



Ministry of Economic Affairs

*How bits and bytes change
the role of government*

Lunch Seminar OECD
22 September 2017

22 September 2017



Introduction

I would like to discuss 3 topics in our lunch seminar today:

- I. The importance of digitalisation and what it means for the role of government
- II. Questions around data-ownership, data-access and control
- III. Outlook for the Dutch economy



Digitalisation is transforming our economy and society

- Main source of innovation, productivity gains and economic growth
- Opportunities for tackling important social challenges
- Improvement of the functioning of government
 - Increase service levels
 - Quality and timeliness of policy making
 - Better enforcement





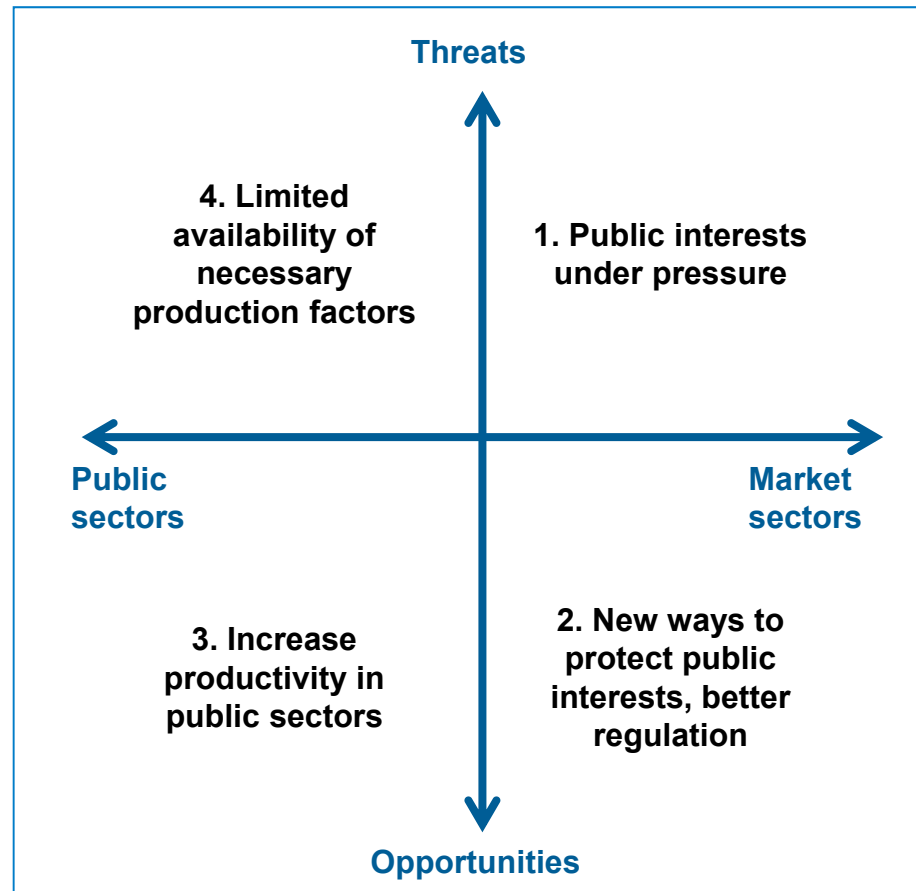
Digitalisation has an important impact on public interests

- Obviously, digitalisation also has an important effect on different public interests
- A long list of questions around different issues (non-exhaustive):
 - Privacy
 - (Cyber)security
 - Fair competition (dominance, level playing field)
 - Reliable and open information (fake news, filter bubbles)
 - Data-ownership, control and access (more on this later on)
 - Ethics (discrimination, human dignity, autonomy)
 - Consumer protection (and small businesses protection?)
 - Digital skills (students, but also citizens/employees?)
 - Impact on labour market
 - Tax collection



