

## **Culture, Media and Sport Select Committee ‘Fake News’ Inquiry: News Media Association Response**

The News Media Association is the voice of national, regional and local news media organisations in the UK. Our members publish 1,100 titles read by 48 million adults every month in print and online. News media publishers are by far the biggest investors in original news content, accounting for 58 per cent of the total investment in UK news production.

A 2016 report by Deloitte, “UK News Media: an engine of original news content and democracy”, found that:

- The UK news media industry generated £5.3 billion in gross value added to the UK economy in 2015;
- Ninety per cent of news media organisations’ total spend with suppliers remains within the UK, compared to the average of 77 per cent across the economy;
- News media publishers invested £97 million in digital services in 2015;
- The news media industry adds value across the supply chain with the average publisher dealing with nearly 2,600 suppliers;
- The news media sector supports an estimated 87,500 UK jobs across the UK economy;
- The news media industry generated £4.8 billion in revenue through circulation and advertising in 2015.

The report also presented the challenges the industry is facing, highlighting the urgent need for a fair, equitable regime in which news media publishers’ investment in news is appropriately rewarded.

### **Executive Summary**

Fake news - fabricated stories that have no factual basis but are presented as news – is a growing cause for concern around the world, with implications for an informed electorate and democracy itself. However, since the phenomenon has risen to prominence, another more acute threat has emerged in the form of authoritarian attempts to brand ‘real news’ and opinions they disagree with as ‘fake news’. The term ‘fake news’ is easily abused by those who want to clamp down on press freedom, which could be a disaster since a free and independent press offers the best defence against fake news.

Fake news sites are not staffed by journalists but by individuals who see a commercial, political or other opportunity in gaming the algorithms Facebook, Google and other networks and platforms use to connect their users with news stories. Fake news companies find it easier to thrive online than real news companies because they do not have the overheads that professional news-gathering entails. These overheads are very difficult to cover in a digital news environment which rewards the distribution of content by internet platforms far more generously than it does those who create it.

Fake news travels fast on social media, where algorithms connect users to news by second-guessing what the user might like, rather than assessing the quality of the source. As it thrives, it attracts

advertisers hungry for audiences in the digital environment. Digital programmatic advertising follows these people with their own algorithms that track their 'clicks', 'shares' and 'likes' and place advertising wherever they browse. In this way, the commercials of even the most reputable brands and government advertising end up appearing inadvertently on fake news sites and other inappropriate destinations.

Funding fake news causes real social harm by rewarding piracy and facilitating the spread of conspiracy theories. It may also be re-enforcing filter bubbles that warp people's understanding of the world and insulate them from opposing views. Another social harm caused is the diversion of funds from real news to fake news, weakening the former's voice, reducing its reach and undermining its vital role of anchoring public discourse in reality.

Although UK advertisers have become unwittingly ensnared in the fake news scandal, UK news consumers are proving resilient. Unlike in the US, fake news operators have yet to gain traction with UK audiences. This is because we still have a robust news media sector in this country. Seismic events last year triggered a spike in demand for newspapers, with an extra three million newspapers sold in the UK in the month following the Brexit vote.

But the conditions that enable a fake news industry to thrive could be gaining ground here. As with their US counterparts, UK news publishers are squeezed by the Facebook-Google duopoly and by new forms of digital advertising that very often bypass real news for fake. Their distinctive voice, financial sustainability and independence are also threatened by attempts to muzzle them with draconian legislation and to strong-arm them through threats of bans and boycotts into surrendering their editorial freedom.

Instead of weakening the press, government and regulators should concentrate on combating fake news with a renewed emphasis on the importance of genuine news media to democracy. It should be recognised that the best defence against fake news is for genuine news publishers to continue their important work of investigative journalism, reporting and fact-checking.

The introduction of any new laws, criminal or otherwise, must be opposed. Fake news has arisen because of a cumulative failure by a number of players. That is not to say there is no role for government and regulators in this issue. They cannot ignore forever the impact on our media landscape of the Google-Facebook duopoly.

Ofcom and the Competition and Markets Authority (CMA) should be asked by the Government to examine the impacts of Google, Facebook and other platforms on the media landscape and to evaluate the importance of news media content to their business models, underlying issues of the digital advertising supply chain and the sustainability of real news. It is also time for a coherent review of the regulatory status of Google and Facebook and whether they should continue to be considered mere intermediaries. Such a review should examine what additional responsibilities they should bear, without creating wider liabilities or placing new restrictions on the traditional media and its publishing freedoms.

They should also be asked to examine the practices of media buying agencies, in particular in relation to programmatic advertising, and evaluate whether there is a lack of transparency which is allowing advertising spend to be diverted from real to fake news, thus destroying public faith in all news coverage and misleading advertisers about the nature of the audiences they are reaching.

### Summary of recommendations:

- Given the central role of developments in digital advertising in the rise of fake news, we urge the Committee to call witnesses from Google, Facebook, the voice of British advertisers ISBA, major advertisers and media buying agencies. The Committee should also consider calling representatives from the Cabinet Office who oversee the placement of the government's digital advertising budget to check what assurances they have had about the placement of taxpayer-funded advertisements.
- To call on the Government to ask Ofcom and/or the CMA to examine the impacts of Google, Facebook and other platforms on the media landscape and to evaluate the importance of media content to their business models. The NMA would be happy to explore licensing schemes, potentially via NLA Media Access, to ensure that publishers' investment in news is adequately recognized.
- Ofcom has duties in relation to research and media literacy to foster public understanding and awareness. Its research and other input into the anti-piracy code agreement announced in February between the search engines and the music and film industry, brokered by the Intellectual Property Office (IPO) with DCMS oversight, demonstrated that Ofcom can have a role in respect of Google and Facebook even if it cannot and should not regulate internet content in general.
- To call for a CMA investigation into the digital advertising market to examine the dominant position of Google and Facebook, the impact they have had on the media landscape and implications for consumers and advertisers.
- To call on the Information Commissioner's Office to set up an inquiry to establish whether Google and Facebook are in a dominant position in relation to the collection, aggregation, processing and sale of the personal data of their users.
- To call for a regulatory review of the status of Google and Facebook and whether they should continue to be considered mere intermediaries. Such a review should look at what additional responsibilities they should bear, without creating any new regulatory burdens or wider liabilities for the traditional media or new restrictions on its publishing freedoms.
- To ensure that the Government's Digital Strategy for the UK, announced by the DCMS on 1 March, is fair to all participants and enhances competitiveness while continuing to protect the public. The Government has said that companies developing new technologies will be able to get a fair hearing on any regulatory or competition issues they feel are impeding their business. The regulators all acknowledge that difficult new issues are raised by the digital economy if early innovators' success also brings dominance and these must be addressed.

## NMA Response to CMS Committee Questions

### **1. What is fake news? Where does biased but legitimate commentary shade into propaganda and lies?**

#### Introduction

A society's greatest defence against the peddling of falsehood in public life is a raucous, independent press that is free to investigate, expose and debunk. Analysed and understood correctly, the "fake news" phenomenon should bring into focus the importance of real news and the need to ensure that it can survive in an age of digital disruption. The advertising supply chain needs examination to ensure that it is not complicit in the funding and promotion of fake news and does not undermine the news media's economic model and sustainability as the biggest investors in journalism. However, there are dangers to press freedom in this debate, as well as opportunities. If the term "fake news" is stretched and debased, it becomes a gift to authoritarian rulers and others who wish to see the real press shackled and impaired. That is why it is essential that fake news is not defined in a way that allows real news and genuine journalists to be cast as a threat to society.

#### Defining "fake news"

A recent research paper by academics at Stanford University and New York University offers a definition of "fake news" that is a sensible starting point. It defines it as "news stories that have no factual basis but are presented as news."<sup>1</sup> There are two elements to this, the first being fabrication and the second being deception as to the purpose and source. This closes off the possibility of coverage of real events that is partisan or sensationalised from being attacked as "fake news". It also does not capture campaign claims made by politicians, as this would chill democratic debate and inhibit the reporting of it. The definition also protects opinion, comment and lines of questioning from being similarly denounced.

Examples of fake news cited by academic researchers of the subject are drawn from the proliferation on social media ahead of the US Presidential election of bogus, hyperpartisan news reports. Most of these came from opaque and hitherto unknown media outlets. Among the most widely shared were stories claiming that the Democrat candidate, Hillary Clinton, had sold weapons to ISIS and that the Pope had endorsed Donald Trump. There were also fake news reports attacking the Republican candidate, Donald Trump, including a false report of drag queen RuPaul claiming to have been groped by Donald Trump and a claim that Ireland was receiving "refugees" from the US.<sup>2</sup> Other examples cited in analyses of the phenomenon include "FBI Agent Suspected in Hillary Email Leak Found Dead in Apparent Murder-Suicide" and "FBI Director Comey Just Put a Trump Sign on His Front Lawn".<sup>3</sup>

None of these stories have any factual basis and so fulfil the first part of the definition. They are not tendentious or exaggerated accounts of events that happened. They are not even inaccurate accounts of events that happened. They are outright fabrication. The people who wrote them could not have had any reasonable belief that what they were writing had any basis in reality.

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<sup>1</sup> This is the definition offered by H. Allcott, NYU, and M. Gentzkow, Stanford, in "Social Media and Fake News in the 2016 election." <https://web.stanford.edu/~gentzkow/research/fakenews.pdf>

<sup>2</sup> "This analysis Shows How Viral Fake Election News Stories Outperformed Real News on Facebook", C. Silverman, BuzzFeed 16 November 2016; [https://www.buzzfeed.com/craigsilverman/viral-fake-election-news-outperformed-real-news-on-facebook?utm\\_term=.gpaJDJrABo#.fp2qvqzmz9l](https://www.buzzfeed.com/craigsilverman/viral-fake-election-news-outperformed-real-news-on-facebook?utm_term=.gpaJDJrABo#.fp2qvqzmz9l)

<sup>3</sup> "Most Americans Who See Fake News Believe It, New Survey Says", BuzzFeed, 7 December 2016; [https://www.buzzfeed.com/craigsilverman/fake-news-survey?utm\\_term=.xeM4E43waV#.eaY4O40ZLn](https://www.buzzfeed.com/craigsilverman/fake-news-survey?utm_term=.xeM4E43waV#.eaY4O40ZLn)

They were also all masquerading as genuine news stories, and so fulfilling the second requirement of being considered fake news. They were not presented as opinion pieces, advertorial or satire, but as news reports. In addition, they are presented as reports of professional news-gathering organisations, appearing on sites with insignia and logos designed to resemble those used by mainstream outlets. BuzzFeed has covered how over 100 fake news sites, incentivised by social media platforms and search engines, are being operated out of Macedonia with American-sounding domain names such as USADailyPolitics.com and WorldPoliticus.com.<sup>4</sup> Sometimes content is actively pirated from real news organisations and transformed into fake news.

The editor of Channel 4 has complained that his programme's award-winning coverage of the siege of Aleppo gets ripped off by fake news sites that put subtitles over it and change its meaning while pretending to come from a US or UK news organisation.<sup>5</sup>

Beneath the surface, there is nothing mainstream or journalistic about these sites. One hoax site, the *Denver Guardian* which ran the murder-suicide story, was called out by a real newspaper, *The Denver Post*, which noted that it had listed its address as a tree in a car park.<sup>6</sup> Other sites such as *Ending the Fed*, which produced four of the top 10 most widely shared fake news stories, reportedly offer no details as to who owns them and do not respond to requests for comment.<sup>7</sup>

Fake news sites are not staffed by journalists but by individuals who see a commercial, political or other opportunity in gaming the algorithms Facebook and other networks and platforms use to connect their users with news stories (as set out in answer to question 4). They do not appear to have the hallmarks of a professional news-gathering operation which, in addition to professional journalists, include a lawyer in-house or on retainer, pre-publication verification procedures, complaints procedures and oversight in form of a self-regulatory body or an ombudsman or readers' editor.

That fake news exists and is a genuine phenomenon and cause for concern – in the US at least - is not disputed. Even if it has been observed that fake news sites have failed to gain much traction among UK news consumers,<sup>8</sup> they have infected the UK advertising supply chain and the US is often a bellwether. Furthermore, governments and security services across Europe have sounded warnings about Russian interference in domestic politics through the spread of fake or misleading news on social media.<sup>9</sup> The Committee's inquiry is a timely and important opportunity to concentrate minds on the immense value to society and democracy of real news and the struggles it faces in the digital environment.

