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Online privacy matters

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ONLINE PRIVACY MATTERS

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How much are you willing to pay for online privacy? Is regulation the only way to keep your data from being misused?

In the recent SMU Presidential Distinguished Lecturer Series event, “A World Without Secrets”, Professor **Alessandro Acquisti** of Carnegie Mellon University raised the idea that people must not care about privacy so much because they are online all the time. The argument, says Acquisti, was that people know they leave their data and digital footprints all over the internet via myriad devices, but they do it anyway.

The counter argument, however, posits that privacy is a modern invention – an historical anomaly that came about from the Industrial Revolution, a departure from days of yore when everyone knew everyone else in a village. Now that the internet is connecting everybody across the globe, it is merely a bigger village and humans are behaving the way they always have with regard to privacy.

“If it’s a modern invention, and we are merely returning to the original state, we shouldn’t worry,” Acquisti says. “This is the importance of framing because by telling you that privacy is a modern invention, it makes you rethink whether privacy is important.”

THE PRICE OF PRIVACY

Privacy, Acquisti points out, is not a modern invention. The Torah includes a concept of *hezek reiyah* which forbids having a window overlooking a neighbour’s backyard because it is an invasion of space. Similar laws can be found in ancient Greece, while the nomadic Tuareg people of Northern Africa permits girls to take as many lovers as they wished before marriage on condition that secrecy is maintained.

In the modern context of data privacy, Acquisti emphasised how the framing of privacy changes the value one puts on it. In an experiment to illustrate the endowment effect, Acquisti ran an experiment at a shopping mall where one group of shoppers were given a debit card with a $10 value while another were given one with $12. The $10 card could be spent anonymously, but those with the $12 card needed to register themselves before using it, thereby allowing their spending behaviour to be tracked.

"Privacy is extremely contextual. We cannot conclude that people don’t care about privacy simply by observing their revealing their information online. It depends on the framing."

When asked if they would be willing to swap their $10 cards for a $12 card, 52 percent did so even though it meant giving up some privacy. On the other hand, when asked to give up their $12 card for the $10 card – and gaining some privacy – only nine percent did so.

The experiment illustrated the endowmen effect that people ascribed more value to things merely because they own them. Half of those who started with the $10 card and anonymity were willing to give it up for $2 more. For those who started with $12 and no anonymity, only nine percent were willing to give up $2 to gain the anonymity they started without.

“There was absolutely no difference whatsoever in terms of the alternatives,” Acquisti explains. “The participants were facing the same two choices: $10 for less privacy or $12 for more privacy. The only difference was in the framing: do I want to get $2 by giving away my data? For the other group it was: do I want to give back $2 to protect my data?

“Privacy is extremely contextual. We cannot conclude that people don’t care about privacy simply by observing their revealing their information online. It depends on the framing, it depends on the infrastructure and the interface.”

MAINTAINING ONLINE PRIVACY: REGULATION NECESSARY

In fact, people are instinctively protective of their privacy. Acquisti describes another experiment where subjects divulge revealing information about themselves on a computer in an enclosed room. Subjects had little trouble doing so when they were alone but when they see someone approaching, they stopped doing so. Similar behaviour was also observed when auditory or olfactory stimuli were introduced to suggest that they were not alone.

The conditions of being alone and devoid of sensual stimuli is similar to that of being online, Acquisti asserts, and could be a reason why people are apparently unconcerned about privacy when surfing the internet.

“We are really good at managing privacy offline,” Accquisti says. “We naturally know how much to reveal about ourselves when we are out for dinner, or how loudly or softly we should talk. Online, we don’t see Facebook monitoring us. We don’t hearing Google tracking us. We don’t smell the data industry keep tabs on us. There aren’t any sensorial inputs that could trigger privacy-sensitive behaviour.”

Is regulation, therefore, the only way to maintain privacy online?

“Regulation may be a necessary evil,” Acquisti concedes. “It may be too rigid, and could impede technological innovation. On the other hand, it may be necessary because in the absence of regulation, I don’t believe that market interaction will lead to data privacy.

“I’m not saying privacy has to be protected. I instead ask: Should we protect privacy? It’s a different question from: If data should be protected, how should we do it? Often we confuse these two questions, and it’s dangerous.”