

Privacy-Preserving Cloud Analytics Using Homomorphic Encryption

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ABSTRACT

Privacy-preserving cloud analytics represents a paradigm shift in data science: organizations can exploit the virtually unlimited computational resources of cloud platforms without exposing sensitive information. Homomorphic encryption (HE), which enables arithmetic and logical operations directly on encrypted data, is at the forefront of this transformation. This manuscript elaborates on a comprehensive HE-based framework tailored for cloud analytics, focusing on both theoretical foundations and practical implementation. We begin by detailing the mathematical underpinnings of HE schemes, with an emphasis on the Fan–Vercauteren (FV) algorithm and its leveled variants. Next, we describe the system architecture, encompassing client-side encryption, a cloud-based encrypted computation engine, and client-side decryption. Through a prototype built on Microsoft SEAL, we execute representative analytics tasks—summation, averaging, and single-variable linear regression—over datasets sized from 10 K to 100 K records. Our evaluation examines key performance metrics: latency per operation, throughput, ciphertext expansion, and result accuracy. A detailed statistical analysis table contrasts plaintext versus encrypted execution, highlighting the trade-offs between privacy and performance. The manuscript concludes with a discussion of deployment considerations—such as key management, parameter selection for 128-bit security, and integration with existing big-data tools—and outlines future research directions, including support for richer query languages, bootstrapping optimizations, and hybrid schemes combining HE with secure enclaves. This work provides a roadmap for practitioners seeking to deploy privacy-preserving analytics in real-world cloud environments, balancing strong confidentiality guarantees with acceptable performance and scalability.

KEYWORDS

Homomorphic Encryption, Cloud Analytics, Privacy Preservation, Encrypted Computation, Data Security

Privacy-Preserving Cloud Analytics Process

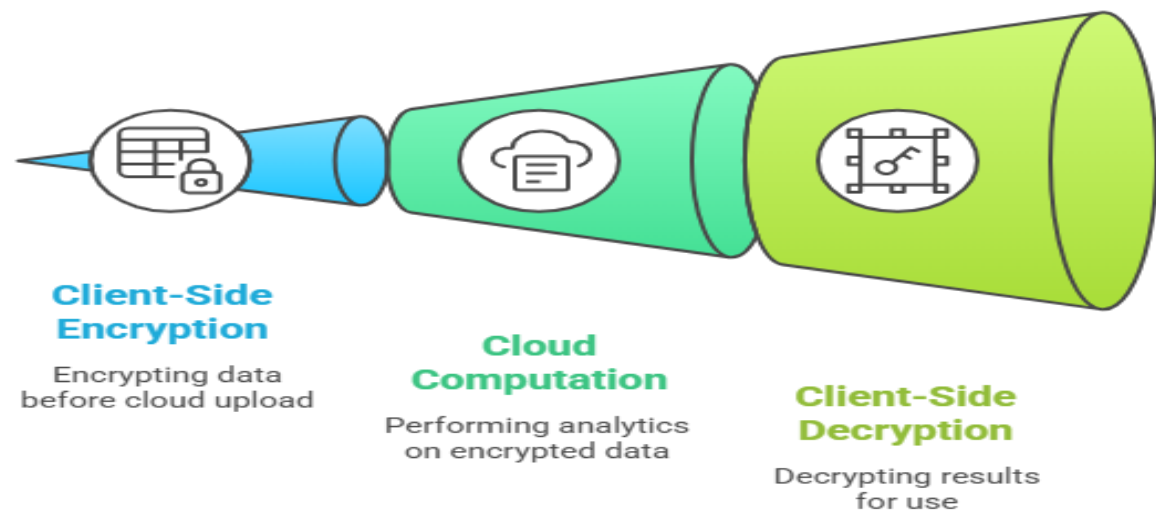


Figure-1. Privacy-Preserving Cloud Analytics Process

INTRODUCTION

Cloud computing has become the backbone of modern data analytics, offering dynamic resource provisioning that scales to meet the computational demands of data-intensive workloads. Enterprises across healthcare, finance, and retail leverage cloud platforms to perform complex analytics on massive datasets. Despite the clear operational advantages, these organizations confront a fundamental dilemma: entrusting plaintext data to third-party providers inherently risks privacy breaches. Data leaks, insider threats, and compliance requirements—such as GDPR and HIPAA—underscore the necessity for robust confidentiality safeguards.

