

Digital identity: Who are we on the Net?

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The ability to prove that you are who you say you are is a cornerstone of economic and social development, because it allows us access to basic public and private services, such as health, education and financial services... According to the World Bank, there are some 1.1 billion people in the world who cannot prove their identity, i.e. 14% of the entire population.

Internet has transformed our daily lives irreversibly. We are rushing headlong towards an environment in which interaction and business are destined to be predominantly digital. Moreover, due to application of new technologies, such as artificial intelligence and biometrics, the services we receive are increasingly personalised, being based on preferences and habits, so identification is key.

Digital identity is the on-line version of a person's physical identity, how they are represented digitally. This transposition entails more than just a few complexities: the temporal and physical distance between users and providers implies the emergence of hitherto unseen threats and opportunities on a physical level. Ultimately our digital identity is a set of attributes, which, in an on-line environment (as distinct from the physical one) can be separated out and combined in different contexts, and with diverse levels of trustworthiness: the use of an identity validated by a government allows us to carry out safer transactions than are made possible by our Facebook identity, which we use to socialise with our friends. Trust is a key concept in validation processes.

A digital identity requires a provider to confirm it and, in the absence of a universally accepted one, this role is currently played by governments in the same way as in the physical world, generating national identities to gain access to on-line services and companies, which transform individuals into authorised users of their isolated systems. This leads us to a scenario where digital identity management fragmented and there is a pressing need to have inter-operable identification systems that allow the IDs in separate systems to be recognised by other domains, and where there is close cooperation between the public and the private sectors. The application of decentralised technologies such as Blockchain could help achieve this.

An opportunity is opening up for companies and banks (due to their long experience in the matter, given that handling IDs has been a necessary condition to their transactions) to become multi-sector ID providers going forward.

On the other hand, and to make matters even more complicated, the number of people active in the market who connect on-line is expected to grow exponentially in the coming years. Thanks to the development of the internet of things (IoT), millions of items, from refrigerators to containers connected to the internet are likely to start to operate simultaneously and be networked, and it will also be necessary to prove their IDs.

Among the challenges is that of cyber-security, which is becoming a source of growing concern to companies and governments. ID management is open to threats such as data-theft, the loss or cracking of passwords, and impersonation. Large-scale hacking attacks are increasingly common, while ID theft is now a widespread phenomenon. Last year, for example, Yahoo! reported the largest case of data-theft in history,

which affected more than a billion accounts

Another challenge is clearly that of data privacy. As we step up our presence in the digital world, a bigger volume of users information is spread over the internet, which leads to a feeling of a lack of control over our digital ID. Here the role of regulation is key: it should guarantee the controlled and legitimate use of personal data. In Europe, the future Data Protection Regulation is intended to protect the processing of the data of natural persons, but ultimately the digital world knows no borders and global protection measures are probably required.

The solution will eventually be forthcoming, as companies, governments and regulators are looking for one-stop solutions worldwide whereby users can be identified reliably, securely and privately, while we are offered products and services that appeal to everybody.

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