

Policy Dialogue

Rethinking Democracy

WORKING GROUP 1

"The New Information Ecosystem:

A question of Trust, Truth and Freedom of Speech"

Position Paper

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Introduction

The "New Information Ecosystem" Working Group created under the auspices of Club de Madrid applied a scenario-based strategic planning process to develop a set of recommendations that democratic societies can implement in order to foster informational ecosystem improvements that will enable them to better serve the public interest. The Working Group used a hybrid model for the implementation of this process, wherein the analysis and strategy development were informed by individual contributions and the scenarios, action plans, and recommendations were informed by group discussions.¹

Context

The era of media deregulation and commercialization has facilitated corporate-run national news networks to pursue profits above the public, local TV networks to play the role of the 'hired gun' for political parties, previously entrusted media outlets to peddle commercialized, sensationalist, and celebrity-centric tabloid frontpages, renowned broadsheet papers to steadily sail into insignificance by catering exclusively to elites, and the new breed of radically partisan outlets to spread fear, hatred, and propaganda.

In an era where digital transformation shapes the way we access and consume information, democracies worldwide are struggling to ensure that media serve the public interest. Technology has facilitated the rapid growth of digital content, offering new ways for the public to inform and educate itself, and has exposed the public to malicious artificial intelligence (AI) powered algorithms that increasingly favor sensationalist, bizarre, and hateful material over fact-based and educational content. In addition, the divergence of the public sphere fueled by social media platforms has contributed to the lack of shared societal norms which continues to provide fertile ground for fake news, disinformation, and propaganda.

Going Forward

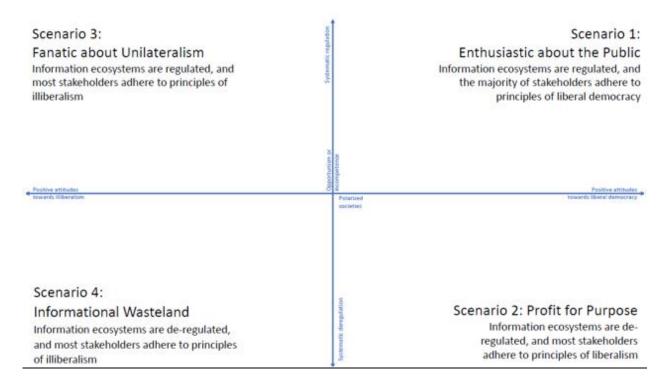
Throughout the next couple of decades, the consolidation of media ownership, the complete transition to digital, the expansion of Chinese technology, the harassment of journalists and freedom of expression advocates, Al-powered social media content moderation, and disinformation and propaganda will continue to shape the future of information. Yet, how democratic societies approach market regulation and the creation of norms that govern the attitudes and behaviors of mainstream stakeholders will critically impact information ecosystems in the future.

Without enabling (self)regulated markets in which media, technology, and communications companies can optimize their work to best serve the public interest and a critical mass of mainstream informational stakeholders that believe in, uphold, and promote principles of liberal democracy, information ecosystems will continue to benefit a minority and polarize divided societies.

Moreover, if in the coming decade politicians and people behind the mainstream and social media, technology, and communications companies continue to prioritize self-preservation over

¹ The ideas expressed in this Policy Paper do not necessarily represent the views of the organizers or of the individual Working Group members.

the public interest and disregard liberal democratic principles, information ecosystems in contemporary democracies will have an instrumental role in the worldwide consolidation of authoritarianism. Based on how we approach the issues of regulation and establishment of norms that govern attitudes and behaviors of stakeholders, we see four possible scenarios for the evolution of informational ecosystems:



Scenario 1: Enthusiastic about the Public

Regulated information ecosystems and a large number of mainstream stakeholders that adhere to principles of liberal democracy characterize the "Enthusiastic about the Public" scenario. In this scenario, the information ecosystem is driven by the public interest principles, protected by adequate regulation, and is a safe, fully inclusive space for women and other marginalized groups. All media platforms, including social media, are seen as public spaces where human rights must be protected, and everyone must have the right to participate.

The "Enthusiastic about the Public" scenario envisions a future in which states provide financial support for non-market sustainable segments of informational ecosystems, such as investigative journalism, local media outlets, niche-interest social media channels; and in which they make or direct systematic investment in communication infrastructure, public interest technology, and market regulations to incentivize the production of public interest media content.

