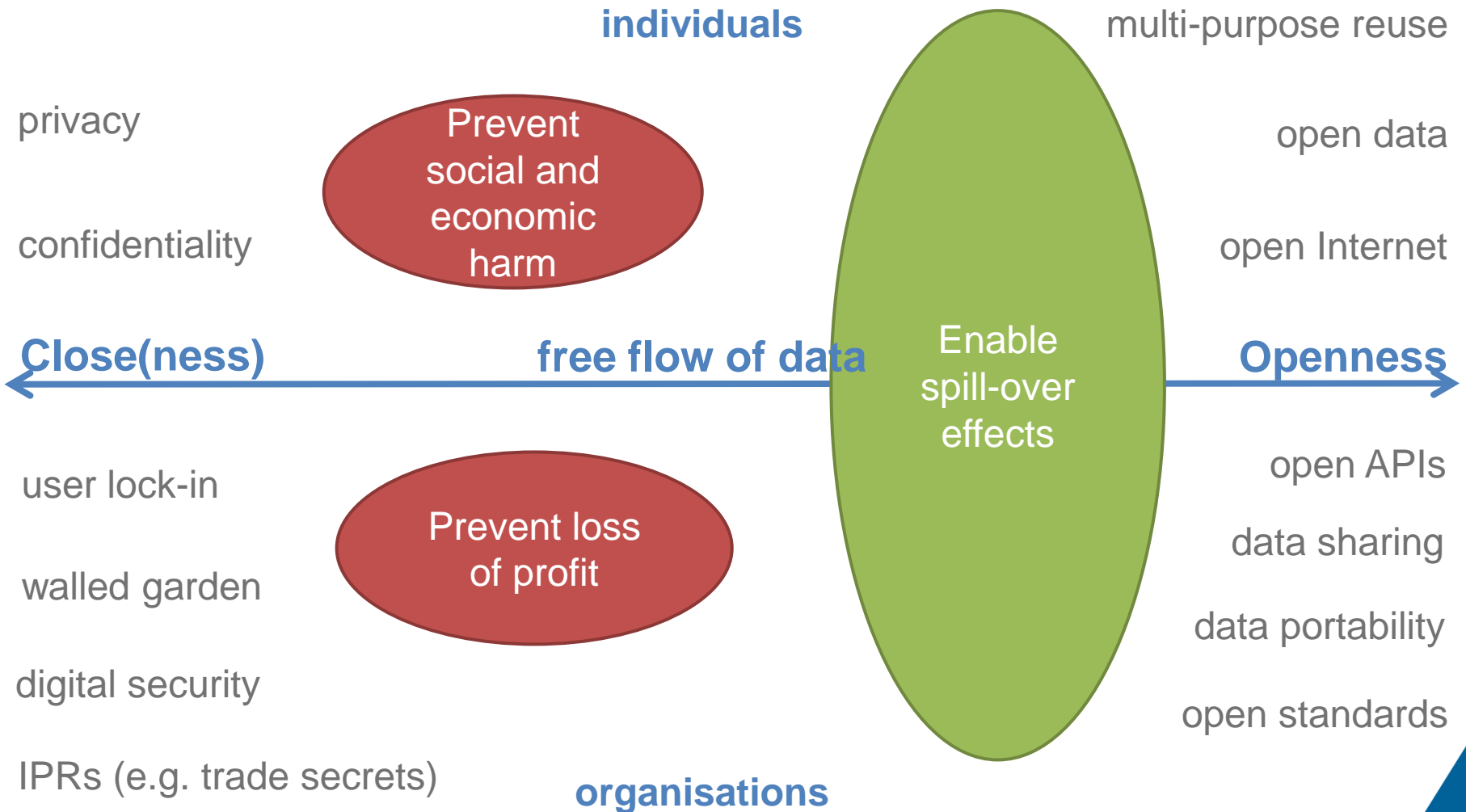Public Administration

Health

Retail

DDI

Agriculture

Science and Education

Transportation

…and seek to clarify and elevate the debate.