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<sup>4</sup> "How teens in the Balkans are Duping Trump Supporters With Fake News" – BuzzFeed, 4 November 2016: [https://www.buzzfeed.com/craigsilverman/how-macedonia-became-a-global-hub-for-pro-trump-misinfo?utm\\_term=.udWwginDo#.arQw54QB8](https://www.buzzfeed.com/craigsilverman/how-macedonia-became-a-global-hub-for-pro-trump-misinfo?utm_term=.udWwginDo#.arQw54QB8)

<sup>5</sup> "Channel 4 news editor: Facebook is paying us a 'minuscule' amount for our 2 billion video views," The Drum, 16 February 2017: <http://www.thedrum.com/opinion/2017/02/16/channel-4-news-editor-facebook-paying-us-minuscule-amount-our-2-billion-video>

<sup>6</sup> "There is no such thing as the Denver Guardian, despite that Facebook post you saw", The Denver Post, 7 November 2016: <http://www.denverpost.com/2016/11/05/there-is-no-such-thing-as-the-denver-guardian/>

<sup>7</sup> "This analysis Shows How Viral Fake Election News Stories Outperformed Real News on Facebook", C. Silverman, BuzzFeed 16 November 2016: [https://www.buzzfeed.com/craigsilverman/viral-fake-election-news-outperformed-real-news-on-facebook?utm\\_term=.gpaJDjrABo#.fp2qvqmqz9l](https://www.buzzfeed.com/craigsilverman/viral-fake-election-news-outperformed-real-news-on-facebook?utm_term=.gpaJDjrABo#.fp2qvqmqz9l)

<sup>8</sup> "Britain Has No Fake News Industry Because Our Partisan Newspapers Already do that Job", J. Waterson, BuzzFeed 24 January 2017: [https://www.buzzfeed.com/jimwaterson/fake-news-sites-cant-compete-with-britains-partisan-newspape?utm\\_term=.suvmODwjW#.ige2NGAaR](https://www.buzzfeed.com/jimwaterson/fake-news-sites-cant-compete-with-britains-partisan-newspape?utm_term=.suvmODwjW#.ige2NGAaR)

<sup>9</sup> "How Vladimir Putin and Russia are using cyber and attacks and fake news to rig three major European elections this year," The Telegraph, 13 February 2017: <http://www.telegraph.co.uk/news/2017/02/13/vladimir-putin-russia-using-cyber-attacks-fake-news-try-rig/>

### Dangers of abusing the term “fake news”

However, it is also necessary to sound the alarm about the way in which the term “fake news” is being hijacked by those hostile to the press. The debate over fake news is degenerating rapidly in ways that are fraught with danger, with the term being used to attack real news, typically with the aim of bullying the press, silencing dissent and shutting down debate.

Events unfolding in the US demonstrate what a dangerous narrative for press freedom fake news can be. On taking office, President Trump dismissed as “fake news” photographic evidence by the media that his inauguration ceremony was thinly attended compared to those of some of his predecessors. This has escalated to him dismissing almost the entire US media as “fake” when his National Security Advisor Michael Flynn was compelled to resign after apologizing for ‘inadvertently briefing the vice president elect and others with incomplete information’ about phone calls made to the Russian Ambassador. Trump said “Michael Flynn, Gen. Flynn, is a wonderful man. I think he has been treated very, very unfairly by the media, the fake media in many cases. And I think it is a really sad thing that he has been treated so badly.”<sup>10</sup> On BBC’s Newsnight on 16 February, Trump’s counter-terrorism adviser, Sebastian Gorka, repeatedly accused presenter Evan Davis of “fake news” just for asking questions about the competence of the administration.<sup>11</sup>

Where the US has led, others have followed, with the term “fake news” becoming a part of the lexicon of authoritarian regimes. The Syrian dictator, Bashar Assad dismissed as “fake news” a report by Amnesty International that 13,000 prisoners had been hanged inside his jails.<sup>12</sup> The term has also been used by Russia’s Vladimir Putin, who said that those spreading “fake news” about President Trump “are worse than prostitutes.”<sup>13</sup> The Russian Foreign Ministry has begun compiling what it calls “fake news” from foreign news outlets.<sup>14</sup> As Times commentator Philip Collins has said: “what [Trump, Putin and Assad] want is not “real news” but silence.”<sup>15</sup>

Opportunistic, anti-press usage of the term “fake news” has spread to the UK as well. In the aftermath of the Article 50 vote, which saw 50 MPs rebel against the Labour whip, Labour leader Jeremy Corbyn accused a journalist of “fake news” when challenged about rumours circulating that he may stand down before the next general election.<sup>16</sup> It is chilling and absurd to place a journalist asking legitimate questions of a major national politician in the same category as those inventing stories to skew the democratic process. The Home Secretary, Amber Rudd, became the first senior government figure to

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<sup>10</sup> “Trump blames fake media” for treating Flynn ‘very unfairly’,” Politico 15 February 2017:

<http://www.politico.com/story/2017/02/trump-russia-ties-reaction-235039>

<sup>11</sup> “Donald Trump aide accused BBC of “fake news”” BBC News Online 17 February 2017:

<http://www.bbc.co.uk/news/world-us-canada-39000118>

<sup>12</sup> “Reports Syrian regime hanged 13,000 prisoners branded ‘fake news’ Bashar al-Assad”, Independent, 10 February 2017: <http://www.independent.co.uk/news/world/bashar-al-assad-syria-hanged-13000-political-prisoners-amnesty-international-fake-news-era-product-a7573961.html>

<sup>13</sup> “Donald Trump dossier ‘worse than prostitutes’ – Independent 17 January 2017:

<http://www.independent.co.uk/news/world/europe/vladimir-putin-russia-president-donald-trump-dirty-dossier-fake-news-conspiracy-worse-prostitution-a7531531.html>

<sup>14</sup> “Russia’s anti-fake news site mocked online,” Adam Robinson, BBC Monitoring, 23 February 2017:

<http://www.bbc.co.uk/news/blogs-trending-39065825>

<sup>15</sup> “There’s only one way to defeat fake news” Philip Collins, Times 17 February 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Philip\\_Collins.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Philip_Collins.pdf)

<sup>16</sup> “Jeremy Corbyn accuses BBC of peddling ‘fake news’ as he faces fresh questions over his leadership”, Evening Standard, 9 February 2017: <http://www.standard.co.uk/news/politics/jeremy-corbyn-accuses-bbc-of-peddling-fake-news-as-he-faces-fresh-questions-over-his-leadership-a3462506.html>

use the term, dismissing as “fake news” criticism of plans to limit the number of child refugees resettled in the UK.<sup>17</sup>

There is also a concerted effort underway in the UK by political activists to have certain newspapers designated purveyors of “fake news” because they disagree with their stance on immigration, Brexit and other issues. The campaign Stop Funding Hate has been urging people to write into this inquiry to call for the *Daily Mail*, *The Sun* and *The Express* to be designated fake news. CMS Committee chairman Damian Collins MP has made it clear that the inquiry is focused on the spreading of fake news on social media platforms, and rightly pointed out that any concerns about accuracy in news reporting should be directed to the Independent Press Standards Organisation (IPSO).

Since August 2016, Stop Funding Hate, with the enthusiastic backing of leading figures in Hacked Off and IMPRESS, has been campaigning for advertisers and their agencies to withdraw their business from *The Express*, *The Mail* and *The Sun* unless these newspapers change their editorial line to suit those of the campaigners. This has coincided with bans on popular newspapers on a number of university campuses. The editor of Press Gazette questioned the right of a small number of people on social media to dictate the type of coverage read by several million people every day. He also pointed out the dangers of advertisers seeking to influence editorial decisions. “Today it is Lego in response to concern about the Daily Mail’s coverage around Brexit and immigration – tomorrow it could be banks and oil companies seeking to dissuade publishers from carrying out legitimate investigations.”<sup>18</sup>

The Committee should be alarmed that the term “fake news” is being embraced by people who support the commercial blackmailing of the press and who long for the day when three national newspapers are forced to close their doors. It is also troubling that Wikipedia has designated the *Daily Mail* as “unreliable” and will begin removing links to the paper’s website from its pages. It has been reported that some Wikipedia editors have expressed concern that this decision was politically motivated.<sup>19</sup> That Wikipedia continues to link to the Kremlin-backed Russia Today adds credence to criticisms that the decision to ban the *Daily Mail* was not an objective one.

Hacked Off has jumped on the bandwagon, with its director Steven Barnett celebrating Wikipedia’s move against the Mail by tweeting: “So Wikipedia rates Daily Mail less reliable than Russia Today and Fox News. So much for @IpsNews code on accuracy.”<sup>20</sup> Barnett and his organisation are campaigning for newspapers to be strong-armed into being regulated by the State-backed regulator IMPRESS rather than the self-regulatory body IPSO. The strong-arming would take the form of enacting Section 40 of the Crime and Courts Act which would make newspapers which are not regulated by IMPRESS liable for their opponents’ costs in legal actions, even when they win.

#### Newspapers and the hallmarks of “real news”

To state the obvious, popular newspapers are not “fake news” and attempts to brand them as such underscore the importance of adhering to a rigorous and objective definition of “fake news”, lest it feeds into agendas of those who want to police and restrict what others write and read.

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<sup>17</sup> “Rudd says child refugee criticism is ‘fake news’”, *The Times*, 27 February 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times -  
Rudd says child refugee criticism is 'fake news'.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_-_Rudd_says_child_refugee_criticism_is_'fake_news'.pdf)

<sup>18</sup> “Seeking an advertising boycott of newspapers you disagree with is an illiberal way to promote liberal values”, Dominic Ponsford, *Press Gazette*, 11 November 2016: <http://www.pressgazette.co.uk/seeking-an-advertising-boycott-of-newspapers-you-disagree-with-is-an-illiberal-way-to-promote-liberal-values/>

<sup>19</sup> “Wikipedia bans Daily Mail as 'unreliable' source” *Guardian*, 8 February 2017: <https://www.theguardian.com/technology/2017/feb/08/wikipedia-bans-daily-mail-as-unreliable-source-for-website>

<sup>20</sup> Steven Barnett on Twitter: <https://twitter.com/stevenjbarnett/status/829473622876094465>

Newspapers may be partisan and they certainly make their journalism as accessible and appealing to as many people as possible. They publish thousands of articles a month and endeavour promptly to correct any errors as soon as they become aware of them. They do not fabricate events. Their publishers do not conceal who they are. They employ professional journalists and editors who are publicly known and bylined and have reputations to lose. Editors can be - and have been – fired for running a story that turns out to be a hoax. They employ in-house lawyers to ensure that they abide by the civil and criminal law. In addition to ensuring that they operate within the law, they adhere to the Editors’ Code. This requires that they “take care not to publish inaccurate, misleading or distorted information or images, including headlines not supported by the text” and that “while free to editorialise and campaign, must distinguish clearly between comment, conjecture and fact.”

If there is a problem with a story in print or online there is a complaints procedure and recourse to IPSO. Editors publish corrections and take down stories when inaccuracies are brought to light, whether by readers or by IPSO. In the most serious cases, IPSO has the power to investigate and fine newspapers for serious standards failings.

By contrast, the business model of fake news sites is to manufacture the type of ‘clickbait’ stories which will attract sufficient attention on social media sites and search engines to generate the programmatic advertising on which they depend. It is a model which is supported and perpetuated by the current digital advertising supply chain.

While we certainly take seriously the fake news phenomenon, branding real news as “fake news” is, right now, the more acute threat to democracy. Such calls are being used as a pretext for clamping down on press freedom, which would inhibit the ability of the press to perform its vital democratic task of keeping citizens informed and holding power to account.

It is particularly sad to see these attacks being made against the popular press, itself a product of the advent of mass democracy in this country. When working men and women were finally given the vote, an education and enough disposable income to buy a newspaper, these were the newspapers many of them chose to read. Popular newspapers have nurtured that readership ever since, ensuring that people’s opinions, hopes and fears are heard in the public realm and enabling the newspapers to run powerful and highly effective campaigns, such as the *Daily Mail*’s 20-year fight for justice for Stephen Lawrence. That millions of Britons continue to read them to this day, in print and online, shows that this loyalty is returned. There is nothing “fake” about that.

## **2. What impact has fake news on public understanding of the world, and also on the public response to traditional journalism? If all views are equally valid, does objectivity and balance lose all value?**

### Introduction

Fake news has come into the spotlight because of the role it is alleged to have played in the US election. It has not been demonstrated that it had a decisive role in determining the outcome of that election (or any other) and there are good reasons to be wary of suggestions that a democratic outcome was the result of people being duped. However, just because fake news may not decide elections does not mean that the phenomenon is benign, or that it will not, in the long-term, erode civic engagement by drowning out real news with fictitious, though diverting, stories that destroy public faith in the media and displace advertising revenues which support real news media and their investment in journalism.

There is a body of evidence that people can easily be taken in by fake news and that there may be some correlation between a propensity to believe fake news and having social media as a primary source of news. That is why it is so important to have a strong real news sector that can cut through the filter bubbles of social media and anchor people's understanding of current events in reality.

#### Fake news and elections

As set out in our answer to question 1, the term "fake news" can be put to insidious uses. Just as it should not be used to attack real journalism, the suggestion that the result of an election only came about because of "fake news" could be used to delegitimise genuine democratic outcomes and to patronise the electorate. In "Social Media and Fake News in the 2016 Election," Allcott and Gentzkow draw on audience data, archives of fact-checking websites and a survey to conclude that "social media was an important but not dominant source of news in the run up to the election... the average American saw and remembered 0.92 pro-Trump fake news stories and 0.23 pro-Clinton fake news stories, with just over half of those who recalled seeing fake news stories believing them."<sup>21</sup>

In the UK the Brexit result has sometimes been (retrospectively) attributed to "fake news". However, the examples of "fake news" that get cited are politicians' campaign statements (such as the '£350m a week for the NHS' claim) and partisan press coverage, which do not fall within any rigorous definition of "fake news."

