

# DAIMLERCHRYSLER

## Current challenges for data protection in the world economy

Prof. Dr. Alfred Büllesbach

## Social changes

- New orientation in the society: Focus on knowledge management and the need to guarantee the quality of information to cope with overwhelming amount of information
- Development and application of new information and communication technologies lead to challenges for data protection in the industry and for the state
- Increasing awareness and sensitivity among the people
- More attention and sensitivity for issues linked with data protection as a consequence of the legislation concerning terrorism after 09-11-2001

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## Data protection in times of globalization of the economy and society

- Globalization and convergence of data protection as a consequence and a condition for the acceptance of a worldwide establishment of data protection
- Self-regulation as an adequate and flexible means of regulation in data protection law
- Data protection as a part of consumer's protection in business relations and as a part of quality management
- **International harmonization of principles of data protection in order to enable international data transfers in global markets**

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## Transborder data flow in the world economy

### → Aim: Internationally coordinated legal conception

- Worldwide similar valuation criteria for data flows
- Minimizing obstacles for transborder data flows

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## Different approaches in the legal conceptions

### APEC-/OECD-principles ↔ EU-Data Protection Directive

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| <ul style="list-style-type: none"> <li>■ Non-binding principles</li> <li>■ Possibility to apply the principles in total or only in parts</li> <li>■ No specific requirements for the implementation with regard to the national regulatory approach</li> </ul> | <ul style="list-style-type: none"> <li>■ Directive is binding for the 25 member states</li> <li>■ Complete implementation into national law is necessary</li> <li>■ Implementation requires a comprehensive regulatory approach</li> </ul> |
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## The current situation in Europe (I)

- The data protection Directive has almost completely been implemented in all member states and thereby has created a common legal basis
- Efforts of harmonization carried out until now show the desired effects and have proven worthwhile; yet there remain practical problems especially due to the different administrative requirements in the EU member states
- Data protection is established as a fundamental right in the EU-Charter and the draft version of the EU-Constitution

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## The current situation in Europe (II)

- Recognition of self-regulation measures as a means to create an adequate level of protection:
  - Safe Harbor Principles
  - Contractual clauses
  - Codes of Conduct:
    - The data protection authority of the "Bundesland" Berlin has presented the DaimlerChrysler Codes of Conduct to the working group of the national data protection authorities of the EU states.
    - On 28.05.2004 the French data protection authority (CNIL) was assigned by the committee to coordinate the approval procedure for the DaimlerChrysler Group in all EU member states.

## The current situation worldwide

- The current state of data protection regulation: Most states in the world have different data protection regulations (comprehensive data protection laws, sector-specific regulations, self-regulation)
- Approaches of harmonization:
  - Some states use the EU-Directive as an orientation for their national legislation (e.g. Japan, Canada, Argentina, New Zealand)
  - Other states base their legislation on the OECD-Guidelines (also see draft version of APEC-Guideline))

## New challenges for the world economy (I) → Anti-terrorism-laws as a special problem

- New dangers for global companies due to an increased transborder access for secret services to data of companies providing financing, telecommunication, mail or travelling services; e.g. economic espionage with regard to trade secrets and company strategies
  - Problems linked to the implementation of new legal obligations, e.g. respecting the lists of persons of the UN or the EU-decrees
- New dimensions of data protection risks for employees and customers due to transfer or control duties that diminish the level of protection set out in the company regulations.

## New challenges for the world economy (II) → Growing density of regulations

- „Blind spots“ on the data protection map become less. A growing amount of data protection laws is to be observed. Particularly in the details the data protection legal situation becomes more and more heterogeneous.
- Increasing expenditure for global companies to comply with all regulations.

## New challenges for the world economy (III): → Increasing interconnection between data sources

- Convergence of information and communication technologies enables worldwide networking and standardization
  - Marketing and sales idea: systematic structuring of the markets
  - Using existing data sources to categorize customers for the purpose of CRM (e.g. scoring-procedure, data mining)
- Growing significance of international data transfers and centralized data storage

## New challenges for the world economy (IV): → Mechanization of Everyday Life

- Ubiquitous Computing
  - RFID and Mobile Devices
  - Magnetic Random Access Memory (MRAM)
  - Ambient Intelligence (personalized configuration of environments)
- Increasing need for a configuration of technologies that gives consideration to data protection
- Need of education concerning new potentials in monitoring and new dangers for privacy

**New challenges for the world economy (V):**  
**➔ New models of economy**

- Shortage of money results in the development of new models of economy and co-operation
  - Value-added services are made available as an additional sources of revenue
  - Local factors of identification gain importance within the global competition
- ➔ Intense use of customer data, overlapping different branches and companies
- ➔ Personalized relationship between customers or employees and the company

**New challenges for the world economy (VI):**  
**➔ Different options to react**

- Creating an internationally accepted data protection basis for the global economy
  - ➔ International coordination and cooperation, elaboration of international standards (e.g. by the world conference) for the recognition and acceptance of self-regulation measures, such as Codes of Conduct.
- Giving effect to data protection by consequent and voluntary implementation of data protection principles and international data protection standards
  - ➔ Integration and implementation of data protection principles in projects throughout the worldwide economy

**Tasks for global companies**

**Our challenges:**

- Expectations and demands of our customers
- Growing sensitivity of our customers
- Heterogeneous data protection regulations
- Data protection in transborder data flows
- Adequate data protection level in the company
- Corporate identical image in the competition
- Integrative data protection and data security management

**Our solutions:**

- ➔ Global approach
- ➔ Adequate data protection level by means of self-regulation
- ➔ Data protection is a qualitative and a competitive advantage
- ➔ Internal data protection organization
- ➔ Internal Law Enforcement
- ➔ Integration of data protection and data security in the products and services

**Our maxim:**