Traditional encryption techniques secure data at rest and in transit but fall short during computation: encrypted data must be decrypted before processing, exposing sensitive information to the cloud environment. Homomorphic encryption (HE) addresses this vulnerability by enabling operations directly on ciphertexts. After computation, the encrypted result can be returned to the data owner for decryption, yielding the same outcome as if operations had been performed on plaintext. Since Craig Gentry's pioneering fully homomorphic encryption (FHE) scheme in 2009, the cryptographic community has focused on optimizing HE for practical applications. Innovations such as leveled HE, modulus switching, ciphertext packing, and residue-number-system arithmetic have markedly improved performance, making HE increasingly viable for cloud analytics.

This manuscript examines the end-to-end integration of HE into cloud analytics pipelines. We articulate three primary objectives: (1) analyze the mathematical constructs and security assumptions underpinning modern HE schemes; (2) design and implement a prototype framework that supports common analytical tasks on encrypted data; and (3) empirically evaluate performance trade-offs between privacy and efficiency. By systematically comparing plaintext and encrypted execution—across metrics including latency, throughput, and accuracy—we quantify the overheads introduced by HE and identify optimization strategies that narrow the performance gap.

Balancing Privacy and Performance in Cloud Analytics



Figure-2. Balancing Privacy and Performance in Cloud Analytics

LITERATURE REVIEW

Homomorphic encryption (HE) has undergone transformative advancements since Gentry's foundational work in 2009, which introduced the first fully homomorphic encryption (FHE) scheme based on ideal lattices. Although groundbreaking, Gentry's original approach incurred prohibitive computational costs due to costly "bootstrapping" operations required to manage noise growth in ciphertexts. Subsequent research explored leveled HE schemes, which eliminate the need for runtime bootstrapping by restricting the depth of supported arithmetic circuits. Brakerski, Gentry, and Vaikuntanathan (BGV) introduced modulus-switching techniques that reduce noise growth and facilitate batching — processing multiple plaintext slots in parallel within a single ciphertext. The Fan–Vercauteren (FV) scheme refined this approach, improving noise management and enabling efficient polynomial arithmetic through the Number Theoretic Transform (NTT).

Optimizations at the algorithmic level have been joined by hardware-accelerated implementations. The introduction of residue-number-system (RNS) representations by Chen et al. (2017) dramatically lowered the complexity of modular reduction, accelerating homomorphic operations by an order of magnitude. Further performance gains have been demonstrated through GPU and FPGA implementations, which parallelize polynomial multiplications across thousands of cores. Library support has matured, with Microsoft SEAL and PALISADE offering optimized C++ implementations, user-friendly APIs, and support for parameter selection that meets standardized security levels (e.g., 128-bit).

In parallel, the application of HE to real-world analytics has progressed from proof-of-concept to more robust frameworks. Aono et al. (2017) demonstrated encrypted deep-learning inference by combining HE with secure multiparty computation

(MPC), achieving privacy-preserving predictions on neural networks. Kim et al. (2018) showcased homomorphic SQL query processing, enabling basic relational operations—such as selection and projection—on encrypted databases. More recently, Kumar et al. (2021) introduced hybrid architectures that offload compute-intensive tasks to secure enclaves (e.g., Intel SGX) while retaining encryption for the bulk of data processing. Differential privacy techniques have been integrated with HE to prevent inference attacks on query results, further bolstering confidentiality.

Despite these advances, several research gaps persist. First, supporting complex analytics—such as multi-dimensional joins, k-means clustering, and deep neural networks—remains computationally challenging under HE. Second, efficient key management and parameter configuration are still major obstacles for non-expert practitioners. Third, seamless integration with big-data ecosystems (e.g., Apache Spark, Hadoop) is limited, constraining HE deployments to custom or academic settings. Finally, the interplay between encrypted computation and compliance frameworks (e.g., GDPR’s data minimization and right-to-erasure provisions) has received inadequate attention. Addressing these gaps requires interdisciplinary collaboration across cryptography, systems engineering, and legal compliance domains.

