Examining the Policy Environment for the Cloud in the UAE

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Abstract:- Cloud computing is growing rapidly around the world with more and more consumers, businesses and government departments using cloud services. In order to support the growth of cloud computing countries should have a good policy environment that fosters and promotes this technology. An organization known as BSA-The Software Alliance conducted a research study of 24 countries to determine their state of "cloud readiness". BSA-The Software Alliance is a leading advocate for the global software industry before governments and in the international marketplace. They developed a scorecard system to measure "cloud readiness" which examines seven policy categories and also considers ICT infrastructure. In the study presented here the same scorecard methodology was applied to the United Arab Emirates. The scorecard has 66 questions and each of these was researched. The result for each of the questions is reported and the readiness of the UAE is compared with the other 24 countries.

Key-Words: - cloud services, cloud computing, policies, readiness, measure, security, privacy, legislation

1 Introduction

Cloud computing is a set of network technologies aimed to make resources sharing possible through remote access and universal data storage. Vacquero et al. [1] explain the technology as a large pool of easily usable and accessible virtual resources which can be adjusted to variable load. Cloud computing offers a set of hardware, development platforms, and applications on a pay-per-use basis. Cloud technologies have made it possible to optimize various aspects of organizational, computational, governmental, educational, and business processes by providing access to significant and yet comparatively low cost data-processing capabilities. Such "on-demand" technology as cloud computing saves funds on hardware, system management, server maintenance, and fees paid to purchase licenses [2].

An important impact of cloud computing globally is its potential to offer millions of jobs through small and medium-sized companies and generate billions of dollars in revenues. A study in 2012 by IDC [3] predicted that around 14 million jobs would be created worldwide and $1.1 trillion in revenue would be generated by 2015. This global growth though is dependent upon an increasingly supportive environment being provided by governments and industry.

According to a 2013 research study by BSA-The Software Alliance [4] reflecting wide research on international cloud computing implementation, "cloud readiness" is improving. Cloud readiness refers to the policy environment in the country to support growth in cloud computing. BSA-The Software Alliance is a leading advocate for the global software industry before governments and in the international marketplace. In a major study to analyze the level of preparedness of a country to support and promote the growth of cloud computing they developed a methodology based on a scorecard approach. The scorecard measures "cloud readiness" by examining seven policy categories and by considering information and communication technologies (ICT) infrastructure.

BSA [4] conducted a study of 24 countries that together account for 80% of the world's market for ICT. The study showed quite clearly, as would be expected, that the advanced economies were quite well prepared in comparison to the developing countries. In the developing countries the study showed that although there are some areas where the policies are supportive, there's still a lot to be done and issues to be resolved in order to establish stable, highly-convenient, internationally accepted, well-coordinated services which would be able to improve government, educational, and business

processes. Some developing countries, for example, have restrictive policies such as trade limitations, or complex bureaucratic processes, which hinder cloud computing.

The United Arab Emirates is one of the world's most rapidly developing countries. It is quick to embrace technology and an ever increasing number of users are adopting cloud computing [5]. According to Chen [6], the unique social, political, and cultural environment of UAE significantly shapes the local ICT practice and business directions. In the research reported here the BSA methodology was used to study cloud readiness in the UAE. The results of study show the current situation in the UAE and how the country compares with 24 other nations.

2 BSA Scorecard

The BSA Scorecard [4] considers regulations and laws in relation to cloud computing in seven policy categories and it also considers each country's ICT infrastructure. The seven policy categories are the areas which the BSA researchers maintain are of primary importance for the growth of cloud computing. They are: (1) data privacy, (2) security, (3) cybercrime, (4) intellectual property, (5) support for industry-led standards and international harmonization of rules, (6) promoting free trade, and (7) ICT readiness and broadband deployment. Each of these areas is briefly described below and its relevance and importance to the UAE is discussed.