individuals

multi-purpose reuse

privacy

open data

Prevent social and economic harm

confidentiality

open Internet

Close(ness) ←   **free flow of data**   Enable spill-over effects   **Openness** →

user lock-in

open APIs

Prevent loss of profit

walled garden

data sharing

digital security

data portability

open standards

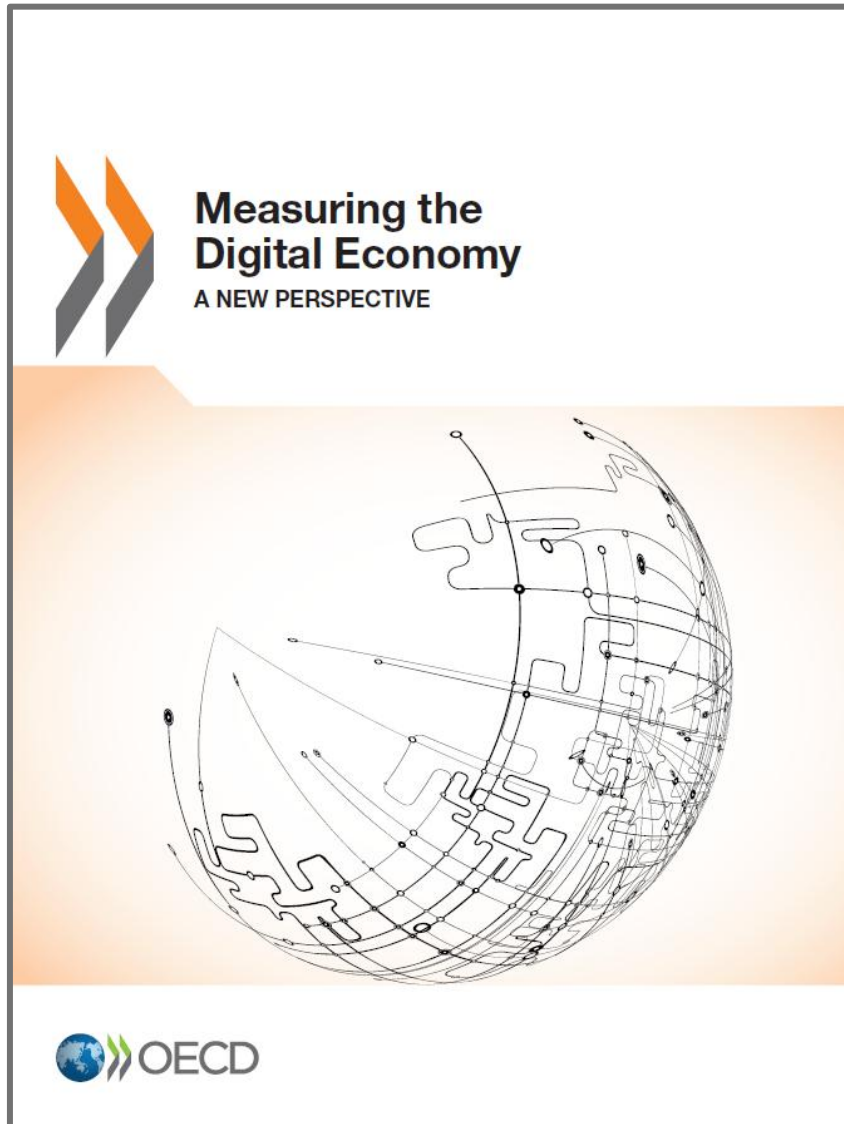IPRs (e.g. trade secrets)

