

# MUSK ACQUIRES TWITTER

Relevant for: Science & Technology | Topic: IT, Internet and Communications

Elon Musk | Photo Credit: AFP

The recent announcement by Elon Musk, entrepreneur, investor, business magnate and the world's richest man, in [acquiring a stake in Twitter for \\$46.5 billion](#), thereby turning a public limited company to a private one, has made headlines across the world. There are proponents of the deal who say that Mr. Musk will make Twitter more open, ensure freedom of speech and provide choice to users for subscription-based services. However, sceptics are of the opinion that Twitter will become more centralised in its operations and processes, thereby may make its content moderation more biased towards certain ideals that Mr. Musk possibly endorses.

While the devil is in the details and how Mr. Musk plans to change the way in which content moderation is carried out in Twitter, what happens when a significant social media intermediary such as Twitter goes private?

First, economists define a public good as one that is non-excludable and a private good that is excludable. Twitter, having about '330 million monthly active users' has been a forum of expression and the "go-to" place for many including politicians, celebrities, activists and scholars; it resembles a town hall, as Mr. Musk has himself been quoted as saying. Even after upping the word limit to 280 characters, Twitter continues to be the only microblogging platform for powerful short messaging with features such as pinning, Twitter moments, Twitter highlights, and Twitter lists to name a few. The Twitter Application Programming Interfaces (API) along with powerful advanced search features enables users to analyse Tweets for trends in global politics, the media, news and so on.

However, when this public forum is taken to the private space, the danger lies in excludability — exclusion of certain sets of users based on some criterion including the fees that they pay for their services and their orientation towards certain ideologies, race or religion, sexual orientation and even demographics.

The second issue is the tussle between large and significant social media intermediaries and national governments. In one of his articles, Professor Edward Lee at the Illinois Tech Chicago-Kent College of Law, U.S., compared these large digital platforms to virtual governments that span the globe. He advocated mutual comity and respect between these virtual governments and national governments to disperse power in cyberpolitics.

It is also pointed out that for Internet platforms to be considered virtual governments, they should adhere to basic democratic accountability in formulating their policies and procedures, including being transparent and improving public participation and promoting non-partisan decision making. Twitter, which currently has more than 25 million users in India, has exhibited a lackadaisical approach in reacting to the requirements of the Government.

It took a visit by the Delhi police to its office in India for Twitter to adhere to the Information Technology Rules 2021 in appointing compliance, nodal and grievance redress officers, way past the due date prescribed in the rules. What is the guarantee that Mr. Musk's Twitter will be any better in responding to such policies and regulations of national governments, outside the U.S. for promoting grievance redress and content moderation to name a few?

The third issue is the subscription-based model, as suggested by Mr. Musk. Professor Hal

Varian at the University of California Berkeley, as Google's Chief Economist, invented and deployed a variation of the Generalized Second-Price auction in Google sponsored advertisements. This model, quite contrary to a subscription-based pricing model, subsidises search users for zero payment for services. While privacy advocates argue that personal information of users is being traded for advertisement revenue (that has reached more than \$200 billion annually for Google), the model exhibits a number of externalities that include opening up a doodle search window for all things in life, all at the click of a mouse. The model also provides an outlet for small and niche businesses to market and sell their products and services to the world at large. This model that minimises information asymmetry, even for those in unprivileged sections of society, has become possible only due to the free and open search, subsidised by advertisement revenue.

On the other hand, the subscription-based model promotes excludability; at the same time, it creates a chasm between those who have subscribed and those who have not, possibly creating tension across these groups. Though the possible privacy violations that occur in the advertisement model of Internet firms are harmful to users in certain settings, the alternative does not seem to be any better.

It is with this that we look at Mr. Musk's takeover of Twitter with scepticism. Open questions include whether any strong competitor to Twitter would emerge as an alternative for microblogging users; whether Twitter will indeed become more transparent, accountable and responsible; and whether the platform that started with the tweet "just setting up my twttr.", published on March 21, 2006, by its co-founder Jack Dorsey, will stand the test of time.

V. Sridhar, Professor at IIT Bangalore, is currently visiting the University of Southern California. The views expressed are personal

[Our code of editorial values](#)

**END**

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com