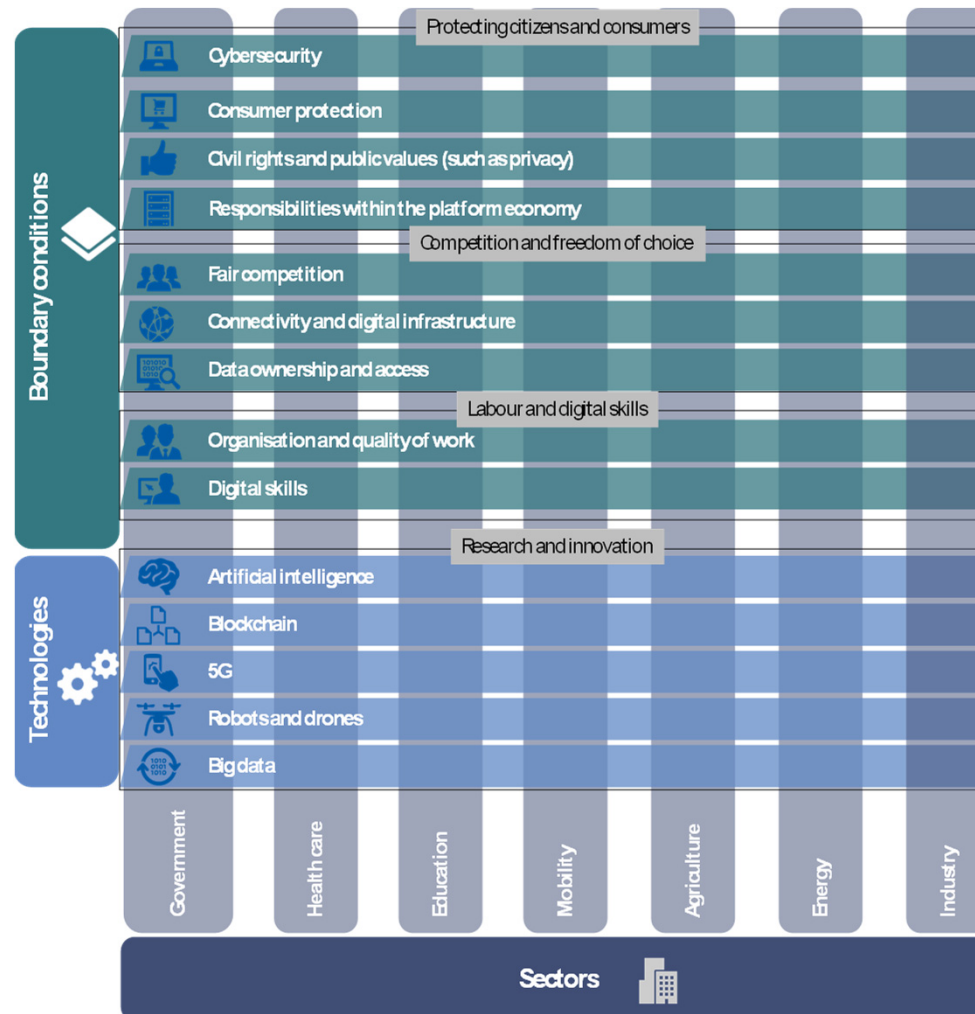


A simple framework: digitalisation changes the roles of government





Focus on the interaction between public interests, technology and digitalisation in important sectors





