



META'S PRIVACY PRACTICES ON FACEBOOK

Compliance, Integrity, and a Framework for Excellence

MARCO TULIO DAZA-RAMÍREZ

ABSTRACT



This paper analyzes **Meta's privacy and data protection practices on Facebook** to identify the risks and harms resulting from its operations and to determine whether:

1. it **complies** with the legal framework (EU & USA),
2. its practices are **integrity**-oriented, and
3. its practices can be oriented towards **excellence**.

This paper contributes to the technology governance debate by proposing a virtue ethics framework (as a 3rd pillar) to guide social media platforms toward becoming trustworthy infrastructures that promote **human flourishing** and the **common good**.

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AGENDA

1. Why Privacy and Facebook?
2. Compliance
3. Integrity-Based Approach
4. A Virtue Ethics Framework
5. Conclusions



WHY PRIVACY MATTERS?

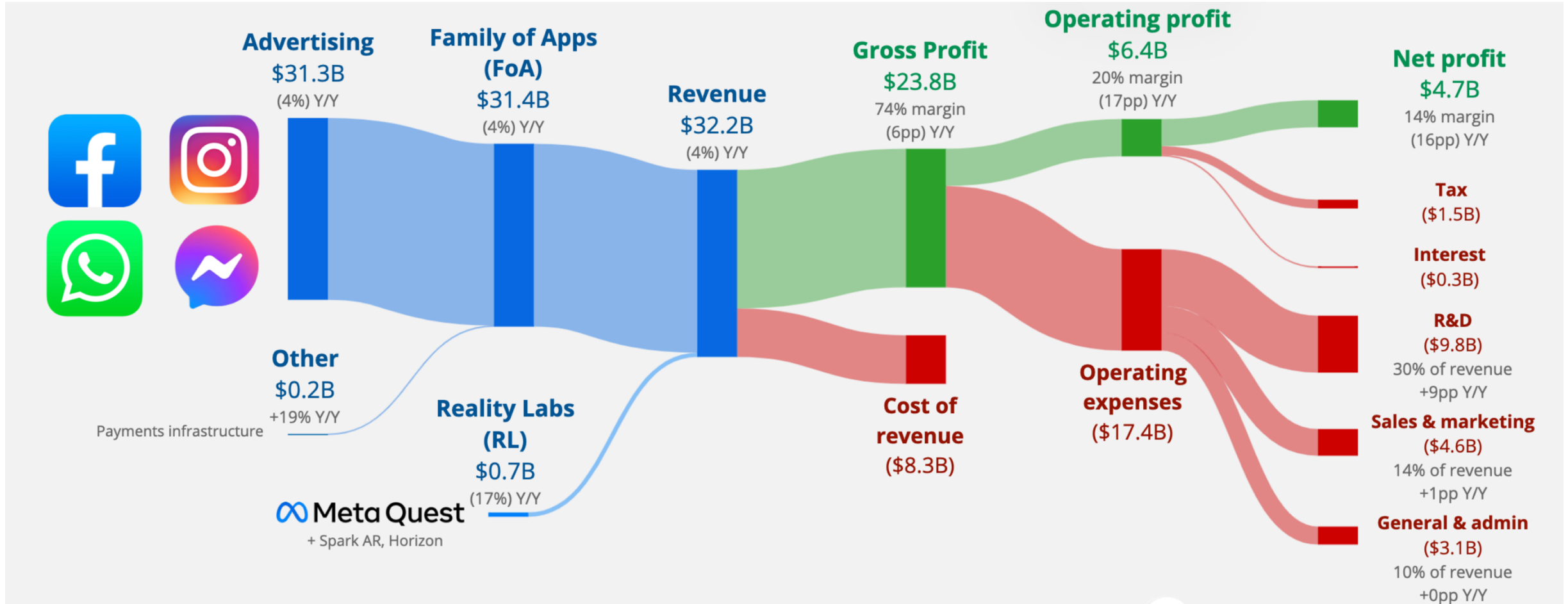
- ❑ **Privacy is valuable** because of its ability to help us manage different types of social relationships by allowing us to control what we share with different people.
 - ❑ Employer, Family, Colleagues
- ❑ **Privacy** is recognized as a fundamental human right and is essential for protecting individual **autonomy** and **dignity**.
 - ❑ Protecting vulnerable populations
 - ❑ Freedom of expression & political dissent
 - ❑ Medical confidentiality



WHY FACEBOOK'S PRIVACY MATTERS?

- ❑ More than **3 billion users**, ~40% of world's population.
 - ❑ Every day Meta's users: post 1 billion stories, 350 million photos, 55 million status updates, and 100 million hours of video content.
- ❑ Its **business model** offers personalized content feeds for users and sells personalized ads for customers.
 - ❑ Market cap 1.79 trillion USD

∞ 98% OF META'S REVENUE COMES FROM ADS



Meta's Q4 2022 Income Statement



WHY FACEBOOK'S PRIVACY MATTERS?

