The Problems with Facebook

Facebook, the largest social media platform in the world is big, mind-bogglingly, ginormously BIG: with over **3.5 billion users**, taking in **$86 billion** annually, it is a true **monopoly** according to the Federal Trade Commission's **latest antitrust suit**. That's not the only thing that raises questions of whether the platform is a force for good or evil; it just makes all the **other doubts** about it that much more urgent.

Social media on the internet is all about connecting people and sharing content. There are a few different types – Pinterest, Twitter, and Reddit aim at those with mutual interests, while TikTok, YouTube, Spotify and so on publicly share videos and music. But there is little truly personal in all those posts.

Not so with Facebook. In its **suit**, the FTC defines Facebook as a "personal **social networking** service" for connecting and sharing, not with strangers, but with friends and families. Such services, including Instagram and Snapchat, are based on a "**social graph**" charting the various relationships between people.

These sites offer means to share content with familiar people plus other features for finding more friends. All of this can be a great benefit to society.

But this also gives personal networking services the power to freely harvest vast fields of detailed, intimate data about users' interests, needs, fears, likes, and dislikes. This personal data is a literal gold mine to advertisers and other persuaders, as it tells how users feel and suggests ways to get at them.

Facebook makes *$29 billion* in yearly profits by using that data in **surveillance-based advertising**. It takes all that information shed by the userbase, on its site and across the internet, and then exploits it by selling carefully-tailored, behaviorally-based ads for whoever wants to persuade those people.

The ads are "**social advertising**", display ads that the user has to log in to see. They are individually targeted and may not seem like ads, using and collecting feedback and personal data. Is this good for users or is it weaponizing their private info against them?

Troubling secrets

As comics fans know, "with great power comes great responsibility." Facebook's founder, Harvard dropout **Mark Zuckerberg**, has tremendous power, but the troubled history of his company shows a disturbing lack of accountability and transparency.

Facebook began in his dorm room as a sort of Harvard student directory. Though later **denied**, it was based on a website for judging how "hot or not" someone was, and the competition to appear perfect not only persists but has proven contagious.

A **recent study** of Instagram – now owned by Facebook – commissioned but then hidden by the parent company shows that *20%* of teen users felt lonelier after using Instagram and of those feeling suicidal, *6-13%* said the dark thoughts first came to them after a session on the platform, too.

The research was leaked by **Frances Haugen**, a former insider who worked to safeguard elections. But she said that the tweaks to the algorithm the site made to protect the 2020 election were immediately rolled back afterwards in the weeks leading up to the January 6 insurrection in order to increase revenues.

She claims empathy for Zuckerberg, but said he had made bad decisions. The algorithm Facebook uses is aimed at increasing engagement or time spent there, all for increasing profits. Since anger is most engaging, the formula promotes hate speech.

This is not the first time that Facebook has been accused of depressing its users, but now Congress is investigating. **Zuckerberg told** a House committee that internal research shows that Instagram helps people "feel less lonely and more connected". Yet the company has steadfastly refused to publish that research, and in fact recently **banned access** to data by other inquirers who were only trying to help.

Although Facebook refuses to open its vault to those scrutinizing the company, it has either enabled or failed to stop outsiders from accessing user data for their own ends. The **Cambridge Analytica scandal**, for instance, gave the Russians and others the personal data of *87 million* users to influence the 2016 presidential election, Brexit, and other issues.

As he has done **many times** before, **Zuckerberg apologized**. He has performed this act so often that it seems totally habitual. Justifying mistakes has become a set routine: anytime the company is caught doing something wrong, they claim innocent intentions, promise remedies, but change very little.

The latest apology came after the **site went down** for 6 hours recently, costing it *$60-100 million*,

supposedly from an internal configuration error. Those who use their Facebook credentials to log in to other sites were also frustrated, nor could the platform track their movements around the web.

It's not certain whether that really was the cause of the problem. Facebook, as the government puts it, often "misrepresents" things. It not only acts to hide information that casts the company or Zuckerberg in a bad light, it frequently **lies**. Some of these have been found in the **pro-Facebook stories** it now injects into the News Feed. Plus, it overpaid a fine by the FTC for the Cambridge Analytica breach and insider trading by *$4.9 billion*, just to make sure the CEO was not personally named or blamed.

Its own misrepresentations, however, are a hill of beans beside the huge mountains of **misinformation** spilling over the site that Facebook has been unwilling or unable to stop. While **content moderation** is a very difficult and expensive challenge, the company's track record has been **less than stellar**.

For instance, wanting to prove his platform's social benefits, Zuckerberg tried to **cut down the lies** spread there about the Covid vaccine. However, antivax users flooded the site with media and comments, using Facebook's own tools to promote engagement, making it nearly impossible to clean out.

Even worse, however, is Facebook's catering to elite users who spread false information. Recently, it was disclosed that it has a **program** that allows some *5.8 million* high profile, well-to-do celebrities and politicians to flout almost all moderation. This makes a **mockery** of Zuckerberg's claim that his platform democratically provides a level field where anyone can engage with the most powerful on equal terms.

Yet despite one scandal after another, Facebook has repeatedly defied dire predictions and has never suffered a mass exit of users. It's the major benefit enjoyed by monopolies: there's nowhere else to go.

When big becomes behemoth

In fact, being the only one standing gives a lot of advantages to monopolies, as the FTC suit explains. Chief among these are "**network effects**". As more users join a personal social network, the greater value the network offers to all of them. Just like a telephone system, the more connections the merrier.

At a certain point, a kind of critical mass may be reached where everybody wants to get on the bandwagon. Once friends and family are involved, it becomes hard for any new network to gain members.

This also makes leaving very difficult especially for longtime users who have made many contacts, posts, or uploaded other content of their own. Once people have invested time and emotion into a site, they tend to try to minimize irritations and tolerate annoyances rather than log off for good.

This can insulate an established service against upcoming rivals. The only way new players can overcome this disadvantage is with a disruptive or innovative new technology – and maybe not even then because monopolies tend to be bullies.

To stay ahead of their rivals, internet-based companies need to anticipate changes in technology and social trends. Before becoming so huge, Facebook would have to invent new tools and services to keep users and gain new ones from its rivals.

According to the **FTC's lawsuit**, Facebook decided to buy up the competition instead. After several very expensive failures, the company realized that it lacked the business expertise to maintain its dominance under complex and ever-changing modern conditions. The suit quotes Zuckerberg, who said in 2008 that "it is better to buy than compete."

This was just two years after Facebook became available to the general public. Needing to get more users quickly to gain critical mass, the site opened itself to outside developers. They were invited to build an entire ecosystem of apps on its platform. This way it would save on development costs and risks while gaining new users and increasing user engagement and data. Third-party apps would benefit from being distributed by means of the platform.

Facebook continued to develop tools that would work with these apps, and in 2010, with the Open Graph plug-in, they incorporated the "Like" button to promote apps on users' profiles and feeds. It spread like wildfire and became very useful. Network effects were working to gain developers, too.

Then came the **smartphone** with text messaging and cameras. Facebook jumped onboard but its mobile app failed miserably, so they acquired firms to identify competitors, bought them, and quickly shut them down. So much for fostering innovation.

They also shut down any third-party apps on their site that could possibly compete with them. But it was their acquisitions of Instagram and WhatsApp, their biggest competitors, that drew the feds' ire.

Facebook is not the only tech colossus facing lawsuits from lots of agencies, so are Google, Apple, and Amazon. It seems likely that new regulations will be the ultimate result. Maybe if and when that happens, social media will begin to live up to its once bright but now tarnished promise.