



Policy Horizons
Canada

Horizons de politiques
Canada



POLICY REIMAGINED TO SUPPORT SOCIETY IN THE NEXT DIGITAL ECONOMY

PRESENTED BY KRISTEL VAN DER ELST - EXECUTIVE HEAD, POLICY HORIZONS CANADA
INTERNATIONAL RISK ASSESSMENT AND HORIZON SCANNING SYMPOSIUM 2019
SINGAPORE, JULY 24, 2019



POLICY HORIZONS CANADA

We use foresight to help the Government of Canada (GoC) develop future-oriented policy and programs that are robust and resilient in the face of disruptive change



Internet of things



AI and advanced data analytics



Robotics



Telepresence



Virtual Reality



Synthetic biology



Advanced materials



Decentralized production technologies



Blockchain technologies



Previous economic transitions have also been wrenching for many who lived through them.

They spawned new ways of thinking, overturned powerful institutions, and transformed the human and natural environments.

REIMAGINE REGULATION

- Contextual regulation
- Competition and data protection laws will have a profound effect on which business ecosystems and value-capture models will emerge in the Next Digital Economy
- Regulations are currently enacted and enforced by governments within their geographic jurisdictions. In the Next Digital Economy, borders will be very porous:
 - Health regulation, consumer and environmental safety, or prohibition of custom products imported digitally and printed locally
 - Enforcing labour, workplace standards, and human rights
 - IP and privacy enforcement are crucial but complicated
- At a global level, we could be challenged if digital trade blocs emerge with different rules and acceptability of digital technologies



REIMAGINE SOCIAL SUPPORT SYSTEMS

Many current social support programs exist within the context of a firm and a geographic jurisdiction

- Traditional employee-employer relationships may become less common
 - Global task-based platforms
 - Turbulent period of 'creative destruction' and fierce competition, with long-term commitments to humans as liabilities
- Structural unemployment / underemployment
 - Traditional cyclical models might not hold
 - Uncertainty about whether and how workers can be retrained or reskilled
 - Robot-centric workplace design
- Global competitive labour market for both cognitive and physical tasks: where people work and earn dissociates from where they live and spend

PENSIONS

INCOME SUPPORT

HEALTH BENEFITS

**TRAINING,
EDUCATION,
RESKILLING**

REIMAGINE WEALTH DISTRIBUTION

Increased / new inequality

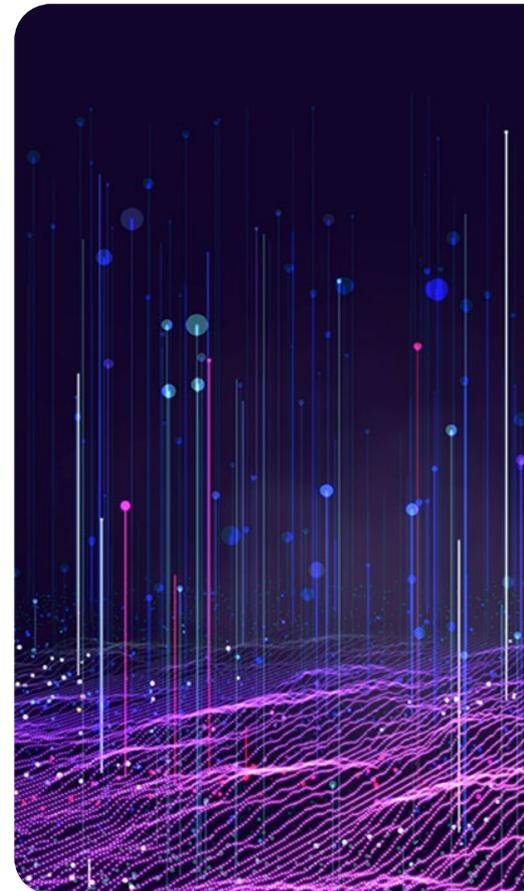
- Effect on average wages is unclear, increased polarization is likely
- Generational differences between those who accumulated wealth in the old economy, and those facing decreased wages and opportunities in the new economy
- Experienced versus junior workers
- 'Protected' jobs versus gig / precarious workers
- Beneficiaries of jobless growth
- Owners versus consumers of technology

Taxation complications

- Questions about how, where, when, and what to tax in a transformed economy
- Income tax, corporate tax, and value-added tax revenues could come under pressure

REIMAGINE POLICY ADVICE

- Evidence / data-based decision making
 - “Technologies and data will improve evidence-based policy”
 - It does not happen in a vacuum
 - Trust in government
- Societal impact assessment in advice on science and technology developments
 - Technological and scientific advances impact the economy, institutions, society, and behaviors, becoming increasingly invasive to our lives
 - “We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run” (Amara’s Law)
- Multi-stakeholder approaches to policy decision making
- GDP may be less relevant as a proxy for economic performance, welfare, and policy purposes



Contact & Follow Us

POLICY HORIZONS CANADA

www.horizons.gc.ca | [@policyhorizons](https://twitter.com/policyhorizons)