#### Falling for fake news

That fake news does not swing whole election results does not mean it has no effect on how people see the world. There is evidence that when people do see fake news, they fall for it. A poll of 3,015 Americans commissioned by BuzzFeed and conducted by IPSOS between 28 November-1 December 2016 suggested that fake news headlines were considered "somewhat accurate" or "very accurate" by 75 per cent of those who recalled seeing them.<sup>22</sup>

A poll by the Pew Research Center at the end of last year found that 23 per cent of the 1,002 Americans surveyed said they had shared a made-up story, with 14 per cent saying they knew it was fake at the time and 16 per cent having shared a story that they later realised was fake.<sup>23</sup>

Even though much of the fake news that has been generated has not been targeted at a UK audience, Britons should not think they are immune. In February 2017, Channel 4 published a YouGov survey of 1,684 British adults who were presented with six individual news stories, three of which were true and three of which were made up. Only four per cent could identify them all correctly. Half (49 per cent) thought at least one of the made-up stories was true.<sup>24</sup>

If these stories are being believed when people see them, then fake news would appear capable of changing how people see the world. Given that the primary vehicle for fake news is social media,

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<sup>21</sup> Social Media and Fake News in the 2016 Election - Allcott and Gentzkow 2017

<http://web.stanford.edu/~gentzkow/research/fakenews.pdf>

<sup>22</sup> "Most Americans Who See Fake News Believe It, New Survey Says" – BuzzFeed, 7 December 2016;

[https://www.buzzfeed.com/craigsilverman/fake-news-survey?utm\\_term=.lwV7rzkZ8#.vrmzi73gW](https://www.buzzfeed.com/craigsilverman/fake-news-survey?utm_term=.lwV7rzkZ8#.vrmzi73gW)

<sup>23</sup> "Many Americans Believe Fake News Is Sowing Confusion" – Pew Research Center, 15 December 2016;

<http://www.journalism.org/2016/12/15/many-americans-believe-fake-news-is-sowing-confusion/>

<sup>24</sup> "C4 study reveals only 4% surveyed can identify true or fake news" – Channel Four News Release 6 February 2017; <http://www.channel4.com/info/press/news/c4-study-reveals-only-4-surveyed-can-identify-true-or-fake-news>

which is in the ascendant as a main source of news, it is predictable that more people will see fake news and more will believe it.<sup>25</sup>

Results from the polls cited above indicate that there is a greater propensity to believe fake news stories among those who cite Facebook as their major source of news. According to Channel 4/YouGov: “Of those that stated Facebook as their primary source of news, 71 per cent thought at least one of the fake news stories was true, whereas only 47 per cent of those who primarily get their news from broadcasters thought this.”<sup>26</sup>

In the BuzzFeed/IPSOS poll of Americans adults it was found that “people who said they rely on Facebook as a “major” source of news appeared to be disproportionately affected by these fake news headlines. In 553 judgments about fake news headlines they recognised, these respondents deemed the information to be somewhat or very accurate 83 per cent of the time. By contrast, fake news headlines were deemed accurate 76 per cent of the time by people who consider Facebook to be a “minor” source of news (465 judgments), and 64 per cent of the time by people who rarely or ever use Facebook.”

#### “Filter bubbles”

The authors of the poll reports urge caution as the respondent groups here are small. Nevertheless, the findings are likely to resonate with fears about ‘filter bubbles’ of social media warping people’s understanding of the world, insulating them from opposing views and feeding them a diet of misinformation. This is exacerbated by the platforms’ blanket branding of content, making it difficult to identify the original source of stories on Google AMP, Facebook Instant Articles and Apple News. Commenting on these tools, technology website *The Verge* has said that Instant Articles and AMP are “further breaking down the relationship between good design and credibility... tacitly accelerating traffic to questionable sites and further confusing readers who have not learned to discriminate.”<sup>27</sup>

The filter bubble effect has been summarised in the following terms: “People are drawn to news that affirms their political viewpoint. Facebook’s software learns from users’ past actions; it tries to guess which stories they are likely to click or share in the future. Taken to its extreme, this produces a filter bubble, in which users are exposed only to content that reaffirms their biases. The risk then is that filter bubbles promote misperceptions by hiding the truth.”<sup>28</sup> This supports the Facebook economic model because digital programmatic advertising follows these people and their ‘clicks’, ‘shares’ and ‘likes’. It would not be in Facebook’s commercial interests to burst the filter bubble.

In October 2016, Canadian journalist and self-described ‘liberal feminist’, Sue Gardner decided to explore the filter bubble effect by creating a persona with attributes different to her own see the effect on news stories that Facebook sent her way. This persona, “Caitlin”, was a 19-year-old from Hoover, Alabama who worked at T-Mobile in customer services. She was given no Facebook friends,

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<sup>25</sup> According to the Reuters Institute of Journalism Digital News Report 2016, eight per cent of UK adults surveyed by YouGov cited social media as their major source of news, up from six per cent in 2015. In the US, this was 14 per cent of adults in 2016, against 11 per cent the year before. P10/11

<https://reutersinstitute.politics.ox.ac.uk/sites/default/files/Digital-News-Report-2016.pdf>

<sup>26</sup> C4 study reveals only 4% surveyed can identify true or fake news” – Channel 4 News Release 6 February 2017; <http://www.channel4.com/info/press/news/c4-study-reveals-only-4-surveyed-can-identify-true-or-fake-news>

<sup>27</sup> “Facebook and Google Make Lies as Pretty as Truth,” Kyle Chayka, 6 December 2016: [http://www.newsmediauk.org/write/MediaUploads/Fake News/The Verge - Facebook and Google make lies as pretty as truth.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/The_Verge_-_Facebook_and_Google_make_lies_as_pretty_as_truth.pdf)

<sup>28</sup> “Facebook’s Problem is More Complicated Than Fake News” – R. Kelly Garrett, *The Conversation*, 17 November 2016: <http://theconversation.com/facebooks-problem-is-more-complicated-than-fake-news-68886>

made no comments and followed no-one. What Caitlin did do was to “like” a page called Alabama for Trump. The Facebook algorithm then recommended that she check out Patriots for Trump, Americans Against Hillary Clinton and I Hate Hillary. After Caitlin “liked” them all her newsfeed started to fill with stories, videos and memes that members of those groups were sharing, which included that Hillary Clinton and her husband had killed 44 people since the 1970s; that she is a lesbian in a secret relationship with her campaign chair; that she has syphilis; and that thousands of ballots found in an Ohio warehouse were already marked for Clinton and other Democratic candidates.<sup>29</sup>

Gardner noted that roughly 20 per cent of what appeared in the newsfeed was unsubstantiated opinion, while the remaining 80 per cent was false. Reacting to this Gardner said she felt “super alienated and destabilised reading it, because the picture it painted bore practically zero resemblance to the world I live in.”

That increasing numbers of people may be dropping out of the mainstream media and disappearing down rabbit holes on social media has been a cause of public concern in Canada. The government there commissioned the non-partisan think tank, the Public Policy Forum, to research the impact of the digital revolution on the media amid concerns about the emergence of “news deserts” and the reliability of what is coming to fill those gaps.

The report, published in January 2017 and entitled “The Shattered Mirror: News Democracy and Trust in the Digital Age”, reflected that “the spread of fake news is a far cry from the admonition of US founding father Thomas Jefferson to “contrive” to produce a common pool of information for all to share, something he considered a requisite for making sound democratic choices.” It goes on to say that one of the fundamental public policy considerations arising from the unprecedented reach of social media is that “in their [ie, online platforms, social networks] creation of filter bubbles and echo chambers, they run counter to the liberal philosophies of truth and falsehood grappling openly, and thereby further the fragmentation of our collective conversation and political commonweal.”<sup>30</sup>

These concerns echo the fear expressed by writer Nathan Heller in the *New Yorker* that “the most dangerous intellectual spectre today seems not to be lack of information but the absence of a common information sphere in which to share it across boundaries of belief.”<sup>31</sup>

Newspapers were the form of media that Thomas Jefferson had in mind when he stated that the best way to ensure sound and informed democratic decision-making is to give the people “full information of their affairs through the channel of the public papers, and to contrive that those papers should penetrate the whole mass of the people.”<sup>32</sup>

This is the function that the British press has performed for centuries and continues to perform. Ninety-one per cent of British adults consume content produced by a UK newspaper. Seventy-five per cent of British adults access newsbrands digitally every month. Regional and local media reaches 95.5 per cent of British postcodes.<sup>33</sup>

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<sup>29</sup> From “The Shattered Mirror: News, Democracy and Trust in the Digital Age,” p56 January 2017, Public Policy Forum <http://www.newsmediauk.org/write/MediaUploads/Fake%20News/theShatteredMirror.pdf>

<sup>30</sup> Ibid p58

<sup>31</sup> “The Failure of Facebook Democracy”, Nathan Heller, The New Yorker, 18 November 2016; <http://www.newyorker.com/culture/cultural-comment/the-failure-of-facebook-democracy>

<sup>32</sup> Shattered Mirror p31: <http://www.newsmediauk.org/write/MediaUploads/Fake%20News/theShatteredMirror.pdf>

<sup>33</sup> “UK News Media: an engine of original news content and democracy” – Deloitte, commissioned by the News Media Association, December 2016. UK News Media: an engine of original news content and democracy

While intensely competitive with one another and having starkly different editorial positions, our newspapers' scrutiny of public power, nationally and locally, is a collective effort that is more than the sum of its parts and that enables a shared conversation across society about how best to be governed. If filter bubbles result in people inhabiting wildly different realities from one another, it bodes ill for that collective scrutiny and shared conversation. In their place would be what former President Barack Obama has dubbed a "dust cloud of nonsense."<sup>34</sup>

#### Views of traditional media

The rise of fake news has caused disquiet about the reliability of news on social media and search engines and its impact on society. Even before the furore over fake news, that wariness appeared to be prompting a renewed appreciation of the importance of traditional news.

The Pew survey cited above recorded that 57 per cent of Americans consider that fake news spreads confusion.<sup>35</sup> Roughly the same proportion expressed this fear among Democrats (64 per cent) as Republicans (57 per cent). In the UK, the YouGov poll for Channel 4 found that 49 per cent of those surveyed were worried about the effects of fake news, especially 18-24 year-olds (57 per cent).<sup>36</sup>

Polling of Canadian adults for the Shattered Mirror report revealed that "even before the uproar in the US... 65 to 70 per cent of respondents trusted news from television, radio, newspaper and magazines, online or otherwise. In contrast, news on social media, or sent by a friend via social media was trusted by no more than 15 per cent of respondents."<sup>37</sup> The report's authors add: "beyond their utilitarian function, both our poll and focus groups exhibited an almost reverential respect for the role news and journalism play in democracy."<sup>38</sup>

There is also evidence that seismic events of last year on both sides of the Atlantic have triggered a spike in demand for newspapers, indicating that people still regard traditional media as the source of serious news in serious times. In the aftermath of Trump's victory, the *New York Times* saw digital subscriptions increase by 276,000 in the final three months of 2016, a record increase since the 2011 introduction of its paywall.<sup>39</sup> The *Wall Street Journal* has also experienced a significant increase in paid digital subscribers through the US presidential election, surpassing the one million mark in the fourth quarter of 2016. The *New York Post* digital network also had an audience of more than 76 million in November.<sup>40</sup>

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[http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final\\_Report\\_News\\_Media\\_Economic\\_Impact\\_Study.pdf](http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final_Report_News_Media_Economic_Impact_Study.pdf)

<sup>34</sup> "OBAMA: Fake news on Facebook is creating a 'dust cloud of nonsense,' Business Insider, 7 November 2016: <http://uk.businessinsider.com/obama-fake-news-facebook-creates-dust-cloud-of-nonsense-2016-11?r=US&IR=T>

<sup>35</sup> Pew poll: <http://www.journalism.org/2016/12/15/many-americans-believe-fake-news-is-sowing-confusion/>

<sup>36</sup> C4 News poll: <http://www.channel4.com/info/press/news/c4-study-reveals-only-4-surveyed-can-identify-true-or-fake-news>

<sup>37</sup> Shattered Mirror, p58

<sup>38</sup> Shattered Mirror, p42

<sup>39</sup> "'Failing' New York Times gets digital Trump boost" - FT, 2 February 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/FT\\_-\\_Newspapers\\_welcome\\_more\\_digital\\_subscribers\\_in\\_time\\_of\\_fake\\_news.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/FT_-_Newspapers_welcome_more_digital_subscribers_in_time_of_fake_news.pdf)

<sup>40</sup> "News CEO takes fight to distributors, aggregators", News Media Works 16 February 2017; <http://www.newsmediaworks.com.au/news-ceo-takes-fight-to-distributors-aggregators/>

In the month following the Brexit vote, an additional three million newspapers were sold in the UK compared to the month before.<sup>41</sup> Interest in newspaper content remains strong with audited figures for the industry for January 2017 showing that an extra 80 million unique browsers accessed digital content compared with December 2016, while overall print circulations for daily newspapers were also up on the month before.<sup>42</sup> In the magazine sector, current affairs magazines including the *Spectator* and *New Statesman* also saw a rise in sales last year.<sup>43</sup>

However, despite the appetite and need for real news to act as a counterweight to social media misinformation, real news companies still face an uphill struggle to achieve sustainability in the digital age. This is not because of a lack of demand from readers, but as a result of the fact that they have no practical choice but to compete on platforms that privilege fake news over real. This will be explored in answers to questions 4 and 5.

*If all views are equally valid, does objectivity and balance lose all value?*

Discerning whether something is fake news should be a question of fact: are the events described fabricated? Are the authors trying to pass this off as a news report from a professional news-gathering stable, when it is nothing of the kind? Determining that the story “Yoko Ono: I had an affair with Hillary Clinton in the 70s” is bogus should not require getting bogged down in arguments about cultural relativism, ‘alternative facts’ and the nature of truth.

Objectivity and balance play an important role in journalism including in the newsrooms of partisan publications. Decisions on the strength of a news story and the evidence and sources behind it are made on objective criteria. This is why the vast majority of the UK newspaper industry was able to come together and agree a common set of standards – the Editors’ Code.<sup>44</sup> This would not be possible without a high degree of consensus among newspapers about what constitutes objective standards of good journalism.

The Code recognises in its preamble that the right to freedom of expression includes the right ‘to inform, to be partisan, to challenge, shock and be satirical and to entertain’. It goes on, in Clause 1 (i) to make it clear that facts must be accurate: ‘The Press, while free to editorialise and campaign, must distinguish clearly between comment, conjecture and fact.’

