

Current Affairs

What's the Fuss about Facebook?

by Musafir



In the past, before the social media companies such as Facebook emerged, companies used to have tangible assets. Social media companies mostly have intangible assets. In the past companies used to produce products and services that were value added. In contrast, the products of social media are nonvalue added. Value added in reference to products means the amount by which the value of an article is increased at each stage of its production, exclusive of initial costs. Value added in service industries means having features added to a basic line or model for which the buyer is prepared to pay extra.

In the past companies including Microsoft and Apple were started with a definite idea, software and hardware. Facebook was started as fun and tease. In 2003, Mark Zuckerberg, a second-year student at Harvard at the time, wrote the software for a website called Facemash. He put his computer science skills to good use by hacking into Harvard's security network, where he copied

the student ID images used by the dormitories and used them to populate his new website. Interestingly enough, he had initially created the site as a type of "hot or not" game for fellow students. Website visitors could use the site to compare two student photos side-by-side and decide who was "hot" and who was "not."

Zuckerberg, who is still in his early thirties had no idea that someday he would create a company that would grow into eighty billion dollars market value and that his own worth would reach 66 billion US dollars so fast. So, it is not fair to judge his mistakes by a traditional standards. None of the Senators who grilled this young man could get hired by Facebook. They are not smart enough. It's not entirely Mr. Zuckerberg's fault, if the lawmakers didn't foresee the need for any kind of regulations for social media companies. It has been close to 14 years now. One wonders what were they doing other than playing dirty politics?

Facebook didn't ask for any government subsidy or bailout. Some tech companies, such as Tesla is partially funded by the U.S. government. Many



sick manufacturing and environmental companies were propped up with tax payers' money.

Yes, Facebook made some mistakes. In 2007, for instance, it launched a program called Beacon that tracked people's habits on the Web outside of Facebook and then provided the data to Facebook advertisers. In 2010, the company was caught selling data that could be used to uncover the real world identity of Facebook users.

Congress still doesn't get it. The Senators gave little indication last week that they knew what form those laws and regulations would take, or whether they could even be enacted without becoming overly burdensome. In the end, Mark Zuckerberg acknowledged Facebook will have to make changes but Congress appeared uncertain over how and if the government should step in.

Watching Senate hearing produced lots of levity though. Here are some excerpts:

Sen. Orrin Hatch asked how Facebook is able to sustain a business model while running as a free

service, and Zuckerberg was barely able to keep a straight face when he responded, "Senator, we run ads."

Sen. Brian Schatz asked Zuckerberg if Facebook would be able to see if he "emailed" someone over WhatsApp. When Zuckerberg said that WhatsApp is encrypted, and that other companies are

not able to read encrypted messages, Schatz asked if he would get *Black Panther* ads on Facebook if he messaged someone about the movie through

Sen. Chuck Grassley: "Mr. Zuckerberg, can you change Snapchat back? My granddaughter won't stop complaining about it. Also, what is a Snapchat?"

ZUCKERBERG: "I am ready to answer any questions you might have about Facebook

SENATOR: "Excellent. Mark Zuckerberg my Farmville farm needs more pigs but I cannot figure out where to purchase them."

USA Today's editorial on April 10, 2018 summed it up nicely, "Mark Zuckerberg's testimony before a Senate panel on Tuesday could be summed up in two sentences: "I'm sorry." And "we're working on this."