## The Week in Tech: Can You Put a Price on Your Personal Data?

By Jamie Condliffe

June 28, 2019

Each week, we review <u>the week's news</u>, offering analysis about the most important developments in the tech industry. Want this newsletter in your inbox? Sign up here.

Hi, I'm Jamie Condliffe. Greetings from London. Here's a look at the week's tech news:

Is your data worth \$5 a month to tech companies? \$20? More? How much would make you care?

An answer to the final question may come from a bill proposed by Senators Mark Warner, Democrat of Virginia, and Josh Hawley, Republican of Missouri. Their bill would require companies that collect user data to tell consumers and regulators what they collect, how they make money off it and how much it's worth — in aggregate and broken down by users.

"The overall lack of transparency and disclosure in this market have made it impossible for users to know what they're giving up," Mr. Warner said in a statement.

Which is true. Seeming to acknowledge such concerns, Facebook announced changes to its terms of service a few days later, explaining how it makes money. "Business and organizations pay us to show you ads," it said. "We use your personal data to help determine which ads to show you." (Unbelievably, it hadn't said that before. Sorry, you expected more?)

Less obvious is how much people care. As my colleague <u>Charlie Warzel wrote this</u> <u>past week</u>: "We don't always act in our own interests when it comes to our data. We'll even forgo monetary rewards to avoid thinking about privacy."

But I guess that's the point of the bill: to shock us into realizing of how much our data is worth.

So, how easy is it to work that out?

"Not easy at all," said Robert Shapiro, the chairman of the economic advisory firm Sonecon, who has tried to do it himself.

Mr. Shapiro's <u>approach</u>: Determine advertising revenue for some of the biggest American data collectors, work out the proportion attributed to targeted ads (about half, <u>one recent study said</u>, based on 2015 data), and divide by the number of users. Using that approach, he found that in 2018, an average American's data was worth about \$240, or \$20 a month, to big tech companies, data brokers and other firms.

Mr. Warner is more cautious. In an <u>interview with Axios</u>, he pegged the figure at \$5 a month.

The problem is, both sums sound insultingly small. The idea of increasing public awareness of the issue is great, but I worry that people might be underwhelmed, not outraged.

Mr. Shapiro said that his figure was probably an underestimate, because companies had become more sophisticated in their targeting of ads. And as companies grow, he said, the figure could rise to as much as \$600 a year by 2022.

Would that be enough to make you care? What would? Tell me, at <a href="mailto:jamie@nytimes.com">jamie@nytimes.com</a>.

## What's American?

Once, you could build a car in America using American designs and American steel and, very confidently, call it American.

But as products became more complicated, supply chains and intellectual property went global. So when the United States government moved to <u>block the sale of American products and services to Huawei</u> and other Chinese tech companies (a list that recently <u>got longer</u>), many companies, even some outside the United States, quickly stopped selling, because determining what ran afoul of the rule was difficult.

But it has now been a month since the rule was announced, and it's clear that American companies don't want to leave all of the \$11 billion Huawei spends with them every year on the table. So they scratched at the rule, and examined their supply chains, and decided that, actually, they could sell some stuff to Huawei. My colleagues Paul Mozur and Cecilia Kang reported on how <a href="Intelligent Intelligent Int

How these companies determined that skirting the rule was O.K. is unclear, but the regulation says products can be shipped to Huawei if they are made in foreign countries and if the material in them that originated in the United States accounts for no more than 25 percent of their value. ("Material" means physical components, but also intellectual property.) Complex webs of foreign subsidiaries no doubt help make it easier to claim that material isn't American, too.

All of this underscores the difficulty facing the Trump administration: It can be hard to say a gadget is really American — or Chinese, or whatever — these days. So a tech Iron Curtain doesn't looking so impenetrable.

## Small platform, big stance

Imagine you run a small social network where people discuss knitting. And you notice people increasingly discussing a non-knitting topic that you believe detracts from the network. You could just ban the topic, right?

## Well:

"On Sunday, Ravelry, a popular website for knitters and crocheters, took a political stand when it announced that it was banning content that supports President Trump, in what it said was a resolution against white supremacy."

Some users were ... displeased? "Kill yourselves," one said. "Boycott Ravelry," said another.

As a private social media platform, Ravelry isn't limited by free speech rights; it can go right ahead and take such a step. And it will probably weather the haters: It's a free service, so users have little recourse (apart from telling it to kill itself, or boycotting it), and most of its eight million users will probably accept it and keep knitting.

Expect more of this. Ravelry got the idea from another small social network, the role-playing game forum RPG.net. "There are very clear incentives for smaller platforms to take strong stances," Rasmus Nielsen, a professor of political communication at Oxford University, said in an email. That might be for product differentiation purposes, or to make an ideological stand for the community.

There's an interesting point about size here: Facebook is a private social media platform, just like Ravelry; it could ban topics and clean up problems overnight.

It won't, of course, because the backlash (and ad revenue hit) would be huge. As a society, we don't really want huge platforms like Facebook to turn into censors. (Mark Zuckerberg, Facebook's chief executive, reiterated at the Aspen Ideas Festival in Colorado that he had no plans to do that, defending the need for free speech even for factually incorrect statements.)

"The tricky part is what gets to count as small and thus relatively unproblematic," Professor Nielsen said. "Ravelry clearly is. Is Twitter?"