In this scenario, watchdog institutions have the mandate and authority to enforce regulations agreed upon at the national and multilateral levels. In addition, responsibility for fact-checking is shared with civil society organizations (CSOs). At the same time, all media outlets, including social media, have a legal duty to carry out media literacy and civic education programs for the most vulnerable audiences, such as children, youth, and adults with limited education. In this scenario, digitally literate law enforcement agencies and public authorities evaluate and assess the threats of disinformation and digital violence.

Scenario 2: Profit for Purpose

Systematic market deregulation and mainstream stakeholders that adhere to principles of liberal democracy characterize the "Profit for Purpose" scenario. In this scenario, the information ecosystem is shaped by the market and driven by consumer demand. Consequently, it depends on robust self-regulatory mechanisms installed by professional media outlets, associations, and social media companies. In addition, mutually agreed upon global rules define public interest and allow transnational transgression, while the United Nations' (UN) Guiding Principles on Business and Human Rights are widely adopted and implemented by businesses active in the information ecosystem.

The "Profit for Purpose" scenario foresees a future where open government and open data principles are embraced to increase access to information. Media and social media platforms are motivated by industry leaders to boost the circulation of public interest information and employ diverse and sensitive practices for content moderation and the development of Al-driven recommendations algorithms. At the same time, businesses, individuals, and institutions are incentivized to support independent fact-checking and investigative journalism to counter 'bad' information, while specialized outlets/channels and other stakeholders promote media literacy and civic education for all.

Scenario 3: Fanatic about Unilateralism

As democracies continue to struggle with increased authoritarian tendencies of mainstream actors, the possibility exists that a number of information ecosystems, including the advertising market, will be controlled by the authoritarian elite and propped up by domestic media moguls. As a result, a digital sovereignty doctrine is promoted and practiced while institutions, such as parliaments, are disempowered by means of government policies and technologies impacting the information environment.

In the "Fanatic about Unilateralism" scenario, pluralistic media outlets have disappeared, dissenting journalists and stakeholders are marginalized or disengaged, and the ruling elite targets democratic actors with mass surveillance, hacks, and sophisticated cybersecurity threats. Moreover, without any serious push-back by social media companies, the ruling elite actively restrict access to information (i.e., internet shutdowns, content filtering, website blocking, etc.) under the guise of public security, whilst real-time access to citizens' information is leveraged to employ subversive information tactics that foster polarization, cynicism, and political disengagement.

Scenario 4: Informational Wasteland

The dominance of illiberal mainstream actors and deregulated information ecosystems characterize the "Informational Wasteland" scenario. In this scenario, the information ecosystem is dominated by media/technology industry moguls and tolerated by the ruling political elite. As a result, public discourse is placed in the hands of private companies that dictate the rules. In contrast, inadequate communications and disclosure of timely and accurate information in the public's interest contribute to a shortage of information and content in this realm.

At the same time, malign domestic and foreign actors use disinformation and digital violence without impunity to distort public opinion and manipulate political behavior. Moreover, these malign actors are key players in the consolidation of media/technology ownership, paving the way for the perpetual bridge of people's privacy, data loss, and private data misuse by social

media companies, carriers, providers, or third parties. Ultimately, the expansion of technology that allows monitoring of and manipulating every piece of data is out of control resulting in victims of digital violence and bystanders alike to withdraw from the public debate out of fear.

Strategy

Following the fundamental belief that the public interest is grounded in a safe, healthy, and fully functioning society, we can continuously improve informational ecosystems in democracies to better serve the public interest through the "Enthusiastic About the Public" and "Profit for Purpose" scenarios.

Consequently, considering the two identified critical uncertainties, namely the approach to market regulation and norms that govern the attitudes and behaviors of mainstream actors in the information ecosystem, the two strategic objectives that are the precondition for the improved ability of information ecosystems to best serve the public are:

- 1) The creation of enabling (self)regulated operating frameworks in which all actors can work to their best to serve the public interest
- 2) The institution of a normative system that promotes and awards attitudes and behaviors of media stakeholders that believe in, uphold, and promote principles of the public good and liberal democracy.

To achieve these strategic objectives, we must pursue these goals simultaneously across all democratic societies and distance this global effort from the prioritization of democracies in the Global North over all others. In the same way, the well-performing democracies should not be prioritized over those in decline, particularly with the understanding that regional and international democratic institutions are hollowed out by illiberally inclined governments. To succeed in the global fight against authoritarianism, we need every democracy to establish information ecosystems that support a safe, healthy, and fully functioning society. Moreover, we encourage democracies, especially those with large economies, to financially support locally driven and locally implemented initiatives in other democratic societies.