- ❑ Facebook's data is used by **AI algorithms to predict users' behavior** and present them with personalized ads.
- ❑ Desire for recognition prompts individuals to **share their lives online**, potentially compromising their privacy.
- ❑ **There is an incentive for the company** to keep them engaged for as long as possible.

PRIVACY-RELATED RISKS FOR META'S STAKEHOLDERS

- ❑ Excessive exposure: bullying and harassment
- ❑ Unauthorized Access (500M breach)
- ❑ Endangering Mental Health (41 states)
- ❑ Employer Surveillance & Discrimination
- ❑ Polarization (Echo Chambers)
- ❑ Spread of Misinformation and Disinformation (Pizza Gate)
- ❑ Targeted Manipulation (Cambridge A.)
- ❑ Surveillance & Political Prosecution
- ❑ Financial Loss & Brand Damage for shareholders (Facebook Papers)

FINES AND SETTLEMENTS IMPOSED ON META

Year	Product	Country	Fine in USD	% of Annual Income	Issue related
2011	Facebook	Germany	\$ -	0.0000%	Consent
2011	Facebook	USA	\$ -	0.0000%	Users' data shared by Facebook
2012	Facebook	USA	\$ 9,500,000	4.1485%	Consent
2017	Facebook/ Whatsapp	EU	\$ 122,100,000	0.5522%	Acquisitions
2017	Facebook	Netherlands	\$ -	0.0000%	Consent
2017	Whatsapp	Italy	\$ 3,240,000	0.0203%	Users' data shared by Facebook
2018	Facebook	UK	\$ 643,000	0.0029%	Cambridge Analytica
2018	Facebook	Belgium	\$ -	0.0000%	Consent
2019	Facebook	USA	\$ 5,000,000,000	27.0490%	Cambridge Analytica
2019	Facebook	USA	\$ 100,000,000	0.5410%	Cambridge Analytica
2021	Facebook/ Giphy	UK	\$ 69,690,000	0.1770%	Acquisitions
2021	Meta	France	\$ 67,950,000	0.1726%	Dark Patterns
2021	Whatsapp	Ireland	\$ 265,500,000	0.6744%	Users' data shared by Facebook
2022	Meta	USA	\$ 725,000,000	3.1250%	Cambridge Analytica
2022	Instagram	EU	\$ 430,000,000	1.8534%	Children's rights
2022	Meta	Ireland	\$ 18,647,300	0.0804%	Data breach
2022	Meta	Ireland	\$ 275,000,000	1.1853%	Data breach
2022	Meta	Russia	\$ 52,800	0.0002%	Government censorship
2023	Facebook	Ireland	\$ 220,500,000	-	Override consent
2023	Instagram	Ireland	\$ 189,000,000	-	Override consent
2023	Whatsapp	Ireland	\$ 5,940,000	-	Override consent
2023	Meta	Ireland	\$ 1,320,000,000	5.6897%	Data transfer from EU to US

COMPLIANCE

- ❑ **Meta has been imposed with fines 22 times for more than \$8.8bn**
- ❑ Meta has faced record fines: \$1.2 billion penalty in Europe & \$5 billion fine in the U.S.
- ❑ **Facebook violations** of data protection regulations: systematic, repetitive, and continuous (EDPB Chair).
- ❑ Between 2011 and 2021, Meta received three fines for sharing users' data without their consent, violating their own terms of use.

COMPLIANCE

In defense of Meta, some may argue:

- ❑ Tech advances regularly outpace regulations.
 - ❑ Meta violates its own ToS (7.5 million users under 13)
- ❑ Due to its massive size, it sometimes will fail to comply.
 - ❑ Meta doesn't allow it to opt out of sharing data to train its AI in Latam.

COMPLIANCE IS NOT ENOUGH

- ❑ There are always risks unaddressed by the law.
- ❑ Enforcement mechanisms could be insufficient.
- ❑ The law can be unfair or flawed (e.g., Compliant Nazi Officer, Vietnamese activist ban).
- ❑ Fines are often not strict enough for behemoths like Meta.

INTEGRITY: VALUE & HARM

Value Created:

- Shareholders: high financial returns
- Advertisers: precise targeting, high ROI
- Content Creators: monetization, audience reach
- Employees: competitive salaries, benefits
- Local Communities: business tools, information sharing
- Users: social connections, emotional support, and civic engagement. Particularly beneficial for marginalized groups, with features that promote well-being, *~privacy control*, and community building.

