



# New Internationalist

The people, the ideas, the action in the fight for global justice

# Facebook, Google and Amazon

New Internationalist Easier English

Ready Intermediate Lesson

# Today's lesson:

- QUIZ
- Speaking
- Jigsaw reading
- Writing tweets to summarise texts

## FACTS – Internet giants

### THE INTERNET

- The number of internet users rose from **1 billion** in 2005 to an estimated **3.2 billion** in 2015.<sup>1</sup>
- A typical day in the life of the internet involves:
  - 207 billion** emails sent
  - 8.8 billion** YouTube videos watched
  - 4.2 billion** Google searches
  - 803 million** tweets
- It took Google **2 days** to collect **5 exabytes** of data = total amount of data produced by humankind since 2003.<sup>2</sup>
- YouTube users post 100 hours of video for every minute of actual time that goes by.<sup>3</sup>
- Traditional companies employ 10 more people per dollar earned than digital companies.<sup>4</sup>

### THE SEARCH PIE

Google dominates the world search engine market.<sup>1</sup>

Search Engine	Market Share
Google (global)	71.35%
Bing	12.37%
Baidu (mainly in China)	7.34%
AOL (global)	2.2%
Yahoo (global)	0.14%
Other	1.39%

### MEDIA TAKEOVER

The idea that digital advertising revenue would support online news media has proved to be an illusion:

- **85%** of every new dollar spent on online advertising goes to Google or Facebook – not the media companies generating news content.<sup>12</sup>
- Nearly 25% of 'people' who view online video ads are actually robots used by fraudsters.<sup>4</sup>
- Facebook has **three million** active advertisers, mostly small businesses.<sup>13</sup>
- Facebook's Chris Hughes bought the prestigious but struggling US New Republic magazine in 2012, selling it again in 2016. Amazon's Jeff Bezos bought *The Washington Post* in 2013.<sup>4</sup>

### THE BIG THREE

Google is now the world's most valuable publicly traded company.<sup>5</sup>

- Largest internet companies by market capitalization, as of March 2016:<sup>6</sup>

Company	Market Capitalization
Google	\$565 billion <sup>5</sup>
Facebook	\$313 billion <sup>6</sup>
Amazon	\$270 billion <sup>6</sup>

\* total value of shares

### MONOPOLIZING

- Amazon is now the biggest retailer in the US, way ahead of runner-up Walmart.<sup>7</sup> **amazon \$71,844 million**
- Alibaba has about 80% of e-commerce in China.<sup>8</sup> **Walmart \$13,188 million**
- Facebook, the world's largest social network, claims **1.65 billion** active members.<sup>9</sup>
- Alphabet, Google's parent company, has bought **190** companies since 2001, including X Lab, Calico, Nest, YouTube and the Android operating system.<sup>10</sup>
- Facebook has acquired **50** companies since 2005, including Instagram, WhatsApp, Snapchat, Oculus VR, Spotify and Messenger!<sup>10</sup>
- Amazon owns over **40** companies including Alexa, Audible, Lovefilm, Kiva Systems, Zappos, Kindle, BoxOfficeMojo, FireTV, Twitch.tv, Goodreads, The Book Depository, DP Review and Prime Music.<sup>10</sup>

### BILLIONAIRES and TAX AFFAIRS

Bill Gates (\$75 billion) is still the world's richest man, but in 2016 two more digital giants joined the Forbes list of the world's **top 10 billionaires**:<sup>14</sup>

Rank	Name	Company	Net Worth
No 5	Jeff Bezos	Amazon	\$48.9 billion
No 6	Mark Zuckerberg	Facebook	\$46.7 billion

Google founders Larry Page, worth \$35.2 billion, came 12th; and Sergey Brin, with \$35 billion, came 13th.<sup>15</sup>

### TAX

**\$6,300** – the amount Facebook's UK subsidiary paid in corporation tax in 2014, despite handing out \$51 million in staff bonuses.<sup>16</sup>

**\$1.4 billion** – the amount of UK tax avoided by Apple, Facebook, Google, Amazon and eBay in 2014, using loopholes that allowed them to pay corporation tax at a rate of just 0.25%.<sup>17</sup>

1 World Bank, Digital Dividends 2016 nin.10/WB-report 2 Eric Schmidt, quoted 2010 nin.10/digital-monopolies 3 Michael Harris, The End of Absence, Current, 2014. 4 Douglas Rushkoff, Throwing Rocks at the Google Bus, Penguin, 2016. 5 news.com.au, 2 February 2016, nin.10/google-profit-soars 6 statistica.com 2016, nin.10/top-US-internet-co. 7 fortune.com, 2015/11/06/nin.10/amazon-huge-lead 8 The Economist, 'Robber Barons and Silicon Sultans', 3 January 2015. 9 firstpost.com 28 April 2016 nin.10/fb-sales-swell 10 Wikipedia 11 netmarketshare.com, April 2016, nin.10/most-used-search-engine 12 nytimes.com, 2016/04/18/nin.10/faltering-ad-revenue 13 cnbc.com/2016/03/02/nin.10/instagram-advertisers 14 cbc.ca nin.10/forbes-internet-rich 15 forbes.com 2016 rich profiles nin.10/billionaire-brin 16 theguardian.com 2015/oct/11/nin.10/tax-avoiding-fb 17 mirror.co.uk 26/jan/2016/nin.10/top-5-dodge-tax