However, we must first acknowledge that the complete transformation of the information ecosystems in democratic societies is impossible. Serving the public interest in democracies is seen by many as establishing a balance between public and commercial interests. Media, including social media, and communication business models are revenue-based, with advertising being the critical source of revenue. Thus, many influential mainstream stakeholders see privileging commercial interest over the public interest as essential for economic progress.

Furthermore, even the most zealous legislative and regulative reforms cannot undo the effects of decades of market deregulation, nor can they keep up with the pace of innovation. Similarly, no initiative that challenges existing social norms that govern the media and technology sector can halt the obsessive pursuit of unicorns or obsessive, self-absorbed profit-seeking. Besides, any extensive regulation and unilateral approach to the establishment of norms could backfire and take democracies towards the "Fanatical about Unilateralism" scenario.

Next, we must acknowledge that the complete extermination of lies, disinformation, and propaganda from the informational ecosystem is equally impossible. While we could and should continue working to ensure that malign information is identified, analyzed, and debunked, no

initiative can prevent media outlets with radical political agendas from presenting biased or false information. In line with this, no initiative can prevent all social media algorithms from contributing to the amplification of disinformation, or conversely apply 'warning labels' and fact-checking for each piece of untrustworthy information or news source. Moreover, even if we were to find a way to stop all domestic actors from spreading malign information, there will always be external actors that will want to undermine democracies and their system of values.

Third, we have to concede that we cannot fully protect citizens' privacy nor effectively establish control over the data collected about citizens and how it is used. In today's world of constant connections, solutions that focus on increasing transparency and consumer choice are an incomplete response to current privacy challenges. Instead, we should think about finding ways to ensure that companies minimize the harm they do to citizens, and when and where possible, put the interests of the people whom data is about ahead of their own, and find an acceptable trade-off for "allowing" access to the public.

Instead of aiming to transform informational ecosystems, we must focus on improving segments of the ecosystem under our control, which will co-exist with malign elements of the system. We have to minimize the impact of and increase the cost of doing business for malign actors while creating enabling regulatory and normative frameworks for those who act in the public interest. However, if we were to improve segments of the ecosystem under our control successfully, we have to do more than just adapt to the strategies of malign actors. We have to make a paradigm shift and recognize that the most critical resource we have is not frequencies or telecommunication infrastructure, but citizens themselves. Thus, democracies should embrace a citizen-centric approach to improving informational ecosystems.

Going beyond the notion that informational ecosystems should serve the public interest, democracies should recognize the positive role that (social) media play in developing democratic societies and systematize how actors in informational ecosystems access their citizens, more precisely, how they access citizens' finite amount of attention and data. Everyone who is granted access to the public's attention and data must be expected to give back by encouraging citizens to participate in public life and uphold democratic values. All actors granted access to the public's attention and data should be expected to give back, regardless of if they are BBC, Netflix, Facebook, or Deliveroo. All platforms reduce the time citizens could otherwise spend as active participants in democracy, while using their data to sway attitudes and behaviors. Democracies can decide how they will create and enforce this expectation; they could do this through the enaction of adequate legislative and regulative frameworks, creating and upholding a new set of social norms that govern media and tech markets, or any combination of these two.

General Recommendations (applicable to all scenarios)

Based on the four scenarios, we developed a set of strategic and holistic recommendations for democratic societies applicable to all scenarios as well as recommendations applicable to specific scenarios.

- Start systematically promoting and protecting human rights and democracy
- Pivot the way in which public service remittances are managed
- Double down on the supply of 'good' information
- Create citizen-centric, inclusive digital infrastructure

Democracies should promote the adoption of societal agreements that will assign responsibility to all stakeholders involved in information ecosystems, including the private sector, to respect and protect human rights and liberal democracy. In the line with this, democratic societies should engage with media outlets, social media platforms, and technology companies to embrace the UN's Guiding Principles on Business and Human Rights to prevent or mitigate adverse human rights impacts arising from the consumption of their content and use of their platforms and services.

With this understanding, we must acknowledge that not all stakeholders will embrace the protection and promotion of human rights and liberal democracy as their guiding principles. Consequently, democracies could repurpose through regulation and additional taxation (some of) the benefits derived by for-profit driven actors, including content streaming and social media companies, and give it back to those who promote human rights and liberal democracy in the public's interest.

Furthermore, democracies could rethink their existing public interest media systems or establish a new subsidy mechanism to support segments of the information ecosystems that provide quality information but cannot sustain themselves within the free market. In addition, market regulators in democratic societies should develop policies and processes that will ensure investors and advertisers are informed about any potential associations with unworthy sources of information.

