There has been a lot of outrage — bordering on hysteria — about Google’s new privacy policy, with some critics advising users to delete their search histories. But is there that much to fear from Google’s tracking? Not really. In fact, in many ways it is beneficial.

There has been an ocean of outrage recently over Google’s new privacy policy, which went into effect on Thursday: The European Union is protesting the changes, the Electronic Frontier Foundation is recommending that users delete their search histories, and much of the coverage seems designed to fan the flames of panic. But should Google’s moves be cause for alarm? Hardly. For one thing, the new policy is not much of a change from the company’s previous policies (as some observers have pointed out). But more than that, tracking users is one of the fundamental building blocks of Web services, and it arguably makes the Web better, not worse.

Alexis Madrigal at the Atlantic recently provided a glimpse into just how much tracking occurs on the Web when a user is simply going about his usual day: A check of his activity with a new tool from the Mozilla Foundation called Collusion, Madrigal says, showed that more than 100 services were tracking him in some form or another via cookies installed in his browser. Most of these, as he describes in the post in some depth — tools such as AdBrite and Aggregate Knowledge — are designed to pick up signals from users that will make it easier to target advertising in a variety of ways. Madrigal adds:

There’s nothing necessarily sinister about this subterranean data exchange: this is, after all, the advertising ecosystem that supports free online content. All the data lets advertisers tune their ads, and the rest of the information logging lets them measure how well things are actually working.

News flash: I actually want to be targeted for advertising

In a nutshell, this is the point we need to keep in mind when thinking about Google’s tracking of users, Facebook’s data-collection policies or even Twitter’s moves to sell historical data to analytics providers: namely, that those kinds of activities are what fund the services we use. Google and Facebook both run dozens of multibillion-dollar server farms that hold all of that free email and photo hosting users are so enamored of (Facebook alone holds more than 140 billion photos). That is one reason why Google’s only opt-out feature is to simply not use the company’s services at all. The tracking and analytics and the services themselves are so intertwined it is probably impossible to disentangle them.
I will go a step further: I’m not just ambivalent about this kind of tracking — I actually want to be tracked by companies like Google and even Facebook. Not just because it helps pay for the services I use but also because it should (theoretically at least) make my Web experience better, by targeting ads and other things toward me instead of bombarding me with useless advertising that turns most websites into a garish nightmare, the visual equivalent of email spam. If tracking my activity (which is anonymized by the majority of companies who use it) helps reduce that problem, then I am all for it.

I wrote not long ago about a privacy complaint from a number of groups who complained that Google and WebMD and other services showed users ads based on the fact that they were searching for medical terms, and my point is the same now as it was then: I want Google to track my search so it can show me relevant ads and other content. If I have cancer or know someone with cancer, showing me information about cancer has a high likelihood of being beneficial. Maybe it’s just me, but I don’t see it as intrusive; I see it as a service, if it is done well (and that is the holy grail for advertising).

Don’t worry about Google; worry about Homeland Security

Obviously this doesn’t mean we should just allow companies to do whatever they wish when it comes to tracking our Web behavior. Encouraging them — and if necessary, forcing them — to be transparent about what is happening and what the data is being collected for is a worthwhile goal, and that’s what much of the Obama administration’s new privacy “bill of rights” is designed to do. And yes, Facebook should probably quit screwing around with its settings all the time and changing things to be opt-out instead of opt-in, but I have no issue with them tracking me via the Like button.

There are plenty of quasi-shady companies that track your behavior online and merge your identity from one network into another, as Rapleaf has been accused of doing in the past, and that is worth criticizing. It’s probably worth being skeptical about how (and why) the Department of Homeland Security and others are tracking your behavior as well. But lots of offline companies and agencies collect all kinds of data on your payment history, credit score, insurance claims and other crucial information, and no one seems to be interested in how little we know about that process.

In other words, there are things worth being concerned about when it comes to your personal information being used in ways you don’t want it to be, and maybe you aren’t willing to make the trade-off involved in exchanging your data for better services or better ads. Regardless, Google’s new privacy policy should be the least of your worries.