

Social Media and The Common Good

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UF

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!!Disclaimer!!

- Although I take the following issues seriously *I am not a social scientist!*
- My job here is to start a conversation, not to finish it.
- I am more interested in hearing what everyone here thinks about these issues than I am in being right about anything.

Introduction

'Our discussion will be adequate if it has as much clearness as the subject-matter admits of, for precision is not to be sought for alike in all discussions... We must be content ... in speaking of such subjects and with such premisses to indicate the truth roughly and in outline, and in speaking about things which are only for the most part true and with premisses of the same kind to reach conclusions that are no better. In the same spirit, therefore, should each type of statement be received; for it is the mark of an educated man to look for precision in each class of things just so far as the nature of the subject admits; it is evidently equally foolish to accept probable reasoning from a mathematician and to demand from a [amateur social scientist] scientific proofs.'

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- Aristotle. *Nicomachean Ethics*. B1,3.

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 - SM threatens the interest we all have in protecting the quality of political discourse, the rule of law, and the health of individuals.
 - I cannot fully defend the soundness of this argument; I can only provide you with a reason to think that SM *possibly* has a negative influence on the common good .

SM Threatens The Freedom of The Press

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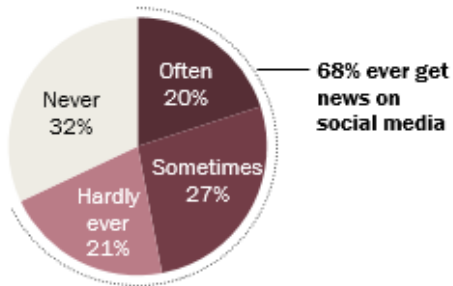
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- There is reason to think that SM is such a factor.

About two-thirds of Americans get news on social media

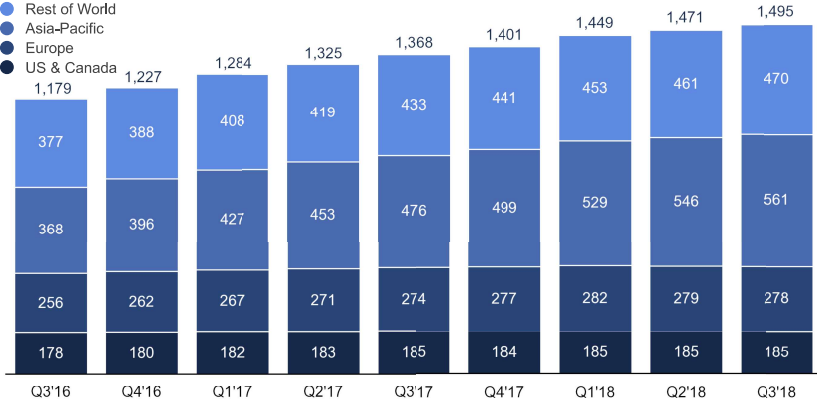
% of U.S. adults who get news on social media ...



Daily Active Users (DAUs)

In Millions

- Rest of World
- Asia-Pacific
- Europe
- US & Canada

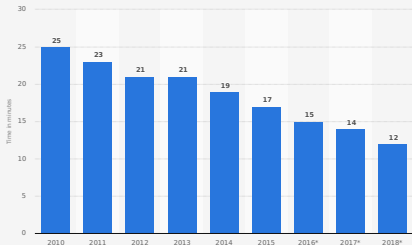


DAUs / MAUs

| Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | Q1'18 | Q2'18 | Q3'18 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 66% | 66% | 66% | 66% | 66% | 66% | 66% | 66% | 66% |

SM Threatens The Freedom Of The Press

Daily time spent reading newspapers per capita in the United States from 2010 to 2018 (in minutes)



Sources

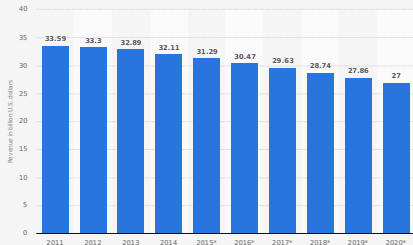
Zenith, Various sources (Media Dynamics)
© Statista 2018

Additional Information:

United States; Zenith, Various sources (Media Dynamics); 2010 to 2015

statista

Newspaper publishing industry revenue in the United States from 2011 to 2020 (in billion U.S. dollars)