organisations

OECD's Role

1. Early adopter / shaper of the international dialogue

2. **Provider of an evidence base**

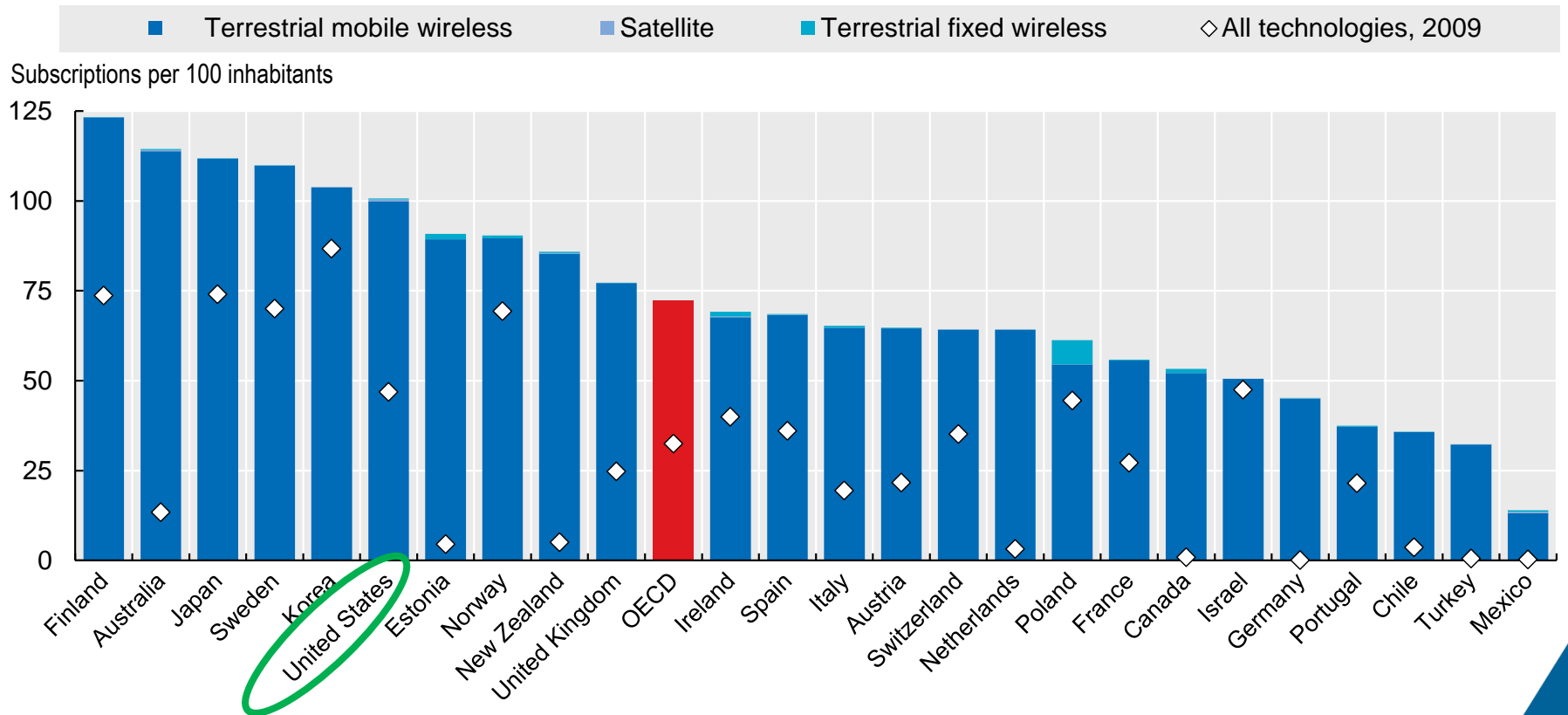3. Forum for sharing experiences, collective learning

"Measuring the Digital Economy"