Outline

I. The importance of digitalisation and what it means for the role of government

II. Questions around data-ownership, data-access and control

III. Outlook for the Dutch economy

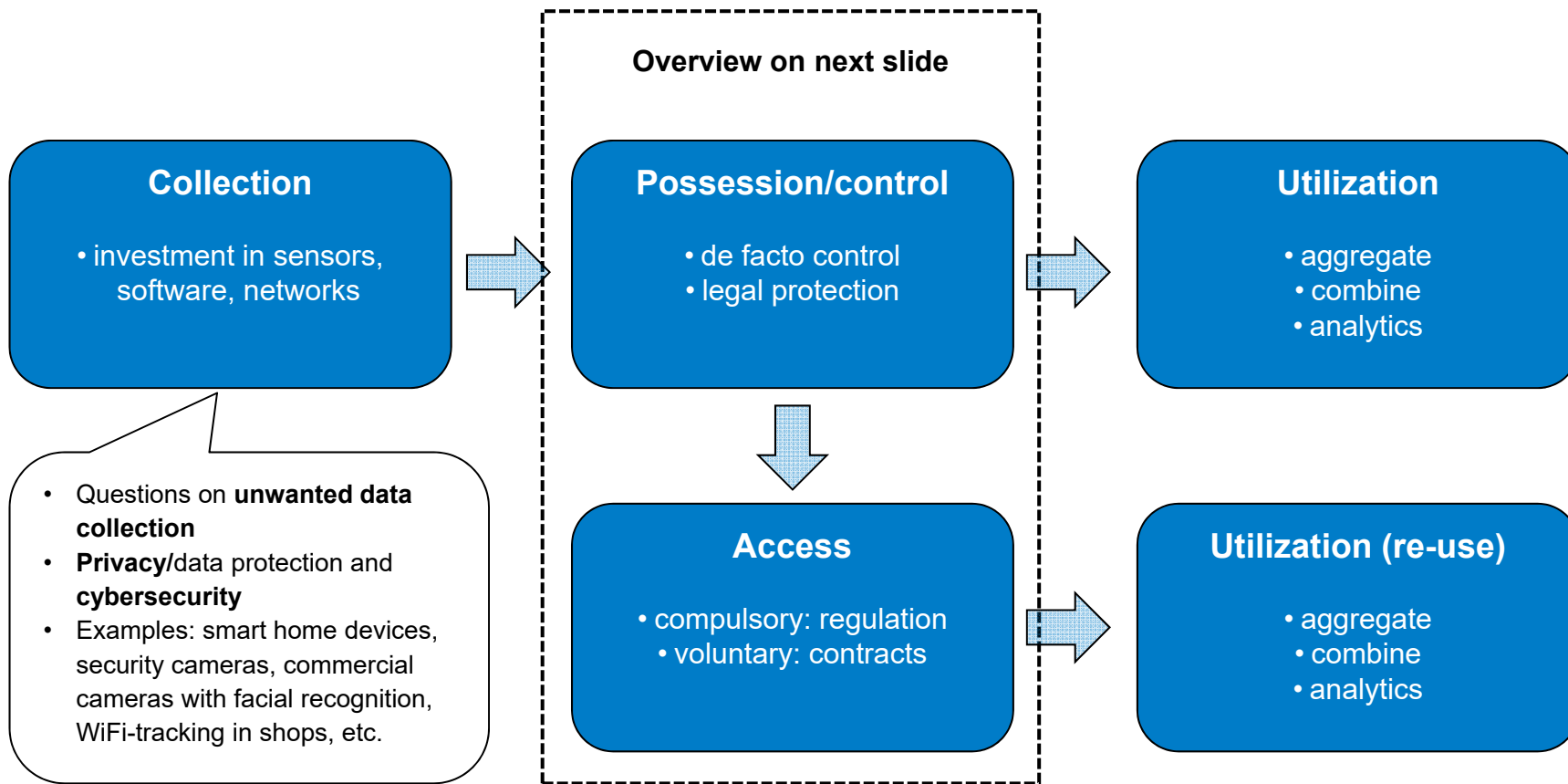


Data has some special characteristics – it is different from oil

- **Data is non-rivalrous but excludable**
- **Data is a capital with increasing returns**
- **Due to increasing relevance of data there is a variety of policy questions around them**
 - Privacy (data protection)
 - Data-ownership, access and control
 - Cybersecurity
 - Competition
 - ...



A very simple data chain to structure the different issues





'Data ownership' is an umbrella for different kinds of questions

Data ownership, control and access				
Typical questions	1. Data silos A. How can data be used better outside of the current data chain or outside of a particular company? B. Are crucial data sets exclusively controlled by a few large firms?	2. Data control How can a citizen or company control "his / her" data held by another party?	3. Data access for policy making and enforcement Which datasets can government bodies use for carrying out their tasks? And under which conditions? Do governments have sufficient access to data from private undertakings?	4. Open data What government data can be made open? And under which conditions? Open scientific data/research?
	Examples	"Breaking down data silos" "Internet companies' control of data gives them enormous power"	"7 Tools that let you control your own data" "The land grab for farm data"	"How Airbnb routinely hoodwinks your city" "Government 'blocked' from accessing Twitter data to help spot terrorist plots"



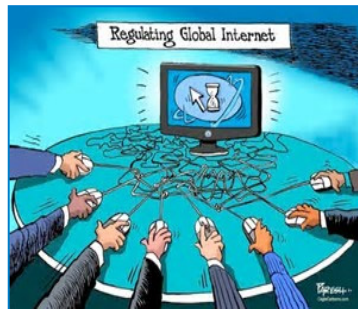
We don't need new ownership rights for data?

- A traditional intellectual property trade-off
- No need for an exclusive ownership right for businesses?
 - Lots of investments in data collection
 - Access to data can be made exclusive by technical means
- Data protection (privacy) regulation already provides data control rights for citizens
- But the current legal framework is complex
 - Results in missed opportunities for data-sharing in B2B-context?



Do we have the right framework to evaluate when to regulate access to data?

- We regulate access to data for competitors in some specific sectors and cases
- Should be evaluated at sectoral level
- When to regulate access and when not? Need for a better (economic) framework?





