Meta <u>farming data on minors</u>. TiktTok's reputation as a "<u>national security</u> <u>risk</u>." Twitter's rapid dismantlement under Elon Musk's stewardship – a saga so abrupt and unexpected, <u>it spawned its own Wikipedia page</u>.

The reach social media platforms have on not just everyday people but conglomerates and governments is forcing regulatory agencies like the Federal Trade Commission to play catch up with each successive blunder. Despite the attempt, regulation and oversight consistently fall short of the mark.

Neil Chilson, a former chief technologist at the FTC, sits down with engineer and entrepreneur John Matze on *Greater Perspectives* to talk about decentralized social media as the new, possibly better, model, the whys and hows of decision-making at platform giants like Facebook and X, and why emergent order – the concept of complex decision making made on simple incentives – could be the answer to untangling many of these thorny issues.

This transcript is edited and condensed.

Neil Chilson, Senior Research Fellow at the Center for Growth and Opportunity

Big picture. I started out as a computer scientist. I went to undergrad and grad school for that.

In grad school, I got really interested in policy issues. Everybody who was doing policy issues at that time had a law degree, so I thought I'd stop getting paid to go to school and start paying to go to school.

It turned out fine. It was expensive, though.

John Matze

Mixing computer science and law – I feel like that's a really good combination.

Neil Chilson

It's been useful to be able to sometimes bridge the gap between those two communities together, and the different mental models that they have about how to improve the world.

Neil Chilson

After some time in private practice, I got a chance to join Maureen Ohlhausen, who at the time was a commissioner at the Federal Trade Commission. I joined her office, and eventually when she was acting chairman, she picked me to be the acting chief technologist for about nine months under the beginning of the Trump administration.

I got to do a lot in the tech policy space – the Federal Trade Commission is sometimes jokingly called the Federal Technology Commission because of its broad antitrust and consumer protection roles and how they affect the technology companies that otherwise don't have specific regulators.

John Matze

Everybody seems to be starting a new social media [platform] right now. It's pretty interesting from my perspective because I think they're all getting it wrong.

People are repeating the same problems and rehashing the same centrist approach to social media, over and over again.

In some of your other podcasts in the past, you've talked about Reddit and their decentralized moderation model. Is it possible to expand that model to decentralize an entire community's moderation? Could you do it as a generalist rather than these Reddit micro communities that they have?

Neil Chilson

There's lots of experiments in how you would do decentralized [social media]. Reddit is one way where they have local communities.

In those communities there's quite a variation in how they might moderate. So you can have a pretty dictatorial subreddit moderation policy, and then you can have ones that are very free-ranging. There's lots of experimentation even within that model. I think that's great because different communities have different norms that they're trying to establish.

But technically there is a challenge, right? The challenge is that there are centralized technical needs, right?

So Reddit servers are run by Reddit, a company. In order for them to decentralize, they'd have to find a way to fund that product, those services, in a way that is not under their control as well.

Technically speaking, that's very hard. It's not just technically, I mean, we have tools to do decentralized provision of services.

But on the business side – how do you make that work, revenue-wise, [when it comes to paying] for these social media platforms?

Successful platforms essentially provide commercial grade communication services for free to most users. That model is really hard to do in a decentralized way from a technical standpoint.

John Matze

The tech is extremely difficult – not just that it's theoretically possible to make things decentralized.

In theory, everyone could have their own server that represents their profile and their posts and then they're in control and own their own environment. But at the same time, what happens when someone's server goes down? How do you bring it all together in a feed? How do you guarantee quality of service and scale on all of these individual levels?

Neil Chilson

How do you do it in a way that makes it so easy that people don't face a high barrier?

Because you want lots of users. The network effects in these sites is really important. People use them because there's a lot of people on them.

If you make it hard to get in...maybe for communities that works, but for users, that's going to be a barrier that's just too high.

John Matze

The computation alone is insane. Creating the feeds and managing feeds is still surprisingly difficult.

When you get into places like what Twitter / X does – they have these kinds of algorithmic feeds, where that's not actually a chronological order of what you expect, it's more of these fancy algorithm coming together and putting stuff together for you – part of that, I think, is because it's easier than doing a chronological feed.

Sounds kind of counterintuitive, right? Some advanced logic for picking posts is actually less intensive on the system than trying to get them all in order.

Neil Chilson

I hadn't thought about that, but it makes perfect sense because nobody can tell you, you did it wrong.

Chronological – each person is going to have a very specific, different thing.