Establishing a factual basis for discussion…

Mobile wireless broadband penetration, by technology, December 2009 and 2013
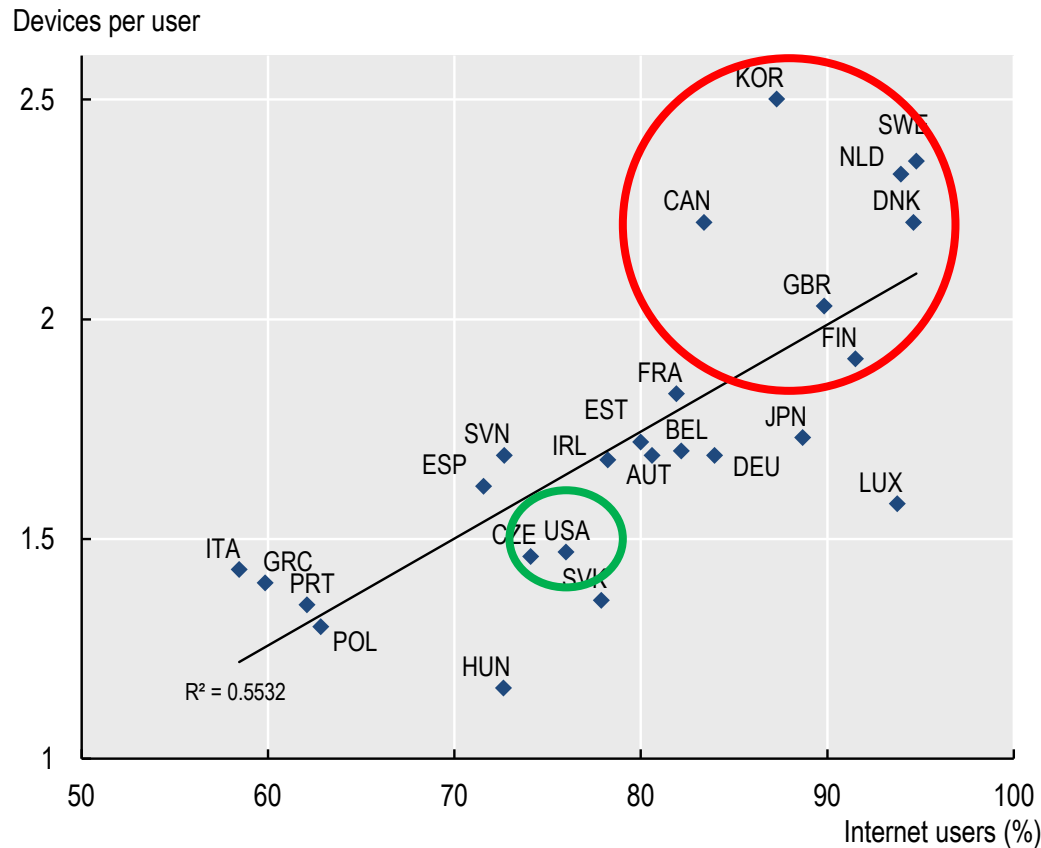
Subscriptions per 100 inhabitants

