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The trilemma of Big Tech

We can have democracy, market dominance and business models that optimise for anger and junk — but only two at a time

Two weeks ago Facebook's Mark Zuckerberg took to the stage in San Jose, California, and presented his vision for the future at the company's yearly developers' conference.

The attention given to the conference by the world's media was testimony to the fact that Facebook is now more powerful than most nation states. Its products provide the infrastructure for core democratic functions such as free speech, distribution of news and access to information. Our societies, to a larger and larger degree, are shaped by how Zuckerberg and a small elite of Silicon Valley business leaders choose to do business. And the results, frankly speaking, are catastrophic.

New normal

Since the 2016 'Brexit' referendum and the election of Donald Trump as US president the following year, discussion about the negative impact of social networks on democracy has intensified. 'Fake news', disinformation, Russian interference and propaganda have become the new normal. In a recent TED-talk, the *Guardian* journalist Carole Cadwalladr described how Facebook became a platform for lies and illegal behaviour in the Brexit campaign.

'Have social media made the world a better place?' Poppy Harlow of CNN asked the influential tech writer Kara Swisher 'No, not now' was the dry answer. The founder of the modern web, Tim Berners-Lee, has called for regulation of the internet as the only way to save it, and the virtual-reality pioneer and internet philosopher Jaron Lanier has written a book about why people should get off 'social media' as soon as possible.

The current situation is clearly unsustainable and the measures taken so far to address it insufficient. But before discussing solutions we need to define what the problem is. And here it is easy to get lost in details and

anecdotes. Not all of the problems of social networks are fatal to democracy.

The economist Dani Rodrik has framed the discussion around the state of the world economy as a trilemma, where hyper-globalisation, democratic policies and national sovereignty are mutually incompatible. We can, he argues, combine any two of the three, but never have all three simultaneously and in full.

It might be conceptually useful to structure the discussion of the global information space in an analogous manner. One can have democracy, market dominance and business models that optimise for anger and junk — but only two at a time.

Democracy

For democracies to work, access to information and pluralism of news and information are essential. Why? As Reporters without Borders put it in its Declaration on Information and Democracy last autumn, 'Knowledge is necessary for human beings to develop their biological, psychological, social, political and economic capacities.'

Today, the information infrastructure achieves the opposite of informing us and providing knowledge. In today's world, lies travel faster and reach further than the truth. Yes, disinformation and propaganda have always been around but not to this degree and not in this way — not in functioning democracies, anyway.

The danger to democracy comes as a consequence of two different but overlapping logics. One is the business model of social networks. The other is the dominant position they occupy in our information space. One isn't enough to harm democracy but, in combination, the mechanisms become lethal.

Business models

In a classic essay, Ethan Zuckerman of MIT called the tech giants' choice of advertising as their business model 'the internet's original sin'. When Facebook and Google made that choice, the foundation was laid for a lot of the problems we see today.

Advertising feeds on data. To sell more targeted ads back to customers means keeping them engaged and harvesting the maximum amount of data from them. This incentivises the companies to pursue more and

more detailed surveillance and more and more granular personalisation of their products. And the consequence? Zuckerman pointed to a study by Gilad Lotan in which he described the view participants from Israel and Palestine had of the war in Gaza as 'personalised propaganda'.

Zuckerman's essay was written five years ago. Since then, things have escalated, not only in Gaza, but all over the world. Hatred, lies and propaganda are spreading like wildfire, after being tailored to individuals' online profiles. This has huge, real-world effects on politics and people's lives.

The important realisation at this juncture is that the three points in the triangle just can't be reached at the same time.

Lisa-Maria Neudert, a researcher at the Oxford Internet Institute, has summarised the problems of the digital-attention economy thus: 'The content that is the most misleading or conspiratorial, that's what's generating the most discussion and the most engagement, and that's what the algorithm is designed to respond to.'

We live in a public sphere which optimises for rage. And it's not a flaw or something that is easy to fix. The problem is embedded in the core of the business models generating record profits for the companies' owners.

Market domination

The ad-based business model wouldn't be so dangerous if we lived in a world with a plurality of products competing in the information space. But today we see a two-fold movement in the opposite direction.

The first is the that Facebook and Google — which owns YouTube — are becoming a duopoly in the data and advertising market. They are buying up competition and using anti-competitive measures to strengthen and expand their position. The other movement is the weakening of journalism, as a consequence of the same development. Where social networks are succeeding, 'news deserts' — big geographic areas which simply have no local news coverage — are expanding rapidly.

Facebook today has over 2.3 billion monthly users and YouTube last year had 1.8 billion logged on. The majority of Americans get their news from social media and the same is true of most European countries.

Never in the history of humankind have companies existed with such reach and impact on information and human communication. The size of the audience amplifies the problems of the business models to a level

where it becomes dangerous. If only smaller actors in the communication space optimised for engagement, it would not be a problem for democracy. But when the dominating platforms do, knowledge and truth are crowded out.

The trilemma, then, is that one can have democracy and ad-based business models, but not combined with market domination. And one could, in theory, have democracy and dominating platforms, if they functioned in a way that did not optimise for rage and guaranteed pluralism. And of course, one can have duopoly and destructive business models. But then, as we are starting to realise, democracy won't work.

Solving the trilemma

In the end, just as with Rodrik's model, we are stuck with a choice. If we want to keep democracy, we need to guarantee pluralism in the information space, by creating competition in the market through breaking up the duopoly or establishing safeguards against a business model incompatible with democracy.

How do we do that? I'm not sure but I firmly disagree with the notion that it would be 'too complicated'. The Reporters without Borders declaration suggests that platforms 'shall promote diversity of ideas and information, media pluralism and favour serendipity'. And it goes on: Tools used for curating and indexing information — meaning aggregating, sorting and prioritising information — must provide alternative solutions, allowing for a pluralism of indexation, and allowing for freedom of choice for users.'

If implemented, such principles might fundamentally alter the business models of the social-network giants and help solve the trilemma. The other road is, of course, that which the Democrat presidential candidate Elizabeth Warren has suggested in the US — break the companies up.

The important realisation at this juncture is that the three points in the triangle just can't be reached at the same time. Bearing in mind the warning from the philosopher Hannah Arendt: 'What makes it possible for a totalitarian or any other dictatorship to rule is that people are not informed; how can you have an opinion if you are not informed?'

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