



BUILDING International Cooperation
for Trustworthy ICT

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INCO-TRUST and BIC

Intl Co-operation in Trustworthy, Secure and Dependable Infrastructures

Building International Co-operation for Trustworthy ICT (Jan. 2011)

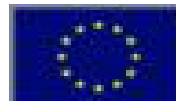
Canada



US



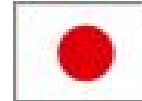
EU



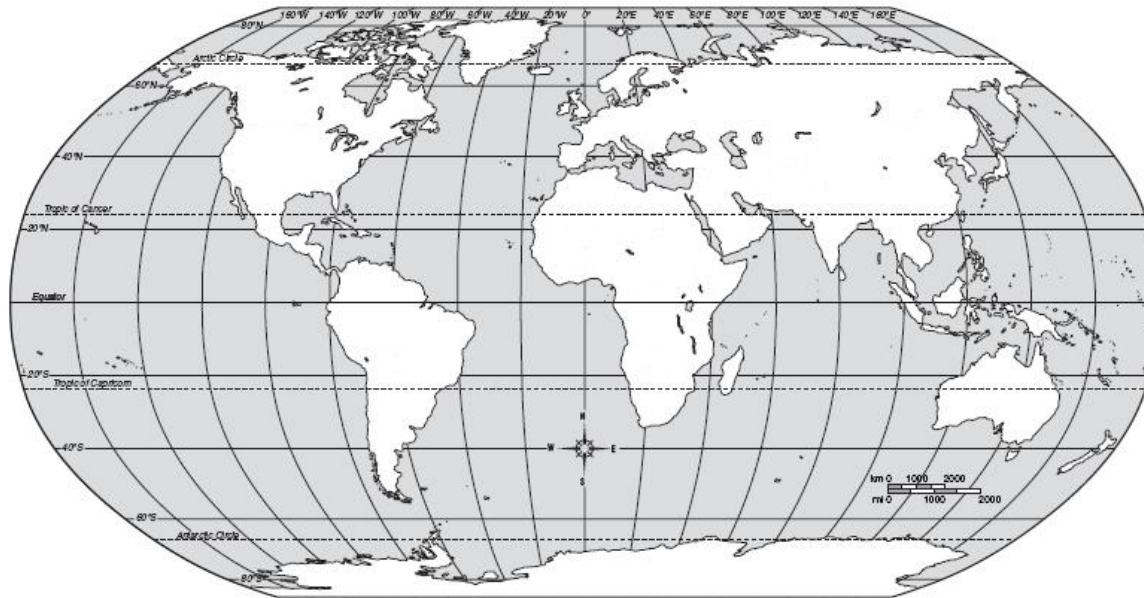
Korea



Japan



Australia





Position statement

“There are significant activities already started in the EU and around the world on this very important session topic of economics of privacy as it is a key element of assuring the marrying RTD and innovation.”

Economics of Privacy activities from around the globe

□ EU

- **“EU Social Networks and EU Research & Innovation Programmes” Workshop, Nov. 2010**
 - Group of EU social networks with representatives of all web-related industry sectors
 - Establishment of Steering Group on EU Competitiveness on the Web
 - Identify and remove bottlenecks and barriers to increase sustainable innovation
 - Draft document on bottlenecks identifies economics of privacy as a crucial topic to address
 - Consultation ongoing
 - See www.socialnetworksgroup.eu and www.webcompetitiveness.eu

- **FIA Ghent, Dec. 2010, session on “Privacy and citizenship” with sub - session on Economics of privacy**
 - Participation of EU Data Protection Supervisor
 - Views from policy, industry, legal and research communities
 - Need to strike a balance between privacy vs. innovation but not at the expense of fundamental rights of citizens.
 - Building the right data protection framework goes hand in hand with technological developments.
 - “Privacy by Design” highlighted with excellent projects and initiatives dealing with this: PRIME, PrimeLife, FIDIS, ENDORSE, EnCoRe, Digital Enlightenment, Trust in the Digital Life, ...
 - See <http://www.future-internet.eu/publications/view/article/fia-ghent-report.html> pp. 31-40

- **OECD activities**
 - Round table on the Economics of Personal Data and Privacy: 30 Years after the OECD Privacy Guidelines, Paris, December 2010
 - OECD Conference -- The Evolving Role of the Individual in Privacy Protection: 30 Years after the OECD Privacy Guidelines, Jerusalem, October 2010
 - Links to these can be found at http://www.oecd.org/dataoecd/33/38/47144425.htm#Personal_Data

