

# THE FOUR-LETTER WORD THAT MAY BECOME SYNONYMOUS WITH 'CASH'

Relevant for: Developmental Issues | Topic: E-governance - applications, models, successes, limitations, and potential incl. Aadhaar & Digital power

Data may not be the new oil but it's the new money because of the intrinsic value it holds for firms

There is a new four-letter word in town, and it is "data". Much like a rather more notorious four-letter word, it is widely used, has a variety of meanings, and elicits feelings that range from disgust to delight. It is also terribly over-hyped, not very well understood, and is supposed to be the answer to all vexing questions.

Data is also supposed to be the "new oil". Over the last century, the great world powers built their hegemonies on the back of oil. Wars were fought, borders redrawn, fortunes built and destroyed, and oceans overrun over this commodity. The world powers of the future, say pundits, will be created on the back of data. This might very well be true. China brought itself into contention with manufacturing; now it is breaking away from the pack by leveraging data and artificial intelligence (AI). Russian President Vladimir Putin famously remarked that "the nation that leads in AI (and so data) will lead the world". Closer home, the Reliance empire attained its leadership on oil, but is now leveraging data and technology to sustain itself over the 21st century.

While data is undeniably powerful, is it the new oil? Bernard Marr, a prolific technology writer and futurist, does not think so. In a March 2018 Forbes article, he says that oil is a finite resource and is stored in silos and tanks. Data is infinite, with more and more of it being generated every day, and hoarding it has little benefit. Oil requires huge amounts of energy (itself) and large tankers to transport it; data, on the other hand, can be transported around the world in nanoseconds through fibre optic cables. The more oil is used, the more of it is lost to heat or wastage; the more data is used, the more insights it gives and the more useful it is. As reserves dwindle, extracting oil becomes more and more difficult (think fracking, tar sands, offshore rigs). However, data is becoming more available because of the rise in computing power and storage. Oil is oil, it looks the same when extracted; data has massive variety—text, pictures, video, sounds, ideas, facts, stories. Oil extraction degraded the environment; data farms do some of that, but nothing in comparison.

Therefore, suggests Marr, data should be compared to the newer energy sources—solar, wind or tidal. "There is an abundance of it," he says, "more than we can ever use, and rather than fencing it off and reducing the supply, we should think about how we can make it more widely available to everyone". Rather than concentrating it in the hands of the few, that is, as current trends seem to be doing.

Data, in my view, is also the "new money". This fact was starkly emphasized by Uber's recent initial public offer. Its widely panned prospectus warned that Uber will never make a profit. What the document sold, on the other hand, was the platform that Uber was building and the amazing data that it was spewing out. This bedrock of data would help it launch a slew of allied services, such as food and freight delivery, dominate the logistics market, and "ignite opportunity by setting the world in motion".

So, is data the new money? What will wallets of the future hold—cash and credit cards, or crypto

currencies and a card or an app that represents the dollar value of our personal data? All of us are generating data in every activity we do: walking, talking, watching TV, driving, exercising, working, learning, recuperating. This data is very valuable to companies and can be monetized. However, the choices as well as rules and regulations related to this data are very complex, and so are the outlets, options and customers for this data.

I am not alone in speculating that a very interesting consequence of all this will be the emergence of a new class of jobs—that of data managers or brokers. Much like we have wealth managers today, who we trust to manage our finances, data brokers will be people or firms who will manage our data.

Perhaps, we will hand over the “keys” to all our personal and professional data to them, with our stated preferences around privacy, earnings, and protection. Based on that, these data managers will decide which data sets of ours to share or sell, to whom, when and to what extent. The data that we monetize this way will fetch us money—in the form of actual dollars, or tradeable crypto currencies, or equivalent goods, and the data broker will take a cut of the same.

Thus, the four-letter word that we will all think of whenever we think of data will be cash.

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