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# Try this quiz (then check answers on the infographic on the next slide):

1) How many emails are sent in the world on a typical day?:

*a) 2 billion b) 20 billion c) 200 billion*

2) What percentage of internet searches are with Google?:

*a) 51% b) 71% c) 91%*

3) What is the value of Google, Facebook and Amazon together?:

*a) Over \$1,000 billion b) about \$100 billion c) less than \$10 billion*

4) How many active members does Facebook have?:

*a) 1.65 thousand b) 1.65 million c) 1.65 billion*

5) How many companies has Facebook bought since 2005?:

*a) 5 b) 50 c) 500*

6) How much money does Amazon owner Jeff Bezos have?:

*a) about \$50 million b) about \$50 billion c) about \$50 trillion*

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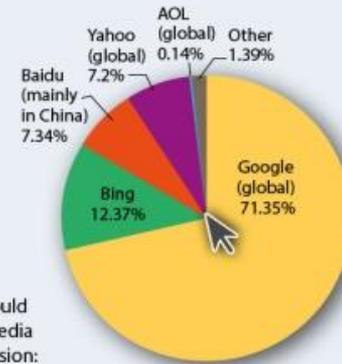
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**What do you know about these 2 companies?**

**In pairs, make a list of what could be good and what could be bad about them:**



# Now compare your points to this article:

## **The sharing economy: Uber and AirBnB**

Uber and Airbnb are two of the new 'person-to-person' businesses. They use the internet to match people who want a service with someone who can give that service. It seems informal, more like a 'social movement' than a business. You don't use a professional taxi service, Uber connects you with a person with a car in your area now – instead of a professional taxi service. Airbnb lets you stay in someone's home – instead of a hotel.

But it's not all good. The owners of Uber and Airbnb are now billionaires; the people who provide the services don't earn much. It's not really sharing.

The market value of Uber is now \$69.5 billion. The National Public Investment Fund of Saudi Arabia recently invested \$3.5 billion in Uber. And Travis Kalanick (Uber CEO) said that they look forward to working with Saudi Arabia to support their economic and social reforms.

Uber does not follow local laws strictly. It says it is a 'platform' to connect drivers with passengers, but the regulations are not clear so it does not have to be responsible. It can change prices when there is more or less demand. In 2015 there were more than 50 lawsuits against Uber in the US and many countries (Belgium, Germany, Canada, Australia, New Zealand / Aotearoa and Brazil) have said it broke rules. Spain, Thailand and France have banned Uber – they say it is 'illegal' and 'dangerous'.

Airbnb grew mainly by people telling others about how the company has helped people who do not have much money but have a spare room. In 2011 it had 50,000 beds; by mid-2015 it had 1.2 million (more beds than the world's largest hotel company). Its value is \$24 billion.

Airbnb makes small, regulated, tax-paying guest houses go out of business, not big, rich hotels. It says that many of its hosts are 'artistic' – and not rich. But we know from research that a lot of the rentals are complete houses. And more Airbnb hosts are now rich people who rent with more than one property.

Now make another list of things that could be good and bad about Facebook, Google and Amazon



# Jigsaw reading:

1/ Predict: What do you think these two articles will be about?:

**‘How Google, Facebook and Amazon won the world’**

**‘No, Mr Zuckerberg’**

2/ Read:

A half of group read:

[https://eewiki.newint.org/index.php/How Google, Facebook and Amazon won the world](https://eewiki.newint.org/index.php/How_Google,_Facebook_and_Amazon_won_the_world)

B half of group read:

[https://eewiki.newint.org/index.php/No Mr Zuckerberg: India%27s fight against Facebook](https://eewiki.newint.org/index.php/No_Mr_Zuckerberg:_India%27s_fight_against_Facebook)

3/ Share:

Pairs (A & B) share what they found out from their text



# Writing

## Challenge!:

Pairs summarise both  
articles in one tweet each  
(140 characters maximum)

# Homework:

1/ Read this Easier English article:

[https://eewiki.newint.org/index.php/Helping\\_in\\_two\\_clicks:\\_technology\\_and\\_charity](https://eewiki.newint.org/index.php/Helping_in_two_clicks:_technology_and_charity)

2/ Read the original version of all 4 New Internationalist articles from this lesson:

<https://newint.org/issues/2016/07/01/>

(after reading the Easier English articles, these will now be far easier to understand)

