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*The Hedgehog and the Fox: Distinguishing Public and Private Sector Approaches to  
Managing Risk for Internet Transactions*

51 Admin. L. Rev. 955 (1999)

Abstract by David Harrison Greenberg

This article builds upon the ancient Greek proverb "the fox knows many things, but the hedgehog knows one big thing" and contrasts the differing approaches to risk management taken by the public sector in the exercise of sovereign functions, and by the private sector in the conduct of commercial transactions. Public risk management, evolving in the shadow of sovereign immunity, is distinct from private sector risk management, which is built around virtually unlimited civil liability. The author argues that a public sector risk management model is not appropriate for new technology distributed by private actors unless and until there is a consensus that to do so would be in the general public interest. The author concludes "fox like" risk management strategies are more likely to be appropriate for private sector applications. In addition, risk management strategies developed for private sector commercial transactions might find application in public sector uses for this technology, and might eliminate the need for law reform to change current liability rules. The author posits that a necessary predicate to the wide-spread use of digital signature technology in the commercial context is the development of better public key infrastructures than those currently available today.