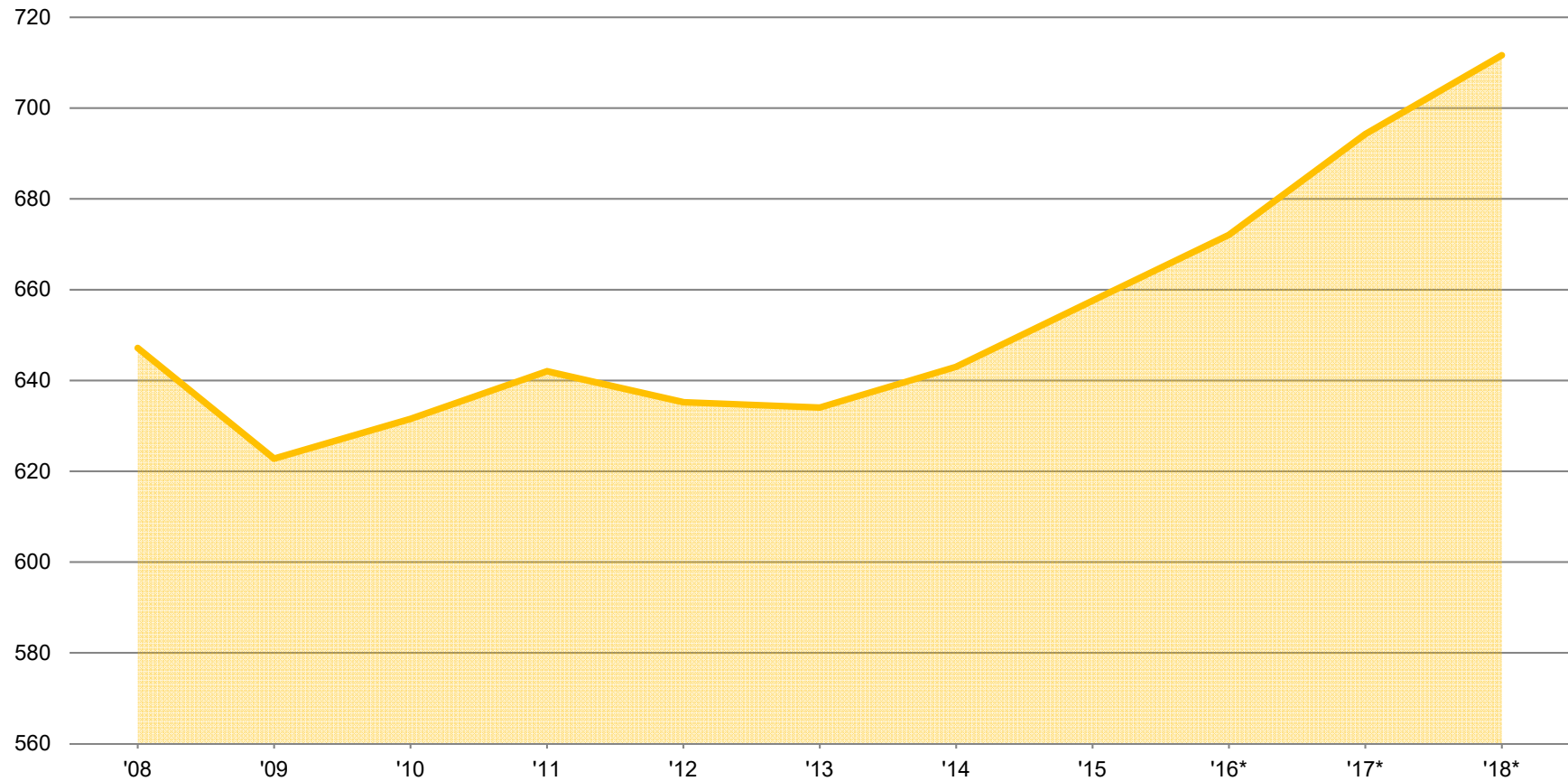
Outline

- I. The importance of digitalisation and what it means for the role of government
- II. Questions around data-ownership, data-access and control
- III. Outlook for the Dutch economy**



Gross domestic product is picking up firmly...

