

What is “the digital economy”?

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Measuring the Digital Economy

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Daniel KER, Economist-Statistician
E-commerce and the digital economy

➤ What is “the digital economy”?

Hard to define

- ▶ Multi - faceted
- ▶ Cuts across institutional sectors and industries
- ▶ Affects production and consumption: what, how, and by whom
- ▶ Both tangible and abstract

Hard to agree on

- ▶ Different perspectives
- ▶ Linked to varying analytical and policy questions

Hard to measure

- ▶ Need for multiple sources and measurement approaches
- ▶ Digital systems contain a lot of information, but accessing and making sense of it can be challenging

➤ Drawing definitive boundaries is challenging

➔ tiered definition of the digital economy

- Developed for G20 Digital Economy Task Force (OECD, 2020)
- Adopted in UNCTAD Manual for the Production of Statistics on the Digital Economy 2020
- Emphasises the nature of:
 - **Products** - ICT goods and services, digital content, digitally delivered services
 - **Production** - extent of reliance on “digital inputs”
 - **Transactions** - digitally ordered / digitally delivered

Figure 3 A proposed definition of the digital economy



Production

Transactions

- Delineated based on nature of transaction
- Delineated based on production

➤ What would *you* include in "the digital economy"?

Products

Products purely digital in form?

- Streaming services
- CAD designs
- Software (ICT product)

Products that can be digital or physical – when delivered digitally?

- (e-)books
- Training (e-learning)
- Banking services (online banking)

Enabling (ICT) services?

- Telecommunications
- Data processing, hosting
- Repair of ICT equipment
- Cloud services

Enabling (ICT) goods?

- Computers, smartphones?
- Servers, Network switches?

Components?

- Processors, storage, sensors?
- Glass?

Connected versions of products?

- "Smart" TV/light bulb/fridge?
- Airbus A350?

Data?

Production

Producers of ICT products?

- Computer makers
- Software makers

Producers of products "digital in form"?

- Cloud services providers
- Designs for 3d printing?

Producers *reliant* on digital technology?

- Online platforms

Producers whose production is *significantly* altered or enhanced by using digital technology?

- Publishing
- Car makers
- Airlines
- Taxis

Producers that make *any* use of digital technology?

- Hairdresser uses WeChat to schedule customer appointments

Transactions

Transactions that are agreed "digitally"?

- Buying online

Transactions where the payment takes place "digitally"?

- Paying in a physical store by card, QR code, mobile money etc.

Transactions where digital technology plays any role?

- Car dealer advertises vehicle online but sale is in -person and paid by cash

We don't have to agree a precise boundary for "the digital economy" to be able to measure important aspects!

➤ What would you include in "the digital economy"?

Products

Products purely digital in form?

- Streaming services
- CAD designs

Digitally delivered services

Products physically delivered but digital or digital only?

- (e-)books
- Training (e-learning)
- Banking services (online banking)

Enabling (ICT) services?

ICT services (incl. cloud)

- Cloud services

Enabling (ICT) goods?

ICT goods

Components?

- Processors, storage, sensors?
- Glass?

Connected products?

- Smart TV/night vision/bridge?
- Airbus A350?

Data as an asset

Production

Producers of ICT products?

ICT sector

- Software makers

Producers of products "digital in form"?

- Cloud services providers
- Designs for 3d printing?

Producers *reliant* on digital technology?

- Online platforms

Producers whose production is significantly *enabled* by using digital technology?

ICT usage in business

- (incl. e-commerce, digital delivery, cloud, AI...)
- P
- C
- A
- Taxis

Producers that make *any* use of digital technology?

- Hairdresser uses WeChat to schedule customer appointments

Transactions

Digital ordering (e-commerce)

Digital payments
(e.g. payment card stats, mobile money stats, crypto)

Transactions where digital technology plays any role?

- Car dealer advertises vehicle online but sale is in-person and paid by cash

Transactions through Digital Intermediary Platforms

Measurement frameworks and efforts cover all these aspects of "the digital economy" (and more)

➤ Moving forward together

Although there is **no generally accepted definition of “the digital economy”**, there is much international agreement over the definition and measurement of key elements and perspectives.

This Seminar will introduce both established and relatively new aspects of digital economy measurement including :

- ▶ Going digital toolkit framework and indicators
- ▶ Digital supply-use tables
- ▶ Measuring the ICT sector
- ▶ Measuring ICT use in business and households
- ▶ Measuring Digital trade
- ▶ Relevant changes in the forthcoming SNA+BOP

None of these claims to measure “the digital economy” as a whole, but they establish a foundation for tackling questions related to “the digital economy” and a shared direction of travel.