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## Data the 'new oil' of digital economy

Mining information is profitable to companies, and consumer protections are lagging

Joel Schlesinger

**T**here are dollars in your data.

Except you're not the one profiting from the data trails you create through interactions online, at the store or even moving about town.

It's certainly no shock that data - in the age of analytics, cloud computing and artificial intelligence - is increasingly profitable to companies.

So much so that data has been called the "new oil."

"Data actually has quite a high value when you consider how much is out there available for businesses to use to their advantage," says Yoav Aviram, an Italy-based author and founder of Conscious Digital, a European advocacy group for digital human rights.

The former computer programmer and startup founder, who worked for many years in London, England, now runs a non-profit organization providing privacy-boosting tools for consumers. Among them is yourdigitalrights.org that allows consumers to file requests to companies to delete their data.

If this sounds like something of interest,

expect to be sending a lot of requests, given data is a lucrative endeavour for many businesses these days.

Big tech like Alphabet - the parent company of Google - and Meta, for instance, have business models built on using our data generated from their tools to create marketing profiles to help advertisers better target consumers.

Now, it's not that these firms are lumping "Joel Schlesinger" with a group of other middle-aged white men - well, not quite.

Gleaning our data and turning it into a valuable commodity involves a two-step process, says David Fewer, a lawyer and director of the Canadian Internet Policy and Public Interest Clinic (CIPPIC) at the University of Ottawa.

"They take your personal information, find out what kind of consumer you are, de-attach your name from that, and then re-assign that consumer profile back to you," he says.

It's not only big tech monetizing our data. It's almost every company we interact with, Aviram says. "Companies collect your data because it's another additional revenue stream."

If everyone is selling, who's buying then?

The data brokers are.

"These are companies who are in the business of collecting, selling and trading personal information."

Aviram says his organization tracks about 900 data brokers, which include well-known companies like Oracle, TransUnion and Equifax. These companies sell this data to businesses to help them market their goods and services more precisely.

It's a lucrative gig.

One recent report estimates the value of the data broker market is nearly \$269 billion globally and growing.

Another report breaks down just how much our personal data is worth with basic, personal information like gender, age and location garnering about 50 cents US per 1,000 people, and financial (i.e. recent payment history) and health data being slightly valuable. To provide context, it added that an active Facebook user's data is worth about \$2 per month.

Now, if you're wondering if Meta sells this data, the answer is no. Many large tech companies do not sell data, especially to brokers, because they consider the data they generate from users a competitive advantage, which they would lose if they sold it to brokers, Aviram says.

"But all of them buy data from brokers because at the end of the day social media's business is about improving targeted advertising for its customers."

Now you might ask: what's the big deal?

If you use and enjoy Instagram in return for Meta using your anonymized data to sell ads that ultimately are of interest, that is a good thing, right?

"But it is a concern if you're a consumer who wants to control what you see," Fewer says.

He points to how flight prices can change depending on the device you use and your location because data about you is used to determine what you can and may be willing to pay.

That's among the more benign concerns.

The more worrying and obvious ones are data breaches, Aviram says.

But the potential problems can get downright Orwellian. He points to one instance in the U.S. recently regarding reproductive rights in Nebraska - in the wake of new laws making abortion illegal - where law enforcement used private Facebook data to prosecute a teen for having an abortion.

"This shows where we're living now in a world where we don't know how our data may be abused," he says.

One solution to these problematic outcomes is regulation.

Europe has led the charge with General Data Protection Regulation, empowering consumers with the right to have their data removed from broker databases, he adds.

In Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA) requires organizations to only use our information for purposes that a reasonable person would consider appropriate, stated Vito Pilieci, spokesperson with the Office of the Privacy Commissioner of Canada, in an email to the *Free Press*.

"Organizations must be clear and transparent about how and why they are asking for a person's personal information, and must generally obtain their meaningful consent."

Yet companies often manipulate regulation to their advantage, Fewer says.

"The law kind of developed on this concept that ... competition will take care of abusive contracts."

"Terms and conditions" contracts are a good example of how regulation falls short, Fewer adds.

Most people agree to these without reading them when downloading a free app, for example, because the terms and conditions are too long and convoluted. If it seems deliberate, it is, Aviram says. "Companies routinely use what we call 'dark design patterns' in these to mislead individuals into easily giving up personal data."

Even with better legislation, which the Privacy Commissioner spokesperson

stated is coming with the new federal Digital Charter Implementation Act, regulation is only as good as the enforcement that backs it.

And that often lags behind legislation, Aviram adds.

"So, if you're not enforcing the law against the worst offenders, they keep doing what they are doing."