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In this article, Sridhar and Ng investigate the bug bounty systems which compensate ethical hackers for discovering software flaws. They developed an economic model that helps with understanding the dynamics and impact of bug bounty systems using real-world data from HackerOne.

The literature review covers present economic theories, specifically those related to risk management, market efficiency, and incentives. It brings focus on the growing importance of crowdsourcing in cybersecurity and points out a research gap: formal economic analysis of bug bounty programs lacks, although knowing that a lot has been released on hacker behavior and company motivations. The article overcomes that gap by combining real-world evidence with economic theory.