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Personal data on the web, social scoring that takes away freedom

In China a social scoring system is underway, gathering data available on digital platforms to be used by the Chinese regime to put its own citizens on blacklists. We need to pay attention to ensure that this instrument is not exported to other countries. The phenomenon was highlighted by the Nobel laureate Jean Tirole at this sixteenth edition of the Festival of Economics during the final event, entitled “Privacy in the Digital Era”. For Tirole, in the face of worrying technological developments such as social ratings “we must not give up on our digital future, but rather face up to the challenges of creating a system of intelligent rules that safeguard privacy”.

In his introduction to Tirole's lecture, the Festival's Scientific Director, Tito Boeri explained that during the Festival "three visions of the state have alternated: as regulator, facilitator or coach, and entrepreneur. It has been stated that the roles of facilitator and entrepreneur are tied to specific and limited circumstances, while we all agreed that the state should intervene as a regulator".

Tirole's lecture indeed focused on the need for rules to ensure that privacy is safeguarded, at a time when there is a strong drive towards digitalisation. The Nobel laureate pointed out that during the pandemic a great deal of thought has been given to issues such as social networks, artificial intelligence, their presence in everyone's lives and the role of public authorities in this context. "For many years we have had a laissez faire attitude, but now the state has shown its intention to introduce greater regulation," he remarked. Tirole pointed to concerns about the management of information by digital platforms, starting with "the right to know what is being done with our data", he underlined. As regards the safeguarding of privacy, he went on to explain that "there is a failure of the privacy market, because my data can be given out on platforms by people other than me, and because we give our consent without knowing what we are agreeing to". Moreover, the new General Data Protection Regulation (GDPR) launched by Europe is not sufficient: "the GDPR does not solve these issues, we need something more effective".

Lastly, Tirole touched on the subject of so-called social scoring. "Social scoring is used in China, but if we are not careful this system will be exported to other countries. China's social scoring system is based on a combination of data and a variety of criteria, such as a person's credit history, whether or not they pay taxes, and fake news, although here we need to be very careful how we define this. However, it also assesses who your friends are, your political opinions and so on. In China the system is used as a form of public stigma, you are put on blacklists. In addition to this modern version of the pillory, there are employment restrictions, you cannot get a visa to go abroad and you cannot even gain access to the best schools and universities", Tirole concluded.

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