Harms Caused:

- Governments: regulatory evasion, misinformation challenges
- Competitors: market dominance, feature copying
- Local Communities: polarization, surveillance risks
- Employees: ethical concerns, layoffs
- Advertisers: brand risks, reduced targeting precision
- Shareholders: financial volatility from scandals
- Users: privacy breaches, mental health risks, manipulation.

INTEGRITY

☐ Stakeholder Analysis

- ☐ **Value to Some:** Shareholders, advertisers, content creators, and employees benefit significantly.
- ☐ **Harm to Others:** Users, governments, competitors, and local communities experience significant negative impacts.
- ☐ Meta implemented various measures to address harm, some voluntarily and others mandated by regulatory bodies.
- ☐ Evidence suggests a disregard for user well-being.

INSTRUMENTAL USE OF INTEGRITY

Meta claims to conduct operations with integrity yet utilizes questionable tactics:

- ❑ Deliberate ignorance to avoid responsibility (FB Papers, mergers, lawsuits)
- ❑ Misleading techniques to collect user data (Dark patterns, bypassing consent, outright lies to authorities)
- ❑ Efforts to address issues mainly when under public scrutiny (Cambridge Analytica, FB Papers, Data breaches, etc).
- ❑ Crisis management when caught (Meta, campaigns against competitors)

EXCELLENCE

Excellence is the virtuous performance of a practice contributing to human flourishing (eudaimonia).

It is guided by intrinsic standards (internal "goods"), not to external pressures or rewards (compliance, integrity).

EXCELLENCE: VIRTUE ETHICS FRAMEWORK

- ❑ **Practice:** as a socially established cooperative activity (common good) where participants aim for excellence (internal goods) as determined by the activity itself (MacIntyre, 2007). No zero-sum.
- ❑ **Institution:** Practices require the support of institutions because, while practices themselves are concerned with internal goods, institutions pursue external goods —power, money, prestige— that are required for the practice to survive (Sinnicks, 2021).

EXCELLENCE: VIRTUE ETHICS FRAMEWORK

- ❑ **Internal Goods:** Derived from the activity itself. Contribute to excellence and the fulfillment of the activity.
 - ❑ Mastery of a craft, teamwork, or intellectual growth.
- ❑ **External Goods:** Achieved as outcomes from engaging in an activity but not essential to the performance itself. Often measured by societal standards and can be possessed or taken by others.
 - ❑ Fame, money, power, or social status.

FACEBOOK: VIRTUE ETHICS FRAMEWORK

- 📘 **Practice:** Developing and maintaining a technological platform that fosters meaningful social interactions.
- 📘 **Institution:** Meta Platforms Inc.
- 📘 **External Good:** Profits, Salaries.
- 📘 **Internal Good:** Global Meaningful Digital Interactions.

EXCELLENCE: VIRTUE ETHICS FRAMEWORK

Internal Good: Global meaningful digital connections.

- Aristotle's **Zoon Politikon**: Establishing *meaningful connections* with others can significantly enhance understanding, empathy, and solidarity, thereby nurturing social trust (Putnam, 1995).
- Aristotle's **Oikonomikē**: There is a strong positive correlation between social trust and economic prosperity (Rothstein, 2013; Bjørnskov, 2017; Knack & Keefer, 1997).
- Aristotle's **Eudaimonia**: Meaningfully connecting and trusting others is linked to increased levels of well-being and self-perceived happiness (Baek & Parkinson, 2022; Helliwell, 2006; Leung et al., 2011; Mariadhas, 2019; Sison, 2014).

CONCLUSION

- ❑ Facebook has the potential to become a trustworthy technological infrastructure that facilitates social connection.
- ❑ Communication, education, work, leisure, shopping, media consumption, and more.
- ❑ Focus on facilitating “**global meaningful social interactions**”
- ❑ Focus on **building character among stakeholders** through the practice of the virtues.

CONCLUSION

- ❑ Trade-off: Short-term profitability → makes such a shift unlikely.
- ❑ Still, ethical ideals shouldn't be diluted just because they are hard to achieve. This paper offers a normative vision to inspire systemic reform.
- ❑ The path forward lies in gradually cultivating moral character, from business schools to boardrooms, embedding virtue at every level of organizational life.



Marco Tulio Daza

mdazaramire@alumni.unav.es

PH.D. CANDIDATE

FACULTAD DE CIENCIAS ECONÓMICAS Y EMPRESARIALES,
INSTITUTO DE CIENCIA DE DATOS E IA (DATAI), UNIVERSIDAD DE NAVARRA
CUCEA | UNIVERSIDAD DE GUADALAJARA



Universidad
de Navarra

DATAI
INSTITUTE OF DATA SCIENCE
AND ARTIFICIAL INTELLIGENCE