…seeking to reduce politics and passion for rational …

Devices used to access the Internet, 2013

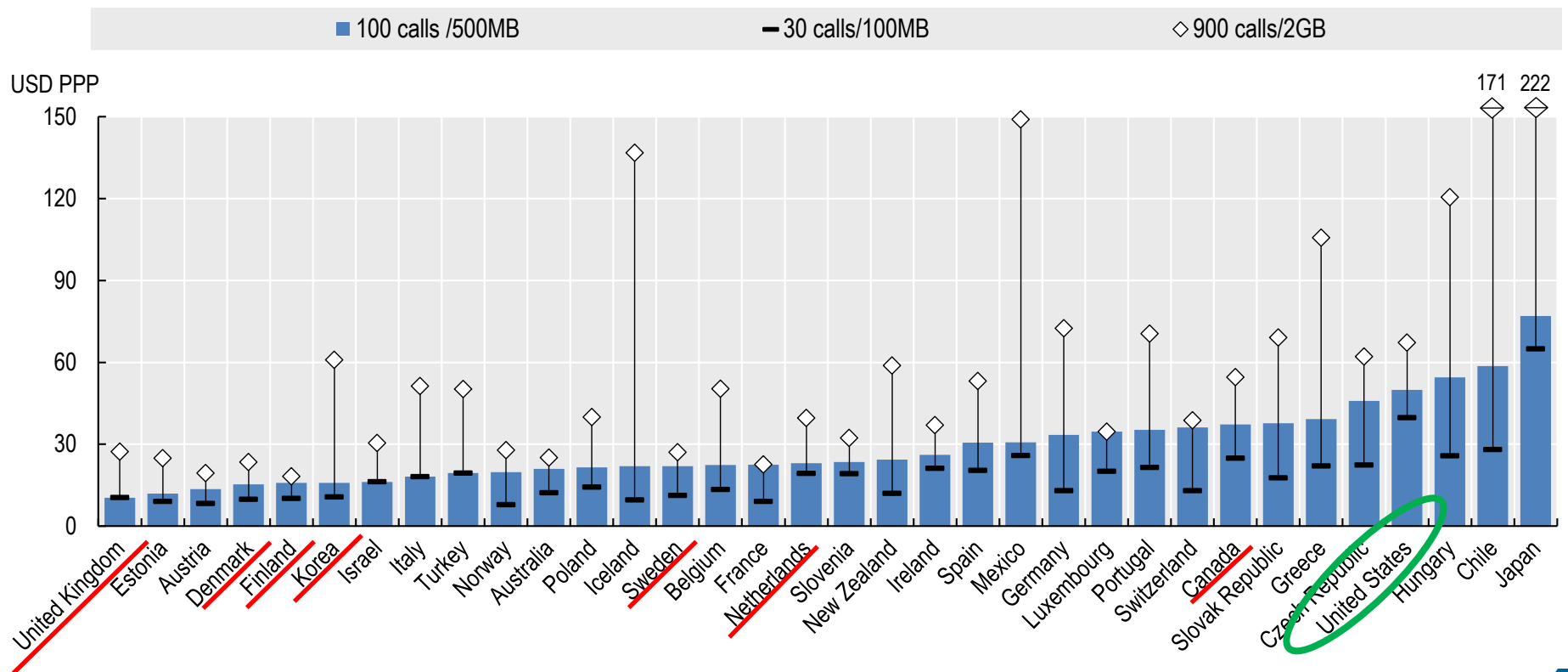Variety of devices per user linked to the percentage of Internet users

Devices per user

R² = 0.5532

Internet users (%)

...and providing a benchmark for self-assessment.

Prices of mobile voice calls plus data traffic reference baskets, Feb. 2014
USD PPP per month

