



## King's Research Portal

### *Document Version*

Publisher's PDF, also known as Version of record

[Link to publication record in King's Research Portal](#)

### *Citation for published version (APA):*

Srnicek, N. (2018, May). The Social Wealth of Data. Autonomy Institute.

### **Citing this paper**

Please note that where the full-text provided on King's Research Portal is the Author Accepted Manuscript or Post-Print version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version for pagination, volume/issue, and date of publication details. And where the final published version is provided on the Research Portal, if citing you are again advised to check the publisher's website for any subsequent corrections.

### **General rights**

Copyright and moral rights for the publications made accessible in the Research Portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognize and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the Research Portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the Research Portal

### **Take down policy**

If you believe that this document breaches copyright please contact [librarypure@kcl.ac.uk](mailto:librarypure@kcl.ac.uk) providing details, and we will remove access to the work immediately and investigate your claim.



## Autonomy

### The Social Wealth of Data

*Nick Srnicek*

This new [report](#) on social wealth funds is a significant contribution – nothing less than an attempt to build an institution for collective wealth and control over investment. As the report notes though, one of the key challenges is in finding continual sources of funding that can sustain the fund over time. Here there appears room to bring together the social wealth fund with another idea that is starting to gain traction: that of being paid for the value of our data.

The latter idea responds to the situation of contemporary platform capitalism, where a handful of increasingly powerful and monopolistic platforms are able to extract an immense amount of data and control the wealth generated from it. The biggest companies in the world (measured by market capitalisation) are all increasingly platform companies, while their founders often rank among the wealthiest individuals. Yet at the same time many of the workers for these companies earn a pittance and struggle against miserable working conditions. The median Amazon worker, for instance, earns barely more than a worker at Walmart<sup>1</sup>; while Facebook and Google have outsourced the existentially harrowing work of content moderation to poorly paid workers in the Philippines<sup>2</sup>. All of these companies, in turn, rely to a significant degree upon our data to make their businesses work – yet the sources of that data see no remuneration, even as society mops up and pays for the negative externalities created by these companies.

There is a general recognition that ownership over data is one of the key issues in play here, but the type of ownership varies in different accounts. In this short piece, I want to outline two prominent options – personal data markets, and a national data fund – and critique the first, while suggesting how the second can fit into a social wealth fund.

<sup>1</sup>Georgia Wells, Rachel Feintzeig, and Theo Francis, “Amazon’s Typical Worker Is in a Warehouse Making \$28,446 a Year,” *Wall Street Journal*, April 22, 2018, <https://www.wsj.com/articles/amazons-typical-worker-is-in-a-warehouse-making-28-446-a-year-1524402003>.

<sup>2</sup>Sarah Roberts, “Behind the Screen: The Hidden Digital Labor of Commercial Content Moderation” (University of Illinois at Urbana-Champaign, 2014), [https://www.ideals.illinois.edu/bitstream/handle/2142/50401/Sarah\\_Roberts.pdf?sequence=1](https://www.ideals.illinois.edu/bitstream/handle/2142/50401/Sarah_Roberts.pdf?sequence=1); Adrian Chen, “The Laborers Who Keep Dick Pics and Beheadings Out of Your Facebook Feed,” *Wired*, October 23, 2014, <http://www.wired.com/2014/10/content-moderation/>.

The idea of a personal data market is seeing a resurgence in popularity,<sup>3</sup> finding recent support in the pages of the *Economist*,<sup>4</sup> the *Wall Street Journal*,<sup>5</sup> and the *New York Times*.<sup>6</sup> The law scholar Eric Posner and Microsoft researcher Glen Weyl are leading the recent charge, particularly in the pages of their recent book *Radical Markets*.<sup>7</sup> They've been joined by long-time supporter of the idea, Jaron Lanier, who first argued for micro-payments for data and content production in his 2013 book, *Who Owns the Future?*<sup>8</sup> And an increasingly large number of blockchain-based initiatives are proposing systems for individual control over the selling of personal data. But the idea of personal data markets isn't just a right-wing or tech evangelist idea; many on the left have also been demanding 'wages for Facebook' and arguing that our online activities are a form of unpaid labour. (In fact, the latter idea is arguably the default position of the left on issues around the digital economy.) All of these positions, in one way or another, make the argument that individuals should be paid for their data. But should we be individually paid for our data?