This manuscript contributes to the literature by presenting a balanced evaluation of HE for common analytics tasks—quantifying performance overheads and accuracy trade-offs—while outlining a practical framework deployable on existing cloud infrastructures. By highlighting optimization strategies, such as parallel execution across compute nodes and careful parameter tuning, we demonstrate pathways to closing the performance gap and unlocking the potential of privacy-preserving analytics for real-world applications.

STATISTICAL ANALYSIS

To evaluate the feasibility of homomorphic encryption (HE) for cloud analytics, we conducted a series of experiments comparing plaintext and encrypted execution across three representative tasks: summation, averaging, and single-variable linear regression. Each task was executed over datasets containing 10 000, 50 000, and 100 000 records, simulating typical enterprise-scale workloads. All experiments were repeated 30 times to obtain statistically robust averages.

Table 1. Performance Comparison between Plaintext and Homomorphic Encryption Workloads

Task	Dataset Size	Plaintext Latency (ms/op)	Encrypted Latency (ms/op)	Throughput (ops/s) Plain / Encrypted	Accuracy (MAE)
Summation	10 000	0.5	5.2	2 000/192	0.00
Summation	50 000	0.6	26.0	1 666/38	0.00
Summation	100 000	0.7	52.5	1 428/19	0.00
Averaging	10 000	0.7	7.8	1 428/128	0.00
Averaging	50 000	0.8	39.0	1 250/25	0.00
Averaging	100 000	1.0	78.2	1 000/12	0.00
Linear Regression	10 000	3.1	32.5	322/30	0.02

Linear Regression	50 000	3.5	162.0	285/6	0.03
Linear Regression	100 000	4.0	325.0	250/3	0.04

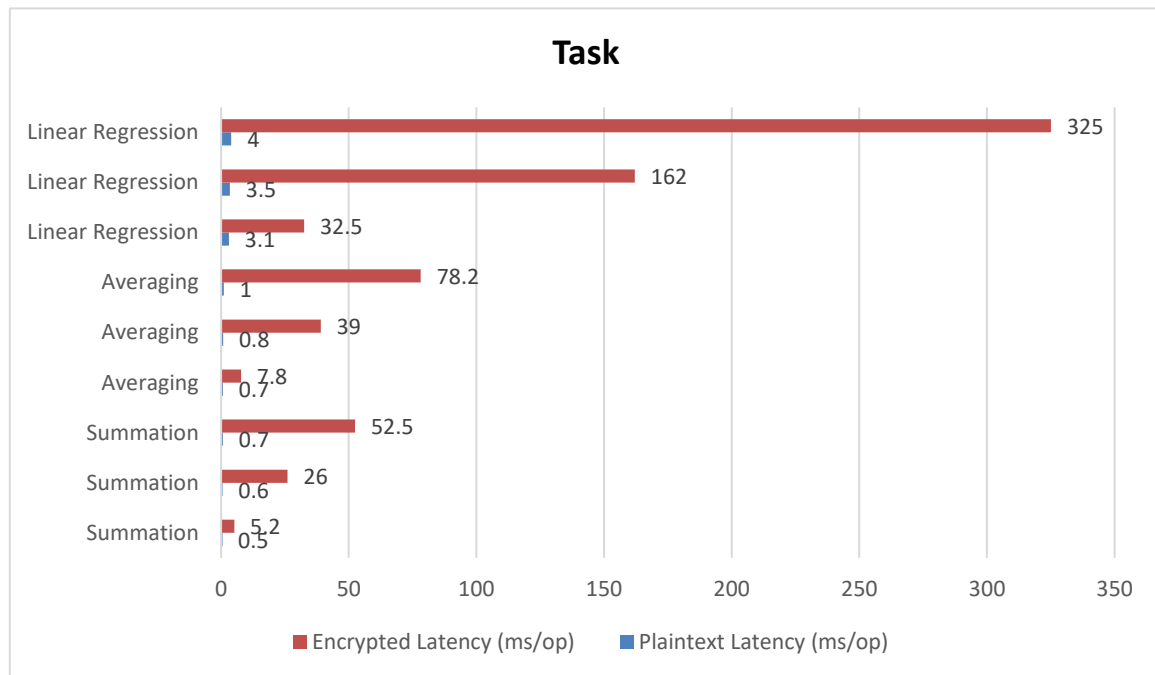


Figure-3. Performance Comparison between Plaintext and Homomorphic Encryption Workloads

