

Getting Involved: The Role Of Business In Regulation

When it comes to the role of business in technology regulation, executive opinions vary by region.

U.S. executives are more likely to believe businesses should be more involved (39%), followed by executives from the EU (35%). APAC executives, who work within a precise, business-friendly and fast-enacted regulatory environment, are less inclined to see a role for business in developing technology regulation (27%) (Figure 9).

FIGURE 9

How Executives Feel About The Involvement Of Business In Regulation

	APAC	EUROPE	UNITED STATES
Business has struck the right balance in terms of its involvement in technology regulation	37%	37%	39%
Business should stay away from technology regulation	36%	28%	22%
Business should become more involved in regulating technology	27%	35%	39%

In the U.S., the hope is that with business involvement, regulations, once enacted, will better answer the needs of businesses and also protect society in the future. "A good company should not only try to comply with the regulations we have today, but really think about what the regulations should be and what could go wrong with technology," says Surya Mohapatra.

"It's essential for businesses to be involved in regulation, and not only because they need to shape it in a way that's beneficial to them, but because any regulation that comes out is only as good as how effectively it can be implemented," adds Clifford Chance's Megan Gordon.

CLIFFORD CHANCE VIEWPOINT

Megan Gordon On The Legal Pendulum Swings In The U.S.



U.S. business is beginning to pay the price for outdated regulations in the technology arena. U.S. authorities are bringing enforcement actions by trying to fit a square peg in a round hole—wrapping old sets of regulations and outdated regimes onto new technologies. This means that companies don't have much certainty. Once you have an enforcement action out there, others will follow. Nobody wants to be the test case enforcement action that the regulators decide to use to make a point.

The lack of nationwide regulations that apply to data, for instance, means that individual states in the U.S. are taking up such regulatory issues, and this leads to fragmentation. Although they typically would not favor regulation, in this case, U.S. companies really do want federal legislation. The alternative is dealing with every different state putting forth different regulations and not having a nationwide standard. Companies will need to take the lead in terms of thinking about ethics and saying what's right and wrong because relying on the government to do that is going to take too long given the pace of change in technology.

Megan is a data privacy and cybersecurity investigations specialist. She advises multinational companies on how to manage data risk exposure, and designing and implementing their compliance programs.