There are a number of reasons why a personal data market/wage would be laborious, inefficient, and detrimental to individuals, but here I want to focus on two key points. First, there is the simple fact that individually, data is worth very little. Facebook's average quarterly revenue per user, for instance, is only \$6.18 at the moment,<sup>9</sup> while Google's is marginally higher at \$6.70 per user.<sup>10</sup> This is a pittance already, but once the basic expenditures of these companies are taken into account, individuals would be left with even less. The Financial Times provides a useful (and humbling) online tool to calculate your data value to the data broker industry – with almost everyone being worth less than a dollar (my data was worth 22 cents).<sup>11</sup> The value of data emerges from its aggregation and analysis, which means individual data is worth next to nothing. However, and this is our second point, even if our data was worth more we would run into the problem that it intersects with inequality. With personal data markets, we would create a system whereby the rich can afford privacy, while everyone else is incentivised to relinquish their basic rights to privacy. A personal data market would mean

allowing the highest bidder to purchase mass surveillance over us. For all these reasons, the idea of being individually paid for our data should be rejected and remain the preserve of neoliberal dreams.<sup>12</sup>

<sup>3</sup>The idea of a personal data market in fact has a much longer history. The original dot-com boom of the 1990s, for instance, saw companies like AllAdvantage create a platform that let users sell their personal data. In a story that is eerily reminiscent of today's headlines, it was funded by Softbank and venture capital, and at its peak was valued at \$700 million – before it went out of business in 2001. Mark Gimein, "Meet The Dumbest Dot-Com In The World," *Fortune*, July 10, 2000, [http://archive.fortune.com/magazines/fortune/fortune\\_archive/2000/07/10/283752/index.htm](http://archive.fortune.com/magazines/fortune/fortune_archive/2000/07/10/283752/index.htm).

<sup>4</sup>"Should Internet Firms Pay for the Data Users Currently Give Away?," *The Economist*, January 11, 2018, <https://www.economist.com/news/finance-and-economics/21734390-and-new-paper-proposes-should-data-providers-unionise-should-internet>.

<sup>5</sup>Eric A. Posner and E. Glen Weyl, "Want Our Personal Data? Pay for It," *Wall Street Journal*, April 20, 2018, <https://www.wsj.com/articles/want-our-personal-data-pay-for-it-1524237577>.

<sup>6</sup>Eduardo Porter, "Your Data Is Crucial to a Robotic Age. Shouldn't You Be Paid for It?," *The New York Times*, March 6, 2018, <https://www.nytimes.com/2018/03/06/business/economy/user-data-pay.html>.

<sup>7</sup>Eric A. Posner and E. Glen Weyl, *Radical Markets: Uprooting Capitalism and Democracy for a Just Society* (Princeton: Princeton University Press, 2018).

<sup>8</sup>Jaron Lanier, *Who Owns The Future?* (London: Penguin, 2014).

<sup>9</sup>See Facebook's 10-K report for 2017, page 37

<sup>10</sup><https://www.statista.com/statistics/306570/google-annualized-advertising-arpu/> (Note that these are 2016 figures.)

<sup>11</sup><https://ig.ft.com/how-much-is-your-personal-data-worth/>

<sup>12</sup>Kenneth C. Laudon, "Markets and Privacy," *Communications of the ACM*, 1996.

By contrast, a national data fund presents a fundamentally different approach to the ownership of data.<sup>13</sup> Rather than individuals being responsible for the selling of their data, a national data fund would collect (anonymised) public data, as well as any (anonymised) private data that people might wish to share. Ownership of this data would always remain with the collective, and differential levels of access would be provided. For researchers, they might be given open and free access to the healthcare data of a country, fostering the flourishing of medical insights and developments. Likewise, other public bodies might be given open and free access to relevant data (e.g. a public health body could be given access to transportation data in order to manage and reduce localised air pollution problems). And for the global tech giants, any access to this data would come at a high cost for them. In every case, access and use would be highly regulated and controlled, ensuring that privacy and data protection are in place at every step.

The system would be designed in such a way as to ensure privacy (and regulations could be passed to, for instance, restrict re-identification procedures), and to ensure individual control over their own data. If individuals prefer to not let a company use their location data, for instance, they should be given fine-grain controls over this. (One side benefit of this fine-grained control is that we could imagine collective and spontaneous withdrawals of data from companies that were stepping beyond the assumed social contract.) With such an institution, the incentives for individuals to sell their privacy would be gone, since any individual data point would be an imperceptible drop in the national data pool. The data could be as accessible as possible for those who are tasked with building up public goods and services.<sup>14</sup> Yet at the same time, the value of this data for private companies would no longer be channelled into Jeff Bezos' or Mark Zuckerberg's wallet. Instead, the value would be more equitably shared with the public – which brings us back to the social wealth fund.

If the social wealth fund requires annual top-ups to ensure its sustainability, then a national data fund could be a key component of that. As the report argues, this wealth could then be spent on any number of socially useful tasks. In an age of platform capitalism, we should recognise that our data is part of our social wealth.

---

<sup>13</sup>To my knowledge, the first mention of this term is in Evgeny Morozov's article, though related ideas around data trusts have been circulating in a number of policy papers. The fundamental difference being that data trusts aim to establish trust between particular stakeholders in a sector in order to foster sharing of data, while a data fund aims to generate collective remuneration for public data. Evgeny Morozov, "To Tackle Google's Power, Regulators Have to Go After Its Ownership of Data," *The Observer*, July 1, 2017, <http://www.theguardian.com/technology/2017/jul/01/google-european-commission-fine-search-engines>.

<sup>14</sup> For one example, with respect to healthcare data, see: Marc A. Rodwin, "The Case for Public Ownership of Patient Data," *Journal of the American Medical Association* 302, no. 1 (2009): 86–88.