

Privacy: What are we actually talking about? – A multidisciplinary approach

Philip Schütz, PhD Candidate
and Michael Friedewald, Fraunhofer ISI

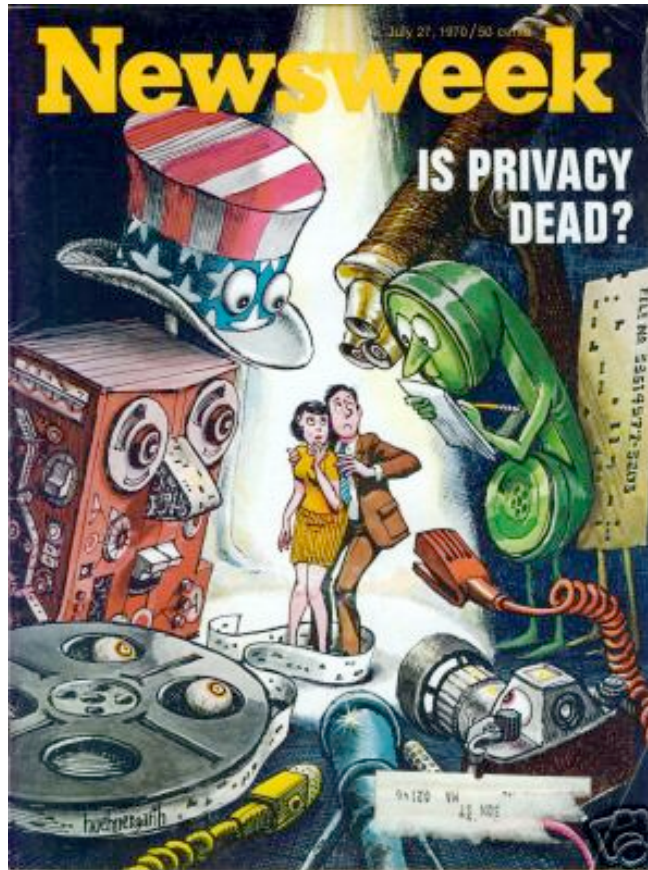


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At a glance

- 1 Introduction
- 2 The different perspectives
 - Ethical dimension
 - Social perspective
 - Economic aspects
- 3 Conclusion

Old or new topic?



July 1970



September 2008

Challenging privacy

“You have zero privacy anyway, get over it.”

Scott McNealy (former CEO of Sun Microsystems) at a press conference in 1999



"If you have something that you don't want anyone to know, maybe you should not be doing it in the first place."

Erik Schmidt (Google CEO) in an interview on CNBC in December 2009

“People have really gotten comfortable not only sharing more information and different kinds, but more openly and with more people.”

Mark Zuckerberg (CEO of Facebook) at the Crunchie awards, San Francisco, in 2010



Ethical dimension

Why do we consider privacy as something worthy to protect?

- Biological arguments
 - Territorial behaviour and avoidance of overcrowding

- Anthropological perspective
 - Privacy as a “cultural universal”

- Psychological aspects
 - Safety valve function

- Feminists’ perception
 - Instrument of power from men over women



Ethical dimension

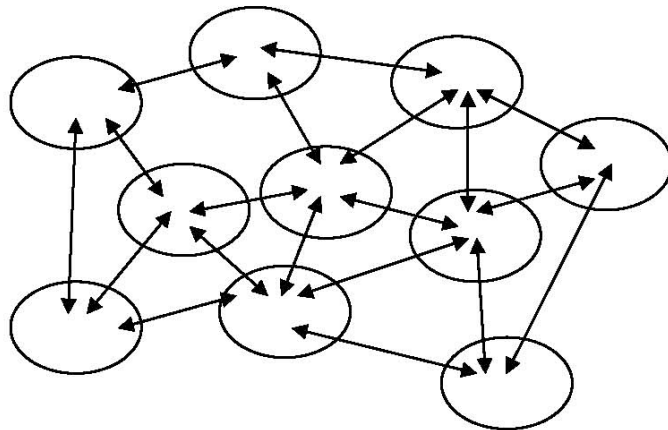
- Religious influence
 - Private realm as a sacred place

- Liberalism
 - Privacy as a negative (defensive) and positive right

Social perspective

Is there a social value to privacy?

- Dichotomy between private and public
 - Zero-sum game
- Schoppenhauer's hedgehog's dilemma
 - Hobbes' *homo homini lupus* and Aristotle's *zoon politicon*



- Conflicting values
 - Privacy vs. national security; privacy vs. transparency
- Balancing processes
 - Testing of a legitimate end, suitability, necessity and proportionality

Social perspective

- Pursuit of the greater good
 - Danger of Tocqueville’s *tyranny of the majority*

- “Dark side” of privacy
 - Shields terrorists and other criminals from being discovered



Economic aspects

What is there to gain or lose from privacy?

- Actor-centred approach
 - **Privacy Protector (PP)**
 - Dual Choice Model: “Giving away” or “Retaining Privacy”
 - **Information Collector (IC)**
 - Options of action involve the collecting, aggregating, storing and processing of personal data, the reaction to privacy breaches as well as the deployment of PETS

Economic aspects

Cost-benefit matrix of the **PP**

	Costs for the PP	Benefits for the PP
Giving away privacy	<ul style="list-style-type: none"> • Annoyance through unsolicited advertisement • Uncomfortable feeling ("chilling effects") • Embarrassment • Hard-to-anticipate long-term risks 	<ul style="list-style-type: none"> • Convenience and habit • Small, often material rewards • „Positive“ price discrimination • Free Internet services
Retaining privacy	<ul style="list-style-type: none"> • „Negative“ price discrimination • Isolation • PETs 	<ul style="list-style-type: none"> • Solitude (being a space for emotional release and self-reflection) • Less fear to make mistakes (fostering creativity and innovative thinking)

Cost-benefit matrix of the **IC**

	Costs for the IC	Benefits for the IC
Collecting/ aggregating/storing/ processing data	<ul style="list-style-type: none"> • Material and personnel costs • Property rights • Information security • Risk of overinvestment 	<ul style="list-style-type: none"> • Understanding of purchase behaviour • Better exploitation of market opportunities • Effective personalised advertising • Selling of data to third parties
Privacy breaches	<ul style="list-style-type: none"> • Repairing or changing the system where the breach occurred • Stopping or slowing down business processes • Fines, compensations, torts or other liabilities • Loss of existing customers • Impact on the firm's value • Harm to trust relationships • Loss of reputation 	
PETs	<ul style="list-style-type: none"> • Development, rollout, management and maintenance 	<ul style="list-style-type: none"> • Client satisfaction • Complying with EU privacy directives • Establishing trust • Potential contribution to the competitive position and a market advantage • Improvement of the quality of information

Conclusion

- Overlaps
 - Intrinsic value of privacy and the need of balancing

- Synergetic effects
 - Ethical aspects as a complement to the economic perspective

Thank you for your attention !

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Contact:

Philip Schütz

Dr. Michael Friedewald

Fraunhofer Institute for Systems and Innovation Research

Breslauer Straße 48, 76139 Karlsruhe, Germany

Phone: +49 721 6809-146

Email: philip.schuetz@isi.fraunhofer.de

michael.friedewald@isi.fraunhofer.de

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