



*25 June 2018*

*Speech to LIBE on the Facebook/Cambridge Analytica Case*

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Mr Chairman, Honourable Members,

I am grateful for your invitation to appear before you this afternoon.

I understand that it is not a coincidence that this item on your agenda is timed just before the hearing hosted by this Committee along with ITRE, AFCO and JURI committees.

We had been working on our Opinion on Online Manipulation several months before the Facebook Cambridge Analytica case hit the headlines.

We started to work following the mini G7 meeting in Taormina last year.

It became clear to me then that so called 'fake news' actually was a question of the systematic abuse of people's personal information.

The Opinion was already due for publication when the story became breaking news.

But it did not require any updating in the light of the scandal.

The reason for this is simple: The urgent problem of Online Manipulation is not simply a sensational story of practices of two private companies – practices which are very possibly illegal and almost certainly unethical.

This is not a tale of social media and its discontents.

It would be wrong to try to trivialise the issue in this way.

The story of Facebook and Cambridge Analytica is the story of the whole digital information ecosystem.

This ecosystem was not inevitable. But it has grown up without constraint, moral or legal.

And this - precisely one month since the GDPR became fully applicable - is the most pressing and strategic issue facing data protection authorities.

That is why, despite the very few resources available to me, I prioritised this opinion.

May I invite you to consider a number of facts about the situation we find ourselves in:

A very small number of giant companies have emerged as effective gatekeepers of the digital content which most people consume.

Three quarters of Europeans use the internet rather than TV and newspapers to find information.

Most people now search the internet via their smart phones – where the biggest company commands nearly a total market share.

More advertising money goes to the big platforms than to TV – half of all ad spend in one member state [UK]

Advertisers and publishers complain that they cannot escape the so called ‘duopoly’: nobody can say why certain content and advertising appears in certain places on these platforms.

Micro decisions on where content appears is determined by opaque algorithms. Outrage, racism, and polarising content proliferate because they generate revenue.

Meanwhile investment in start-ups is decreasing, because investors do not seem to believe in competition with the dominant companies.

This is the system which has produced the biggest challenge to data protection, privacy and freedom of speech in a generation.

We have perhaps tolerated out-of-control data practices until now because we believed it was restricted to the commercial world.

Convenience seemed to be the reward for losing control of our data.

But now we see the same ecosystem threatening democracy and social cohesion.

People are harmed on three levels:

First, by being subject to surveillance whenever they are connected

Second, by being categorised in ways that we cannot contest;

Third by being fed information according to what algorithms say will generate the most revenue. It gives an illusion of free speech.

Concentrating information power like this has created an easy target for malicious actors.

We have allowed public spaces to be overtaken by digital “pseudo public spaces”.

What look like fora for free expression are really places where information is distorted to maximise revenue.

You may hear a lot about tweaking algorithms to prevent bad outcomes.

Algorithms can indeed be fixed.

They can be designed according to ethical considerations. What do I mean by this?

Ethics, in my view, means that you consider what is the right thing to do, the thing that is least likely to harm others, whether they are customers, voters or employees.

Ethics should dictate that certain behaviour is wrong, even if you can argue successfully that the practices comply with the law.

That is the great challenge now for the GDPR and EDPB.

Businesses need to start to internalise the spirit of the law – which is to protect people, not data controllers.

At the same time, this is the opportunity to review the currently very unfair distribution of the digital dividend.

Democratically-accountable parliaments like this one must always be able to control companies who, at the end of the day, are only accountable to their shareholders.

That is why we must not be seduced by the Siren justifications of bad practices on grounds of ‘building community’ or ‘connecting people’ et cetera.

That is why, under the GDPR, ‘public interest’ is something to be defined by elected representatives in a law, not on the whim of a profit seeking company.

With regard to the present inquiry, I remain at your disposal for further advice and dialogue.

We continue to give our full support to the Information Commissioners Office of the UK as they pursue their investigation.

I cannot overstate the importance of my message today.

What you decide to do in the light of the Facebook Cambridge Analytica case will affect how the EU addresses the even bigger challenges to come in the next 10-20 years.

The GDPR is influential, but at least as influential is China’s approach to personal data, privacy, surveillance and artificial intelligence.

In recent weeks there have been strong rumours that United States may consider a baseline privacy law.

So we have now a wakeup call. A Snowden for the commercial world.

In our opinion we recommend a number of measures – certainly e-Privacy has a role.

Like GDPR e-Privacy is insufficient yet essential to fixing this broken system.

Legitimate interest is appropriate where a company can assess that the risk to the individual is minimal. But for the most intimate sphere, our communications and behaviour when connected, we cannot now give any opportunity for loopholes.

Consumers expect their data to be used within the context it was collected or by entities with which they have a relationship.

Communications Data must not be monetised.

E-Privacy will through genuine consent give people more control and help dilute these over concentrated markets.

It will provide a strong incentive for the market to innovate not according to the old, broken business model of constant tracking. But instead to give people tools to take control of their online lives, and make companies show more respect for the privilege of handling people's private communications

Better dialogue between enforcement agencies is also essential.

We hosted the Digital Clearinghouse last week, and next time it meets we will include electoral regulators and media regulators.

But what is most important now is to keep our eyes on the prize.

This is a golden opportunity to "call time" on irresponsible digital business practices.

Now is also of course the moment for football analogies.

So let me say that with this case we need a decisive score.

When the referee blows the final whistle, we don't want to go to penalties.

We need a clear result for people and their rights.

It does not matter who appears in person to defend a company.

We can talk about data protection accountability being at the very top of an organisation, but this culture change will take time.

What the EU has a chance of doing now is to make a strong, categorical statement that online manipulation can and will be addressed.

Thank you for your attention and I wish you the very best in your ongoing inquiry.