Understanding that there is a need to increase the supply of 'good' information, governments should support proactive non-partisan or non-ideological independent fact-checking to counter 'bad' information (wherein information consumers are presented with fact-checks before a false narrative has gained traction and when fact-checks are limited to debunking specific claims and do not challenge one's worldview).

Democratic societies could also make additional efforts to implement principles of open government and open data to increase access to information. While there is an expectation from governments to continue to promote increased access to information and disclosures about governmental activities at every level of government, all stakeholders in the informational ecosystem, including civil society and private companies should embrace the concept of radical transparency, facilitating the ease of access to corporate or institutional information and the rationale behind the development of policies, strategies, and overall decision-making.

Social media companies and all other tech companies that seek access to citizens' data in order to model their behavior should take the lead in adopting the practice of radical transparency by publishing clear content moderation policies and algorithms so they can be independently evaluated.

What is more, the truth, an accurate and objective presentation of current events, and 'good' information in general terms must be as easily accessible as lies, disinformation, and propaganda. Democratic governments, civil society, and private companies should collaborate more systematically and strategically to convey the truth, amplify 'good' information, and take advantage of "critical democratic events" in order to further strengthen democratic societies.

The same stakeholders should systematically and strategically work together to fully implement all existing agreements and codes of conduct that aim to address hate speech both on and offline while respecting freedom of opinion and expression and the right to equality and non-discrimination. Civil society and other democratic stakeholders should aggressively engage with social media companies and mobilize their users to demand decisive action against hate speech.

As digital transformation has changed how we access and consume information, and more importantly how we participate in the public dialogue, two key concerns for societies remain how to limit the propagation of hate speech and other kinds of divisive speech and how to ensure that algorithms (such as those used for ad targeting and content moderation) do not reinforce social divisions. Thus, essential for the creation of shared societies is the creation of inclusive informational ecosystems that rely on digital infrastructure capable of providing services and systems necessary to achieve positive social outcomes and enable democratic societies to function in the digital era.

Democratic societies should prioritize creating a positive and welcoming space for children, women, girls, and other marginalized communities rather than reactively mitigating violence against them after it occurs. What is more, social media companies should take urgent and decisive action to prevent digital violence and harassment against children, women, and others. In addition, special attention should be given to taking action against perpetrators of digital violence acting from other countries.

- We call on government and civil society leaders to advocate for multilateral action that would result in commitment from democratic governments to promote the adoption and implementation of the UN's Guiding Principles on Business and Human Rights within the media, technology, and communication sectors.
- We call on leaders of democratic countries to pledge support for public interest media and set budget targets for relevant public interest media subsidy mechanisms.
- We call on leaders of strong economies to reach an agreement on target funding to develop public interest media in countries that face economic hardship and cannot self-finance this type of initiative.
- In collaboration with civil society organizations and other stakeholders, we call on leaders of multilateral institutions to create guiding principles for radical transparency that could increase access to corporate and institutional information of all actors in informational ecosystems.
- We call on leaders within democratic governments, civil society, and industry to pursue public-private partnerships to improve existing and design new digital infrastructure capable of providing services and systems necessary to foster social cohesion, contribute to the creation of shared societies and enable democratic societies to thrive in the digital era.
- We call and government and civil society leaders to advocate with regional and international institutions and member states to introduce normative and regulative changes to prevent digital violence and harassment against women.

Towards the "Enthusiastic about the Public" scenario

- Double down on regulating the access to the public
- Double down on supporting the production of the public interest content

Democracies that practice media regulation, we recommend that all access to the public (e.g., public's attention or data) be conditioned with public interest remittance, regardless of the type of media or platform. Thus, for example, irrespective of its size and origin, traditional and social media, streaming platforms, and others should be required to curate individual news feeds to promote quality information from trusted news sources. In addition, social media and streaming platforms, for example, should be required to carry out media literacy and civic education initiatives and ensure that all users frequently take these courses.

Democracies should promote the use of context-based advertising and introduce regulations that sets boundaries to targeted and behavioral advertising, as this type of advertising has radically altered the revenue model of traditional public interest media as it forms the key revenue stream for several social media platforms (e.g., Facebook and Google).

In line with this, democratic societies should acknowledge that the basic right of each citizen is to make an informed decision about the cost of consuming social media. Citizens must know how (much) they are paying with their attention and data for access to "free" media including free to air channels and social media networks. Citizens' must be aware that they are the currency and therefore decide how much their data and attention is worth.

Democratic governments and other stakeholders should support increased content production that focuses on actual, meaningful social issues that affect peoples' lives. Unfortunately, much of the news content in free societies focus on elite issues, political spats, and process issues, which do not help citizens find a clear path to participate in and improve their societies. Democratic governments and state institutions should provide more support for the production of content that raises tough questions and challenges assumptions of its audience, rather than only catering to their biases and preferences.

