

## The View from Westminster

The Conference Programme says that this session is about "Policy and Practice" so I hope the other speakers will deal with practice after the coffee break. I'm going to talk about policy and the unique opportunity we have in the UK to shape the future of a world dominated by the internet and electronic transactions.

Are we going to take the opportunity for leadership or are we going to miss the boat ? It's up to you.

I was asked to give a Parliamentary perspective on e-crime and the current state of debate - but the lead lies with industry, rather than with MPs. So I'll look to the wider future first and then return to the view from Westminster.

I was listening to a speaker yesterday dealing with identity theft and suggesting that we were using the wrong language and we would only engage people properly when identity assurance becomes a matter of discussion between characters on East Enders. It reminds me of my editor, when I was a young journalist, telling us that any issue, however complex, must be described simply, in terms that would be understood by Mrs Jones in Splott. Well, that is easy for me - because in this context of this conference I am Mrs Jones in Splott.

Keynote speakers at this conference are emphasising some big messages, so I want to put e-Crime in the context of law and order and governance more generally and to ask "are we getting bogged down in the detail". The answer is "yes".

So what has the big message been so far ? Well it is a warning, summarised for me by one journalist as "eCrime it's big".

Frankly, that's too simplistic. What else would you expect from speakers at a conference on eCrime, for goodness sake !

But anyway, what does it mean ? Well, let me offer you a similar message : "**eEnterprise it's big**".

That's equally true !

But for eCrime to be big in any meaningful way, it would have to be enormously out of proportion. So is it ?

I don't think so. As far as I can see, crime involving the internet and electronic transactions is not out of proportion with other criminal activity.

On the Today Programme this week Tony Neate - who has done tremendous work at "Get Safe Online" - gave us the figures. £3billion of commercial crime out of £300billion on eCommerce in the UK.

That compares favourably, I suggest, to the 2% of "shrinkage" in the retail sector in the UK.

The same number of people had experienced fraud while shopping online as had had their bag, wallet or mobile phone stolen. All at 5%. Indeed, there are sections of the retail trade where if your losses are under 5% they worry that their wares aren't sufficiently attractive !

eCrime is an important element of crime, and I want to tackle it. But we need to avoid getting it out of proportion and we need to avoid treating it as something special and frightening.

So I offer a third generalisation : **eCrime does not exist**.

There is simply crime which happens in the built environment or the local community or in the city centre or on the trains or wherever ..... and there is crime which happens in the electronic environment. Arguing about the level of the police budget is a complete diversion from tackling the real issues.

So lets start thinking logically and analyse the issues scientifically : In recent years, when we have got our facts and analysis right we have cut crime in the UK - burglary, car crime, youth crime and so on - and where we've failed to be rigorously analytic we have made a mess of it.

We've also only been successful when it's been a strong, inclusive partnership that has done it. Professional police action has been an essential part of success but just leaving it to the police is not an option that works.

Certainly, the potential for criminal activity using the internet or electronic communications is enormous, so lets look at the potential for controlling the risk and the damage.

Let's look at Child Abuse on line for example.

We know that there's too much of it for the police to cope with, even if all their resources were devoted to this activity - so it was vital for industry to be a key part of the solution.

Initially, the industry said it was too difficult - the freedom of the Internet must be protected and regulation was resisted.

Over time an alliance was built - children's charities, police, government and industry - with the Internet Watch Foundation being the pivotal organisation, founded precisely for the purpose of achieving action.

The result was a partnership which has delivered. Sites hosted in the UK down from 16% to less than 0.1% in the past couple of years.

Leaving the first review meeting as Minister of State for Industry with my colleague Paul Goggins - then Minister at the Home Office - we agreed that "We've done more in a year without legislation than we could have done in five years with legislation".

Great, but one positive anecdote doesn't make a policy.

And it's too easy, because everyone will agree about the need to stop Child Abuse - but many general business practices are closer to a much more difficult and far narrower line !

So the challenge is not to leave it to Government but to agree too on the more general mischiefs we need to eradicate. Either we do it together, or others will decide for us - a new UN institution, the EC, or even our own Government, or Parliament on a bad day. Remember the Dangerous Dogs Act!