2.1 Data Privacy

Being one of the core expectations of cloud users, information privacy is of the utmost importance for cloud computing to gain nation-wide and world-wide support. Individual and enterprise users need to be assured that their private data is safely stored and protected. An investigation carried out in 2011 showed that not more than 2% of European companies had taken the risk to implement "Infrastructure as a Service" cloud computing because of potential privacy threats [7]. A major concern about data privacy is based on the fact that with cloud computing sensitive data is stored outside of an organization and maybe country as well and therefore the data faces risks beyond the owner's control.

According to Weber [2] "family and individual privacy are important cultural values in the Arabian Gulf." In the UAE individual, family, and national

dignity are treated as factors of significant importance. Therefore data privacy issues, if not resolved properly, will remain a major obstacle to cloud computing implementation for organizations and individual users in the Arabian Gulf.

2.2 Security

There are numerous security concerns that must be considered in cloud computing. According to Hashizume, et al [8] these include: data owners not having control of the computer systems on which their data resides; users are totally dependent on the service provider for security; service problems could affect the user's business; the service provider may not use cutting edge cyber security. Basically it can be said that data residing on computer systems owned and managed by another entity may not be as safe as if the data is maintained on a user's own systems.

A recent study in the UAE [9] showed that users have a strong belief that cloud computing is intrinsically insecure. The vast majority of users believed that they could not trust cloud providers to keep their data secure. Clearly if cloud computing is to have more acceptance in the UAE then work needs be done to build trust in the security of the services.

2.3 Cybercrime

Cloud computing service providers store huge amounts of client data in their data centers and thus present a tempting lucrative target for criminals. Cloud providers, industry and governments around the world agree that cybercrime is a huge threat. Individuals and organizations fear that their sensitive information may be accessed and used by competitors or criminals. To fight cybercrime comprehensive laws must be in place which provide a meaningful deterrent and clear causes of action. The legal system should facilitate effective enforcement of the laws.

In the UAE laws to address cybercrime were introduced in 2006 and later extended in 2012. In 2014 the UAE's newly established National Electronic Security Authority (NESA) announced new strategies and policies to safeguard the country's digital space [10].

2.4 Intellectual Property Rights

Appropriate laws have to safeguard authorship, support and protect research and development, and enforce violation penalties. Developers and

providers of cloud technology must have strong protection for their investment. Cloud providers must operate under clear laws that guide them on how to act when users breach copyright. Additionally there should be a serious effort to enforce IP laws. Many developing countries introduce copyright laws yet make little effort to enforce the laws.

UAE signed the World Intellectual Property Organization (WIPO) Copyright Treaty in 2004 concerning the matters of copyright, and enforcement of intellectual property rights. The WIPO's goal is the development and implementation of a balanced intellectual property system to stimulate international economic growth and safeguard copyright.

2.5 Support for Industry-led Standards & International Harmonization of Rules

In order to have smooth flow of data between cloud providers and around the world significant efforts are required to promote interoperability and openness. Users need to have interoperability and thus industry are engaged with standards development organizations to create appropriate standards. Governments should support this work by collaboration with industry in standards development and by minimizing conflicting legal obligations on cloud service providers.

The UAE government supports industry-led standards in many technology areas and engages with other countries in discussions on regulations.

2.6 Promoting Free Trade

Free trade implies the absence of borders in relation to business processes and communication. Free trade makes it possible for example for a company to have foreign ownership, repatriate its profits, support international partnerships, and provide services worldwide. Berry & Reisman [11] explain positive potential of free trade agreements. For example, the U.S. – Korea Agreement states that "Parties shall endeavor to refrain from imposing or maintaining unnecessary barriers to electronic information flows across borders." Free trade agreements and partnerships provide an opportunity to develop cloud computing services by establishing cross-border information flows. Restrictive trade policies create barriers that hamper the growth of cloud computing.

In the UAE the government sponsored UAE Free Zones organization promotes the development of ICT in the country.

2.7 ICT Readiness, Broadband Deployment

In order to stimulate cloud computing use by individuals and business there must be a good ICT infrastructure. Access costs should be attractively priced, and speeds and reliability should be high so that the service is appealing to subscribers and potential subscribers.

