

Submission to the Australian Competition and Consumer Commission

on the Issues Paper for the Digital Platform Services Inquiry — March 2023 Report on social media services

9 September 2022



Digital Rights Watch is a charity organisation founded in 2016 whose mission is to ensure that people in Australia are equipped, empowered and enabled to uphold their digital rights. We stand for privacy, democracy, fairness & freedom in a digital age. We believe that digital rights are human rights which see their expression online. We educate, campaign, and advocate for a digital environment where individuals have the power to maintain their human rights.¹

¹ Learn more about our work on our website: <https://digitalrightswatch.org.au/>

General remarks

Digital Rights Watch (DRW) welcomes the opportunity to submit comments to the Australian Competition and Consumer Commission (ACCC) concerning the Issues Paper regarding the sixth interim report for the Digital Platform Services Inquiry in relation to social media platforms.

As highlighted in the Issues Paper, social media services are important for individual consumers to connect and communicate with each other, to access critical information, and to connect with like-minded groups and communities. They also play an important role for many small businesses as well as individual creators in the “creator economy”. Notably, many individuals who use social media services do so both as consumers as well as creators.

Over the course of 2021 and 2022, DRW conducted a community-based research project called Rebalancing the Internet Economy in which we engaged with over 300 people in creative, community and knowledge-based industries who use digital platforms to conduct their work. The groups we engaged with included artists, writers, political organisers and activists, sex workers, content creators, and musicians. The project was designed to be grounded in the perspectives and experiences of everyday Australians who rely on digital platforms, including social media services. Drawing on these real experiences we examined the ways digital platforms are working well and the ways they are failing so we could explore changes that would enable digital platforms to better serve communities in Australia. The full report including findings and recommendations is available on the DRW Website.²

The rise of digital platforms, including social media services, came with the promise of disintermediation between creators and users. This was meant to give creative workers a larger share of power and control over their work. Over the course of this project we heard from participants that digital platforms and the internet economy are falling short of this promise. In many ways, digital platforms are exacerbating, rather than alleviating, the economic and power imbalances faced by the people working in creative, community, and knowledge industries.

We found that a large part of the reason behind this is that major digital platforms have a tendency towards a monopolistic hold on both users and creators. Platforms are able to leverage their power over creatives who are left with no real choice or alternatives for reaching audiences, undermining their bargaining power for fair remuneration.

On top of this, the design of platforms, including engagement and amplification algorithms, are having an impact on the ways that creatives, community leaders and other workers’ processes and outputs. Creators and consumers alike are troubled by privacy-invasive or data-extractive practices of social media services which can undermine the safety and security of communities. Despite these concerns, many feel trapped within the current services, as they have no genuine alternative to the major social media platforms and that leaving them would have detrimental impacts on their work, income, and ability to connect.

From our research it is clear that the internet economy has created new opportunities for individual creatives to extend their reach and build connections through online communities, however most questioned whether these benefits were worth the negative consequences, and were doubtful as to whether it is translating to better real-world outcomes.

² Rebalancing the Internet Economy, <https://digitalrightswatch.org.au/internet-economy-report/>

We have summarised some of the key findings of our research that are relevant to the ACCC's Issues Paper below.

Chokehold business models create a lack of genuine choice between platforms which locks in both creators and users

Many of the challenges for creative workers online arise from chokehold capitalist business models and structures, which seek to lock-in creatives into a service and then make the market as hostile as possible to new entrants. The resulting lack of choice is then used to force people to accept less for their work than what they would get in any reasonably competitive market. This is distinctly evident on platforms such as Audible and Spotify, but carries through to most major social media services.

Creators versus users is a false dichotomy

Our research highlighted a perception of “creators versus users” online, which frames the interests of creatives, as well as rights-holders including cultural investors, record labels, and book publishers in direct opposition to individual consumers, as well as cultural institutions like libraries, universities and schools. However, this creates a false dichotomy which obscures the reality which is far more complex, and distracts from the power dynamics in which big businesses of all kinds - including social media services - are capturing the lion's share of the value of creative work.

Social media platforms offered an alternative for political organising and democratic engagement in the midst of the coronavirus pandemic, however this was a double edged sword

Community organisers and leaders noted how access to social media services enabled important organising work to continue while prevented from physically gathering throughout the coronavirus pandemic. For some social movements, this offered new opportunities for growth and reach, while for others it created major setbacks. For instance, a lack of digital inclusion meant that those who are not as connected online were less able to participate in community organising.

Data-extractive and content moderation practices of social media platforms create a culture of fear and self-censorship

Creative workers, sex workers, and community organisers all noted that the surveillance capitalist businesses models of social media services posed a threat to the safety and security of their communities. Despite this, many felt it was impossible to switch to an alternative platform because in order for their work to be successful they “have to go where the people are,” which is on the major social media platforms. In addition, many expressed fears of losing access to income, community and opportunities should they be stripped of access to their social media accounts as a result of strict and often arbitrarily applied content moderation rules. As a result, many practice self-censorship to avoid the detrimental impacts of losing access to social media services.

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