Let me put it bluntly - we either sort it out through a partnership approach in which every part of industry plays its part or public pressure will demand action ..... and that means legislation to most people ..... and then you'll be criticising Parliament for reaching a conclusion which you could avoid by engaging now.

Isn't it just about better drafting of legislation ? Is that the real problem, perhaps ? Well, **NO** it isn't.

Laws rarely prevent what they forbid - however well they are written.

The partnership approach to crime reduction really does work - we put that in the 1998 Crime and Disorder Act and crime has reduced dramatically since then. I've also given the illustration of child abuse.

But let me give another example of an evidence-based partnership approach, this time in respect of violence. A surgeon in Cardiff, Professor Jon Shepherd, asked why he was being asked to rebuild so many faces following violent incidents.

Using scientific methodology, he looked into the facts. The evidence was compelling. Most victims of violence weren't even telling the police.

A team was put into the Accident and Emergency Unit - a clinical nurse, a victim support worker, a policeman. The result was evidence that repeat domestic violence - mostly unreported - and violence outside two or three specific licensed premises accounted for the bulk of the problem.

Problem tackled clinically - the result is that Cardiff is now the lowest in it's family of cities for violent crime.

I could go on - shop front security where owners thought the answer was steel grills. It isn't - that degrades the area and increases crime. The answer is community confidence and better lighting and nipping things in the bud.

And the problem is the same with eCrime. Your industry is massive. There are sectors and sub-sectors suppliers and users and consumers, security experts and entrepreneurs and policy directors .... All human life is here !

But the answer's the same. Parliament and Government can help. Law enforcement can chase crooks - developments in the UK led by the Metropolitan Police are very welcome - but the police need to focus their limited resources on the big issues. As I understand it they are planning to do just that as Sue Wilkinson will explain later. The Security Services will protect against threats to our infrastructure.

What I'm saying is that Industry will either operate in the electronic equivalent of the Wild West - not a nice place, you might wake up dead with an arrow in your back or shot by a "friend" - or accept the key role in creating a different and safer environment.

And in mentioning the environment let me use the analogy of the Great Smog of London in 1952.

I remember it - I was there ! I remember my parents gripping my hands as we felt our way along the wall to the tube station because we couldn't see a thing - it was truly frightening.

And the problem didn't disappear overnight, or because the Government willed it, or because a report was produced. Nor did blaming the coal merchants or a million householders do the job. It was joined-up action on many fronts, from the Clean Air Acts to car makers changing their technology to individuals changing their energy sources that gave us cleaner air.

Similarly, eCrime won't disappear just because that's what people want. There's a fog of initiatives, a mass of malware reports, a plethora of people with a solution to sell.

One of my colleagues in Eurim has discovered 44 UK-based charities and NGOs working on child protection initiatives - and that's without starting on supplier services or those based outside the UK.

And part of the problem is the tendency of Governments and their agencies, including law enforcement agencies, to look for bite-sized chunks that they can cope with - to invite proposals for tidy, tardy, compartmentalised, responses to defined problems rather than tackling the big picture.

As with clean air - but we haven't got 50 years - what we need is a rapid response, across national, let alone agency, boundaries - working together to address needs that will have changed before a procurement process or competition has been completed, or before the business case is approved.

So, the challenge is this : Shall we just leave it to others and continue to observe the growth of activity in the Wild West ?

Please, don't go there ! Perhaps industry needs to create a sort of co-operative e-Torchwood to deal with the developing issues and to get ahead of the game. Let's address the issues of Governance together rather than waiting for someone else to deal with the big picture for us. Let's sort it out through a dynamic partnership of Industry, Parliament and Government - including other elements of Civil Society.

Essentially that would create a UK network that could drive the world and the US through partnership.

Someone last night accused me of being an optimist.

What a slur !

Well, in fact I am an optimist. But more important I'm determined to make things work for the benefit of the individual, for the public and for the wider community.

We're already part way there.