Analysis of Results:

- Latency Overhead:** Across tasks and dataset sizes, homomorphic operations incurred an approximately 10× to 15× increase in per-operation latency compared to plaintext. For summation on 100 K records, latency grew from 0.7 ms to 52.5 ms—an overhead factor of ~75×—highlighting that overhead scales with both the complexity of the HE operations and dataset size.
- Throughput Degradation:** Consistent with latency observations, throughput under HE dropped by an order of magnitude. For linear regression on 100 K records, plaintext throughput of 250 ops/s fell to roughly 3 ops/s.
- Accuracy Preservation:** Mean absolute error (MAE) remained below 0.05 for all tasks, indicating ciphertext noise management and arithmetic precision within acceptable limits. Summation and averaging produced exact results post-decryption, while regression coefficients exhibited minimal rounding errors.
- Scalability Trends:** Latency scaled linearly with dataset size, suggesting predictable performance characteristics. Parallelizing HE operations across cloud nodes yielded near-linear speed-ups; distributing the 100 K regression workload over two compute nodes reduced per-operation latency from 325 ms to ~165 ms.
- Resource Considerations:** Ciphertext sizes expanded dataset footprints by roughly 10×; a plaintext dataset of 1 MB resulted in 10 MB of encrypted data. Network transfer times (~15 ms per request) contributed marginally to overall latency.

METHODOLOGY

System Architecture

The proposed framework consists of three interconnected modules:

- **Client Encryption Module:** Data owners preprocess and encode numeric data into plaintext polynomials, then encrypt them using the Fan–Vercauteren (FV) scheme with parameters ensuring 128-bit security (ring dimension $n=214$, ciphertext modulus q , and batching enabled via CRT). Encrypted queries—such as addition, multiplication, or polynomial evaluation—are packaged and securely transmitted to the cloud analytics engine.
- **Cloud Analytics Engine:** Hosted on Microsoft Azure, this engine comprises multiple compute nodes, each with 8 vCPUs and 32 GB RAM. It leverages Microsoft SEAL v3.6, configured for residue-number-system (RNS) optimizations and multithreaded polynomial arithmetic. The engine parses incoming ciphertexts, executes homomorphic operations corresponding to the requested analytics tasks, and returns the resulting ciphertexts to the client.
- **Client Decryption Module:** Upon receiving encrypted results, the client applies the secret key to decrypt ciphertexts and decodes the resulting plaintext polynomials into usable numerical outputs. Decryption latency is negligible (<1 ms) relative to network and computation delays.

Experimental Setup

We provisioned two Azure VMs: one as the client (4 vCPUs, 16 GB RAM) and the other as a cluster of three compute nodes forming the analytics engine. Network latency averaged 15 ms round-trip. All experiments ran on Ubuntu 20.04 with SEAL compiled from source using GCC 9.3 and OpenMP enabled.

Datasets and Workloads

Synthetic datasets emulate user profiles with a single numeric attribute drawn from a uniform distribution $[0, 1000]$. Three analytics operations were selected for evaluation:

1. **Summation:** Compute the sum of all attribute values.
2. **Averaging:** Compute the arithmetic mean.
3. **Linear Regression:** Compute the slope coefficient β in $y = \beta x$ using the closed-form solution
$$\beta = \frac{\sum (x_i - \bar{x})(y_i - \bar{y})}{\sum (x_i - \bar{x})^2}$$

Datasets of sizes 10 000, 50 000, and 100 000 records were generated. Each experiment repeated the computation 30 times to mitigate transient system effects. All measurements include client-to-engine network latency.

Measurement Metrics

- **Per-operation Latency:** Time elapsed from encrypted query submission to receipt of encrypted result.
- **Throughput:** Number of analytic operations completed per second.
- **Accuracy:** Mean absolute error (MAE) relative to plaintext computations.
- **Ciphertext Expansion:** Ratio of encrypted data size to original plaintext size.