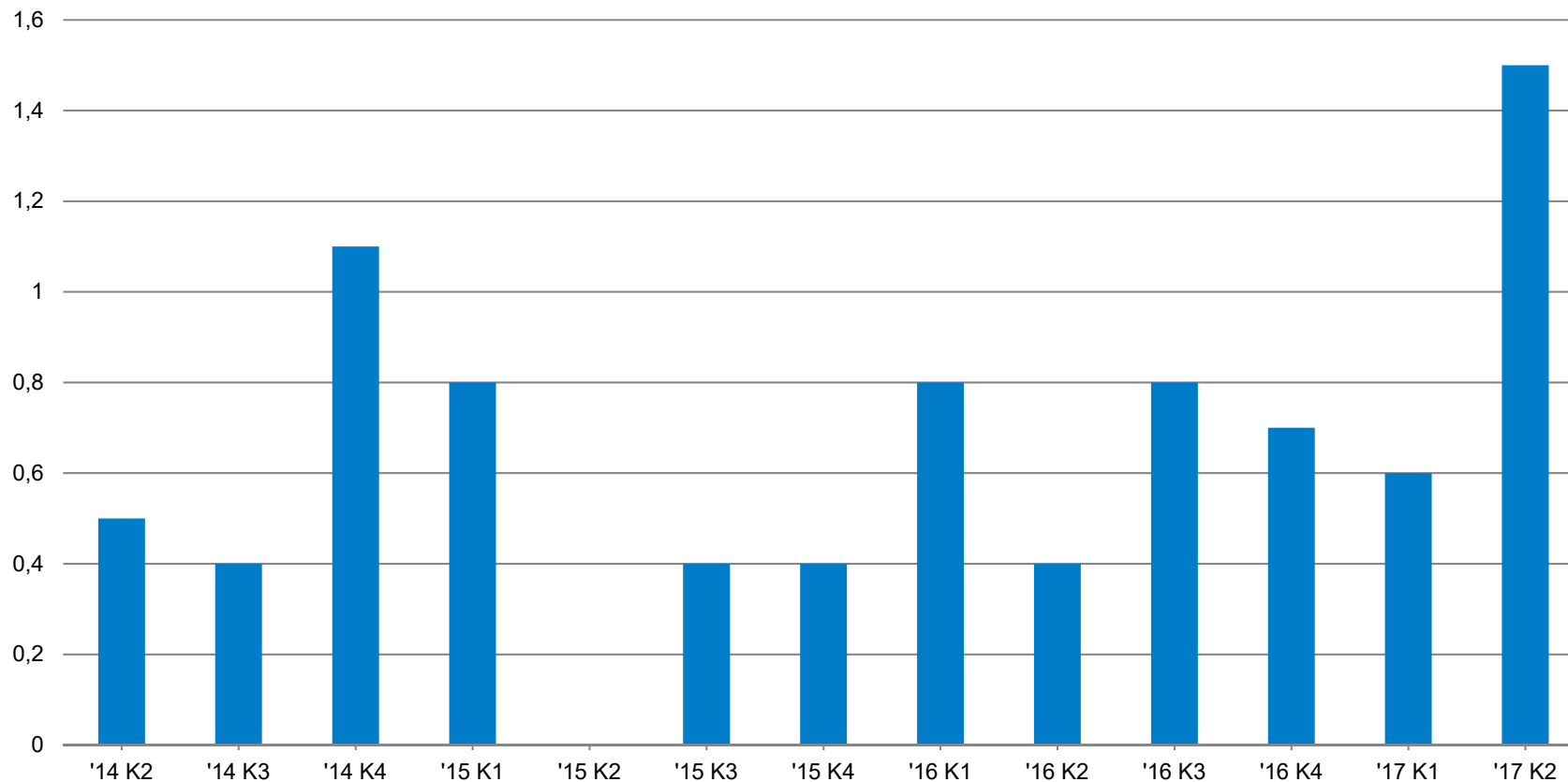
Billions of euros in volumes





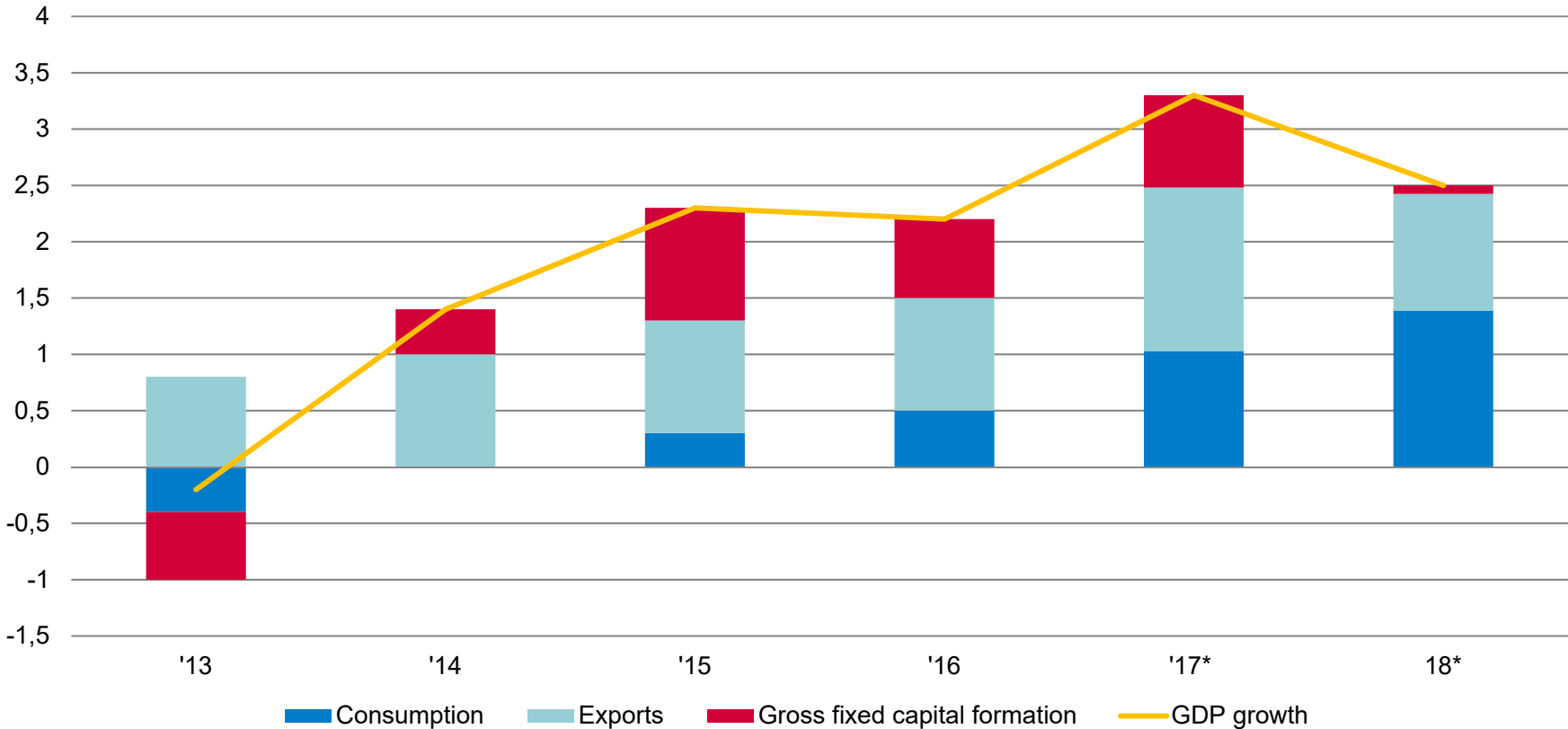
... with quarterly growth accelerating

(quarter-on-quarter, percentage change)





