Corporate Responsibility of Social Networking Platforms

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Social networking has proliferated over the past years and is now being utilized by a large percentage of the world’s population. Social networks substantially contribute to enhanced speech, creativity, and communication. However, their practices of collecting personal data of users and trading it with third parties pose a risk to other vital societal values, such as intellectual property, reputation, autonomy and privacy of individuals. Compelling social networks to internalize these risks is crucial to the healthy evolution of social networking.

In this Article we propose a new approach to address this challenge: to link executive compensation in social networking enterprises to users’ satisfaction from the platform’s data management practices. Under this scheme, users would provide feedback on data management practices of the social networks they use, and this feedback would factor in to the compensation package of the networks’ executives.

Our proposal would yield a number of advantages. First, it will create a powerful incentive for executives of social networks to internalize users’ interests. Second, the model would provide first-hand and up to date information about users’ interests, and would ensure that data protection practices constantly adapt to users’ changing needs. Third, this model would reduce the government’s role as both an interpreter and enforcer of users’ interests, and would overall simplify the enforcement process and reduce its costs. Fourth, the model would align the interests of executives with the long-term interest of social networks—that the networks would continue to attract a high volume of users and activity. Finally, this model would allow social networks to develop and grow, by allowing all types of transactions to occur, as long as all considerations are internalized. Overall, the model would assure that the structure of social networks corresponds to the interests of users and remains a central avenue for online expression.

We further contend that this model may be relevant beyond social networking to other types of platforms that face similar challenges.