



BUSINESSatOECD

# ***Business at OECD* Policy Brief** **Covid-19 and Digital Technology**

**July 2020**

## Introduction

Digital technologies have enabled rapid response, connectivity, social and economic continuity in face of the Covid-19 pandemic.

Companies globally are at the front line working with governments and all stakeholders to deploy and drive digital technology solutions in response to urgent medical, economic, and social needs. Whether it be via AI-powered applications, enhanced broadband connectivity, cloud computing services, or other digital technologies, companies in all sectors are proving how important digital technology is for the health and well-being of all.

The Covid-19 crisis has accelerated the digital transformation - driving internal and external reorganization, adaptation, and innovation for consumers, businesses, and governments. Such acceleration of the digital transformation can currently be seen in three core areas:

1. Health care, including diagnostics, treatment, data collection, testing, and analysis.
2. Sale and provision of goods and services.
3. Facilitation of critical governmental functions (e.g. public education, processing unemployment claims, etc..).

Digital technologies will be increasingly important in shaping a sustainable recovery from the crisis. Looking ahead, **policy makers should prioritize digitalization and the development of digital infrastructures as foundational to ensure greater resilience and preparedness.**

Public policies should focus on fostering robust connectivity, ensuring effective use and sharing of data with appropriate privacy and security protection, and further enabling the sale and delivery of goods and services online, especially for SMEs. These policies will be needed to effectively address urgent healthcare, employment, education, commercial, manufacturing and supply-chain management needs.

In partnership with business, the OECD and its Committee on Digital Economy Policy (CDEP) plays an important role in creating policies and principles that are necessary to further the digital transformation and mitigate the health, economic, and social impacts of COVID-19.

### Key business messages:

Emergency response and recovery from the Covid-19 crisis requires a holistic and multistakeholder policy approach. The following are key business messages we believe are essential to ensure and maximize the benefits digital technologies can bring to advancing a sustainable recovery from the current crisis.

- **Promote public private partnership and an integrated digital policy approach:**  
As evidenced by COVID-19, digital technologies and issues relating to connectivity, data, privacy, and security are cross-cutting. Business led digital innovation is driving solutions and supporting economic and social continuity across disciplines such as health, employment, education, manufacturing, and supply chains. Public private partnerships reinforce the development and deployment of digital technology benefits. The OECD Going Digital Integrated Policy Framework and Toolkit support the necessary cross-cutting approach and benefits that digital technologies can provide and should be widely promoted.
- **Ensure regulatory approaches support digital innovation**  
The Covid-19 pandemic has shown the potential of digitalization to sustain economic and social activity, reinforcing the urgency to advance the uptake of digital innovations. Importantly,

regulatory frameworks and processes should foster the development and use of digital technologies and infrastructure as a foundational to recovery from the pandemic.<sup>1</sup>

- **Foster sustainable investment in connectivity:**

Policies should be designed to support investment, the creation and maintenance of innovative, resilient, and well-functioning, secure communications systems and networks, including continuity of supply chains for network equipment, including to promote synergies among telecommunication providers. This would accelerate closing the digital divide and reduce the cost to deploy new networks.

- **Bridge the digital gap:**

The crisis has heightened awareness of ensuring digital inclusion, including the need for affordable access to quality Internet and communications services and devices, as well as the need for enhanced digital skills for all to effectively use digital technologies including SMEs.

- **Foster trust:**

Issues related to data protection and digital security are at the forefront of the crisis as digital technologies are used for diagnostics, treatments, tracing and tracking virus spread, and the rapid shift to remote work and telemedicine. Content moderation has also become critical with the circulation of misinformation impacting the safety of citizens. The OECD 2013 Privacy Guidelines and 2015 Digital Security Risk Management for Economic and Social Prosperity continue to serve as key reference points, and their ongoing review should take into account lessons learned from the COVID-19 crisis.