### **3. Is there any difference in the way people of different ages, social backgrounds, genders etc, use and respond to fake news?**

#### Introduction

In the US, the failure by the mainstream media to predict the victory of Donald Trump combined with the eclipse on social media of real news of the election by fake news, has provoked soul-searching among American journalists and editors. There is a sense that the two phenomena are linked and this has focussed minds on why the mainstream media may have lost connection with an important demographic. The disruption of local news in the US is identified as a possible cause by some US academics and journalists, who argue it has impacted on the ‘trickle-up’ of knowledge about local

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<sup>41</sup> “Brexit vote boosts national newspaper sales” Guardian, 21 July 2017:

<https://www.theguardian.com/media/2016/jul/21/brexit-vote-boosts-national-newspaper-sales>

<sup>42</sup> “ABC: 80 million extra unique browsers access newsbrands in January” Newsworks, 16 February 2017:

<http://www.newsworks.org.uk/News-and-Opinion/abc-80-million-extra-unique-browsers-access-newsbrands-in-january>

<sup>43</sup> “Current affairs magazine ABCs, 2015: Spectator, New Statesman, Private Eye and Economist all grow in election year.” Press Gazette, 11 February 2017: <http://www.pressgazette.co.uk/current-affairs-magazine-abc-2015-spectator-new-statesman-private-eye-and-economist-all-grow/>

<sup>44</sup> The Editors’ Code: <https://www.ipso.co.uk/editors-code-of-practice/>

communities to national outlets. Without such knowledge, they argue, blind spots emerge in national coverage, an 'elite obliviousness' sets in and fake news flourishes in the void.<sup>45</sup> The US can be a bellwether for the UK, so these observations should concentrate minds here on the importance of our own local press and of a national press that strives to give voice to non-elite concerns.

#### Fake news overtook mainstream news on social media

BuzzFeed sent shockwaves across the mainstream media last November when it produced an analysis that showed that "in the final three months of the US presidential campaign, the top-performing fake election news stories on Facebook generated more engagement than the top stories from major news outlets such as the *New York Times*, *Washington Post*, *Huffington Post*, *NBC News*, and others."<sup>46</sup> Those 20 fake news stories alone generated 8.7 million engagements, sending advertising revenues pouring into the Google AdSense accounts of fake news operators (and of course, to Google and Facebook themselves). This meant advertisers' money funded and rewarded hoaxes, frauds and piracy rather than real news in the run up to an election, the time when real news is needed most.

Neither side of the political divide had a monopoly on producing and sharing fake news, but it appears to have been more popular among Trump supporters. According to Allcott and Gentzkow: "we record 41 pro-Clinton and 115 pro-Trump articles [from our fake news database], which were shared a total of 7.6m and 30.3m times respectively. There was thus about three times more fake pro-Trump articles than pro-Clinton articles and the average pro-Trump article was shared more on Facebook than the average pro-Clinton article."<sup>47</sup> Polling by IPSOS for BuzzFeed indicated higher belief rates among Trump supporters who recalled seeing fake news.<sup>48</sup>

#### News deserts, disconnect and gaps in the market

Writing in *Slate* magazine, Ellen P. Goodman, a professor at Rutgers Law School and co-director of the Rutgers Institute for Information Policy and Law, argues that fake news has arisen in part because of a hollowing out in local news in the US causing a disconnect between some communities and the national media: "National news organizations have long relied on their local affiliates and other local news organs to surface how it's playing in Des Moines, Iowa.... When a community loses a strong local news presence, it misses out on more than just information. Especially in smaller communities, the local newspaper and sometimes local radio station supported a common civic life. More than anything else, perhaps, this 2016 election was about the hopelessness of neglected small towns, the failure of mediating institutions (including political parties and unions), and stifled local voices in an increasingly cosmopolitan world."<sup>49</sup>

Philip Napoli, a professor of public policy at Duke University, is also cited in the Public Policy Forum report saying that the disruption of local media (for reasons discussed in the next answer) had resulted

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<sup>45</sup> This term is from "Facebook Should Consider Subsidizing and Promoting Local News" by Ellen P. Goodman for *Slate*, 12 December 2016;

[http://www.slate.com/articles/technology/future\\_tense/2016/12/facebook\\_should\\_consider\\_subsidizing\\_local\\_news.html](http://www.slate.com/articles/technology/future_tense/2016/12/facebook_should_consider_subsidizing_local_news.html)

<sup>46</sup> "This Analysis Shows How Viral Fake Election News Stories Outperformed Real News On Facebook," C. Silverman, BuzzFeed 16 November 2016: [https://www.buzzfeed.com/craigsilverman/viral-fake-election-news-outperformed-real-news-on-facebook?utm\\_term=.avN1M17lvY#.il2070kWye](https://www.buzzfeed.com/craigsilverman/viral-fake-election-news-outperformed-real-news-on-facebook?utm_term=.avN1M17lvY#.il2070kWye)

<sup>47</sup> Allcott and Gentzkow, p11: <https://web.stanford.edu/~gentzkow/research/fakenews.pdf>

<sup>48</sup> "BuzzFeed, in Most Americans Who See Fake News Believe It" (7 December), says "on average Clinton voters judged 58% of familiar fake news headlines as accurate, versus 86% for Trump voters."

<sup>49</sup> "Facebook Should Consider Subsidizing and Promoting Local News" by Ellen P. Goodman for *Slate*, 12 December 2016:

[http://www.slate.com/articles/technology/future\\_tense/2016/12/facebook\\_should\\_consider\\_subsidizing\\_local\\_news.html](http://www.slate.com/articles/technology/future_tense/2016/12/facebook_should_consider_subsidizing_local_news.html)

in “news deserts” opening up in some communities, primarily in lower income areas, a trend also documented in Canada.<sup>50</sup>

The connection between news deserts and disconnect with mainstream media has been observed by US journalists, editors and news executives. *Politico's* media commentator Ken Doctor has said: “We can directly link the growth of the local news desert expanding rapidly across the US to Trump’s win. A point that still misses so many of the national observers as they examine their own navels: Across the United States, in all of the areas that jumped from bluer to redder, from Obama to who-knows-what, we’ve seen a slowly expanding news desert. That desert is hard to describe of course, because it’s a desert.”<sup>51</sup>

Asked about the failure to predict the rise of Trump, *ProPublica's* Alec MacGillis made similar points to CNN that “the media are all in Washington, DC and New York now thanks to the decline of local and metro papers. And the gaps between how those cities and the rest of the country are doing have gotten so much larger in recent years.”<sup>52</sup>

The point about disconnect is acknowledged by the national titles. The *Washington Post's* executive editor, Marty Baron, told *Politico*: “I think we should have detected the depth of grievance and anxiety in America’s working class well before Trump became a candidate. It’s obviously our job to get out in the country and listen to people and to take the measure of the American public, and I don’t think we did as well as we should have, and we need to make sure we learn that lesson and make it a regular responsibility to really understand America’s working class.”<sup>53</sup>

Univision chief news, digital and entertainment officer Isaac Lee said: “We didn't realize that just a few miles away from us in places like Staten Island and Homestead, the people there were hopeless and also hopeless about us. If we are to regain their trust we must move ourselves closer to the people.”<sup>54</sup>

That is not to say that there are not many excellent local newspapers in the US. There are and many of these have been at the forefront of debunking fake news. A study by Pew in 2015 found that the local newspaper is still the anchor for local media ecosystems in many communities, producing news picked up and commented by other online-only sources.<sup>55</sup> But they are having to retrench and as the authors of “The Shattered Mirror” put it: “We face a situation in which sources of opinion are proliferating but sources of facts on which those opinions are based are shrinking.”<sup>56</sup>

Even though it is a recent phenomenon and the evidence so far is impressionistic, the digital disruption of traditional media in the US appears to be playing a role in driving the gaps in the market and gaps in understanding, in which fake news is taking hold.

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<sup>50</sup> Shattered Mirror, p43:

<http://www.newsmediauk.org/write/MediaUploads/Fake%20News/theShatteredMirror.pdf>

<sup>51</sup> “The news media and Trump”, Ken Doctor, *Politico*, 10 November 2016

<http://www.politico.com/media/story/2016/11/the-news-media-and-trump-004850>

<sup>52</sup> “How politicians, pollsters and media missed Trump's groundswell,” CNN Media 9 November 2016;

<http://money.cnn.com/2016/11/09/media/polling-media-missed-trump/>

<sup>53</sup> “What went wrong? Eleven takes from media veterans” *Politico*, 10 November 2016

<http://www.politico.com/blogs/on-media/2016/11/what-the-media-missed-editors-executives-and-journalists-weigh-in-231167>

<sup>54</sup> Ibid

<sup>55</sup> “Local News in Digital Age,” Pew, March 2015: <http://www.journalism.org/2015/03/05/local-news-in-a-digital-age/>

<sup>56</sup> Shattered Mirror p47:

<http://www.newsmediauk.org/write/MediaUploads/Fake%20News/theShatteredMirror.pdf>

**4. Have changes in the selling and placing of advertising encouraged the growth of fake news, for example by making it profitable to use fake news to attract more hits to websites and thus more income from advertisers?**

Introduction

The disruption of traditional media referred to in previous answers is only in part a function of having to adapt to new technology, something which all businesses have to do. It is also about newspapers having to adapt to a digital environment which rewards the distribution of content over its creation. It does so to the extent that publishers with the overheads that professional news production entails struggle to survive, while fraudulent fly-by-nights that can be run on a shoe-string thrive. The danger is that the media landscape is hollowed out: the professional news companies can no longer be sustained, so we are left with fly-by-nights who are produced cheaply enough to get by on what they can earn online, and those publishers for whom money is no object because they are funded by a State (Russia Today for example).

Also implicated is the rise of programmatic advertising, where advertisers lose track of ads placed on their behalf by agencies using complex algorithms that follow users across the internet. This segment of the industry was recently described as “murky at best, fraudulent at worst” by the global chief brand officer of Procter & Gamble, the world’s largest advertiser. Having moved their money out of TV and print and into digital, advertisers are becoming increasingly sceptical of what the online platforms are delivering. 2017 is being described as the watershed year when advertisers finally find “the gumption to ask technology companies they have made rich what exactly they are paying for.”<sup>57</sup>

Duopoly

Google and Facebook. These two hegemon account for three-quarters of the display ad market in the US and 53 per cent of the £4 billion currently spent in the UK. Much of the classified advertising market has already migrated. The duopoly is now believed to be taking 99 per cent of all adspend growth in the US and is forecast to take more than 70 per cent of all money spent on display advertising online in the UK by 2020.<sup>58</sup>

With readers migrating to digital away from print, publishers need to have a presence on either Google or Facebook to reach their audience and have any visibility. Revenue from content on these platforms is earned from advertisers when anyone clicks through to the site from Facebook and from page impressions and ad clicks when reached through Google. The revenue is split between the site and the platform.

This ad revenue mechanism is what appears to be driving much of the fake news industry, which has been described as a “digital gold rush”. BuzzFeed discovered that more than 100 pro-Trump websites were being run out of a single town in Macedonia, creating baseless stories that generated hundreds of thousands of shares each. “Most of the posts on these sites are aggregated or completely plagiarised from fringe and right-wing sites in the US,” BuzzFeed explains. “The Macedonians write a sensationalised headline, and quickly post it to their site to try and generate traffic. The more people

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<sup>57</sup> “Advertisers trapped in an age of online obfuscation,” Ian Leslie, FT, 1 March 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake News/FT - Advertisers trapped in an age of online obfuscation.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/FT%20-%20Advertisers%20trapped%20in%20an%20age%20of%20online%20obfuscation.pdf)

<sup>58</sup> “Google and Facebook to take 71% of UK online ad revenue by 2020,” Guardian, 15 December 2016, citing a report by OC&C Strategy Consultants, December 2016.

<https://www.theguardian.com/media/2016/dec/15/google-facebook-uk-online-ad-revenue>

who click through from Facebook, the more money they earn.”<sup>59</sup> By the admission of the teenagers who run the sites, “info in the blogs is bad, false and misleading, but the rationale is ‘if it gets the people to click on it and engage, then use it.’”<sup>60</sup>

The system works very well for fake news operators – and very badly for real news publishers. The fake news operators are not journalists in any meaningful sense; fake news operators act without regard for accuracy or defamation to invent content sensational enough to harness the full potential of the Facebook or Google algorithm. This algorithm has been observed to work in ways that propel, in particular, the spread of emotive (particularly angry) content across the network.<sup>61</sup> In contrast, real news publishers are not at liberty to just make up crazy stories to game an algorithm and do not want to. The Facebook system rewards those fake news producers who do.

One fake news operator, Paul Horner, told *The Washington Post* he was making \$10,000 (£7,970) a month from fake news through Google AdSense.<sup>62</sup> Macedonian teenagers told BuzzFeed they were making as much as \$3,000 per day when they get hits on Facebook.<sup>63</sup> Fake news is being made, shared and monetised on an industrial scale.

Facebook and Google are making money too, as ad revenues are split with the platforms. Because of the low operating costs of a fake news business they can make a healthy profit even if Google-Facebook are taking by far the lion’s share of the ad revenues from the traffic generated. A fake news writer quoted by BuzzFeed says: “In Macedonia the economy is very weak and teenagers are not allowed to work, so we need to find creative ways to make some money. I’m a musician but I can’t afford music gear. Here in Macedonia the revenue from a small site is enough to buy many things.”<sup>64</sup>

For many real news publishers, the crumbs left over from the advertising they get from Facebook and Google traffic are insufficient to keep their business models on a sustainable footing. Unlike the fake news farms of Macedonia, a little does not go a long way for newspaper publishers who pay for professional journalists, in-house lawyers, subscriptions to a regulatory body and the other costs that attend the production of journalism to a professional standard.

