

Social Media Regulation: Speak of the Devil and in Walks Zuck

In a recent column on the mating dance between Big Government and Big Tech, I noted that “Big Tech wants to be regulated by Big Governments because regulation makes it more difficult and expensive for new competitors to enter the market.”

Two days after I hit “publish” on that column, Facebook CEO Mark Zuckerberg called for government regulation of social media in a *Washington Post* op-ed.

Zuckerberg offers expansive arguments for regulating four areas of social media content, but those arguments are specious. My own claim as to his real reasons leers visibly over the shoulder of each argument he makes.

Zuckerberg’s first proposed regulatory area is “harmful content.” “Regulation,” he writes, “could set baselines for what’s prohibited and require companies to build systems for keeping harmful content to a bare minimum.”

Who’s best equipped to build such systems? Facebook, with assets of nearly \$100 billion and annual revenues of \$56 billion? Or a new site started by some middle class guy (or even an affluent Harvard student like Mark Zuckerberg 15 years ago) with a great idea and some spare time?

The second regulatory area is “protecting elections.” Zuckerberg: “Our systems would be more effective if regulation created common standards for verifying political actors. ... We believe legislation should be updated to reflect the reality of the threats and set standards for the whole industry.”

Facebook, of course, has already invested billions in developing technology to identify users and advertisers and connect the two types of parties — all in-house. Most startups don’t have the money to develop their own such systems. They hook into a third party advertising service or a standardized ad sales plug-in. The effect — and the intent — of those “updates” would be to protect Facebook from those startups (and the American political establishment from its own would-be competitors).

“Third, effective privacy and data protection needs a globally harmonized framework. ... it should establish a way to hold companies such as Facebook accountable by imposing sanctions when we make mistakes.”

Facebook can easily accommodate “sanctions” that would kill most potential competitors. It already has big bucks in the bank (unlike a new company that may be years away from turning a profit), and that “globally harmonized framework” will almost certainly be built

around its own standards and practices.

Finally, “data portability. If you share data with one service, you should be able to move it to another.” What will the “standard data transfer format” Zuckerberg calls for look like? Existing formats for handling user data. Who handles the most user data now? You know who. New competitors will be forced to build systems like Facebook’s, and forbidden to try their own, possibly better, user data handling schemes.

The Internet’s potential is encapsulated in the expropriated Maoism “let a hundred flowers blossom.” Zuckerberg agrees, but only if each of those hundred flowers is cloned from a geranium grown in his proprietary nursery.

Regulation, not competition, is where monopolies come from. Facebook isn’t a monopoly yet, but Zuckerberg clearly wants to make it one.