Whereas algorithmic, you could deliver the same feed. I mean, this isn't how those algorithms really work that often now, but you could feasibly deliver the same feed to everybody. It would be an algorithmic feed, but nobody could tell you, you did it wrong, right?

John Matze

What do you think of Grok? What Twitter / X just came out with.

Neil Chilson

I haven't actually had a chance to play with it. I've seen a lot of the content that people have posted on X about it.

Musk's frame is that it will be much less censorial.

John Matze

It's not going to censor as much. But to be fair, I saw some posts to the contrary saying, 'Hey, we were testing that theory out and that's not true.'

And actually, if you look at X as a whole, with the whole beating the free speech drum over there, I don't know that they're actually kind of living up to that.

I think it's more of a marketing term in my opinion.

Neil Chilson

It's hard to get away from the fact that users want a place that's useful to them. And in some sense, that means getting rid of the spam and getting rid of the distasteful content that the average person doesn't want to see.

Content moderation is a sort of inherent part of creating a product that a mass of users want.

Not everybody wants a total free-for-all. If they want a total free-for-all, there are places on the internet you can get that. It just turns out that those places are very messy.

John Matze

It's not for the everyday consumer.

On one hand, you want to have a good-faith discussion. You want to have a good-faith debate. And if somebody has a view that may be controversial, you don't want to shut them down because of it. You want to allow everyone to have those discussions and try to do it respectfully.

It's just the real world – the online world – isn't really made for respectful discussion.

It's made for kind of abuse with the anonymity and just the fact that you can spin up 10 accounts.

X today is still filled with sex bots where you look in your direct messages and it's just, 'Hey, come check out my profile. Check out my Only Fans.'

Nobody wants that.

Neil Chilson

I've seen a growing trend on Twitter / X towards listicles. Some of it's very interesting, but it'd be like, 'here's a crazy story from history.'

John Matze

I've been getting a lot of that stuff too.

Neil Chilson

There's a bit of a sort of TikTokification of some of the X feed. I don't know exactly what to make of that.

But I think it just shows that these are evolving environments. Social media is a...like you said, there are a lot of choices out there and it seems like there's more every day.

With tools like ChatGPT, it's easier than ever to pump out content.

We may see a time when people roll out their own social media environments.

John Matze

I actually see that as being a good thing, I don't see that as a bad thing at all.

It's particularly annoying that everybody seems to be trying to describe themselves as solving the social media issue while literally doing the same thing as everybody else. The same centralized model, centralized moderation – just basically being a little bit lighter or heavier in certain moderation topics.

There's no innovation there.

Neil Chilson

That's just directly downstream from having an ad-based model, right?

You need as many users as possible to do that. And to have as many users as possible, you're going to aim at the median person, right?

And to do that, your content policy is probably going to be similar to other people who are also aiming at getting that person online. So I just think that's downstream from the business model.

John Matze

I also think that business model is particularly toxic because if you want to incentivize people being on there, coming back, looking at their feed –

You see a lot of the features on social media designed for outrage or over-sexualization or focusing on bodies or image. That stuff drives people on there, even though in general it's probably not good for society.

Neil Chilson

The research is mixed on this. And I think the business incentives are also quite mixed.

The filter bubble conversation was the thing that people talked about a lot. And it turns out, actually, people see more contrary views on social media than they do, you know, watching MSNBC. But that doesn't necessarily change their minds, right?

There's some evidence that being exposed to a competing view [on social media] can actually make you more rigid in your own views.

There may still be a polarizing effect, but outside of that I think the business incentives are very different, right?

Advertisers don't want their content next to content that makes people angry. It's not good for their brand. And it's also not a mood in which people are selling a lot of products.

There is a business incentive to find that balance between engagement and positivity. TikTok had tried to do that, right? At least from my limited experience on TikTok, it doesn't seem like a lot of outrage. It's a lot of crazy fun stunts.

John Matze

The prank videos are a problem. The newest generation has a little trouble understanding what a prank is.

They think it's going into Walmart and throwing jugs of milk across the place, which is...

Neil Chilson

That's a crime.

John Matze

Not only is it a crime, it's just frustrating. Why do they think this is entertaining? Stop it. These poor people, they're getting minimum wage.

Leave them alone.

John Matze

I do see Twitter as a place where a lot of the engagement is either sycophantic praise or toxic anger and vitriol.

I think it explains a lot about how they're having trouble with advertisers right now. Like you said, no one wants to advertise next to a bunch of angry content. They have to offer large and steep discounts if they want people to advertise next to this kind of content.