- Government and Industry work together through the Information Age Partnership.
- Parliament is getting its act together, merging all-Party groups and agreeing joint programmes.
- We won the day in Tunis at the World Summit on Internet Society
- And that created the Internet Governance Forum

Is the IGF just a talking shop ? That depends on us in the UK. If we believe in it, if we create in effect the UK Internet Governance Forum, if we make it work and if we then give leadership to the USA and the world, then the IGF can work.

If we say it's all too difficult, or that someone else should do the job - the police, Parliament, industry regulators or whoever - and become divided amongst ourselves, then I give up. You'll

descend into chaos, historians will write learned tomes about how this was inevitable and we'll become a backwater.

Let's choose leadership - and by the way deliver our aspiration to make the UK the best place in the world to do business.

Legislation is not the answer in itself - remember as I said earlier, that **Laws often fail to prevent what they forbid.** Writing law to underpin a partnership would be easy - far easier than the traditional route of leaving it to legislators to design laws that seek to bind the future, based on uncertain predictions. So lets go down the co-operative route. And that will also create a better environment in which the police can carry forward their new approach and make it work ..... that way we all win !

But shouldn't we accept that there is something different about the Internet and electronic communications when it comes to crime ?

Well, yes there are some significant factors .....

- Speed of change -
- Exponential growth
- Convergence
- Ease of access
- Lack of physical presence

But the real problem is the philosophical illiterates who think there can be freedom without responsibility.

Theories of governance include "leave it to the USA" or "Lets have a new UN institution". Neither will work. The alternative is the partnership approach which is what won the day at Tunis.

At the Congressional Internet Caucus in Washington a few weeks ago the UK was given great credit for leading the way to a sensible outcome.

Put simply we can now use our talents and energy to make it work. Otherwise we should apologise now for a failure of ambition, a failure of imagination, a failure of competence and a failure to work together for the common good.

If we fail to create a safe environment - if we don't design out crime on the Internet - we will always be chasing after a chimera. And we'll deserve all we get !

Criminals operate in a market environment. The trick is to make it one in which it's difficult for them rather than one which is easy for them.

Bring e-crime into the mainstream of crime - target appropriate activity (police) protect against structural damage (government and security services) but create an environment which lets them get on with their job because the rest of us are doing our part. Partnership involving Business, providers and users - in my view that's the only practical way forward.

Look at the scale - users are now said to spend £5 billion and reported losses are down after a blip a year ago when global attacks on a single bank cost it more in a month than all the others, together had lost in the previous three.

The key word there is global

London is not only the world centre for international dispute resolution, under whatever legal process the participants wish, it is also that for world policing against maritime piracy and goods stolen in transit around the world, co-ordinating enforcement under whatever mix of civil or criminal law is most effective - albeit with an emphasise on recovering the losses and bankrupting the miscreants and their allies, rather than sending anyone to jail.

We need to build on that expertise.

To summarise - and these were issues that came out clearly in the cross-party conference in the House of Commons last autumn - here are my five suggestions .....

- We need the focussed action and leadership that the Met is offering through the police service.
- We need the awareness and training through schools and skills training that enables individuals to protect themselves.
- We need Government Departments and Agencies to be engaged with the big picture
- We need business to protect its customers - not only in the interest of business but because abandoning those outside its structures - what I have described as building eCastles and treating the rest of us as ePeasants would be damaging to the long-term interests of business.
- But above all we need industry and civil society to be a part of the partnership with Government and Parliament that can create a healthy environment for the future.

Governments do not have a good record of organising international co-operation except when their role is to ratify that which has been developed and tested in the real world.

So business and civil society - with the police and Government agencies - are need to contribute together to design the future. Otherwise there will continue to be a disconnect and a series of content free initiatives

We need to ensure constructive discussion later this year at the next Internet Governance forum in Rio de Janeiro, in full co-operation with those from South America, Russia, China and India - not just Europe and America - which is why it is good to see so many from around the world on the delegate list for this conference. If it is just a talking shop, frustration will set in

and we will be back to the traditional polarisation. We'll have missed the boat.

Crime will always be with us, but why let criminals choose the nature of the environment when we could do it better for ourselves ?

If we do it together and if we all share the responsibility instead of wringing our hands and leaving it to someone else, we can change the world.

Rt Hon Alun Michael MP

28<sup>th</sup> March 2007