The UAE has already invested significantly in high-speed broadband internet access, and according to a 2014 report was ranked 2nd among Arab states for ICT implementation. [12]

2.8 Methodology of the Scorecard

The scorecard is designed such that the policy environment of a country is examined in the seven categories described above by researching and analyzing a total of 66 questions. The categories are weighted as shown in Table 1 and within every category each question is weighted. The total for all questions sums to a maximum value of 100.

CATEGORY	WEIGHT
Data Privacy	10%
Security	10%
Cybercrime	10%
Intellectual Property Rights	20%
Support for Industry-Led Standards & International Harmonization of Rules	10%
Promoting Free Trade	10%
ICT Readiness, Broadband Deployment	30%

Table 1. Scorecard weight distribution

The questions are generally framed so as to be answerable by "Yes", "No" and "Partial". BSA explain the meaning of the answers as [4, p. 13] "*Yes* indicates a positive assessment, which is generally considered to be an encouraging step towards the establishment of a favorable legal and regulatory environment for cloud computing. *No* indicates a negative assessment and the presence of

a potential barrier to the establishment of a favorable legal and regulatory. *Partial* indicates that the assessment is positive in part, although some gaps or inconsistencies may exist which require further remedial work." Some questions require explanatory answers.

3 UAE Data

Data was collected in all categories in order to address all questions on the scorecard. This involved researching an extensive range of resources. To acquire information about data privacy, security and cybercrime, related national legislation and regulations and associated publications were carefully reviewed and studied. Additionally various bodies were approached to elicit information including the UAE's National Electronic Security Authority and the UAE's Computer Emergency Response Team. The categories of intellectual property, industry standards and free trade were researched by studying legislation, rules and regulations and related publications. Additionally a number of industry bodies were interviewed. Information on ICT was gathered from various published reports, from interviews with the local ICT providers and from the Telecommunications Regulatory Authority. There were a few questions to which answers were not determined. As this work is ongoing answers may be obtained in the near future, however their impact is minimal on the overall result as the score for each would be close to zero. The results of the research for each of the 66 questions are shown in Table 2.

DATA PRIVACY	
1. Are there laws or regulations governing the collection, use, or other processing of personal information?	Yes
2. What is the scope and coverage of privacy law?	By sector
3. Is the privacy law compatible with the Privacy Principles in the EU Data Protection Directive?	Partial
4. Is the privacy law compatible with the Privacy Principles in the APEC Privacy Framework?	Partial
5. Is an independent private right of action available for breaches of data privacy?	Available
6. Is there an effective agency (or regulator) tasked with the enforcement of privacy laws?	None
7. What is the nature of the privacy regulator?	Not applicable
8. Are data controllers free from registration requirements?	Yes
9. Are cross-border transfers free from registration requirements?	No
10. Is there a breach notification law?	No
SECURITY	
1. Is there a law or regulation that gives electronic signatures clear legal weight?	Yes
2. Are ISPs and content service providers free from mandatory filtering or censoring?	No
3. Are there laws or enforceable codes containing general security requirements for digital data hosting and cloud service providers?	Limited coverage in legislation
4. Are there laws or enforceable codes containing specific security audit requirements for digital data hosting and cloud service providers?	No data
5. Are there security laws and regulations requiring specific certifications for technology products?	No data
CYBERCRIME	
1. Are cybercrime laws in place?	Yes
2. Are cybercrime laws consistent with the Budapest Convention on Cybercrime?	Partial
3. What access do law enforcement authorities have to encrypted data held or transmitted by data hosting providers, carriers, or other service providers?	Access with a warrant
4. How does the law deal with extraterritorial offenses?	Comprehensive coverage