Sources

PwC, Statista/BIS
© Statista 2018

Additional Information:

United States; PwC; 2011 to 2014

statista

JULY 30, 2018



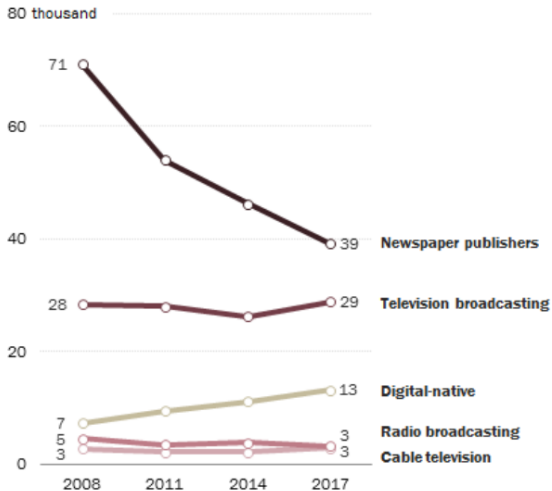
Newsroom employment dropped nearly a quarter in less than 10 years, with greatest decline at newspapers

BY ELIZABETH GRIECO

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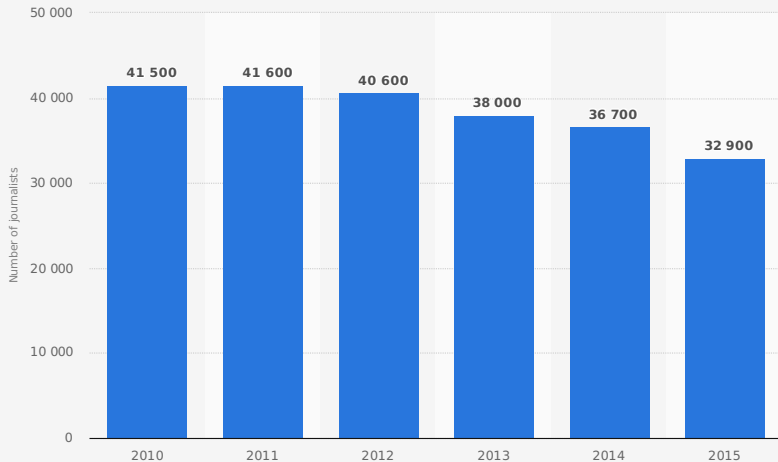
Newspaper newsroom employees declined by 45% between 2008 and 2017

Number of U.S. newsroom employees in each news industry, in thousands



SM Threatens The Freedom Of The Press

Number of full time daily newspaper journalists in United States from 2010 to 2015



Source
ASNE
© Statista 2018

Additional Information:
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- Provisional Conclusions:
- The rise of SM seems to be correlated with:
 - ① The disruption of the newspaper business model.
 - ② The fact that people spend less time reading the news.
 - ③ The disappearance of a good number of journalists.
- SM seems to be a factor contributing to make the press less free, since no press can be reasonably expected to put a check on the powerful with significantly less resources.

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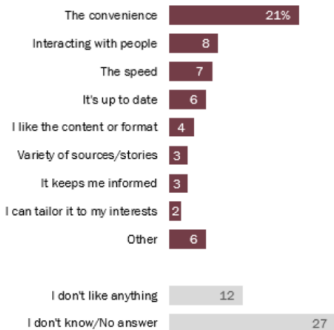
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- Arguably, then, any factor that contributes to make individuals less equal (or to appear to be less equal) before the law thereby threatens the rule of law.
- There is reason to believe that SM's negative effect on the newspaper business model has been financed (at least in part) by their exploitation of a loophole in current legislation.

SM Threatens The Rule Of Law.

Social media news consumers like convenience, speed and social interaction

% of social media news consumers who say the thing they like most about getting news on social media is ...

