

Lack of Trust in the Use of Personal Data Threatens to Undermine Digital Economy

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- New World Economic Forum report, [Rethinking Personal Data: Strengthening Trust](#), examines the impact of trust on personal data use and its potential to drive economic and social value creation
- In today ' s hyperconnected world, trusted data flows are vital for a long-term, balanced ecosystem
- The report offers a range of recommendations to bolster trust in personal data usage
- More information on the Forum ' s work on personal data can be found <http://www.weforum.org/personaldata>

Geneva, Switzerland, 16 May 2012 – The lack of trust in how personal data is protected and used has the potential to jeopardize the economic and social value of this important asset class, according to a new World Economic Forum report released today. [Rethinking Personal Data: Strengthening Trust](#), developed in collaboration with The Boston Consulting Group, explores how the use of personal data can unlock value for governments, organizations and individuals.

The report highlights that trust is declining given numerous high-profile data security breaches, rampant identity theft, a general lack of transparency in how personal data is monetized, and an absence of globally harmonized policies for privacy and the use of data. With the Internet economy of the G20 estimated to nearly double to US\$ 4.2 trillion by 2016, its growth could be constrained if the flow of personal data is overly restricted. Areas that could be affected include financial services, healthcare, online retail and marketing, social media and others.

The report addresses the following important questions:

- Who owns personal data?
- How do we protect individual privacy?
- How should rules for using personal data be established and what is the role of context in setting permissions?
- How should organizations that use personal data be held accountable, both for securing data and for adhering to the agreed upon rules?
- What is the role of regulators given the global flow of personal data?

Built upon findings from the Forum ' s 2011 report [Personal Data: The Emergence of a New Asset Class](#), the new report notes that in today ' s hyperconnected world, companies, governments and individuals all face challenges of unprecedented size, speed and complexity.

“ The borderless flow of personal data requires individuals, business leaders and policy-makers to all coordinate in innovative ways to unlock its long-term value, ” said Alan Marcus, Senior Director of IT and Telecommunications at the World Economic Forum. “ Critical to these new models will be their ability to hold stakeholders accountable through principle-based policies. ”

The use of personal data can create enormous value by identifying new efficiencies, understanding how to quickly respond to crisis situations and empowering individuals to more effectively engage in social, commercial and political activities.

“ Appropriate use of personal data can lead to the creation of new forms of economic value, as the recent valuations of companies that collect and utilize personal data would suggest. And it can foster significant social value, benefiting industry, individuals and governments alike, ” said John Rose, Senior Partner and Managing Director at BCG. “ But, data is an asset that needs to flow to create value, and that requires trading rules that balance the interests of all stakeholders. ”

To ensure this opportunity is fully addressed, the report suggests the need to:

- Upgrade Protection and Security – Focus on how to protect privacy and secure personal data against intentional and unintentional security breaches and misuse
- Agree on Rights and Responsibilities for Using Data – Establish consensus on rights, responsibilities and permissions for using personal data in ways that recognize the importance of context and the need to balance the interests of all relevant stakeholders
- Strengthen Accountability and Enforcement – Hold organizations accountable for protecting and securing personal data and using it in accordance with the rights and established permissions for the trusted flow of data

[Rethinking Personal Data: Strengthening Trust](#) is a part of the World Economic Forum ’ s Rethinking Personal Data project. This multi-year initiative brings together private companies, public sector representatives, end-user privacy and rights groups, academics and topic experts to deepen the collective understanding of how a principled, collaborative and balanced personal data ecosystem can evolve. Insights for this report were based on an extensive set of global discussions by a community of experts and practitioners. It examines multiple perspectives from a variety of stakeholders and geographies.

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