
THE EUROPEAN PERSPECTIVE IS DATA PROTECTION VALUE FOR MONEY?

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Summary

1. Background
2. Elements of Cost
3. Balancing costs with benefits
4. Conclusions

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Background

Developments affecting Europe -



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Elements of Cost

| TANGIBLE | INTANGIBLE |
|-----------------------|-----------------|
| Supervisory Authority | Competitiveness |
| Notification Fees | Sharing of data |
| Compliance | Bureaucracy |
| Subject access | |

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Costs versus Benefits

- Compliance with the Principles
- Respecting rights of data subjects
- Administration of notifications
- Trans-border data flows
- Functions of supervisory authority

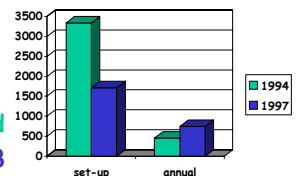
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COMPLIANCE - costs

UK estimates of
the compliance
costs (in €m)

- 1994 - before
Directive published
- 1997 - after 1998
Act drafted



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COMPLIANCE - benefits

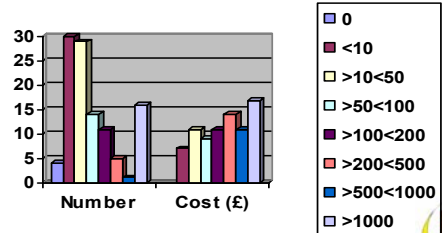
- Better staff relations
- Better customer relations
- Fewer complaints
- Greater efficiency
- International business opportunities

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INDIVIDUAL RIGHTS

The provision of Access
Subject access requests in UK



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INDIVIDUAL RIGHTS

Benefits:

- A fair, just and open society
- Greater confidence amongst citizens
- More trust in use of e-commerce
- Marketing advantage of enhanced consumer protection

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NOTIFICATION

COSTS

- Notification fee
- Administrative effort to collect and maintain information about processing

BENEFITS

- Improved awareness
- Better organisation
- Reduced incidence of minor enquiries

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DATA TRANSFER

Economic impact:

- Facilitate trade within EEA
- Inhibit trade with non-adequate territories
- Only 10% of organisations within EU transfer data outside EEA

But:

- Pressure on Third Countries to comply

OR:

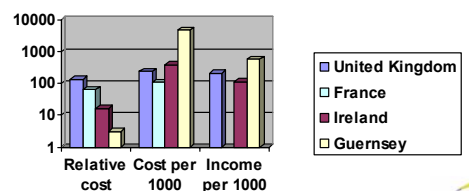
- Pressure on EU to weaken protection?

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SUPERVISION

Costs and Incomes from Supervision



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SUPERVISION

Benefits:

- Independence of government enables regulation of public sector
- Improve public confidence and trust
- Enforcement and resolution without recourse to courts

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SUMMARY

- LIMITED DATA ON COSTS OF PRIVACY REGULATION
- BENEFITS ARE MOSTLY INTANGIBLE, BUT UNIVERSALLY RECOGNISED
- TENSION BETWEEN VOLUNTARY [WEAK] REGULATION AND STATUTORY [STRONG] REGULATION

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CONCLUSION

"Strengthening the trust framework, including information security and network security, authentication, privacy and consumer protection, is a prerequisite for the development of the Information Society and for building confidence among users of ICTs. A global culture of cyber-security needs to be promoted, developed and implemented in cooperation with all stakeholders and international expert bodies.."

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CONCLUSION (2)

"...These efforts should be supported by increased international cooperation. Within this global culture of cyber-security, it is important to enhance security and to ensure the protection of data and privacy, while enhancing access and trade. In addition, it must take into account the level of social and economic development of each country and respect the development-oriented aspects of the Information Society."

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**Are the costs
[of the European model]
balanced by their
benefits?**