Is somebody really going to be in the mood to buy Christmas presents after just being really angry about something somebody said? I doubt they're getting many clicks either.

This whole public ad debate is kind of interesting.

Neil Chilson

Fortunately there's lots of people trying different things.

To circle back to the sort of decentralized discussion – there are people trying to build social media platforms that are highly decentralized and we talked about the infrastructure problems there but I think finding a way to get away from the ad-based model is probably key to making that type of ecosystem work.

John Matze

You want the company to work for the consumers, not the company to work for companies that are exploiting the consumers.

John Matze

The Center for Growth and Opportunity – I was looking it up the other day and they cover a lot of issues other than just tech. Environmentalism, immigration, a lot of different stuff. Does that kind of change the scope of what you've been working on lately, or–?

Neil Chilson

My focus is primarily in the tech policy work that they do. At the Center for Growth and Opportunity, the focus is: how do we create an environment of abundance? How do we help ensure that people can break the barriers that prevent them from reaching their full potential? A lot of those barriers are policy barriers. That's a big chunk of what we work on.

There's also societal barriers that hold people back. And then there's internal barriers – people's mental models for the world and what they can achieve in it.

My focus, given my background, is primarily on the policy front. But some of those social and institutional questions, I think, are really important.

And really the primary sustainable way that you get abundant societies is the character and the makeup of the people in the community that really deliver.

Policy is only as good as the people who are being restricted or enabled by it.

John Matze

So I know you have a book out.

Neil Chilson

I do not have an audio book yet. William Shatner turned me down to read it.

(I'm just kidding. I didn't ask him.)

The book is called "Getting Out of Control: Emergent Leadership in a Complex World."

I try to describe what a complex system is and how emergent order – this idea that we can have extremely complex orderly systems where no one is in control but everybody can contributes – how ubiquitous those are and what they mean for how we think about public policy.

But also how we think about our own personal, and family, and community life.

John Matze

The first thing that comes to mind when you said complex structures, but with simple incentives, is kind of what I'm thinking of.

For example, the concept behind free-market capitalism: the idea is that it's in everyone's best interest to earn money. And if everyone's earning money, they're adding the most value to society and therefore benefiting everybody else.

It's a complex system built on simple incentive.

Neil Chilson

Market's an abstract concept. What a market is, really, is – it's the end result of millions and billions of people making decisions about how they're going to spend their time and their resources.

When you get a vote that people want to spend their time and their resources on something that you're doing, that's a great signal that you should do more of it.

The great thing about markets is that they channel our self-interest to productive ends for other people.

There's many examples. Markets are just one example of emergent systems.

Another big one that has a huge amount of influence on us are things like social norms. You know, which hand do you shake? Do you shake with somebody else? Things like that. Or which side of the road do you drive on? Which is a law that started as a custom, essentially, because you had to work that out together.

John Matze

So you're not just saying that these things developed over time because of [chance]. You're saying that there are incentives in our everyday routines. Which hand you shake with other people might dictate which hand you write with, or how often you frequently wash your hand.

Neil Chilson

Language is the classic example, right? Nobody designs language. It comes about because people try out a new form of expression and it gets picked up and other people understand what it means in a very networked way.

We form a sort of community of understanding that's organic. It's very bottom-up and it's flexible but it's also consistent in a way. It's very resilient to pressure to try to change it.

Neil Chilson

Big picture, I'm an optimist about the future, but a realist about what policy can do.

My big encouragement would be that – when trying to figure out what problems we might have in technology, we need to take a sort of systems-level view and think: what are the incentives that go into the creation of the problem? What incentives are there to make it worse? And who has the incentive to make it better? Who is best positioned to make decisions about whether or not the use of a technology will benefit or harm individuals?

John Matze

Isn't that kind of the entire purpose of policy? To make sure that the incentives are set up properly so that everyone benefits.

Neil Chilson

The big challenge is that policy is part of society as well. Individual policymakers have their own incentives.

John Matze

That's true. Sometimes they're not always that good.

Neil Chilson

Right. So that's why we have constitutional structures and other things that constrain the discretion of policymakers and also constrain the amount in which we can let the energies of a crowd shape the rules at any one time.

We're a democracy, but we're a limited republic. We constrain how much our democratic impulses can infringe on the rights of a minority.

That type of limited government approach is one that I think allows emergent order to come about and yet still allows the government to step in when there are challenges or harms to individual rights that need to be addressed.