- **Promote AI and emerging technologies for good**

Innovative use of AI can serve as a powerful tool to mitigate and control the the impacts of Covid-19, including rapid and coordinated diagnostics and realtime forecasting. AI can also deliver vital information for both medical professionals and public-policy decision makers. It has become ever more essential for public and private actors to align with the OECD AI Principles and recognize the value of the OECD AI Observatory in delivering an evidence base to advance practical implementation of the OECD AI Principles.

- **Effective access to and use of data:**

Covid-19 highlights the critical importance of data-driven crisis management and policy making. There must be sufficient capacity to measure and justify policy-making decisions based on metrics focused on health, economic and societal impacts. This includes realizing the G20 Osaka pledge of realizing free flow of data with trust. Data-driven management will be equally critical for the exit from the crisis as decisions are informed by risk-based approaches.

- **Ensure a level playing field:**

Policies should ensure fair competition among all actors ensuring fair competition in the provision of digital services, to foster innovation and innovation and promote effective, efficient and inclusive digital transformation.

- **Advance e-commerce and delivery of essential goods and services:**

E-commerce driven by large companies and SMEs alike has helped to ensure economic continuity during the Covid-19 pandemic.<sup>2</sup> Digital technologies are also driving delivery of a broad range of public services in the crisis, including the delivery of distance education, financial assistance, and e-government services. In this context, related policies, including tax policies, should be

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<sup>1</sup> June 2020 (forthcoming) *Business at OECD Policy note: Regulatory Approaches in Times of Technological Change: General Principles and Specific Policy Suggestions*

<sup>2</sup> Since January 1, online retail orders have grown +96% in North America, 52% in Europe, 51% in APAC, and 162% elsewhere, as of June 14, 2020. See <https://ccinsight.org/trends-by-location/#regional-trends>

reviewed to ensure that they do not impede expeditious online provision of goods and services, including public sector services.

### **Recommendations to OECD – Digital Policy and Covid-19:**

Business looks to OECD as the lead organization to delivery multidisciplinary digital economy policy – ever more important in context of the COVID-19 pandemic and recovery. The following are business recommendations for OECD in its strategic policy response to the pandemic related to digital economy policy:

- Ensure that going forward OECD policy guidance for digital takes into account lessons learned in context of the Covid-19 to reinforce the benefits of accelerated digital transformation.
- The OECD AI Policy Observatory and practical implementation of the AI Guidance should take into account learning from Covid -19, reinforcing the benefits AI can deliver across sectors.
- We suggest that OECD investigate and provide evidence-based guidance with respect to contact-tracing applications and potentially set out best practice guidelines for governments in developing such applications.
- OECD should review demand and regulatory policy regarding connectivity in the mid term and recovery phase of the crisis, including for remote areas which will be a focus of longer term investment issues.
- Via the OECD Project on Digital for SMEs, OECD should lead a coordinated approach for policy guidance that will lead to capacity building and improved SME utilization of digital technology to engage in the global economy.
- OECD should promote policies that support digitisation of public sector organisations, traditional industries, and small and medium sized businesses (SMEs) alike. This will not only help generate demand for digital communications services in the face of the expected economic slowdown, but also increase economic and operational resilience of these constituencies for the future
- Reinforce outreach to non-OECD members and relevant international organizations to extend OECD evidence, guidance and best practices on digital policies.
- Promote successful public and private initiatives born from the Covid-19 crisis, such as scalable testing and contact tracing, where practicable.
- Focus the next OECD Digital Policy Ministerial in light of experience with response and recovery from Covid-19.

### **Annexe: Business examples**

A compilation of business examples can be accessed here and on the *Business at OECD* Website Covid 19 Page. (link to be added)



# BUSINESS<sub>at</sub>OECD

***Business at OECD (BIAC)***

13-15 Chaussée De La Muette

75016 Paris

France

[contact@biac.org](mailto:contact@biac.org) | [@BusinessAtOECD](https://www.businessatoecd.org) | [www.businessatoecd.org](http://www.businessatoecd.org)

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