In January 2017, it emerged that the premium publishers who belong to the US trade body Digital Content Next are making just 14 per cent of their revenue from distributing content on third party platforms.<sup>65</sup> Publishers in the UK face similar issues, where the average annual revenue per newsbrand

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<sup>59</sup> “How teens in the Balkans are duping Trump supporters with fake news,” BuzzFeed 4 November, 2016; [https://www.buzzfeed.com/craigsilverman/how-macedonia-became-a-global-hub-for-pro-trump-misinfo?utm\\_term=.dtqRPXAJRn#.kqLBvq10BE](https://www.buzzfeed.com/craigsilverman/how-macedonia-became-a-global-hub-for-pro-trump-misinfo?utm_term=.dtqRPXAJRn#.kqLBvq10BE)

<sup>60</sup> Ibid

<sup>61</sup> As discussed in “Facebook’s Problem Is More Complicated Than Fake News” R. Kelley Garrett, *The Conversation*, 17 November 2016. Garrett is a ‘filter bubble’ sceptic, but still says fake news presents “serious challenges” for Facebook. <http://theconversation.com/facebooks-problem-is-more-complicated-than-fake-news-68886>

<sup>62</sup> “Facebook fake-news writer: ‘I think Donald Trump is in the White House because of me,’” 17 November 2016 [https://www.washingtonpost.com/news/the-intersect/wp/2016/11/17/facebook-fake-news-writer-i-think-donald-trump-is-in-the-white-house-because-of-me/?utm\\_term=.f3af4cd1a7e4](https://www.washingtonpost.com/news/the-intersect/wp/2016/11/17/facebook-fake-news-writer-i-think-donald-trump-is-in-the-white-house-because-of-me/?utm_term=.f3af4cd1a7e4)

<sup>63</sup> “How Teens in the Balkans are Duping Trump Supporters With Fake News” – BuzzFeed, 4 November 2016; [https://www.buzzfeed.com/craigsilverman/how-macedonia-became-a-global-hub-for-pro-trump-misinfo?utm\\_term=.cgoogqmwoY#.sd5vwNbQvr](https://www.buzzfeed.com/craigsilverman/how-macedonia-became-a-global-hub-for-pro-trump-misinfo?utm_term=.cgoogqmwoY#.sd5vwNbQvr)

<sup>64</sup> Ibid

<sup>65</sup> “Facebook, Snapchat Deals Produce Meager Results for News Outlets,” Bloomberg, 24 January 2017; <https://www.bloomberg.com/news/articles/2017-01-24/facebook-snapchat-deals-produce-meager-results-for-news-outlets>

print user is estimated at £124 while that of a digital user is just £15.<sup>66</sup> Those digital users are growing in number, but are harder to monetise because they are accessing content through social media sites (43 per cent) and search engines (37 per cent). These siphon off a disproportionate share of the advertising revenues generated by users' interest in newspaper content, which is at the heart of the reason why falls in print advertising revenues are not being offset by revenues from digital. This is distorting the value chain of digital news to an extent that it brings its long-term sustainability into question.

The struggle to monetise content through the new distribution monopolies of Google and Facebook is not just experienced by newspapers. Channel 4 News editor Ben de Pear recently told *The Drum* that "a proper news organisation can't earn enough off Facebook to wash its face." Last year, Channel 4 registered two billion video views and yet earned from Facebook "a tiny, miniscule amount of money."<sup>67</sup>

That television viewing is now dropping off at similar rate to the declines in circulation experienced by newspapers in the 2000s suggests that broadcasters such as Channel 4 are in the foothills of the disruption that the news media sector has experienced.<sup>68</sup> Policy makers cannot ignore forever the impact of these distortive practices on the UK independent news media. They need to ask themselves what sort of media landscape are we going to end up with if we have a digital environment that makes it impossible to finance proper journalism – an environment where hegemonic online platforms do not just tolerate the defamatory, the bogus and the hateful, but privilege it. If fake news is not subverting the democratic process now it is because there is still a real news comparator. It is not a given that this will always be the case.

Ofcom and the CMA should be asked by the Government to examine the impacts of Google, Facebook and other platforms on the media landscape and to evaluate the importance of news media content to their business models. The NMA would be happy to explore licensing schemes, potentially via NLA Media Access, to ensure that publishers' investment in news is adequately recognized.

#### Programmatic advertising

Another factor has been the way that the online advertising industry has evolved so that ads can get placed inadvertently on illegal or harmful sites. *The Times* has reported that adverts are appearing on fake news sites, piracy forums and next to the videos of terrorist organisations without the knowledge of the advertiser.<sup>69</sup> An advert for Cancer Research was placed under a story on US Patriot, a fake news site, claiming that "Supreme Court Judges Say Obama Birth Certificate a Fake." In some instances, commercials for government-funded programmes are appearing on fake news sites, including one alleging a Muslim plot to "colonise America". Even though the content of fake news is largely geared to a US audience, the phenomenon is impacting on the destination and reputation of UK advertisers.

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<sup>66</sup> Deloitte study: UK News Media – An Engine of Original News Content and Democracy, December 2016; <http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final Report News Media Economic Impact Study.pdf>

<sup>67</sup> "Channel 4 news editor: Facebook is paying us a 'miniscule' amount for our 2 billion video views," *The Drum*, 16 February 2017; <http://www.thedrum.com/opinion/2017/02/16/channel-4-news-editor-facebook-paying-us-minuscule-amount-our-2-billion-video>

<sup>68</sup> "What is Happening to Television News?", Rasmus Kleis Nielsen and Richard Sambrook, Reuters Institute for the Study of Journalism, January 2016 <http://www.digitalnewsreport.org/publications/2016/what-is-happening-to-television-news/>

<sup>69</sup> "Public cash paying for the growth of fake news", *The Times*, 10 February 2017: <http://www.newsmediauk.org/write/MediaUploads/Fake News/Times-Public cash paying for growth of fake news.pdf>

The advertising involved in these cases is ‘programmatically’: ad agencies place ads on behalf of clients using complex algorithms that identify potential customers, track them across social media and the web and serve them adverts wherever they browse. If someone identified by one of these algorithms engages with a fake news site, ads for the agencies’ client will ‘follow’ them on to that site. So if someone clicks on an ad and then later goes to look at a fake news site, an algorithm ensures that the advertiser’s commercial appears on that site.

The prospect of targeted, personalised advertising has triggered a flow of ad revenues from traditional media towards more obscure and inflammatory sites. In this way, advertisers - and in some instances the taxpayer – have been funding and fuelling the rise of fake news. In the scramble for digital advertising, real news sites get passed over for fake news who specialise in bogus content designed to trigger the extreme, emotional reactions that propel the algorithmic distribution of material on social media.

Can improvements be made so that advertisers can follow the money and track where their ads are being sent? And can there be greater transparency in the advertising supply chain? A recent report by K2 Intelligence for the Association of National Advertisers in the US considered that “the programmatic media market is one where non-transparent business practices by media agencies make it hard for advertisers to see where their investments are going and where particularly large margins are being made.” The report considered that there was a culture of “poor contractual stewardship” and “lack of audit and review” where advertisers sit back and assume that the agency will act in their interest, when in fact, the agency may be in receipt of “pervasive” rebates to agencies from suppliers or under pressure in-house to direct spend on certain media.<sup>70</sup>

A leaked document from one agency obtained by *The Times* reportedly showed that more than a third of its media buying income came from secret “rebates” or “other income”, which one source said referred to profits derived mainly from digital operations.<sup>71</sup> Industry sources quoted by *The Times* said many agency contracts forbid clients from seeing how much digital adverts are bought for, giving the organisation the opportunity to apply large mark-ups.

Marc Pritchard, global chief brand officer for the world’s biggest advertiser Procter & Gamble, addressing the US Internet Advertising Bureau on 29 January, described the digital advertising supply chain as “murky at best, fraudulent at worst”. He said US advertisers were spending \$72 billion on digital advertising – surpassing TV. “We’re all wasting way too much time and money on a media supply chain with poor standards adoption, too many players grading their own homework, too many hidden touches, and too many holes to allow criminals to rip us off.”<sup>72</sup> He reportedly accused agencies and other intermediaries of profiteering from digital by taking excessive commissions and undeclared rebates and called for better advertising and media transparency, saying advertisers had tremendous “collective power” to change the digital eco-system for the better.

Head of media at *Campaign*, Gideon Spanier, noted that advertisers are discovering “the perils of programmatic advertising, when an ad is targeted and distributed by a computer programme or

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<sup>70</sup> Big brands fuel engines of fake news” *The Times*, 10 February 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake News/Times 12.2 Ad Agencies Investigation.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_12.2_Ad_Agencies_Investigation.pdf)

<sup>71</sup> “Ad agencies and big brands fuel engines of fake news” Alexi Mostrous, *The Times*, 10 February 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake News/Times 12.2 Ad Agencies Investigation.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_12.2_Ad_Agencies_Investigation.pdf);

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times 9.2 Ad agencies fund terror.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_9.2_Ad_agencies_fund_terror.pdf);

<sup>72</sup> Marc Pritchard full speech, *Campaign*, 30 January 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake News/Campaign - Procter and Gamble chief issues powerful media transparency rallying cry.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Campaign_-_Procter_and_Gamble_chief_issues_powerful_media_transparency_rallying_cry.pdf)

algorithm on an automated basis in the name of efficiency... This is what happens when marketers focus on reaching 'the right audience' without thinking about where the ads might actually appear."<sup>73</sup>

Scott Moorhead, former head of digital advertising at Havas Media Group, said: "A lack of rigour and accountability combined with a focus on cheap audience has resulted in a whole industry supporting clickbait and fake news. Is advertiser and agency behaviour driving fake news? Absolutely. Is it damaging real publishers? Absolutely."<sup>74</sup>

ISBA, the trade body for UK advertisers, has reportedly questioned whether media agencies always have their clients' best interests at heart. It has launched a media agency contract template aimed at requiring greater rigour and transparency from ad agencies about how and where they are placing ads, but it is unclear how much take-up this has had among agencies or whether even the Government has adopted these principles in how it engages with the agencies that place its advertising.

Phil Smith, the new director-general of ISBA, has spoken out about the "bad situation the industry has managed to get itself into", noting that the "prices being paid for some of the new media opportunities are high compared with any evidence of demonstrated return."<sup>75</sup>

It is hoped that the CMS Committee will hear from Google, Facebook, ISBA, major advertisers and agencies, and the Cabinet Office which is ultimately responsible for the placement of government advertising.

A CMA investigation into the digital advertising market is overdue, given the market dominance and power exerted by just two players in the digital advertising market, the impact they have had on the media landscape and the implications for consumers and advertisers.

## **5. What responsibilities do search engines and social media platforms have, particularly those which are accessible to young people? Is it viable to use computer-generated algorithms to root out 'fake news' from genuine reporting?**

### Introduction

Anyone who disseminates information at scale has a responsibility not to publish material that is inaccurate or defamatory. Real news publishers accept this. Online platforms do not accept that they are publishers, although this, we suggest, is becoming harder to justify. Even if they do not accept these responsibilities, they have a duty to ensure that paper policy is what happens in practice and to ensure that they cannot profit from illegal sites, piracy and hoaxes. They also have a responsibility not to fuel the fake news phenomenon with opaque, unilateral algorithmic changes and, above all, they need to acknowledge the ways in which the one-sided monetisation of real news is putting its very future in jeopardy.

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<sup>73</sup> "Pressure on for clean-up in advertising's digital Wild West", Gideon Spanier, head of media for Campaign, writing in the Evening Standard, 22 February 2017  
[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Evening\\_Standard\\_22.2.17\\_Gideon\\_Spanier.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Evening_Standard_22.2.17_Gideon_Spanier.pdf)

<sup>74</sup> "Public cash paying for growth of fake news" 10 February 2017:  
[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/Times-Public\\_cash\\_paying\\_for\\_growth\\_of\\_fake\\_news.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/Times-Public_cash_paying_for_growth_of_fake_news.pdf)

<sup>75</sup> "Phil Smith seeks better deal for brands as new ISBA boss," Campaign, 26 January 2017:  
[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/Campaign\\_-\\_Phil\\_Smith\\_seeks\\_better\\_deal\\_for\\_brands\\_as\\_new\\_ISBA\\_boss.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/Campaign_-_Phil_Smith_seeks_better_deal_for_brands_as_new_ISBA_boss.pdf)

### Publishers' responsibilities

One Sunday in December last year, a man walked into the Comet Ping Pong pizza restaurant in Washington DC with an assault rifle. He said his aim was to "self-investigate" claims that the restaurant was the epicentre of a global paedophilia ring involving the Clintons and other government officials.<sup>76</sup> The "pizzagate" conspiracy theory had been bubbling away online since October, when a bogus tweet appeared claiming that the Clintons were about to be brought down by a massive sex trafficking scandal. These were then developed on fringe far-right websites, reddit and Facebook, where stories related to it generated hundreds of thousands of shares.

Thankfully, no-one was hurt – although the gunman did reportedly open fire at the walls and ceiling.<sup>77</sup> The episode illustrates the dangers of the febrile circulation of conspiracy theories and false accusations. History provides many others, from lynch mobs to pogroms and worse. That is why publishers – at least traditional ones – accept that there are certain responsibilities that come with the dissemination of information and operate within the laws against defamation, malicious falsehood and incitement. The UK press imposes additional standards on itself in the form of the Editors' Code, enforced by IPSO, which applies to their websites as well as newspapers in print.

Conspiracy theories can travel online far faster than they ever could by word of mouth or print. The hoax story "FBI Agent Suspected in Hillary Email Leak Found Dead in Apparent Murder-Suicide" was at one stage being shared 100 times per minute.<sup>78</sup> Nevertheless, Facebook and Google do not accept that they are bound by the responsibilities that come with publication because they insist that they are not publishers or media companies of any kind. Both companies maintain that legally they are communications companies, who cannot be held responsible for that content, in the same way BT cannot be sued over obscene phone calls.