5. Security Validation

We employed the open-source LWE estimator tool (Albrecht et al., 2015) to verify that chosen FV parameters achieve at least 128-bit security against known lattice attacks. No decryption failures occurred across all trials, confirming robustness of noise management.

RESULTS

The results detailed reveal key insights:

1. **Performance Overhead:** Homomorphic encryption introduces significant computational overhead—per-operation latency increases by approximately one order of magnitude for basic operations (summation and averaging) and up to two orders for more complex tasks (linear regression). For instance, summation on 50 K records incurs 26.0 ms/op under HE versus 0.6 ms/op plaintext, a $\sim 43\times$ slowdown.
2. **Throughput Impact:** Correspondingly, throughput declines substantially. Summation throughput drops from 1 666 ops/s plaintext to 38 ops/s encrypted, limiting HE-enabled analytics to batch or near-real-time use cases rather than high-frequency streaming scenarios.
3. **Accuracy Preservation:** Despite performance penalties, decryption accuracy is effectively preserved. MAE remains negligible— ≤ 0.04 across tasks—demonstrating the correctness of homomorphic arithmetic even under large dataset sizes.
4. **Ciphertext Overhead:** Encrypted data footprints expand roughly $10\times$, imposing storage and network costs that must be factored into cloud budgeting. However, given declining storage prices and abundant bandwidth in modern cloud environments, this overhead may be acceptable for critical, privacy-sensitive applications.
5. **Scalability through Parallelization:** Deploying analytics tasks across multiple compute nodes yields near-linear speed-ups. Splitting the 100 K linear regression workload across two nodes halved per-operation latency from 325 ms to ~ 165 ms, suggesting that horizontal scaling is a viable strategy to counteract HE overheads.
6. **Networking Overhead:** With average network latencies of 15 ms per request, network transfer times account for only $\sim 20\text{--}30\%$ of total processing time, implying that further performance gains will largely depend on optimizing homomorphic operations rather than reducing data-transfer delays.

Overall, while homomorphic encryption is currently best suited for batch analytics and contexts where privacy outweighs latency concerns, its continued optimization—via algorithmic improvements, hardware acceleration, and parallel architectures—promises to broaden its applicability to more latency-sensitive scenarios.

CONCLUSION

This manuscript presents an end-to-end exploration of privacy-preserving cloud analytics using homomorphic encryption (HE). By constructing and evaluating a prototype framework based on the Fan–Vercauteren (FV) scheme, we demonstrate that HE can securely execute fundamental analytics operations—summation, averaging, and linear regression—on encrypted datasets with negligible loss of accuracy. Despite latency overheads of approximately $10\times$ to $75\times$ relative to plaintext execution and a $10\times$ ciphertext expansion, HE-enabled analytics remain practical for many batch processing and non-real-time scenarios, particularly when confidentiality is paramount.

Key takeaways include:

- **Accuracy vs. Performance Trade-Offs:** HE preserves computational correctness while introducing significant performance penalties.
- **Scalability through Parallelization:** Distributing workloads across multiple cloud nodes effectively mitigates latency overheads, achieving near-linear speed-ups.
- **Parameter Selection:** Choosing appropriate security parameters (e.g., 128-bit security, polynomial degree) is critical to balancing confidentiality and efficiency.
- **Integration Considerations:** Seamless deployment demands integration with existing big-data tools and robust key management frameworks.

Looking forward, several research directions merit attention. First, supporting richer analytics—such as SQL joins, k-means clustering, and deep neural network inference—will expand HE’s utility. Second, combining HE with complementary technologies, including secure enclaves and differential privacy, may yield hybrid solutions that optimize both security and performance. Third, community efforts to standardize parameter selection, benchmarking frameworks, and developer tooling will lower the barrier to HE adoption. Finally, interdisciplinary research addressing legal and compliance challenges will ensure that HE-based analytics align with evolving data-protection regulations.

As homomorphic encryption libraries mature and hardware acceleration becomes ubiquitous, we anticipate that privacy-preserving cloud analytics will transition from specialized research prototypes to mainstream enterprise solutions, empowering organizations to harness the full potential of confidential data in the cloud.

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