

'Data is the new oil': Your personal information is now the world's most valuable commodity

Huge amounts of data are controlled by just 5 global mega-corporations that are bigger than most governments

By Ramona Pringle, [CBC News](#)



The five most valuable companies in the world today — Apple, Amazon, Facebook, Microsoft and Google's parent company Alphabet — have commodified data and taken over their respective sectors. (Pawel Kopczynski/Reuters)



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There was a time that oil companies ruled the globe, but "black gold" is no longer the world's most valuable resource — it's been surpassed by data.

The five most valuable companies in the world today — Apple, Amazon, Facebook, Microsoft and Google's parent company Alphabet — have commodified data and taken over their respective sectors.

"Data is clearly the new oil," says Jonathan Taplin, director emeritus of the USC Annenberg Innovation Lab and the author of *Move Fast and Break Things: How Google, Facebook and Amazon Cornered Culture and Undermined Democracy*.

But with that domination comes responsibility — and jurisdictions are struggling with how to contain, regulate and protect all those ones and zeros.

For instance, Google holds an 81 per cent share of search, [according to data metrics site Net Market Share](#).

By comparison, even at its height, Standard Oil only had a 79 per cent share of the American market before antitrust regulators stepped in, Taplin says.

Selling access

What "the big five" are selling — or not selling, as in the case of free services like Google or Facebook — is access. As we use their platforms, the corporate giants are collecting information about every aspect of our lives, our behaviour and our decision-making. All of that data gives them tremendous power. And that power begets more power, and more profit.

On one hand, the data can be used to make their tools and services better, which is good for consumers. These companies are able to learn what we want based on the way we use their products, and can adjust them in response to those needs.

"It enables certain companies with orders of magnitude more surveillance capacity than rivals to develop a 360-degree view of the strengths and vulnerabilities of their suppliers, competitors and customers," says [Frank Pasquale](#), professor of law at the University of Maryland and author of *Black Box Society*.

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Access to such sweeping amounts of data also allows these giants to spot trends early and move on them, which sometimes involves buying up a smaller company before it can become a competitive threat. Pasquale points out that Google/Alphabet has been using its power "to bully or take over rivals and adjacent businesses" at a rate of about "one per week since 2010."

But it's not just newer or smaller tech companies that are at risk, says Taplin. "When Google and Facebook control 88 per cent of all new internet advertising, the rest of the internet economy, including things like online journalism and music, are starved for resources."

'When data is stored in Canada, it's a lot easier to legislate its uses and address privacy concerns.' - *Meghan Sali, Open Media*

Traditionally, this is where the antitrust regulators would step in, but in the data economy it's not so easy. What we're seeing for the first time is a clash between the concept of the nation state and these global, borderless corporations. A handful of tech giants now surpass the size and power of many governments.

For comparison sake, Facebook has almost two billion users, while Canada has a population of just over 36 million. Based on the companies' sheer scale alone, it is increasingly difficult for countries to enforce any kind of regulation, especially as the tech giants start pushing for rules that free them from local restrictions, says [Open Media's](#) Meghan Sali.

"Take, for example, NAFTA, where big tech companies are pushing to include legislation that stops countries from making rules that require the local storage of data," Sali says. "When data is stored in Canada, it's a lot easier to legislate its uses and address privacy concerns."

That's just one way economic considerations are taking precedence over consumer protection.

Pasquale adds that regulators would "certainly be able to intervene effectively" if they had more resources — money, personnel and technical capacity — with which to level the playing field. "And very simple interventions could help enormously — for example, requiring any dominant platform to pay out as wages or other compensation some percentage of revenues."

'We need the political will'

Sali also points out the similarities between the global dominance of the big five and the stranglehold of Canada's three major internet service providers — Bell, Rogers and Telus — whose dominance of the domestic market has kept out competitors and led to Canadians paying some of the [highest prices for wireless internet access in the world](#).

"When we look at the price of data and the amount of money that's being made by big companies by reselling that data, it's certainly comparable to oil in that manner," she says. "But it's a little bit different

in that data isn't a finite resource. At the end of the day, we can certainly create more data, whereas we can't create more oil."

Government could also help by managing crucial parts of the data economy as public infrastructure — a measure that has seen great success through the [Community Broadband](#) initiative, whereby government subsidies have helped build [local fiber optic networks](#).

In other words, if the Radio-television and Telecommunications Commission (CRTC) is going to claim that every Canadian [has a right to high-speed internet](#), then perhaps network infrastructure should be treated like roads and highways and bridges, as opposed to resting it in the hands of corporate giants.

There are ways to rein in these mega-corporations, Taplin says.

"We just need the political will," he says.

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