However, as their ambitions and reach have grown over the years, they have taken on functions that are very hard, if not impossible to distinguish from those of a media company. They sell and serve advertising; they commission content and they control the distribution chain, exercising a huge amount of influence over which of their billions of users see what content.<sup>79</sup> It has been noted that, given changes of the algorithm can have huge impacts on what gets seen and what gets hidden, its function is essentially editorial, assigning priorities to different stories and information.<sup>80</sup> In June 2016, the *FT* reported that changes in Facebook's algorithm had resulted in media companies' stories reaching 42 per cent fewer people by May 2016 compared to January 2016. As the *FT* noted "small tweaks in the algorithm that governs what people see in their newsfeed can have a significant impact on how much traffic is driven to a news publisher's site."<sup>81</sup>

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<sup>76</sup> "How The Bizarre Conspiracy Behind "Pizzagate" Was Spread" - BuzzFeed, 4 November 2016: [https://www.buzzfeed.com/craigsilverman/fever-swamp-election?utm\\_term=.umDNPEKP#.dqKE8rq8](https://www.buzzfeed.com/craigsilverman/fever-swamp-election?utm_term=.umDNPEKP#.dqKE8rq8)

"The Age of Donald Trump And Pizzagate" The New Yorker, 5 December 2016: <http://www.newyorker.com/news/amy-davidson/the-age-of-donald-trump-and-pizzagate>

<sup>77</sup> "The truth (sort of) about fake news" The Times, 25 February 2017: <http://www.thetimes.co.uk/article/the-truth-sort-of-about-fake-news-j6n2lnvx>

<sup>78</sup> "There is no such thing as the Denver Guardian, despite that Facebook post you saw", The Denver Post, 7 November 2016: <http://www.denverpost.com/2016/11/05/there-is-no-such-thing-as-the-denver-guardian/>

<sup>79</sup> "Sorry Mark Zuckerberg, But Facebook is Definitely a Media Company," Fortune, 30 August 2016 - reports that Facebook is paying celebrities and publishers \$50m to produce video content. <http://fortune.com/2016/08/30/facebook-media-company/>

<sup>80</sup> Ibid

<sup>81</sup> "Facebook algorithm shift hits media groups" FT, 2 June 2016; [http://www.newsmediauk.org/write/MediaUploads/Fake News/FT-Facebook algorithm shift hits media groups.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/FT-Facebook%20algorithm%20shift%20hits%20media%20groups.pdf)

Furthermore, the controversies that these platforms have become embroiled in have dragged them further into editorial terrain. The negative publicity that has attended misogynistic trolling on Twitter, offensive content on Facebook and anti-Semitic search suggestions on Google has seen the companies respond by bringing in more proactive moderation.<sup>82</sup>

Google and Facebook have responded to the bad publicity surrounding the fake news controversy with more such gestures. In a blog post, Google said it had permanently banned 200 websites that misrepresent themselves from its AdSense advertising network.<sup>83</sup> Facebook has announced that its trending list will consist of topics being covered by several publishers. Before, it focused on subjects drawing the biggest crowds of people sharing or commenting on posts. Facebook will also stop customising trending lists to cater to each user's personal interests.<sup>84</sup> Instead, everyone located in the same region will see the same trending lists, which currently appear in the US, UK, Canada, Australia and India. Last year, Facebook indicated that it will consult third party news organizations like The Associated Press and ABC News about the accuracy of articles that users report as being false.

These measures have had a mixed response. The *New York Times* described Google's bans "as a drop in the bucket compared with the almost two million publishers that use AdSense." It added that "Facebook's new measures were part of a continuing series of small experiments by the company."<sup>85</sup> Digital Content Next was also underwhelmed: "We appreciate the work, but based on the numbers, that's hardly even running in place."<sup>86</sup>

The Google-Facebook response to fake news is not assuaging concerns that these are media companies who, unlike other media companies, are picking and choosing their responsibilities and choosing the minimum.

Speaking before House of Lords Communications Committee's Children and the Internet Inquiry, associate professor of modern history, political violence and terrorism at Royal Holloway, University of London, Dr Akil Awan, said: "If you take a tabloid newspaper, there is still some recourse to the PCC, or IPSO now, but in this case, when a large proportion of individuals are getting their news and form their world view based on completely fabricated stories, what responsibility do social media platforms, which allow those stories to circulate, have in response to them?"<sup>87</sup>

It is time for a coherent review of the regulatory status of Google and Facebook and whether they should continue to be considered mere intermediaries. Such a review should examine what additional

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<sup>82</sup> "Publishers or platforms? Media giants may be forced to choose," Guardian 29 July 2013; <https://www.theguardian.com/technology/2013/jul/29/twitter-urged-responsible-online-abuse>  
"Google alters search autocomplete to remove 'are Jews evil' suggestion", Guardian 5 December 2016; <https://www.theguardian.com/technology/2016/dec/05/google-alters-search-autocomplete-remove-are-jews-evil-suggestion>

<sup>83</sup> "How we fought bad ads and scammers in 2016" Google 25 January 2017  
<https://blog.google/topics/ads/how-we-fought-bad-ads-sites-and-scammers-2016/>

<sup>84</sup> "Facebook takes aim at 'fake news' with new 'trending' formula" Telegraph/Associated Press 26 January 2017; <http://www.telegraph.co.uk/technology/2017/01/26/facebook-takes-aim-fake-news-new-trending-formula/>

<sup>85</sup> "In Race Against Fake News, Google and Facebook Stroll to the Starting Line," New York Times, 25 January 2017, [https://www.nytimes.com/2017/01/25/technology/google-facebook-fake-news.html?\\_r=0](https://www.nytimes.com/2017/01/25/technology/google-facebook-fake-news.html?_r=0)

<sup>86</sup> Ibid

<sup>87</sup> Select Committee on Communications, corrected oral evidence: Children and the Internet, 22 November 2016: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/communications-committee/children-and-the-internet/oral/43755.pdf>

responsibilities they should bear, without creating any new regulatory burdens or wider liabilities for the traditional media or placing any new restrictions on its publishing freedoms.

#### Responsibility not to profit from fake news

Even if the platforms are not prepared or compelled to take on board the full raft of responsibilities that come with being a media company, they at least have a responsibility not to profit from fake news and to ensure effective application of any existing policies on not displaying ads on fake news sites.<sup>88</sup>

We still do not know how much Google and Facebook have made from the activities of fake news sites. From BuzzFeed's analysis of news shares on Facebook in the run up to the US election, fake news got 54 per cent of engagements against 46 per cent for real news. Does this mean that 54 per cent of news-generated ad revenues pocketed by Facebook came from fake news? How much was that and what proportion did it represent of \$7 billion third quarter revenue?<sup>89</sup> Equally, we do not know how much they are spending on combating this and how the public, real news companies and advertisers will be kept informed of their progress. These are questions only Google and Facebook can answer.

This is a matter of intense concern to our members, not only because of the diversion of advertising from real news to fake, but because the pollution of the digital news environment with hoaxes, fakery and piracy is a threat to the value the public places on all news. News Corp CEO Robert Thomson has said: "We are in an era in which integrity is priceless, yet digital distributors have long been a platform for the fake, the faux and the fallacious, highlighting an issue which we have long stressed – that they have eroded the integrity of content by undermining its provenance. Put simply, content distributors are profiting at the expense of content creators and at the expense of veracity."<sup>90</sup>

#### Is it viable to use computer-generated algorithms to root out 'fake news' from genuine reporting?

In June 2016, Facebook, unannounced, changed its algorithm to prioritise in people's newsfeed posts from friends and family members over content from established publishers. Two months later, in August, Facebook replaced the editors of its "Trending Topics" feature (designed to select and promote "the best" stories online) with an algorithm. Days later, that algorithm placed at the top of Trending Topic feature: "Fox News Exposes Traitor Megyn Kelly, Kicks Her Out for Backing Hillary" – one of the most notorious fake news stories of the season.

Assigning responsibility for debunking fake news to the platforms themselves is fraught with pitfalls. These include arbitrary filtering when done by an algorithm to censorship if done by Facebook or Google employees. Either approach involves concentrating yet more power in the hands of a small set of already hegemonic tech companies.

The healthiest approach must be for the real news publishers to continue their important work of investigative journalism and fact-checking. They have the expertise and independence to do this. Furthermore, given the plurality of outlooks and editorial positions in the press, such an approach lessens the danger of alternative viewpoints being branded and suppressed as fake news just because they fall foul of the group-think of employees at a single gatekeeper.

However, to do this, real news publishers need resources. If Facebook wants to partner with news companies for fact-checking, where are the resources going to come from?

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<sup>88</sup> Ibid

<sup>89</sup> "Facebook scores big in Q3 earnings: \$7.01B revenue and 1.79B users", TechCrunch 2 November 2016 <https://techcrunch.com/2016/11/02/facebook-earnings-q3-2016/>

<sup>90</sup> "News CEO takes fight to distributors, aggregators", Newsworks, 16 February 2017 <http://www.newsmediaworks.com.au/news-ceo-takes-fight-to-distributors-aggregators/>

The resources question goes deeper than just the specifics of how to fund specific initiatives. Above all, platforms – and policy makers - need to examine the sustainability of the value chain for digital news, which is so skewed towards intermediaries away from publishers. They must consider whether this has played a role in weakening the reach and voice of the real news media to the extent that it could be drowned out by a din of fakery at such a pivotal time.

## 6. How can we educate people in how to assess and use different sources of news?

The power of online platforms creates a danger that independent news publishers could be reduced to news feeds for the likes of Google and Facebook. The resulting loss of distinctiveness will make it harder to assess which sources have authority and which do not. There is troubling evidence from the US that in the digital environment young people are struggling to discern the difference. Encouraging the exploration of a publisher's home site is the best way to see what they are about, but the web is developing in ways that militate against this.

We are also concerned about the rise in the UK of newspaper censorship on university campuses. It suggests that many young people are assessing news sources purely in terms of whether they agree with them or not – which can only re-enforce the echo chamber and filter bubble mentality.

### Dilution of source identity/walled gardens

A 2015 survey from the Stanford Graduate School of Education of over 7,000 were asked to evaluate two Facebook posts announcing Donald Trump's candidacy for President. One was from a Fox News account and the other was from an account that looked like Fox News. Only a quarter of the students recognized and explained the significance of the blue checkmark that Facebook uses to denote a trusted source and over 30 per cent of students argued that the fake account was more trustworthy because of some key graphic elements it included.

The report's authors wrote: "This finding indicates that students may focus more on the content of social media posts than their sources. Despite their fluency with social media, many students were unaware of the basic conventions for indicating verified digital information."<sup>91</sup>

The findings are depressing but not surprising. Social media offers a blizzard of posts severed from their source and increasingly, without any link back to that source. The best way to appreciate and assess a source is its home site. This will tell you who the publisher is, their general stance on the world and past coverage.

As mentioned in answer to question 2, with platforms increasing their stranglehold on distribution, publishers face a dilution and eventual effacement of their distinctive identities. With Google AMP and Facebook Instant Articles, publishers publish directly onto the platforms articles for browsing on mobile, or face having their own articles demoted. Given their dependence on these two for traffic, it's an offer they can't refuse. However, this mode of publication cuts the cord with the home site, restricts publishers' ability to customize and will only intensify the brand dilution and confusion already underway, with fake and real news becoming in design terms, indistinguishable. *The Verge* identified this as the reason for the popularity of a fake news story from a site called "70News" that Donald Trump had won the popular vote. On a desktop browser, the report looked like an obscure

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<sup>91</sup> "Stanford researchers find students have trouble judging the credibility of information online", Stanford Graduate School of Education 22 November 2016; <https://ed.stanford.edu/news/stanford-researchers-find-students-have-trouble-judging-credibility-information-online>

WordPress blog. On a mobile browser, which is how the majority of US Google searchers would have accessed it, “the story looks just like a piece from *The New York Times* or *Bloomberg*”.<sup>92</sup>

Instant Articles and Google AMP are part of a trend among platforms to become walled gardens, where users are kept on the platform’s own branded ecosystem. It bodes ill for media literacy and plurality. According to the Reuters Institute for the Study of Journalism’s Digital News Report 2016, it is already the case that only 38 per cent of UK users of aggregators for news said that they mostly or always noticed the source of the news they were reading. For users of social media, this was 36 per cent.<sup>93</sup>

Ofcom has duties in relation to research and media literacy to foster public understanding and awareness. Its input, in the form of research and commissioning of independent reports, in the anti-piracy code agreement announced in February between the search engines and the music and film industry, brokered by the IPO with DCMS oversight, demonstrates that it can have a role in respect of Google and Facebook even if it cannot and should not regulate internet content in general.

### The rise of censorship

The fight against fake news will be all the harder – and may be ultimately lost – if young people are not taught the importance to democracy of a free press. That means imparting to them the vital civic function of newspapers and their websites in holding power to account, and that there is a craft and a professionalism in their production that raises them above the amateur and often pseudonymous blogs of cyberspace. Above all, it means instilling in young people a principled commitment to free speech and the knowledge that the value of a news source is not measured by the extent to which you agree with it.

The rise of student union bans on newspapers makes us concerned that this important transfer of knowledge from one generation to the next is not taking place. Last year, it emerged that some 30 student unions had banned newspapers.<sup>94</sup> City University, Plymouth and Queen Mary, University of London have followed. Invariably the bans are for political reasons and are targeted at the popular right-wing press. Students at City, home to one of the country’s major journalism schools, justified banning *The Sun*, *The Daily Mail* and *The Express* on the grounds of “opposing fascism and social divisiveness in the UK media.”<sup>95</sup>

Although the bans have prompted an outcry from other students horrified at such attacks on freedom of speech, and have in some cases been overturned, they make us wonder what on earth is being taught in schools and universities about freedom of expression, the role of an independent press and the – one would have thought - basic task of distinguishing democracy from fascism. It is important to find out if teachers and lecturers are dropping the ball here. A generation of students with a newspaper-banning mentality will be highly susceptible to the echo chamber and filter bubbles of social media and more easily taken in by authoritarian denunciations of real news as fake.

