

Technology Has Created Much More Privacy Than It Has Destroyed. Let's Keep It That Way

DAVID MOSCHELLA | FEBRUARY 2022

Defending Digital Series, No. 2: Policymakers are well aware of the privacy risks that come with modern digital technologies, but they largely ignore the many important ways that the Internet and smartphones build privacy into our everyday lives.

OBVIOUS BENEFITS, RARELY MENTIONED

That technology is destroying individual privacy is one of the few things the Washington world seems to agree on. Policymakers and media across the political spectrum warn of a future where faces are identified; movements, actions, and thoughts are tracked; personal data is used and sold in byzantine ways; data is retained forever; algorithms are manipulative; profiling is discriminatory, and targeting intrusive, all in the name of making money. China shows us what a surveillance state could look like. It's scary stuff.

But although there are many legitimate concerns in these and other areas, the ways in which digital technology has increased our privacy are so obvious that they are almost never mentioned. Yet when these benefits are stacked up against the downsides alleged above, the balance is clear. For the vast majority of Americans, information technology has created much more privacy than it has destroyed, at least so far.

Put simply, we often prefer to share our most sensitive information interests and needs with distant computers rather than nearby humans. We take a calculated risk that whatever Google, Amazon, Facebook, or others “know” about us is less likely to come back to haunt or embarrass us than the physical world alternatives. Thus far, with a few high-profile exceptions, this has been a winning bet. Consider the following 10 areas where digital technology builds highly valued privacy into our everyday lives.

1. **Health issues.** Before the Internet, how did we learn about diseases, symptoms, or conditions without going to see a medical professional? Sure, there were books and magazines, but we had very limited access to accurate, specific, and confidential medical information and advice.
2. **Gender and sexuality issues.** Many people are understandably reluctant to talk publicly about their situations, preferences, and problems, and history has demonstrated the limitations of receiving sex education from parents, friends, churches, schools, or similar

entities. Fortunately, technology has greatly increased both societal knowledge and individual privacy in these often highly sensitive areas.

3. **Legal issues.** Before the Internet, how did people inform themselves about issues such as indebtedness, bankruptcy, divorce, and child custody rights, or simply determine whether something is legal or not? Many people want to learn as much as they can before they hire a lawyer, but they'd rather not ask people they know. Technology provides both important information and greatly valued privacy.
4. **Values and beliefs.** Perhaps you want to determine the best way to participate in a protest, or check out a controversial organization, activity, or cause. Maybe you are considering changing your political, religious, or ethical beliefs. In many such cases, confidentiality is a high priority, and the Internet provides it.
5. **Shopping.** People don't use Amazon just for the convenience. Compared to traditional retail stores, the ability to go online and confidentially read about a product, see its reviews, purchase it, and have it delivered in a secure package is also of great value in areas such as health, nutrition, fitness, and entertainment, or just wanting to surprise someone with a gift.
6. **Reading, watching, and listening.** There are many books, magazines and journals that you might not want your fellow subway riders, family members, or friends and colleagues to see you reading, just as there are many videos you might not want to rent at a video store, or podcasts you might not want everyone to know you are listening to. Headphones, streaming videos, and eBooks effectively address these concerns.
7. **Work life.** Before email and cell phones, do you remember how awkward it was to cope with confidential family or other personal matters while at work? By enabling instantaneous and private communication, technology has helped countless people better balance their work and non-work obligations.
8. **Home life.** COVID-19 has demonstrated the importance of privacy even within our own homes—so that we don't overhear each other's conversations, Zoom calls, or entertainment. Individually owned keyboards, headphones, and screens are the building blocks of personal privacy, whether in computer, tablet, or smartphone form. Shared devices, although often necessary economically, are inherently less private.
9. **Social life.** Before the Internet, we mostly met potential partners through work, friends and family, or various organizations and activities. These options lacked privacy as others were inevitably curious about how a date went, and if a relationship ended badly, there was a good chance you might awkwardly run into that person sometime in the future. Online dating has fewer such problems.
10. **Anonymity.** As the bad behavior on Twitter proves every day, there are downsides to allowing people to use pseudonyms, but the ability to post comments anonymously is also liberating and can help hold corporations, governments, and other institutions accountable. In this sense, Internet anonymity enables private expression in much the same way that voting, donating, or whistleblowing anonymously do.

WEIGHING THE BALANCE

How should we compare these proven benefits to today's highly publicized privacy risks? There are at least five main dimensions to consider.