Legend: ■ 100 calls /500MB — 30 calls/100MB ◇ 900 calls/2GB

Source: OECD (2014), *Measuring the Digital Economy. A New Perspective*, OECD Publishing.
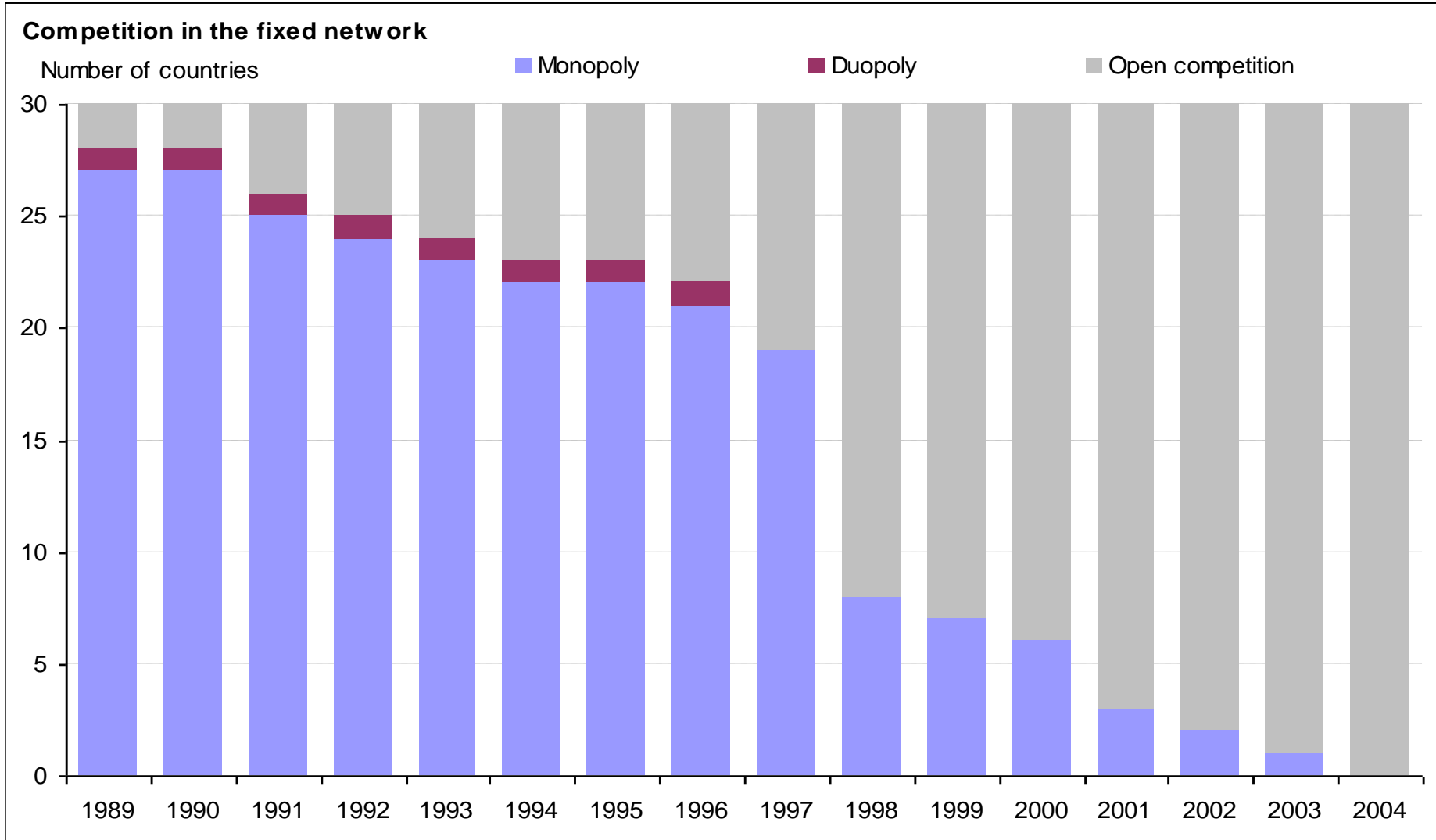http://dx.doi.org/10.1787/8883148078

OECD's Role:

1. Early adopter / shaper of the international dialogue

2. Provider of an evidence base

3. **Forum for sharing experiences, collective learning**

Openness and competition: Fixed-telephony

Competition in the fixed network

Number of countries

Monopoly ■ Duopoly ■ Open competition ■

Discussions with peers and tapping into collective experience

OECD Review of
Telecommunication Policy
and Regulation in Mexico

"It was also timely to discuss the OECD's role in supporting the Mexican economic reforms. I thank you for your important work on this.

These reforms shaped my decision to acquire Iusacell, and now Nextel International's Mexican mobile business. This will create the first-ever North American Mobile Service area, covering more than 400 million consumers and businesses in Mexico and the United States."

-- Randall Stephenson AT&T CEO, 4 February 2015

Xavier Niel, Chief Strategy Officer for Iliad at the OECD (June 2014)

"…it's thanks to the OECD that we have the necessary competitive tools, that benefit the creation of a greater competitive atmosphere."

Looking Forward

- **shaper of international dialogue**
  - o IoT / M2M
  - o Data Driven Innovation

- **Compiler of the evidence base**
  - o economics of an open Internet

- **Forum**
  - o 2016 Mexican Ministerial