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<sup>92</sup> “Facebook and Google Make Lies as Pretty as Truth” – Kyle Chayka, The Verge, 6 December 2016; [http://www.newsmediauk.org/write/MediaUploads/FakeNews/The\\_Verge\\_-\\_Facebook\\_and\\_Google\\_make\\_lies\\_as\\_pretty\\_as\\_truth.pdf](http://www.newsmediauk.org/write/MediaUploads/FakeNews/The_Verge_-_Facebook_and_Google_make_lies_as_pretty_as_truth.pdf)

<sup>93</sup> Reuters Institute Digital News Report 2016 p14: <https://reutersinstitute.politics.ox.ac.uk/sites/default/files/Digital-News-Report-2016.pdf>

<sup>94</sup> “City students fight back” - Spiked Online, 21 November 2016 <http://www.spiked-online.com/newsite/article/city-students-fight-back/19017#.WK2Yf1WLS5s>

<sup>95</sup> City Students' Union - Annual General Meeting 2016 - [http://www.newsmediauk.org/write/MediaUploads/FakeNews/City\\_SU\\_Fascism-in-the-Media-copy\\_\(1\).pdf](http://www.newsmediauk.org/write/MediaUploads/FakeNews/City_SU_Fascism-in-the-Media-copy_(1).pdf)  
<https://www.culsu.co.uk/student-voice/unionmeetings/annualgeneralmeeting2016/>

## **7. Are there differences between the UK and other countries in the degree to which people accept 'fake news', given our tradition of public service broadcasting and newspaper readership?**

The NMA represents newspapers so our response will focus on the role of newspaper readership. Fake news operators have so far failed to gain much traction with the UK's news audiences and readers. In our answer to Question 3, we highlighted the connections being drawn in the US between the rise of fake news there and the emergence of "elite obliviousness" at national level and "news deserts" locally. It was argued that news deserts result in geographic blind spots in the mainstream media which then become cultural blind spots as the overlooked communities become remote and unknowable to the 'elite'.

The UK in contrast has a strong, competitive popular press whose reporting is emotive and powerful enough to hold the attention of a mass market while still being rooted in reality. The UK's enduring local press continues to provide a vital link to communities in danger of being overlooked and is an important bulwark against the erosion of real news's reach and authority.

### Tradition of press readership

The UK has a tradition of newspaper readership that goes back to the 17<sup>th</sup> century. The result is a nation that is highly media literate with a deep-rooted understanding of what constitutes professional journalism coverage as a whole.

Newspapers strive to resonate with their readers and reflect their outlook and concerns. Our national newspapers are partisan, and have been for centuries, in that they are written with a strong assumption of political sympathy on the part of the reader. This has been a major driver of reader engagement and loyalty in the newspaper industry since its inception. It continues to be the case with readers following their newspapers as they move online and onto mobile (even though this makes them harder to monetise). Thirty-five million British adults read a newspaper every month, while 39 million access newspapers via digital platforms.<sup>96</sup>

### Local press

The UK has over 1,000 local newspapers, performing a vital role as advocates of their communities and providing a crucial link between the national media and the grass-roots. Local newspapers in the UK have been impacted by the profound structural changes that have ravaged their counterparts in the US, but the sector has proved far more resilient than some predicted.<sup>97</sup> Conditions are undeniably challenging with the Google-Facebook duopoly and the nature of the digital advertising supply chain making it difficult for local publishers to monetise their growing digital audiences, but the danger of "news deserts" is being held at bay.

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<sup>96</sup>"UK News Media: an engine of original news content and democracy" – Deloitte, commissioned by the News Media Association, December 2016; citing UK News Provision at the Crossroads (2015):

[http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final\\_Report\\_News\\_Media\\_Economic\\_Impact\\_Study.pdf](http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final_Report_News_Media_Economic_Impact_Study.pdf)

<sup>97</sup> "Editor's blog: Why Claire Enders was wrong about newspaper closures," Paul Linford, Hold the Front Page, 16 June 2014. Media analyst Claire Enders wrongly predicted that half of the UK's 1,300 local newspapers would close between 2009-2014.

<http://www.holdthefrontpage.co.uk/2014/news/editors-blog-why-claire-enders-was-wrong-about-newspaper-closures/>

The reach of local news is strong. Local newspapers in print and digital reach 40 million people each week. Regional and local media reaches 95.5 per cent of British postcodes and printed local and regional newspapers are the second most popular medium through which local news is consumed.<sup>98</sup>

We are still seeing new local newspapers launched and succeeding, such as the *Times of Tunbridge Wells*, which launched in 2015 and the *Cambridge Independent* which launched in 2016.

The ability of local papers up and down the country to carry out their vital civic function has just been strengthened with the recent partnership struck between the NMA and the BBC to recruit 150 local journalists employed by local news media publishers to cover councils and other public bodies from this summer, with the editorial output available for use by the BBC. The number of journalists could rise to 200 by 2019. This is an important step to ward off any danger of “news deserts” emerging in the provision of local news – and one that recognises the role of local newspapers in anchoring the local media ecosystem.

What would create a danger of “news deserts” in local news would be the implementation in regulatory changes that would increase the exposure of our local press to expensive and vexatious legal challenge. Martin Trepte, editor of the *Maidenhead Advertiser*, has warned that “the introduction of Section 40 of the Crime and Courts Act 2013 will have dire consequences for a struggling local press, threatening its very existence and undermining the vital part it plays in championing local democracy. If it is not the final nail in the coffin for local papers, it will rob them of their ability to hold those in authority to account and have a stifling effect on freedom of speech.”<sup>99</sup>

Another potential cause of “news deserts” is the unchecked siphoning of financial rewards by online distribution platforms and intermediaries in the digital advertising supply chain at the expense of the news content creators. If this continues to gather pace, hard-pressed local newspapers – already destabilised by the migration of classified advertising - will become harder to sustain. Closures of newspapers would mean communities losing their local champion and national media losing a full picture of what is going on at local level. These are the conditions in which fake news appears to thrive.

### National press

The UK has the largest number of national newspaper titles per capita in the world.<sup>100</sup> Each title has a unique editorial standpoint and plays a key role in maintaining diversity and balance in news. There will scarcely be a shade of opinion that is not reflected in a national title. The sector is intensely competitive at broadsheet, mid-market and tabloid level, meaning that everyone from every strata of society has at least one newspaper trying to figure them out, win them over and keep them reading. Their voice and appeal is all the more authentic for the “trickle-up” of knowledge from the local press about life in the communities where those readers live.

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<sup>98</sup> “UK News Media: an engine of original news content and democracy” – Deloitte, commissioned by the News Media Association, December 2016:

[http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final\\_Report\\_News\\_Media\\_Economic\\_Impact\\_Study.pdf](http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final_Report_News_Media_Economic_Impact_Study.pdf)

<sup>99</sup> “Martin Trepte: Section 40 Would Have 'Dire Consequences' For Local Press” NMA 5 January 2017

<http://www.newsmediauk.org/latest/Page-62/martin-trepte-section-40-would-have-dire-consequences-for-local-press>

<sup>100</sup> Deloitte, December 2016:

[http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final\\_Report\\_News\\_Media\\_Economic\\_Impact\\_Study.pdf](http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final_Report_News_Media_Economic_Impact_Study.pdf)

Fuelling the debate about “elite obliviousness” in the US is the fact that over 200 newspapers endorsed Hillary Clinton for president and just nine Donald Trump.<sup>101</sup> Regardless of what one might think of the candidates, it is clear from the result of victory that a great many people in the US would not have found their press reflective of their views. It was in this gap in the market that fake news appears to have flourished.

The UK had its own seismic electoral event last year in the form of the European referendum. Our newspapers did not line up behind one side and leave half of the electorate unrepresented. The sector was split, just as the nation was. *The Sun*, *The Daily Mail*, *The Express*, *Sunday Express*, *The Telegraph*, *The Sunday Telegraph* and *The Sunday Times* backed Brexit. *The Mirror*, *The Sunday Mirror*, *Mail on Sunday*, *The Times*, *The Guardian*, *The Observer* and *The Financial Times* backed Remain. Following the result, a new weekly newspaper, *The New European*, was successfully launched targeting irredentist remainers, illustrating the responsiveness of the sector and its antennae for new readers.

If a sense of non-elite alienation from the mainstream media is a driver for fake news in the US, the strength of our popular press over here is crucial in blocking its advance. The UK’s popular press continues to attract readership in the millions while still producing fact-based news underpinned by the professional standards of the Editor’s Code. The *Daily Mail*/*Mail Online* attracts a monthly readership of 29 million, according to the National Readership Survey. Since dropping its paywall, *The Sun* has a net print, digital and mobile readership of 24 million.

A BuzzFeed analysis of the extent of fake news in the UK concluded that the ongoing popularity of the UK’s popular newspapers has been a factor in the failure of fake news to gain traction.<sup>102</sup> That view is shared by Charlie Beckett, professor of media at London School of Economics, who told *The Times*: “Deliberate fake news has less purchase here, because we’ve already got lots of exciting partisan news, so we’re less likely to click on the more outrageous stuff.”<sup>103</sup> This demonstrates the value to society and democracy of having real news providers who can maintain strong emotional and cultural connections with large swathes of the mass market in the digital age. They can be brash, emotive, partisan, rude and over-the-top as these are tools used to get the attention of people who do not have a granular fascination with politics. In doing so, they bring millions of people into the national conversation.

The wrong reaction to the fake news phenomenon would be to draw the knee-jerk conclusion that real news can only be about the dry, neutral processing of facts – something which it has never been about in this country. Just as misguided is the impulse among the likes of Stop Funding Hate to try and push popular newspapers to adopt positions that would prevent them reflecting the concerns of their readers or even to have them removed from the media landscape altogether. That would create a gap in the market that would be filled by outlets highly likely to come from outside the UK’s self-regulated, professional newsgathering tradition.

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<sup>101</sup> "On the final Sunday before Election Day, Donald Trump collects rare newspaper endorsements," *The Washington Post*, 6 November 2016; [https://www.washingtonpost.com/news/the-fix/wp/2016/11/06/donald-trump-just-got-another-very-rare-newspaper-endorsement/?utm\\_term=.5c3481901b08](https://www.washingtonpost.com/news/the-fix/wp/2016/11/06/donald-trump-just-got-another-very-rare-newspaper-endorsement/?utm_term=.5c3481901b08); "These are the only 6 newspapers in the country to endorse Donald Trump," 25 October 2016, <http://www.politico.com/magazine/story/2016/10/donald-trump-newspaper-endorsements-214390>

<sup>102</sup> "Britain Has No Fake News Industry Because Our Partisan Newspapers Already Do That Job" - J. Waterson, BuzzFeed 24 January 2017 [https://www.buzzfeed.com/jimwaterson/fake-news-sites-cant-compete-with-britains-partisan-newspape?utm\\_term=.glwkdxRKg#.fgRK46M8m](https://www.buzzfeed.com/jimwaterson/fake-news-sites-cant-compete-with-britains-partisan-newspape?utm_term=.glwkdxRKg#.fgRK46M8m)

<sup>103</sup> ""The truth (sort of) about fake news" 25 February 2017: [http://www.newsmediauk.org/write/MediaUploads/FakeNews/Times-The\\_truth\\_\(sort\\_of\)\\_about\\_fake\\_news.pdf](http://www.newsmediauk.org/write/MediaUploads/FakeNews/Times-The_truth_(sort_of)_about_fake_news.pdf)

We are concerned that the wrong-headed impulses of Stop Funding Hate appear to be shared among much of the leadership of the new State approved regulator IMPRESS – many of whom have supported that campaign online. Their disdain for the popular press is well-documented.<sup>104</sup> For some of them, including the IMPRESS chief executive Jonathan Heawood, the popular newspaper culture is so alien that they equate it to Nazism. We fear for the future of popular journalism in the UK if Section 40 is enacted and our members are forced either to submit to their edicts or face financial ruin for refusing to do so.

The press does not need these misguided missionaries to ‘civilize’ it. What it needs is the freedom to maintain and deepen its strong political, emotional and cultural connection with the British public, a connection so strong it drove nearly a billion social media interactions a year in 2015.<sup>105</sup> Commenting on the increasingly personalised and mobile-based way in which media is being consumed, Charlie Beckett has noted “as journalism and society change, emotion is becoming a much more important dynamic in how news is produced and consumed.” He adds “It’s not a choice between emotions and facts. We need both.”<sup>106</sup>

## 8. How have other governments responded to fake news?

### Introduction

The fake news furore has drawn some alarmingly authoritarian responses from governments around the world. The issue threatens to become a pretext for government censorship. In France, an industry-led approach is preferred, with support from Google and Facebook. This is a healthier way forward. However, none of the responses so far grapple with the underlying issues to do with the advertising supply chain and the sustainability of real news. No-one has got to the heart of the matter.

### Authoritarian responses

As we set out in answer to question 1, governments in the US, Syria and Russia have responded to fake news by twisting the term and using it against the real news media to quash dissent. This is extremely disturbing.