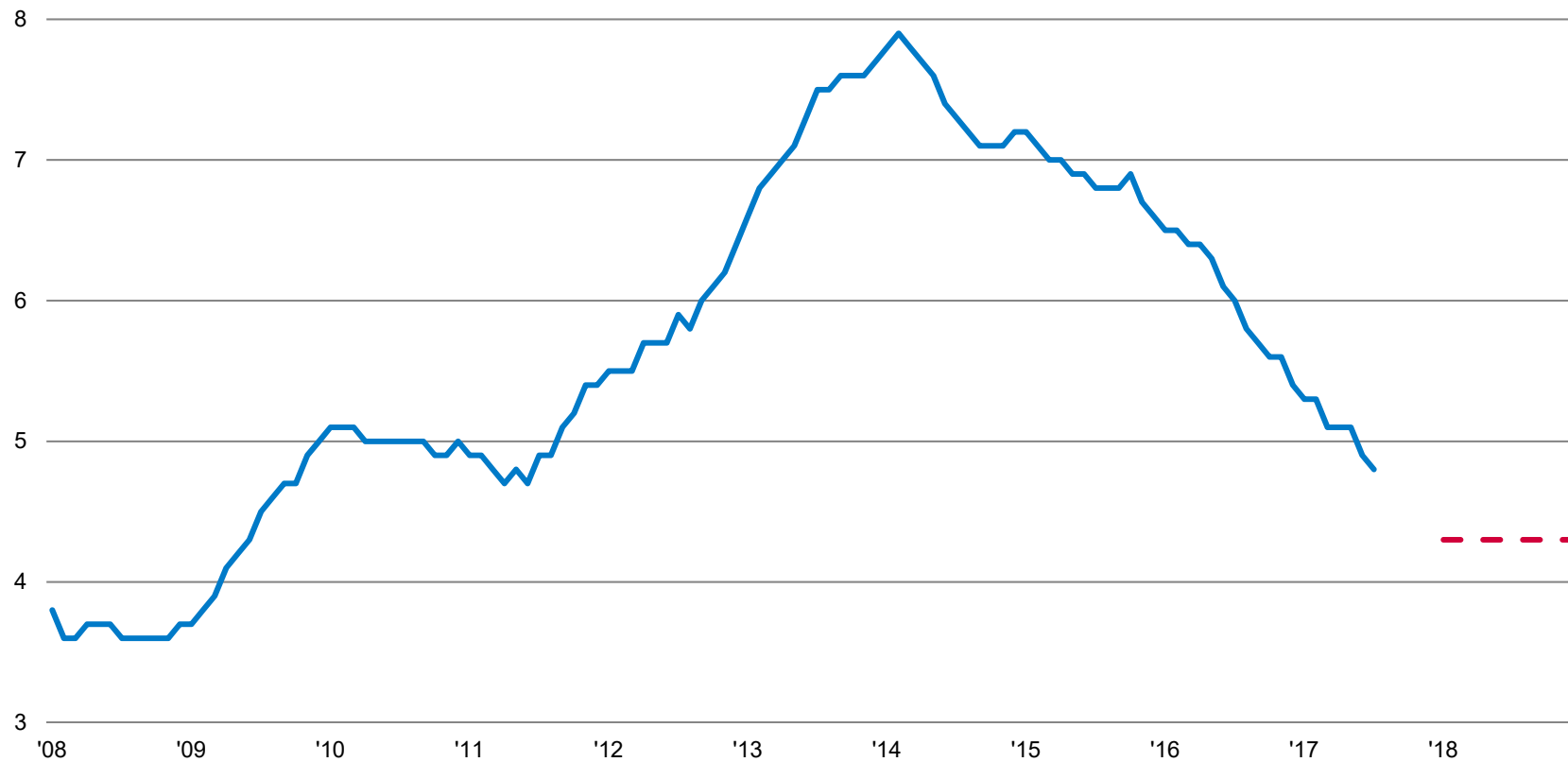
Annual growth is projected to be broad based...





The unemployment rate is declining steadily...

