

Facebook Libra digital currency will carry hidden costs

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When Facebook announced its intention last month to get into the money business with its own digital currency, we were left wondering what would be next. Its own court system? Its own standing army?

A world run largely by one or more giant corporations is a common theme in film and literature. And no recent announcement more evokes this dystopian future than Facebook's.

The company, founded in a Harvard dormitory just 15 years ago, has become the most powerful media institution on the planet. Each day, hundreds of millions of people use it to get substantial amounts of information—much of it through like-minded friends—that helps mold their opinions and shape their outlooks.

No other media organization comes close in its ability to put people in ideological bubbles. None collects so much data on so many people. And none plays a bigger role in the policing of content.

In this country, Facebook's decisions on incendiary posts routinely evoke passions on both the left and the right. In less stable parts of the world, the company frets that the wrong posts at the wrong time could incite civil unrest, widespread arrests, even wars.

The fact that Facebook is pushing into another endeavor of major impact on people's lives should be seen as creepy, if not downright terrifying.

It should also be seen at Facebook headquarters as bad strategy. The company is already under fire from government leaders, both here and abroad, who believe that its powers are too great. Many want heavily regulation. Others think it should be broken up entirely. This initiative will give both groups more ammunition.

According to traditional interpretations of antitrust law, Facebook has done little but invent a better mousetrap, and for it to start a digital currency should raise no competitive alarm bells, as this is an endeavor far from its existing social media business.

Even so, if the Internet has taught us one thing, it is that everything merges in the end. Who would have thought, for instance, that YouTube, known once as the premier platform for cat videos, would be a core piece of Google's rapidly expanding empire of content, operating systems and other things not directly related to search?

Very little is known about Facebook's planned currency, named Libra. And even less can be certain about its prospects. Perhaps it will surpass existing cryptocurrencies such as Bitcoin. Or perhaps not. And perhaps one of these forms of electronic cash—the preferred medium of speculators, [drug dealers](#), utopian libertarians and few others—will become a really big deal. Or perhaps not.

But one thing reasonably certain is that Facebook wouldn't be getting into this racket if it didn't think its globally dominant social media platform would in some way advantage its expansion.

If nothing else, the concept of a corporation big and powerful enough to sponsor its own currency should stimulate the broader conversation about the growing power of a handful of massive technology companies.

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