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The Laws of Social Networking, or, How Facebook Feigns Privacy

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Introduction

This past weekend, the Wall Street Journal reported that the most popular Facebook apps consistently share information about you and your friends with advertisers and other third parties, no matter what your privacy settings are. This, of course, isn't the first time a significant and ongoing privacy invasion and violation of Facebook's own rules has been uncovered. This past spring, the Journal found that Facebook itself was transmitting user ID numbers to advertising companies, under some circumstances, when a user clicked on an ad.

The Journal's findings are but the latest challenge for Facebook, which has been routinely criticized for modifying its privacy rules and procedures to expose more and more of a user's information. I have been among those critical voices, and as my voice has become hoarse, I have come to realize that there is a clear pattern to Facebook's actions and subsequent responses.

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As Chris Hoofnagle and I have argued, Facebook follows a Machiavellian public relations strategy when introducing new programs. With little or no warning, it introduces "features" that invariably result in more information being shared with advertisers, wait for a negative reaction, and then announce minimal changes without materially affecting the new feature or subsequent information flows. They explain away the fuss with public relations spin: "we are listening to our users," "we didn't get it right this time," "we look forward to your feedback," etc. This strategy works, time and time again.

Why? Why does Facebook take this strategy, and why does it work? Why do we acquiesce to this Machiavellian approach to privacy? As I spend more time dealing with these concerns, and trying to push Facebook to change its ways, I've come to realize there are natural laws at work that predict this behavior, and work to thwart my reformist efforts: what I call the Laws of Social Networking.

- The first law is somewhat obvious: *Social networking sites are incentivized to promote the open and unfettered flow of mountains of personal information.*

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- The second law, perhaps more of a corollary, follows naturally from this:

Providing users robust and easy-to-use tools to control their personal information flows is counter to this profit maximization motive.

- Thus, the third law: *Provide users privacy controls only when you must, and position them as both a great a sacrifice, as well as something users probably shouldn't bother with; make privacy hard.*

We can find evidence for each of these laws within public comments by Facebook's management team, as well as encoded within the design of its architecture and recent privacy "upgrades".

First law

The first law of social networking is the most obvious: *Social networking sites are incentivized to promote the open and unfettered flow of mountains of personal information.*

We cannot ignore the fact that Facebook, and popular social networks like them, only can exist and thrive when users openly share information. That is the point of joining a social network; that is the point of running a social network. Similarly, a

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social network platform like Facebook exist under the auspice of the “network effect”: its value increases as more people use it. Facebook knows this, of course, and thus has built a powerful – and often quite useful – platform for the sharing of information.

Facebook provides this powerful platform for free; yet, they have bills to pay and investors to what a financial return. Thus, it is inevitable – if not the goal from the onset – that our information flows across the social network become monetized.

Facebook, thus, evolves from a college-based social network in Zuckerberg’s Harvard bedroom into a global platform for behaviorally-targeted advertising, where the social network itself is the necessary component, delivering the personal information flows to fuel this advertising engine.

Facebook’s 2009 advertising revenue is estimated to hover around \$800 million dollars, more than double the previous year’s total. Estimates for 2010 range between \$1.2 and \$2 billion dollars. Thus, the monetization of the social network of users as sources of “informational fuel” for this advertising engine yields great financial returns, leading Facebook to focus its efforts on ensuring the continued, unfettered flow of personal information into this advertising machine.

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This focus is clearly visible in how Facebook, and Zuckerberg particularly, talk about the intentions and goals of Facebook: its *prima facie* reason for existence:

At the 2008 Web 2.0 Summit, Zuckerberg indicated the following:

“Four years ago, when Facebook was just getting started, most people didn’t want to put information about themselves on the Internet. So, we got people through this really big hurdle of getting people to want to put up their full name, a real picture, mobile phone number...and connections to real people.”

And followed with this strategic vision for the organization:

“I would expect that next year, people will share twice as much information as they share this year, and next year, they will be sharing twice as much as they did the year before. That means that people are using Facebook, and the applications and the ecosystem, more and more.

...as long as the stream of information is constantly increasing, and as long as we’re doing our job...our role of pushing that forward, I think that’s....the best strategy for us.”

In short, the best strategy for social networks is to increase personal information flows online, to get “people through this really big hurdle of getting people to want to put up” personal information online.

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This is the framework for Zuckerberg's entire philosophy of information, centering on the fundamental belief that *information wants to be shared*, and that the primary goal of Facebook has been to encourage people to overcome the "hurdle" of wanting to preserve some privacy online.

And if Facebook is "doing their job", people will share twice as much information each year, and Facebook can maintain its revenue growth.

Second law

Now, Facebook's desire to be profitable and maintain financial growth and stability is not inherently evil. It does become problematic, however, when the profit-maximizing motive interferes with users' desire to control their information flows. Thus, my 2nd law: *Providing users robust and easy-to-use tools to control their personal information flows is counter to this profit maximization motive.*

This law manifests itself in Facebook's reluctance to give users full control over their personal information flows, and the repeated creation of new information-sharing services that over-reach in their scope, and only provide limited privacy protections if, and only if, considerable backlash is felt.

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In 2006, Facebook activated News Feed, where users' actions were automatically posted on friends' pages, causing many to object because it made it too easy for other people to track down individual activities. A year later, Facebook launched Beacon, an advertising program that announced users' purchases at other websites on Facebook, often without explicit consent.

