

# Misinformation for profit | The Strategist

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Fake news has been at the forefront of public debate since November 2016, when it was discovered that thousands of fake news articles may have affected the outcome of the US federal election. Journalists discovered that many of the articles, and the 'American-sounding' websites that hosted them, had been created by teenagers from the small Macedonian town of Veles. Those teenagers, in typical fashion, didn't care about politics; they created misinformation for profit. Fake news earned them up to US\$5,000 a month from Google AdSense advertising.

The rise of the misinformation-for-profit industry has international implications.

In July 2016, hundreds of people converged on a National Housing Authority office in the Philippines after a fake news article claimed that the government was offering free housing. Such events are commonplace in the Philippines—the country has one of the worst fake news problems in the world. Filipinos spend more time on the internet and social media than people in any other nation, thanks in part to receiving free limited internet access courtesy of Facebook.

'Onlining' (the practice of using the internet to earn income) has been a common job in the Philippines for close to a decade. Entrepreneurial Filipinos run the businesses, sending out fake friend requests on Facebook and filling our email inboxes with spam. Now they also create fake news.

Successful fake news businesses in the Philippines often receive between 100,000 and 500,000 site visits a month. That translates into a significant amount of money. I've found hiring adverts on the Facebook pages of fake news creators, suggesting there's growth in the misinformation-for-profit industry.

The profitability of fake news is entirely linked to social media. Almost every fake news website has an associated Facebook page feeding it visitors, and 'likes' are commonly in the range of 100,000 to 1 million. Around 90% of traffic to fake news websites in the Philippines originates from Facebook.

As Facebook noted in its recent submission to the Australian Senate's inquiry into the future of public interest journalism, most fake news is financially motivated. Websites earn more money from advertisements when they're clicked on by people in the United States or Australia than by people in Eastern Europe or Asia.

Creating fake news targeted specifically at Australia would be commercially viable for Filipino fake news businesses. English is an official language of the Philippines, labour costs are low and our advertising market pays well. If Filipino fake news creators care about profit, and they do, they'll eventually turn their focus in our direction.

That could inflict significant harm on our institutions. Fake news often breaks several civil and criminal laws—such as defamation, intentional infliction of emotional distress, fraud, deceptive trade practices, cyberbullying and criminal libel—causing damage to private citizens, businesses and governments. Misinformation for profit also undermines democratic decisions and processes because it affects people's beliefs about the state of the world.

Australians are getting their news from social media more than ever before. A recent survey found that social media is only marginally less popular than television as a news source. Our social media usage is growing year on year, and that means we're becoming increasingly vulnerable to misinformation for profit.

Most young Australians can't identify fake news online, and those who can may not be as critical of it as we'd wish. People have their own world views and a tendency to demand information that fits neatly within those bounds. Fake news is often highly partisan and can fulfill an inherent longing for ontological security—a coherent self-identity.

Unfortunately, the need for information that reinforces ontological security can sometimes trump the need for information to be legitimate. To think critically, people have to be motivated. If they aren't, they may simply accept what is false as true.

Fake news creators also employ tactics to manipulate emotions to generate attention, and therefore revenue. The 'economy of emotions' partially explains why fake news is so profitable during elections, as we saw in 2016 in the US.

Australia hasn't yet been a major target of fake news creators. But we shouldn't mistake the absence of attack for the absence of threat. We have good reason to be concerned. Australia has featured in many fake news stories targeted at audiences in the Philippines. Such articles can damage or undermine our international image and threaten the democracies of our Asia-Pacific neighbours.

Australia is beginning to address the issue. The Senate inquiry on public interest journalism and the Australian Competition and Consumer Commission's inquiry into digital platforms are a good start, but frank and fearless advice is worthless if it's not followed by bold action.