INTELLECTUAL PROPERTY RIGHTS	
1. Is the country a member of the TRIPS Agreement?	Yes
2. Have IP laws been enacted to implement TRIPS?	Yes
3. Is the country party to the WIPO Copyright Treaty?	Yes
4. Have laws implementing the WIPO Copyright Treaty been enacted?	Yes
5. Are civil sanctions available for unauthorized making available (posting) of copyright holders' works on the Internet?	Yes
6. Are criminal sanctions available for unauthorized making available (posting) of copyright holders' works on the Internet?	Yes
7. Are there laws governing ISP liability for content that infringes copyright?	No
8. Is there a basis for ISPs to be held liable for content that infringes copyright found on their sites or systems?	Yes
9. What sanctions are available for ISP liability for copyright infringing content found on their site or system?	Not applicable
10. Must ISPs take down content that infringes copyright, upon notification by the right holder?	No
11. Are ISPs required to inform subscribers upon receiving a notification that the subscriber is using the ISP's service to distribute content that infringes copyright?	No
12. Is there clear legal protection against misappropriation of cloud computing services, including effective enforcement?	Limited protection
SUPPORT FOR INDUSTRY-LED STANDARDS & INTERNATIONAL HARMONIZATION OF RULES	
1. Are there laws, regulations or policies that establish a standards-setting framework for interoperability and portability of data?	No data
2. Is there a regulatory body responsible for standards development for the country?	Yes
3. Are e-commerce laws in place?	Yes
4. What international instruments are the e-commerce laws based on?	UNCITRAL Model Law on ecommerce
5. Is the downloading of applications or digital data from foreign cloud service providers free from tariff or other trade barriers?	Yes
6. Are international standards favored over domestic standards?	No data
7. Does the government participate in international standards-setting process?	Yes
PROMOTING FREE TRADE	
1. Are there any laws or policies in place that implement technology neutrality in government?	No data
2. Are cloud computing services able to operate free from laws or policies that mandate the use of certain products (including, but not limited to, types of software), services, standards, or technologies?	Yes
3. Are cloud computing services able to operate free from laws or policies that establish preferences for certain products (including, but not limited to, types of software), services, standards, or technologies?	Yes
4. Are cloud computing services able to operate free from laws that discriminate based on the nationality of the vendor, developer, or service provider?	Yes
ICT READINESS, BROADBAND DEPLOYMENT	
1. Is there a national broadband plan?	Yes
2. Are there laws or policies that regulate the establishment of different service levels for data transmission based on the nature of data transmitted?	No data
3. Base Indicators	
3.1. Population (2011)	8,442,000
3.2. Urban Population (%) (2011)	84.4%

3.3. Number of Households (2011)	No data
3.4. Population Density (people per square km) (2010)	94.4
3.5. Per Capita GDP (US$ 2011)	$37,797
3.6. Public Cloud Services Market Value (2011) (Billions of US$)	No data
3.7. Personal Computers (% of households) (2011)	76%
4. ICT and Network Readiness Indicators	
4.1. ITU ICT Development Index (IDI) (2011) (Score is out of 10 and includes 161 countries)	5.64
4.2. World Economic Forum Networked Readiness Index (NRI) (2012) (Score is out of 7 and includes 142 countries)	4.77
4.3. International Connectivity Score (2011) (Score is out of 10 and includes 50 countries)	No data
4.4. IT Industry Competitiveness Index (2011) (Score is out of 100 and includes 66 countries)	No data
5. Internet Users and International Bandwidth	
5.1. Internet Users (2011)	5,859,118
5.2. Internet Users as Percentage of Population (2011)	70%
5.3. International Internet Bandwidth (bits per second per Internet user) (2011)	27,609
5.4. International Internet Bandwidth (2011) (total gigabits per second [Gbps] per country)	No data
6. Fixed Broadband	
6.1. Fixed Broadband Subscriptions (2011)	1,050,000
6.2. Fixed Broadband Subscriptions as % of Households (2011)	No data
6.3. Fixed Broadband Subscriptions as % of Population (2011)	14.5%
6.4. Fixed Broadband Subscriptions as % of Internet Users (2011)	No data
7. Mobile Broadband	
7.1. Mobile Cellular Subscriptions (2011)	11,727,401
7.2. Active Mobile Broadband Subscriptions per 100 Inhabitants (2011)	58.4
7.3. Number of Active Mobile Broadband Subscriptions (2011)	No data

Table 2. Scorecard Results

4 Discussion

The scores for the UAE for each of the seven categories is shown in Table 3. Scores are also shown for the other 24 countries for comparative purposes. The UAE achieved an overall score of 69.25 which placed it in position 14.

