Building Trust in the Data Driven Economy

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Data Driven Economy: Potential Benefits and Risks

- Areas benefitting from data
  - Agriculture
  - Manufacturing
  - Disaster response
  - Independent living in aging societies
- Risks
  - Barriers to data flow
  - Lock in, other harms to competition
  - **Loss of consumer trust**

Consumer Trust

- **Trust:** expectation of protection in presence of risk or uncertainty

- Trust in data driven economy is fragile
    - Privacy, data security are main threats to consumer trust

Data Security Challenges

- Risk of financial harm
- Loss of individual privacy
  - Health information
  - Location
  - Home/family activities
- Internet of Things
  - New sources of detailed, sensitive information
  - Are manufacturers focusing on data security?

Health and Other Sensitive Information

- Fitness, public health benefits from consumer-generated health information

- Strong privacy, data security protections needed to realize these benefits

Discrimination and Unethical Data Practices

- Data broker groupings: race, ethnicity, family status

- Not permissible considerations in housing, employment, credit

- Other contexts
  - Clear potential for discrimination
  - Law not well developed

Improving Data Security

- Meets basic consumer expectations – like electricity being on

- Security goals for Internet of Things
  - Secure by default
  - Consumer-friendly, usable interfaces

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Improving Individual Control

- Trusted relationship can't exist if one side has no control and information is highly asymmetric

- Control needed even without direct consumer-company relationship

- Can have meaningful control **after** data collection

Focus on Building Consumer Trust Across the Globe

- Japan

- APEC economies

- European Union

- United States

Ethical Data Practices

- All companies need to be aware of potential discrimination by algorithm

- Accountability (e.g., review boards) needed to identify problems

- Fine line between valuable personalization and harmful discrimination