

Will digital innovators say bye bye Britain?



LSE's *Alison Powell* discusses the implications of the proposed Investigatory Powers Bill outlined in last week's Queen's Speech for the UK's tech startup industry.

I visited beautiful Brighton yesterday to meet up with social media company **Ind.ie** and discuss their new distributed, privacy-friendly social networking platform. But it's probably the last time I'll head down to see them, because Ind.ie is leaving the country. Founder Aral Balkan laid out the **reasons** in the aftermath of the election. Largely, they have to do with the provisions laid out in the **Investigatory Powers Bill**.

In the Queen's Speech, this Bill is described as "better equipping law enforcement and intelligence agencies to meet their key operational requirements, and addressing the gap in these agencies' ability to build intelligence and evidence where subjects of interest, suspects and vulnerable people have communicated online". It specifically mentions communications data, where the government claims previous laws have left a gap.

It is difficult at this point to determine exactly how these requirements may be met, but given that previous legislation of this type was **blocked by Liberal Democrats** over privacy concerns, it seems likely that these requirements might include provisions for law enforcement to access communications data. These kinds of provisions have **just been scaled back in the United States** after Edward Snowden's leaks revealed wide-scale surveillance of personal data.



So far, we just don't know what a new Investigatory Powers Bill might include – but whatever it is, Ind.ie doesn't want its business to be subject to it. So the company is packing up and leaving what Forbes calls Britain's **fastest-growing tech hub**.

Ind.ie's staff are interpreting the new legislation as unfriendly to their business model. Through their recent successful crowdfunding project, they have been selling the framework of **a social platform where individuals don't share their data with a central provider**. On this kind of platform, privacy is ensured by design: there is no place for central oversight to take place.

Ind.ie has promised its crowdfunding supporters that it will always respect their privacy. Its founder and employees are concerned that this simply won't be possible if the Investigatory Powers Bill requires all communication providers to make their data available to government agencies. It also raises some other questions about Britain's future as a home for IT innovation. If companies have to provide access to any communications passed over their network, will that mean that encrypted services like WhatsApp become illegal? Will basic encryption tools become illegal? What about teaching privacy and security?

It seems unlikely that a government would willingly seek to make everyday communications illegal. But as Ind.ie's exodus suggests, the new Investigatory Powers Act does carry the risk of stifling UK innovation. To date it's unclear how many other startups are thinking of leaving or have already left, and there is some indication that cloud services providers are seeking to shift data centres and processing away from the UK, as they too are unsure about what guarantees they can make about their clients' privacy.

The Investigatory Powers Bill is deemed necessary to respond to terrorist threats. But it may create new threats of its own to Britain's fragile but dynamic technology startup scene.

This post gives the views of the author, and does not represent the position of the LSE Media Policy Project blog, nor of the London School of Economics and Political Science.

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