- **The numbers.** The 10 items above illustrate how modern information technologies provide substantial privacy benefits to just about every American who uses them. This translates to hundreds of millions of people in the United States, and billions worldwide. Although it is difficult to quantify the total number of U.S. citizens who have experienced material consumer privacy harm online, it seems clear that this figure is far lower, especially as online companies increasingly use algorithms instead of human moderators.
- **The intentions.** Most privacy benefits stem from the intended use of technology products and services: These offerings are doing what they were designed to do. In contrast, many privacy risks—identity theft, targeted scams, hidden surveillance, false information, objectionable profiling, and data breaches—stem from either misuse or outright illegal acts. The intended benefits will surely continue; the misuses can be corrected, particularly if privacy oversight focuses on intentional abuse, not routine activity.
- **The major players.** There is a tendency to treat Big Tech's impact on privacy in a monolithic way, but this is misleading. Companies such as Apple, Amazon, Microsoft, and Netflix mostly sell their products directly to their customers for a price, and thus are much less reliant on advertising revenues. In contrast, Alphabet (Google) and Meta (Facebook) rely heavily on selling targeted advertising services. This puts privacy concerns at the heart of their business model. Both companies have huge incentives to show that they can safely and effectively provide these services in an anonymized, but not personally identifiable manner.
- **The wider picture.** Although privacy watchdogs often see Google and Facebook as rich and tempting targets, they are only part of the vast consumer data industry. Credit card issuers, loyalty card programs, government records, data brokers such as Acxiom and Equifax, third-party apps, and countless specialized information and service providers all play important roles within the murky data-sharing ecosystem. Focusing just on Big Tech gets headlines, but it won't solve many privacy problems.
- **The present vs. the future.** The privacy benefits of digital technology have been greatly valued by consumers since the earliest days of the Internet and smartphone eras. In contrast, many privacy concerns are still somewhat speculative in nature. And while one can imagine an American version of a surveillance and social credit society, China's system only exists because the Chinese government wants it to. Presumably, the United States doesn't, and its courts and regulatory systems, along with consumer demands and expectations, should help it avoid any such Orwellian scenarios.

THE PRIVACY AGENDA GOING FORWARD

None of the above is meant to minimize the potential risks to individual privacy nor to today's complex privacy challenges. But policymakers should maintain a balanced and less alarmist perspective that recognizes collecting and using data is an important source of innovation and value—to individuals, organizations, and society as a whole. Calls to drastically cut back on such activities reflect a fundamental—and still unwarranted—pessimism about the future of technology and the information age.

That said, both American consumers and technology providers would benefit greatly from effective privacy policies and practices in areas such as: having national privacy standards instead of as opposed to state and local rules; establishing clear encryption policies; giving consumers the right to opt out of data collection and a process for correcting damaging and inaccurate misinformation; providing greater scrutiny of third-party data brokers, and putting in place more transparent and secure data usage, retention, and anonymization practices.

Addressing these issues requires smart policies, industry self-regulation, and more informed and empowered consumers. But we need to keep the bigger picture in mind. The public Internet is nearly 30 years old, and there have been warnings about the imminent loss of privacy during this entire time. Yet, thus far, technology hasn't reduced privacy; it has increased it. How can we keep it that way?

Here's one suggestion: Imagine if the next time the so-called "Big Tech" CEOs testify on Capitol Hill, the committee chairperson opens the hearing by saying, "We thank the technology industry for the many valuable forms of consumer privacy it has enabled so far, but there are a number of very important areas that we need to work on together..." We might have a much more productive privacy conversation.

About This Series

ITIF's "Defending Digital" series examines popular criticisms, complaints, and policy indictments against the tech industry to assess their validity, correct factual errors, and debunk outright myths. Our goal in this series is not to defend tech reflexively or categorically, but to scrutinize widely echoed claims that are driving the most consequential debates in tech policy. Before enacting new laws and regulations, it's important to ask: Do these claims hold water?

About the Author

David Moschella is a non-resident senior fellow at ITIF. Previously, he was head of research at the Leading Edge Forum, where he explored the global impact of digital technologies, with a particular focus on disruptive business models, industry restructuring and machine intelligence. Before that, David was the worldwide research director for IDC, the largest market analysis firm in the information technology industry. His books include *Seeing Digital – A Visual Guide to the Industries, Organizations, and Careers of the 2020s* (DXC, 2018), *Customer-Driven IT* (Harvard Business School Press, 2003), and *Waves of Power* (Amacom, 1997).

About ITIF

The Information Technology and Innovation Foundation (ITIF) is an independent, nonprofit, nonpartisan research and educational institute focusing on the intersection of technological innovation and public policy. Recognized by its peers in the think tank community as the global center of excellence for science and technology policy, ITIF's mission is to formulate and promote policy solutions that accelerate innovation and boost productivity to spur growth, opportunity, and progress. For more information, visit itif.org.