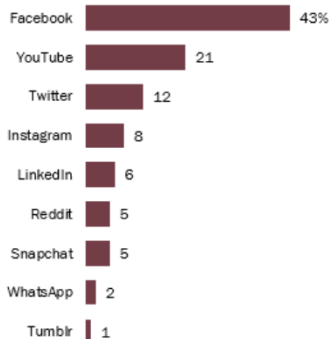


Note: Numbers may not add up to 100% because of rounding.
Source: Survey conducted July 30-Aug. 12, 2018.
"News Use Across Social Media Platforms 2018"

PEW RESEARCH CENTER

Social media sites as pathways to news

% of U.S. adults who get news on each social media site

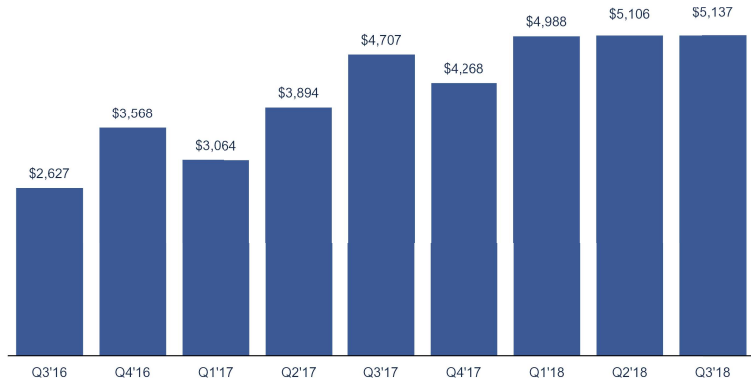


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Net Income

In Millions



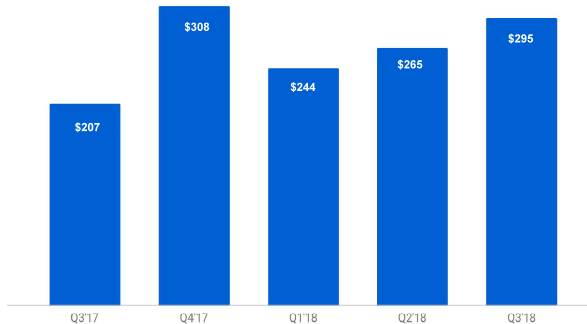
In December 2017, the 2017 Tax Cuts and Jobs Act (the Tax Act) was enacted and significantly impacted the U.S. tax law. As a result of this legislation, our fourth quarter and full year 2017 provision for income taxes increased by \$2.27 billion, which impacted our effective tax rate, net income and diluted earnings per share (EPS) for such periods. Our diluted EPS decreased by \$0.77 for both the fourth quarter and full year 2017. As a result of the Act, starting in 2018, the U.S. statutory tax rate decreased from 35% to 21%.

facebook

SM Threatens The Rule Of Law.

Adjusted EBITDA⁽⁷⁾

(\$, millions)



+43%
Y/Y

| Adjusted EBITDA Margin | Q3'17 | Q4'17 | Q1'18 | Q2'18 | Q3'18 |
|------------------------|-------|-------|-------|-------|-------|
| Adjusted EBITDA Margin | 35% | 42% | 37% | 37% | 39% |



(7) Adjusted EBITDA is defined as GAAP net income (loss) adjusted to exclude stock-based compensation expense, depreciation and amortization expense, interest and other expense, net, provision (benefit) for income taxes, restructuring charges and one-time nonrecurring gain. See Appendix for a reconciliation of GAAP net income (loss) to Adjusted EBITDA.

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- Section 230 of the CDA has been generally interpreted by the courts as protecting 'interactive computer services' from suits involving content created by third-parties on those services (GoDaddy, Jones).

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- SM companies are not legally responsible for the content third-parties publish on their services; this most likely saves them a lot of money.
- Wouldn't it be nice if we could also be exempt from any liability while making exuberant amounts of profit on the back of other people's free "content" (labor)?

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- Provisional Conclusions.
- The rise of SM seems to be correlated with:
 - ① Increased *de facto* or perceived legal inequality among individuals.
 - ② A *de facto* or perceived privatization of the public forum.
- To the extent that this is the case, SM contributes to make individuals less equal (and less confident that they are in fact equal) under the law, and it thereby poses a threat to the rule of law.

Objections

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- I have argued that SM threatens the common good because it threatens the freedom of the press and the rule of law.

- I have argued that SM threatens the common good because it threatens the freedom of the press and the rule of law.
- Maybe the moral is that we should leave SM and reconstruct real-world institutions.

Thank You!

- Eva Matsa, K. and Shearer, E. (2018) 'News Use Across Social Media Platforms 2018' <http://www.pewresearch.org>.
- Grieco, E. (2018) 'Newsroom employment dropped nearly a quarter in less than 10 years, with greatest decline at newspapers'(2018). <http://www.pewresearch.org>