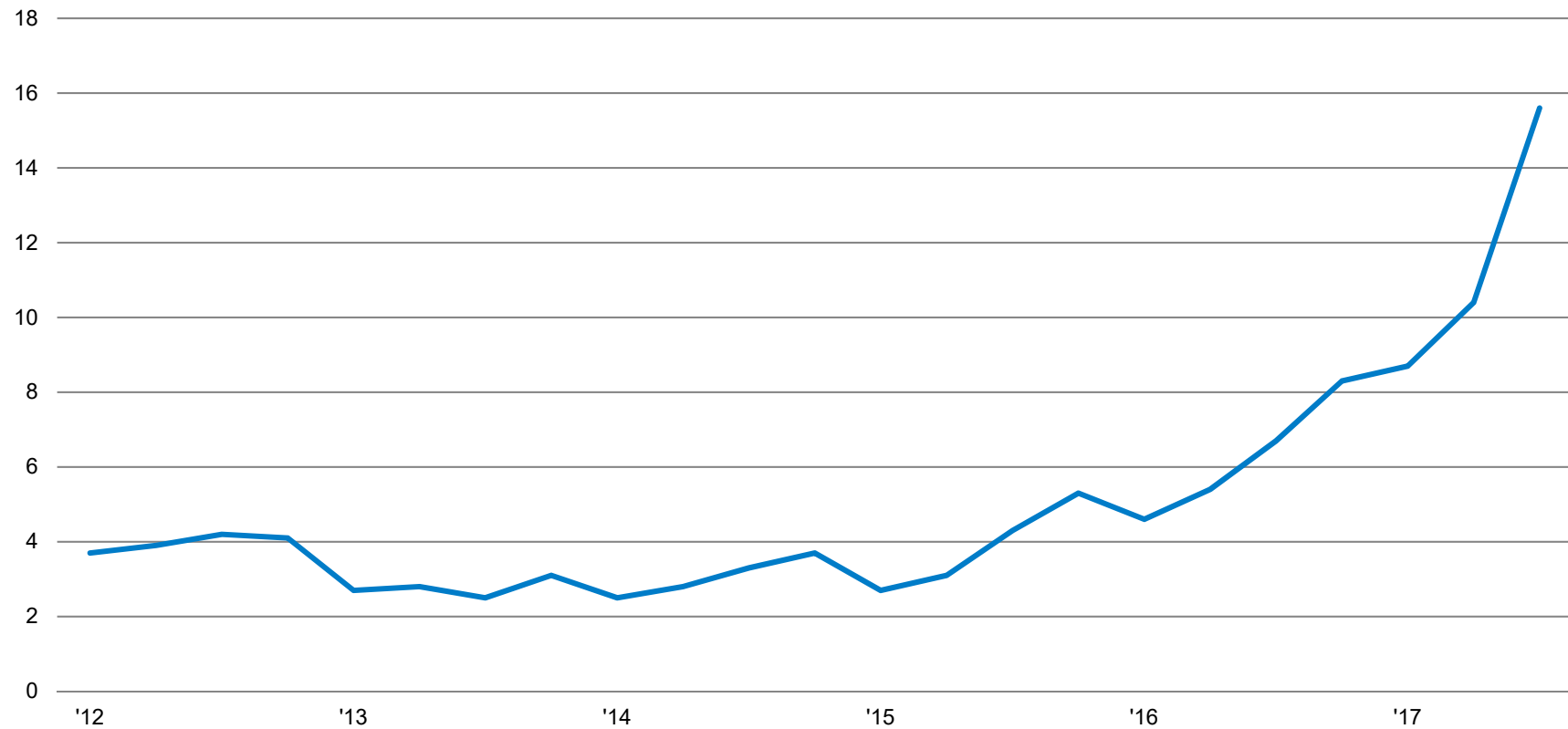
Dashed line = CPB forecast





... and firms are having more difficulty attracting personnel

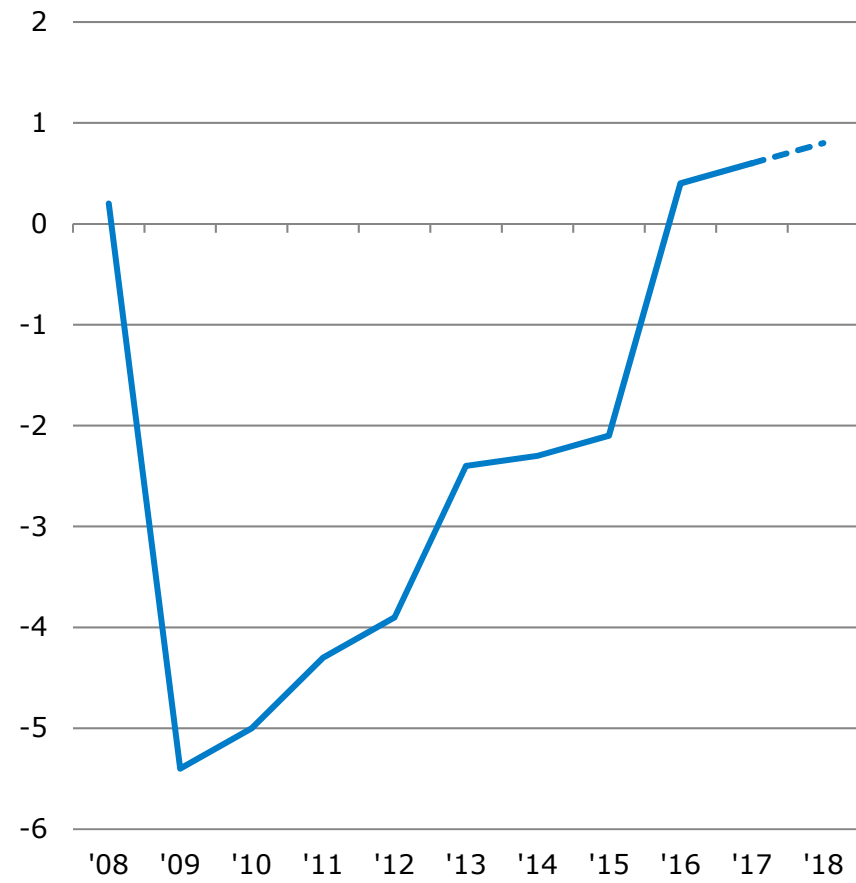
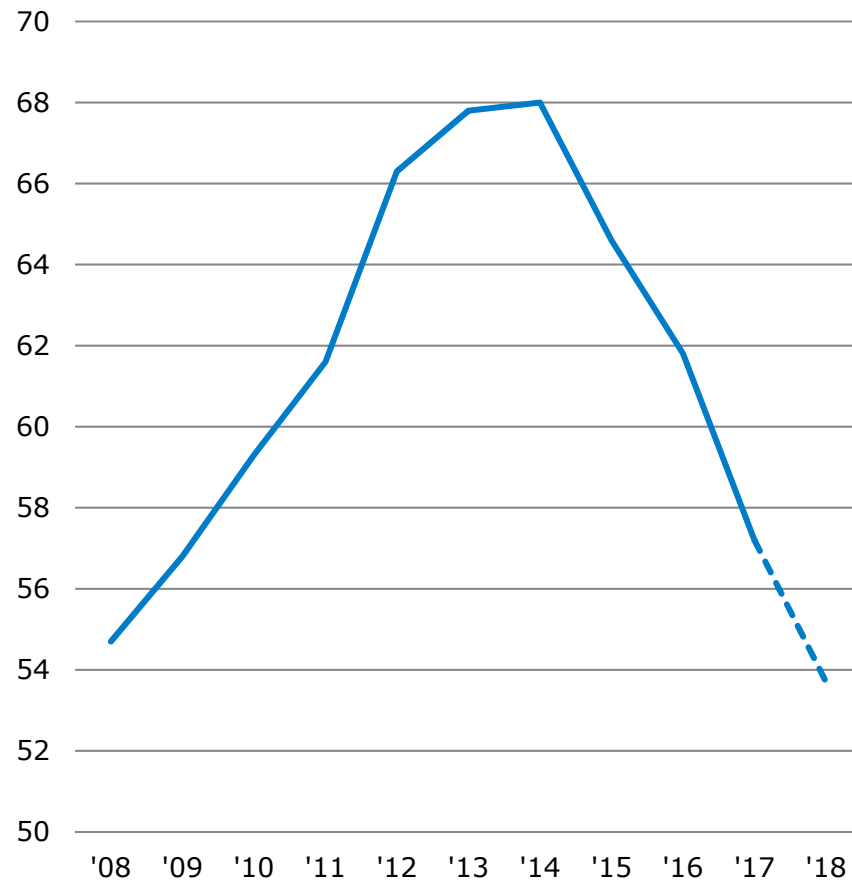
% of firms where lack of personnel is limiting production





Government debt (left) and deficit (right) are improving steadily

Percentage GDP, dashed line = CPB forecast





The outlook for the Netherlands compares favourably to our peers

	2016			2017			2018		
	NL	EA	OECD	NL	EA	OECD	NL	EA	OECD
<i>Percentage GDP</i>									
GDP	2,2	1,7	1,8	3,3	1,8	2,1	2,5	1,8	2,1
Private consumption	1,6	1,9	2,3	2,2	1,4	2,1	2,4	1,4	2,0
Gross fixed capital formation	3,1	3,4	1,3	6,3	3,4	3,2	4,8	3,3	3,1
Exports	4,3	<i>n.a.</i>	2,3	4,9	<i>n.a.</i>	4,2	4,5	<i>n.a.</i>	3,9
Imports	4,1	<i>n.a.</i>	2,7	4,5	<i>n.a.</i>	4,4	5,1	<i>n.a.</i>	4,0
Government financial balance	0,4	-1,6	-3,0	0,6	-1,2	-2,8	0,8	-0,9	-2,7
Government debt, maastricht def.	61,8	91,7	<i>n.a.</i>	57,2	90,4	<i>n.a.</i>	53,7	88,9	<i>n.a.</i>
Unemployment (% labour force)	6,0	10,0	6,3	4,9	9,3	6,0	4,3	8,9	5,8

Source: OECD Economic Outlook June 2017, CPB Netherlands bureau for economic policy analysis



Risks to the outlook..?

- Generally tilted to the downside:
 - Uncertainty about exit quantitative easing
 - Brexit may hurt the Dutch economy via trade
 - Geopolitical tensions (i.e. North-Korea)
 - Future course of American trade policy
 - Uncertainty about growth in China
- To the upside:
 - Further strengthening of growth in the Eurozone and the US



Annex



OECD framework on data openness

Degrees of enhancing access to data