We are here



- **FIA Budapest, May 2011, FIA session specifically on Economics of Privacy**



Economics of Privacy activities from around the globe

□ United States

- The Department of Commerce's Internet Policy Task Force – “Top Priority” and in 2010 has launched Privacy and innovation initiative for:
 - comprehensive review of the nexus between privacy policy and innovation in the Internet economy.
 - identify policies that will enhance:
 - (1) The clarity, transparency, scalability and flexibility needed to foster innovation in the information economy;
 - (2) the public confidence necessary for full citizen participation with the Internet; and
 - (3) uphold fundamental democratic values essential to the functioning of a free market and a free society.
 - <http://www.ntia.doc.gov/InternetPolicyTaskForce/privacy/privacyhome.html>
 - <http://www.commerce.gov/print/news/secretary-speeches/2010/05/07/remarks-privacy-and-innovation-symposium>
- US – EU, US – Swiss Safe Harbor framework
<http://www.export.gov/safeharbor/>
- Bi-lateral Internet and commerce and policy agreements with other countries India, Japan, China, Korea and others.



Economics of Privacy activities from around the globe

- **Korea (source: KISA - Korea Internet & Security Agency)**
 - **Korea's new data protection act**
 - A new full-fledged Data Protection Act has been promulgated (March 29, 2011), and will enter into force on September 30, 2011.
 - The new Act will cover data protection both in public sector and private sector and replace the existing Public Agency Data Protection Act in whole and the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc. in part.
 - **Major changes**
 - All data controllers, regardless of whether or not they are in public or private sector, will be regulated by the new Act.
 - The Data Protection Commission, composed of 15 members including one chairperson and one standing commissioner, will be established under the Presidential Office.
 - Standardized security safeguards will be formulated to protect personal data in the course of collection, use, transfer to a third party, and destruction .
 - Visual data gathering devices like CCTV shall be installed in public places only for the purpose of prevention of crime.
 - Data breach notification to the affected data subjects will be compulsory.
 - Personal Information Dispute Mediation Commission will be installed to cover both the public and private sector disputes
 - **Economics of privacy**
 - **Project title: Estimating Economic damages from Personal data breaches**
 - **This project was carried out in Year 2008 by KISA.**
 - **Background: Personal information data breaches by unauthorized access, mistakenly disclosure or stolen become more frequent and the scale of the economic damages of such incidents is growing. However, there had been no formal approaches for assessing economic damages of personal data security breaches.**
 - **Object: This research was to present a framework to analyze economic impact of personal data security breaches and develops formula for each element to empirically calculate the economic damages. In addition, annual economic damages of Korea was compared with that of Japan to develop some implications.**
 - **The economic damages consisting of cost for recovering from incidents, cost for loss of productivity, and cost for potential indemnity were evaluated.**



Economics of Privacy activities from around the globe

□ Canada

- **IPC: Office of the Information & Privacy Commissioner of Ontario is very active in development of Privacy by Design (PbD). Examples:**
 - in late-October 2010, an International Resolution was unanimously passed at the International Data Protection and Privacy Commissioners' Conference recognizing *PbD* as, "an essential component of fundamental privacy protection."
 - in December 2010, the U.S. Federal Trade Commission made adopting the *PbD* approach the first component of their framework for addressing the commercial use of consumer data.
 - Co-Author of number of relevant white papers:
 - **The Roadmap for *Privacy by Design* in Mobile Communications: A Practical Tool for Developers, Service Providers, and Users**
 - » <http://www.ipc.on.ca/images/Resources/pbd-asu-mobile.pdf>
 - **Privacy Externalities, Security Breach Notification and the Role of Independent Oversight** – prepared for Eighth Workshop on the Economics of Information Security, UCL, London, June 2009
 - » Update on book by Ann Cavoukian, Ph.D., *The Privacy Payoff* (McGraw-Hill, 2002)
 - » Describes pivotal role of the IPC *in achieving socially-optimal, positive-sum outcomes for all stakeholders through Privacy by Design*
 - » Workshop web site: <http://weis09.infosecon.net/index.html>
- **Have been active within the EU activities – eg. INCO-Trust, RISEPTIS events, Trustworthy ICT event 2010, León, Spain.**



Economics of Privacy activities from around the globe

□ Australia

- **Official endorsement of PbD :**
 - Federal Govt considers draft Australian Privacy Principle 1 (open & transparent management of personal information) for new Privacy Act as ‘part of international moves towards a “privacy by design” approach’
 - “Cloud computing has the potential to be privacy enhancing”: Privacy Commissioner of Australia in speaking to the annual conference of the International Association of Privacy Professionals, Australia and New Zealand (iappANZ) in Sydney in Nov 2010.
 - PbD approach taken to design of Individual Health Identifier for all Australians created last year and embedded into Concept of Operations of a Personally Controlled eHealth Record currently out for public consultation & to be implemented by 1 July 2012
 - PbD seen as essential for consumer acceptance of smart meters: “Maximising Consumer Benefits” paper prepared for Smartgrid Australia.