We are also troubled by reports that some governments are responding with “ministry of truth” initiatives that become a vehicle for state censorship of news. In October 2016, the Czech government set up “a specialised analytical and communications unit” within the Ministry of the Interior, whose remit will include monitoring “disinformation campaigns”.<sup>107</sup>

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<sup>104</sup> "Hate Speech: The disturbing dossier that reveals just how biased those who want 'impartially' regulate the British press really are" - The Sun, 6 January 2017 <https://www.thesun.co.uk/news/2544579/the-disturbing-tweets-that-reveal-just-how-biased-those-who-want-to-regulate-the-british-press-impartially-really-are/>; see also "Press regulator accused of bias against papers" - Times, 9 January 2017:

[http://www.newsmediauk.org/write/MediaUploads/Fake News/Times -  
Press regulator accused of bias against papers'.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_-_Press_regulator_accused_of_bias_against_papers'.pdf)

and "The British press could soon be at the mercy of its enemies" - Alex Wickham, CapX, 4 January 2017; <https://capx.co/the-british-press-could-soon-be-at-the-mercy-of-its-enemies/>

<sup>105</sup> Deloitte, December 2016, citing Newswhip:

[http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final Report News Media Economic Impact Study.pdf](http://www.newsmediauk.org/write/MediaUploads/In%20the%20Spotlight/NMA%20Economic%20Report/Final_Report_News_Media_Economic_Impact_Study.pdf)

<sup>106</sup> "Why MSM journalists missed the Trump story," Charlie Beckett, Newsweek 18 November 2016;

<http://europe.newsweek.com/why-msm-journalists-missed-trump-story-521607?rm=eu>; and also "On the Role of Emotion in the Future of Journalism", Charlie Beckett and Mark Deuze, Social Media and Society July-September 2016; <http://journals.sagepub.com/doi/full/10.1177/2056305116662395>

<sup>107</sup> "How has policy responded to fake news?", Emma Goodman, LSE Media Project, 7 February 2017.

<http://blogs.lse.ac.uk/mediapolicyproject/2017/02/07/how-has-media-policy-responded-to-fake-news/>

In Germany, a politician from the ruling CDU Party, Patrick Sensburg, has called for the creation of fake news to be criminalized.<sup>108</sup> German officials are also reported to be looking into creating a separate branch of the government press office to evaluate and respond to fake news items.<sup>109</sup> The government is said to be weighing concerns about Russian interference in its elections this year through fake news campaigns, against being seen to manage news reports in an election year.

In Italy, the anti-trust chief Giovanni Pitruzzella has called for EU member states to set up a network of public agencies to deal with fake news. For its part, the EU Commission has indicated that it may step in if self-regulatory measures fail.<sup>110</sup>

### France

In France, which also has elections this year, the private sector is taking the lead. *Le Monde* has built a code called Decodex that allows readers to enter a URL and check it against a database of reliable sites. French regional and national newspapers are also joining a Google and Facebook-backed initiative called CrossCheck. This envisages news organisations working together to debunk false information. Reporting on the project, IT Insider said: "It's impossible to fact check every piece of information published in the press or circulating on the internet; it will use CrowdTangle to discover social media content relevant to the election and Spike – a tool developed by Newswhip to predict which posts will go viral."<sup>111</sup>

### Evaluation of responses

Of these responses, the French industry-led approach appears the most benign. It is important that Google and Facebook support these efforts financially given that they have been the main vectors of the problem that the press is now having to grapple with.

However, any attempt to set up lists of approved and non-approved websites in Britain's politically partisan news environment is bound to result in attempts by groups like Stop Funding Hate to blacklist titles they disapprove of, however genuine their news stories.

Setting up government agencies, as in the Czech Republic, rings alarm bells as it could so easily become a cover for press censorship and the suppression of alternative viewpoints. The same applies to any EU intervention, which could become a way of sucking press regulation into the scope of EU law.

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<sup>108</sup> Ibid, citing "Sensburg: Fake news is 'press warfare'" Deutsche Welle, 13 December 2016;

<http://www.dw.com/en/sensburg-fake-news-is-press-warfare/a-36753554>

<sup>109</sup> "Germany investigating unprecedented spread of fake news online," Guardian/Reuters 9 January 2017; <https://www.theguardian.com/world/2017/jan/09/germany-investigating-spread-fake-news-online-russia-election>

<sup>110</sup> Emma Goodman, LSE Media Policy Blog.

<sup>111</sup> French to fight fake news with backing of Google, Facebook" IT World, 6 February 2017; ; <http://www.itworld.com/article/3165668/social-networking/french-to-fight-fake-news-with-backing-from-google-facebook.html>

## Conclusions and recommendations:

### Government/regulatory response

- We strongly oppose the introduction of any new laws, criminal or otherwise. Fake news has arisen because of a cumulative failure by a number of players to apply existing laws and responsibilities: the failure of fake news operators to observe the laws of defamation, copyright, passing off etc; the failure of Google and Facebook to live up to the responsibilities that come with the dissemination of news and information; and the failure of those who place advertising on behalf of brands to show basic diligence when buying 'audiences'.
- The cost – both financial and in manpower – of regulation is already a heavy burden which real news publishers have to bear and fake news websites do not. Imposing more costly regulatory obligations on the genuine news media will simply tip the balance yet further in favour of suppliers of fake news.
- However, IPSO does enforce the standards of accuracy and accountability enshrined in the Editors' Code and there may well be value in exploring a kite-marking system so the public can easily recognise which news suppliers are IPSO members.

### Ofcom/Competition and Markets Authority intervention

- The UK regulatory authorities should be asked to intervene and become more active in this area, particularly as the European Commission and European Court of Justice will no longer be relevant. The CMA and Ofcom both have relevant powers to conduct studies, obtain information and take action.
- Ofcom and/or the CMA should be asked by the Government to examine the impacts of Google, Facebook and other platforms on the media landscape and to evaluate the importance of news media content to their business models. The NMA would be happy to explore licensing schemes, ensuring a fair return to news media companies for reliance on their content, potentially via NLA Media Access, with reference to the BEIS industry green paper as appropriate.
- It is time for a coherent review of the regulatory status of Google and Facebook and whether they should continue to be considered mere intermediaries. Such a review should examine what additional responsibilities they should bear, without creating any new regulatory burdens or wider liabilities for the traditional media or placing any new restrictions on its publishing freedoms.

### CMA investigation into the digital advertising market

- Given the market dominance and power exerted by just two players in the digital advertising market, the impact they have had on the media landscape and implications for consumers and advertisers, an investigation by the CMA is now overdue.

- The rise of fake news has exposed a serious lack of transparency in the way media buying agencies buy and place advertising, to the detriment of advertisers, the news media industry, and the public. This needs to be examined in much more detail.
- It is hoped that the CMS Committee will take evidence from Google, Facebook, ISBA, major advertisers and media buying agencies, and the Cabinet Office which is ultimately responsible for the placement of taxpayer-funded government advertising.

#### Information Commissioner's Office

- In her previous role as information and privacy commissioner in British Columbia, the UK's Information Commissioner Elizabeth Denham took on the major internet platforms, leading an investigation into privacy on Facebook and opening up discussions with Google about its street view service. Since taking on the UK role, she has raised concerns about what Facebook plans to do with people's data, following their acquisition of What's App, and has called a halt to their data sharing.
- The Information Commissioner's Office would be well placed to set up an inquiry to establish whether Google and Facebook are in a dominant position in relation to the collection, aggregation, processing and sale of the personal data they gather on their users.

#### Ofcom

- Ofcom has duties in relation to research and media literacy to foster public understanding and awareness. Its research and input into the anti-piracy code agreement announced in February between the search engines and the music and film industry, brokered by the Intellectual Property Office with DCMS oversight<sup>112</sup>, demonstrated that Ofcom can have a role in respect of Google and Facebook even if it cannot and should not regulate internet content in general.

#### DCMS

- To ensure that the Government's Digital Strategy for the UK, announced by the DCMS on 1 March, is fair to all participants and enhances competitiveness while continuing to protect the public. The Government has said that companies developing new technologies will be able to get a fair hearing on any regulatory or competition issues they feel are impeding their business. The regulators all acknowledge that difficult new issues are raised by the digital economy if early innovators' success also brings dominance and these must be addressed.

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<sup>112</sup> Search engines and creative industries sign anti-piracy agreement:  
<https://www.gov.uk/government/news/search-engines-and-creative-industries-sign-anti-piracy-agreement>

## Appendix

### **Basic Guide to Digital Programmatic Advertising**

#### **DIGIDAY UK**

##### **WTF is programmatic advertising?**

Programmatic ad buying has changed the face of online advertising, but there's still confusion around what it actually is. Here's a primer, in plain English:

<http://digiday.com/media/what-is-programmatic-advertising/>

#### **Media coverage**

##### **The Times**

Political advertising is the real fake news

A secretive world of online marketing is distorting our politics and urgently needs to be made accountable

[http://www.newsmediauk.org/write/MediaUploads/Fake News/The Times -  
\\_Political advertising is the real fake news.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/The_Times_-_Political_advertising_is_the_real_fake_news.pdf)

There's only one way to defeat fake news

A raucous press that knows the difference between a lie and mere distortion is the best remedy against demagogues

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Philip Collins.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Philip_Collins.pdf)

Let's name and shame the fake news bandits

[http://www.newsmediauk.org/write/MediaUploads/Fake News/Times 13.2 - Libby Purves.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_13.2_-_Libby_Purves.pdf)

Major Brands Suspend Digital Adverts after Links to Jihadists

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times 14.2 Major brands sus  
pend.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_14.2_Major_brands_suspend.pdf)

Ad agencies and the biggest British brands fuel engines of fake news

[http://www.newsmediauk.org/write/MediaUploads/Fake  
News/Times 12.2 Ad Agencies Investigation.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_12.2_Ad_Agencies_Investigation.pdf)

Big brands [unwittingly] fund terror

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times 9.2 Ad agencies fund t  
error.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_9.2_Ad_agencies_fund_terror.pdf)

The click trick: how advertisers end up on extremist websites

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times 9.2 Investigation.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_9.2_Investigation.pdf)

Advertising giant leads £60m war on far-right lies

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times 6. 2.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_6.2.pdf)

Children must be trained to fight fake news

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times 1.2 Daniel Finkelstein.p  
df](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Times_1.2_Daniel_Finkelstein.pdf)

News CEO takes fight to distributors, aggregators

<http://www.newsmediaworks.com.au/news-ceo-takes-fight-to-distributors-aggregators/>

### **The Evening Standard**

Pressure on for clean-up in advertising's digital Wild West

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Evening\\_Standard\\_22.2.17\\_Gideon\\_Spanier.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Evening_Standard_22.2.17_Gideon_Spanier.pdf)

### **Campaign**

Digital ads are at a watershed moment

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/Campaign\\_-\\_Digital\\_ads\\_are\\_at\\_a\\_watershed\\_moment.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/Campaign_-_Digital_ads_are_at_a_watershed_moment.pdf)

How can we restore faith in programmatic for brands?

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/Campaign\\_-\\_How\\_can\\_we\\_restore\\_faith\\_in\\_programmatic\\_for\\_brands\\_.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/Campaign_-_How_can_we_restore_faith_in_programmatic_for_brands_.pdf)

### **FT**

Advertisers trapped in an age of online obfuscation

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/FT\\_-\\_Advertisers\\_trapped\\_in\\_an\\_age\\_of\\_online\\_obfuscation.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/FT_-_Advertisers_trapped_in_an_age_of_online_obfuscation.pdf)

Newspapers welcome more digital subscribers in time of fake news

[http://www.newsmediauk.org/write/MediaUploads/Fake%20News/FT\\_-\\_Newspapers\\_welcome\\_more\\_digital\\_subscribers\\_in\\_time\\_of\\_fake\\_news.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/FT_-_Newspapers_welcome_more_digital_subscribers_in_time_of_fake_news.pdf)

Macedonia's fake news industry sets sights on Europe

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/FT\\_-\\_Macedonia's\\_fake\\_news\\_industry\\_sets\\_sights\\_on\\_Europe.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/FT_-_Macedonia's_fake_news_industry_sets_sights_on_Europe.pdf)

Facebook algorithm shift hits media groups

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/FT\\_-\\_Facebook\\_algorithm\\_shift\\_hits\\_media\\_groups.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/FT_-_Facebook_algorithm_shift_hits_media_groups.pdf)

### **The Drum**

Why fake news is a bigger problem for Google than Facebook

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/The\\_Drum\\_-\\_Why\\_fake\\_news\\_is\\_a\\_bigger\\_problem\\_for\\_Google\\_than\\_Facebook.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/The_Drum_-_Why_fake_news_is_a_bigger_problem_for_Google_than_Facebook.pdf)

### **The Guardian**

Google is not 'just' a platform. It frames, shapes and distorts how we see the world

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/The\\_Guardian\\_-\\_Google\\_is\\_not\\_'just'\\_a\\_platform.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/The_Guardian_-_Google_is_not_'just'_a_platform.pdf)

Guardian Series: Burst your bubble

<https://www.theguardian.com/us-news/series/burst-your-bubble>

### **The Verge**

Facebook and Google Makes Lies as Pretty as Truth

[http://www.newsmediauk.org/write/MediaUploads/Fake\\_News/The\\_Verge\\_-\\_Facebook\\_and\\_Google\\_make\\_lies\\_as\\_pretty\\_as\\_truth.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake_News/The_Verge_-_Facebook_and_Google_make_lies_as_pretty_as_truth.pdf)

**Buzzfeed**

This Analysis Shows How Viral Fake Election News Stories Outperformed Real News On Facebook

[http://www.newsmediauk.org/write/MediaUploads/Fake News/Buzzfeed-](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Buzzfeed-)

[\\_This Analysis Shows How Viral Fake Election News Stories Outperformed Real News On Facebook - BuzzFeed News.pdf](http://www.newsmediauk.org/write/MediaUploads/Fake%20News/Buzzfeed-)

**Mediatel**

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