Comparing UAE to other countries, it may be seen that the country has developed effective strategies for cybercrime and intellectual property rights protection. In these two categories the UAE achieved nearly as high a score as highly ranked countries such as Canada, Australia, Singapore, and Japan. In the category of free trade the UAE did very well again achieving a score similar to the top ranked countries showing that the policies for promoting free trade are among the best worldwide.

For ICT readiness and broadband deployment the UAE did very well achieving a score of 20.3 which is not far behind the top scoring countries of Singapore (22.9) and the United States (22.2). However data privacy and security are major concerns for potential individual and organizational cloud computing users in UAE. The scores in both these categories are low and place the UAE in the bottom one third of the countries. This result is corroborated by a study by Danaher & Chong [9] in 2014 of user perceptions of privacy in the UAE. The study showed that users in the UAE believe that cloud computing is intrinsically insecure and they felt that they could not trust cloud providers to keep their data secure and private.

Rank	Country	Total	Data Privacy	Security	Cybercrime	Intellectual Property Rights	Support for Industry-Led Standards & International Harmonization of Rules	Promoting Free Trade	ICT Readiness, Broadband Deployment
1	Japan	84.1	8.8	8.4	10	17.2	8.8	9.2	21.7
2	Australia	79.9	7.9	6.4	10	17.6	10	7	21
3	United State	79.7	6.5	7.6	8.8	16.6	10	8	22.2
4	Germany	79.1	6.6	6.4	10	16.8	9.8	9.2	20.3
5	Singapore	78.5	7.6	3.6	9	18	8.8	8.6	22.9
6	France	78.3	6.5	7.6	10	16.8	9.6	8.8	19
7	United Kingdom	76.9	6.9	8	6.8	17.8	9.2	6.8	21.4
8	Korea	76.2	9.3	6	4.8	17.6	9.6	7	21.9
9	Canada	75.8	8.1	6.8	6.2	15.6	10	9.6	19.5
10	Italy	75.5	6.2	7.6	9.6	17	9.8	8.8	16.5
11	Spain	73.7	6.5	6.4	8.8	15.2	9.8	9.4	17.6
12	Poland	72	6.8	5.6	8.8	16.8	9.8	8.4	15.8
1	Malaysia	69.5	7.1	5.6	7.2	17.4	10	5.8	16.4
14	**UAE**	**69.3**	**6.5**	**4**	**8.5**	**16**	**6**	**8**	**20.3**
15	Russia	59.1	5.4	5.6	6.8	14.4	6.8	5.2	14.9
16	Mexico	56.9	7.5	4.8	8.6	12.4	9.2	3	11.4
17	Argentina	56.5	5	6	8.8	12.4	4.6	5.8	13.9
18	India	53.1	4.1	4.4	7.4	12	10	6.4	8.8
19	Turkey	52.4	3.5	4	6.4	14	8.6	2.8	13.1
20	China	51.5	4.7	2.8	4.6	13.6	7.8	4.8	13.2
21	South Africa	51.3	2.8	3.2	9.8	13.6	9.8	1.8	10.3
22	Indonesia	48.4	6.4	3.2	7	11.2	8.2	2	10.4
23	Brazil	44.1	4.7	3.6	8	8.8	3.4	2.2	13.4
24	Thailand	44	3.5	1.6	7.4	8	8.8	3	11.7
25	Vietnam	40.1	4.1	2.8	5	9.2	7	1.4	10.6

Table 3. Scores in each category for all countries

5 Conclusion

Overall the results show that the UAE has a relatively good level of "cloud computing readiness". In comparison with a range of other countries from Japan, a well-developed nation, to Vietnam, a developing nation, it sits around the midway mark. It has progressive strategies in place aimed at ICT capacity raising, free trade support,

international standards support and integration, intellectual property protection and cybercrime. However more attention needs to be paid to policies to improve data privacy and security.

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