

Antitrust Reading Group / WCCW

Sesh #3 - 23 May 2019

“The Antitrust Case Against Facebook: A Monopolist's Journey Towards Pervasive Surveillance in Spite of Consumers' Preference for Privacy”

By Dina Srinivasan

- Dina lays out how Facebook was able to successfully compete against MySpace in the privacy dimension: by offering better privacy options etc.
- She provides a timeline with detailed events
- However, one aspect was a bit unclear: At what point exactly was Facebook able to grow so tremendously while not exactly having a perfect privacy policy, without any competing social network that does even better on privacy issues challenging it?
 - This seems to us like an inconsistency in her argument
- See **Rossi's slides**

Some thoughts we had:

- Note that none of us really remembers Facebook as being better in the privacy dimension than MySpace!
- There seem to be two “kinds of privacy”:
 - Privacy about what you share on social media **with actual humans** (i.e. who can see your pictures? Friends only? Anyone?)
 - Facebook seems to have been advantageous in this dimension
 - Privacy about what you share **with companies**, and whether they're able to **track** you
- We agreed that, back in 2006-2009, none of us were too concerned with the second type of privacy yet
 - We all got really aware of it with the Cambridge Analytical scandal and the other issues discussed with the media
 - Has there been a “change in preferences” for higher privacy standards over time? (If yes, how would you model that?)
- Right now, Facebook has price 0. What might a fair price be? Should Facebook pay us? → see Glenn Weyl (Fiona Scott Morton also mentions it)
 - How to set up a fair price in such markets...? How to measure consumer surplus while price is 0?
- Facebook still has a big network advantage (which is why none of us deletes it)
- Note that there used to be German alternatives to Facebook that used to be quite successful in around 2006-2009. They did seem to have better privacy policies. However, sooner or later all of Germany switched to Facebook. Main reason was that Facebook was the only way to reach out to people living abroad. Clearly network effects!
- How do you audit algorithms? And also, whom do you hold accountable? How can you ensure there's no discrimination etc.?

- Control of the identification market seems important (log-in with your Facebook / Google account anywhere you want)
- Filter bubble etc.: seems more of a political issue

Other issues we also mentioned:

- Breaking up big tech
- Regulation (public utility) vs.
 - See Lina Khan's argument
- Privacy is an issue - but how can you run such a platform otherwise? How can you finance it without collecting no data at all?
 - After all, we also (sometimes) like that information is filtered for us (for example certain people have 0 interest in Football news, while others do)
 - Also, certain targeted ads may actually be useful