The Promise of Fair Data Economy

Data Worth Millions

19 06 2019 Jaana Sinipuro @jsinipuro
# Sitra by the figures

<table>
<thead>
<tr>
<th>Investments by the Finnish State</th>
<th>Market value of endowment capital</th>
<th>Founded in 1967</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972: 16.8 M€</td>
<td></td>
<td></td>
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<tr>
<td>1981: 16.8 M€</td>
<td></td>
<td></td>
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<tr>
<td>1992: 16.8 M€</td>
<td></td>
<td></td>
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<tr>
<td><strong>84.1 M€</strong></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual budget</th>
<th>Average return in 2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30-40 million euros</td>
<td><strong>7.7%</strong></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>159 employees in 31 Dec. 2017</td>
<td><strong>66 %</strong></td>
<td><strong>34 %</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher education</td>
<td><strong>89 %</strong></td>
<td><strong>11 %</strong></td>
</tr>
</tbody>
</table>
### SITRA’S CONTRIBUTION FOR FINLAND’S EU PRESIDENCY

<table>
<thead>
<tr>
<th>Transformation to a carbon neutral circular Europe</th>
<th>Europe as a forerunner in a fair data economy</th>
<th>A welfare economy with impact investing</th>
</tr>
</thead>
</table>

**What’s in it for the EU?**

- **Opportunity to promote sustainable growth** with a cross-cutting approach
- **Brings** EU-countries and different political groups **together** – themes have broad approval
- Supports developing far-reaching effectiveness for European actors and **opens global opportunities**
Our project aims to build the framework for a fair and functioning post-GDPR data economy.

The main objectives are to test and create a common concept for data sharing and to set up European-level rules and guidelines for the human-driven use of data.
Enabling innovation and new services

**Example FINANCE**
Insurance tailored to your life situation and lifestyle.

**Example TRANSPORT**
A service that optimises your travel time, route and carbon footprint.

**Example MEDICAL**
A child’s diabetes monitoring service enables parents to exchange care info with people involved in the child’s care at home, at school and at care facilities.
Europeans attitudes towards the use of personal data

42% of Europeans say that lack of trust towards service providers is preventing them from using some digital services.

66% of Europeans think that it should be possible to identify services that use data in a fair way.

Survey: Europeans attitudes towards the use of personal data
What is Europe's role in the digital platform economy?

- **USA**: 66%
- **CHINA**: 30%
- **EU**: 3%

60 platform companies worth **7 TRILLION USD**

Source: Dr. Holger Schmidt, TU Darmstadt, 1H2018
## Evolution of data economy

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal data</td>
<td>Also external data</td>
<td>Sharing of data</td>
<td>Data based services</td>
</tr>
<tr>
<td><img src="image1.png" alt="Diagram" /></td>
<td><img src="image2.png" alt="Diagram" /></td>
<td><img src="image3.png" alt="Diagram" /></td>
<td><img src="image4.png" alt="Diagram" /></td>
</tr>
<tr>
<td>Mostly process optimization</td>
<td>Forecasting, market information</td>
<td>Information sharing within ecosystem – Amazon analytics for merchands</td>
<td>Data sharing over ecosystem boundaries – Open banking</td>
</tr>
</tbody>
</table>
Roadmap to fair data economy

1. Make current regulation work
   - Focus on adoption of existing regulation
   - Facilitate portability with APIs
   - Monitor

2. Lead by example (Public sector)
   - Voluntary compliance of governments with data portability requirements
   - Promote portability in public funding and procurement
   - Public sector should use its’ position to open markets

3. Build ecosystems
   - Support service creation
   - Support innovations
   - PPP

4. Develop infrastructure
   - Support interoperability tools
   - Support standardisation

5. Fair data economy awareness
   - Public debate about the fair data economy
   - Education on digital rights
   - Fair data economy label
   - Create a new institution to support innovations and fair data economy

Source: A roadmap for a fair data economy - Policy Brief
HOW DO COMPANIES SEE THE DATA ECONOMY?

A sneak peek an uropean business survey
Definition of Fair Data Economy

Different market actors exist in joint ecosystems to have access to diverse data through data sharing (and individuals consent).

