The Economics of Cybersecurity

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http://www.brookings.edu/techinnovation.aspx
Uh oh...
Topics discussed in *Economist cover article*

- Military Strategy
- Critical Infrastructure
- US Law & Policy
- Economic Espionage
- International Law & Policy
- Intelligence Community
- Technology Issues
- Cyber Terrorism
- Cyber Crime

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“cybersecurity”
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Need to disambiguate
Scale
Urgency
Risk Evaluation

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Framing Matters
Who pays?
Asymmetric Information
Externalities

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Insurance

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Market demand for transparency

“…not aware that investors have asked for more disclosure in this area”
Transparency vs. Accountability
Data Breaches
Network Effects
“Cloud computing”

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The weakest link
Risk

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Questions?

Comments?

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Regulatory Spectrum

- Regulation
- Mandated Standards
- Liability Standards & Practices
- Purchasing Power
- Laissez Faire

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