More recently, Facebook's privacy "upgrade", heralded as "transforming the world's ability to control its information online", was actually a privacy downgrade for users. With these changes, Facebook forced certain profile information to be permanently public, and turning one's "likes" into actual linked groups where users were automatically listed as members, effectively stripping users' of their ability to control visibility and privacy on Facebook. It also changed the default settings and created "transition tools" that recommended sharing more information with "everyone", automatically enrolling users in "instant personalization" which shared user profile information with external websites.

In each of these cases, Facebook followed the pattern of taking two steps forward with an aggressive push for the sharing of personal information, and creeping back the slightest bit once the criticisms emerged. But in the end, the increased

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information flow won out, and any new privacy protections were minimized, which leads us to the third law

Third law

Provide users privacy controls only when you must, and position them as both a great sacrifice, as well as something users probably shouldn't bother with; make privacy hard.

Facebook frequently points to the mere existence of privacy settings as a sufficient means of giving users full control of their information, ignoring the inherent complexities within the settings themselves. Only after extreme reaction to the most recent “upgrades” – and increased threat of government intervention – did Facebook finally hunker down and create a more streamlined “privacy dashboard”. This follows a trend for Facebook to show great reluctance to provide users a means to restrict their flows of personal information (see Law #1 and 2).

Reacting to demands for more privacy controls, Facebook argues that any limits on the open flow of personal information is inherently detrimental to the service: “Facebook provides a less satisfying experience for people who choose not to post a photo or make connections with friends or interests”. Further, when pushed that

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users really want finer controls over what they share and with whom, Facebook execs respond with this incredible statement: “If you’re not comfortable sharing, don’t.”

This is perhaps the most striking example of Facebook’s utter failure to understand how privacy works. I’ll grant that it is easier to find people if their information is public. And I’ll grant that many people will have a “less satisfying experience” if they don’t post photos or make connections. But, again, people need to have that choice. Before recent changes to the platform, Facebook users *had* that choice. They could choose what to post to their profile and who can access it — they had control. But to Facebook, privacy and the control of information is a binary: either you share it with everyone, or you don’t share it at all. There’s no longer any space between these two poles, no way to control how these pieces of personal information are visible.

But only when their hand is forced, does Facebook recant, giving back just a little control, enough to silence some of its critics, while reminding us that it was a great sacrifice to give back to users the control they originally had, and that they deserve. They explain away the fuss with public relations spin: “we are listening to our users,” “we didn’t get it right this time,” “we look forward to your feedback,” etc.

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Each time, Facebook promises users that "we will keep listening," and artfully reminding us that all they really want to do is make "the world more open and connected", and only with great reluctance, and sometimes only after super-top-secret meetings within the company, does Facebook acquiesce and give limited controls back to the user base.

This is what University of Cambridge researchers Joseph Bonneau and Sören Preibusch have described as the privacy jungle: social networking sites might build robust privacy settings to appease privacy advocates, but they don't promote them and/or make them difficult to use so the majority of users don't bother to change their default settings, thereby keeping the open flows of personal information undisturbed. And this is the jungle we find ourselves in with Facebook: they reluctantly provide privacy settings, but suggest they're against users better interests, and thus make them hard to change and properly understand. Thus, the expanded information flows prompted by the first two laws remain undisturbed.

What Next

So, we have the three natural laws. If we accept their existence, and their inevitableness, where does this leave us?

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As a scholar who has pegged a large part of his career criticizing Facebook's privacy practices, as well as trying to engage with Facebook itself to help improve their policies and procedures, the realization that these natural laws work against any of my reformist efforts is sobering.

The laws of social networking appear to neutralize any suggestion that self-regulation is a viable option. And it remains unlikely that government regulation will emerge to mandate changes to social networking sites' interfaces to make privacy controls more clear and responsive to user's varied needs (although pressure from Canadian privacy regulators did have a positive impact on some of Facebook's default settings).

These natural laws also work against the emergence of any purported new social network platform that suggests a new privacy-protecting paradigm. The hype around Diaspora, for example, merely reminds me of this idealistic statement about the negative impact of advertising within the design of search engines:

Currently, the predominant business model for commercial search engines is advertising. The goals of the advertising business model do not always correspond to providing quality search to users.

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...we expect that advertising funded search engines will be inherently biased towards the advertisers and away from the needs of the consumers.

... advertising causes enough mixed incentives that it is crucial to have a competitive search engine that is transparent and in the academic realm.

Who here knows the source of this statement? Sergey Brin and Larry's Page's original 1998 paper announcing Google. Google, of course, now generates over \$23 billion in advertising revenue. I fear that despite the idealistic vision of the NYU students designing Diaspora, that the existence of the laws of social networking will thwart their efforts.

That leaves us with the task for educating users. We must engage in digital literacy initiatives to ensure users fully understand how to make use of existing privacy controls and appreciate the nature of how personal information flows within the social networking ecosystem. This is something we can do in our classes, in our scholarship, in our roles as public advocates, and even within Facebook itself. For example, I was part of a project at NYPL where we build Facebook applications to help NYC students access library services, but took advantage of the fact users were adding this NYPL Facebook app to educate them about what information apps can access, and how to adjust their privacy settings accordingly.

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In the end, the existence of the laws of social networking create, and perpetuate, a great power imbalance where users lack robust privacy controls, leaving them with limited ability to manage their personal information flows. Without better education, and continued pressured even in the face these laws, Facebook will merely continue to feign privacy, and users will continue to be lost in the privacy jungle.

I leave you with these laws, and open them up for your consideration. Perhaps they are not as inevitable as I fear, or perhaps we have solutions that can counter their effects. I look forward to our discussion.

Thank you.