The parties in the ecosystem ensure usability and optimal utilisation of data, as well as create new applications and services based on them.
European business survey

- Objective is to understand
  – the level of **comprehension, attitude and commitment** to data economy and its business potential in European companies
  – whether an idea of a new data economy model based on “fairness” i.e. consumer consent, data sharing in ecosystems, as well as common rules and guidelines, resonates with business

- Major corporations and SME companies in **Finland, France, Germany and The Netherlands** (n = 1667)

- Launch of survey in full in September 2019
  – Analysis, findings and recommendations
  – Business event coming up
<table>
<thead>
<tr>
<th>Proposition</th>
<th>The Netherlands</th>
<th>Finland</th>
<th>Germany</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharing data with other organisations is a good thing</td>
<td>3.49 / 3.32</td>
<td>3.49 / 3.08</td>
<td>3.29 / 3.11</td>
<td>3.50 / 3.33</td>
</tr>
<tr>
<td></td>
<td>-0.17</td>
<td>-0.41</td>
<td>-0.18</td>
<td>-0.17</td>
</tr>
<tr>
<td>It is good that using personal data needs consent</td>
<td>3.59 / 3.32</td>
<td>3.86 / 3.71</td>
<td>3.68 / 3.45</td>
<td>4.02 / 3.80</td>
</tr>
<tr>
<td></td>
<td>-0.27</td>
<td>-0.15</td>
<td>-0.23</td>
<td>-0.22</td>
</tr>
<tr>
<td>One needs to strive for consumer trust</td>
<td>3.62 / 3.43</td>
<td>4.18 / 3.97</td>
<td>3.74 / 3.59</td>
<td>3.98 / 3.81</td>
</tr>
<tr>
<td></td>
<td>-0.19</td>
<td>-0.21</td>
<td>-0.15</td>
<td>-0.17</td>
</tr>
<tr>
<td>The respect for individuals’ privacy must come first – even at the cost of consumer experience</td>
<td>3.61 / 3.24</td>
<td>3.92 / 3.75</td>
<td>3.87 / 3.63</td>
<td>4.20 / 3.84</td>
</tr>
<tr>
<td></td>
<td>-0.37</td>
<td>-0.17</td>
<td>-0.24</td>
<td>-0.37</td>
</tr>
<tr>
<td>There needs to be ethical rules for using and gathering data</td>
<td>3.84 / 3.68</td>
<td>4.10 / 3.86</td>
<td>3.85 / 3.67</td>
<td>3.95 / 3.76</td>
</tr>
<tr>
<td></td>
<td>-0.16</td>
<td>-0.24</td>
<td>-0.19</td>
<td>-0.19</td>
</tr>
<tr>
<td>User terms and conditions need to be customer-friendly</td>
<td>3.82 / 3.61</td>
<td>4.07 / 3.75</td>
<td>3.84 / 3.66</td>
<td>4.04 / 3.82</td>
</tr>
<tr>
<td></td>
<td>-0.21</td>
<td>-0.32</td>
<td>-0.19</td>
<td>-0.23</td>
</tr>
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Main Outcomes

- The principles of fair data economy is seen positively and gets backing
  – In all countries 3,8-3,9 out of 5,0

- “Sharing data with other organisations is a good thing”
  – possibly a bottle neck as only 15% of respondents strongly agree

- The biggest gap is in respecting the consumers’ privacy at the cost of customer experience
  – may indicate that implementing fair data economy principles is not only beneficiary to the companies. However, the gap is moderate (0,29)
RULEBOOK
Need for Data Ecosystem Rulebook

- Ecosystem Rulebook is the founding document that members of a data ecosystem sign to adhere to.
- Rulebook helps the ecosystem orchestrator to create the rulebook together with its ecosystem partners.
- Rulebook template contains a set of control questions that drive the results to fill the rulebook section by section:

1. Business
2. Technical
3. Legal
4. Data
5. Ethical
Maintaining **trust** – Europe’s biggest opportunity

*Europe’s biggest opportunity, however, may be political and regulatory rather than technical...*

Source: *The Economist*, Big Data, small politics – Can the EU become another AI superpower?
How to Own the World?

- Owning the IDENTITY
  [”Integrity is a luxury for those who can afford it”]

- Owning our TIME and PLACES where we talk
  [Middlemens, sousveillance]

- Being the LINK between the PEOPLE
  [”FB is becoming a phone book of the world”]

Andreas Ekström LIVE from #GartnerSYM: Seven Ways to Own the World https://youtu.be/qbCPFVfr8Io
JOIN THE DATA REVOLUTION