Acknowledging that in specific contexts, news content is not most effective and that content lacking inherent emotional appeal or substantial entertainment value cannot retain the audiences it reaches, democratic societies should make a significant and lasting investment in the production of media literacy, civic education, and social and behavioral change content that will promote human rights, liberal democracy, and a safe, healthy, and fully functioning society.

- We call on government representatives, and representatives from cultural institutions and civil society to assess the feasibility and create a new model for support to public interest media.
- We call on democratic leaders from all walks of life to advocate to ban or limit behavioral advertising and promote the use of "contextual" and other "nonintrusive" types of advertising.

 We call on governments of democratic countries improve existing or create new special programs of support to established outlets and emerging content creators to produce and distribute media literacy, civic education, and social and behavioral change content.

Towards the "Profit for purpose" scenario

- Start creating a system-wide community of practice
- Pivot market incentives to favor public interest content producers
- Double down on creating a new generation of industry leaders

Democracies that do not believe in market regulation practices should empower existing or create new robust self-regulatory mechanisms that will ensure adoption and adherence to "do no harm" principles by all actors in the information ecosystem. Building on the "do no harm" principles, self-regulatory entities should, through broad consultations, formulate what "public interest" content means in practice and define a set of principles that all actors in the information ecosystem will strive to achieve. Principles could include, but are not limited to accuracy and clarity, fairness and balance, integrity and transparency, and the promotion of democracy and democratic values.

Furthermore, self-regulatory entities should support existing or start new community initiatives led by established business leaders. The aim of these initiatives could create solutions for improved quality and accessibility of public interest content and safeguard norms that govern attitudes and behaviors of all actors in the information ecosystem. These self-regulatory entities should work closely with academic institutions that prepare future business leaders and entrepreneurs to develop curricula that will ensure their graduates and dropouts share the same commitment to the public interest and democratic values and ability to promote normative change within their future companies.

In deregulated markets, media literacy is critical for the well-being of democracy. It enables consumers to critically evaluate the credibility of information and its source and encourages individuals to refrain from sharing 'bad' information. Thus, in this situation, industry regulatory bodies should promote the production and distribution of media literacy and civic education content through various incentives. For example, traditional and social media companies as well as streaming platforms and news aggregators that show continuous commitment to educating their audiences/users could be given preferential access to money markets or tax breaks.

- We call on industry leaders to use their reputation to define "do no harm" and "public interest" principles and design guidelines for their implementation.
- We call on (self) regulatory entities to develop policies and mechanisms that will provide preferential access to money markets or tax breaks for all that show continuous commitment to producing and distributing civic education and critical thinking content.

Preventing "Fanatic about Unilateralism" and "Informational Wasteland" scenarios

- Protect "good" actors in the informational space against malign influences
- <u>Double down on creating "safeguards for democracy" and empowering</u> independent watchdogs
- Stop allowing surveillance and impeding encryption

Crises and election campaigns raise the stakes for malevolent actors and the public in the information space. The public tends to pay the closest attention to news and form their positions during this period. Democratic governments and civil society of all ideologies should collaborate to develop society-wide crisis communication strategies during crises and elections, when people's hyper-attentiveness can be readily exploited. More yet, democratic governments, civil society and other media companies should collaborate more systematically and strategically to take advantage of "critical democratic events" in order to further strengthen democratic societies.

Democratic governments, civil society, and international institutions should explore how domestic and international legal mechanisms can be used to hold accountable individuals, institutions, and states that support and/or participate in the creation and distribution of disinformation and propaganda, including social media that ignore amplification of radical content, echo chambers, disinformation, and smear campaigns on its own platforms. Public and private donors could also support strategic litigation cases against malign actors to increase the cost of and deter future participation in disinformation campaigns.

Democratic governments should rethink the definition of critical industries for national security to include all industries participating in the informational ecosystem. In line with this, we recommend that in collaboration with civil society, states find a way to vet investments in informational ecosystems, including through advertising markets, to reduce the influence of the domestic and international malign actors.

Democratic governments should accompany every piece of regulation with the introduction of safeguards that will prevent future abuse of regulation by actors with authoritarian tendencies. Information ecosystems must be decentralized and pluralistic. In the same way, the oversight of information ecosystems must involve diversity of domestic, regional, and international actors.

Democratic societies, led by educational institutions and civil society should educate citizens about how to identify, analyze and "debunk" disinformation and propaganda in all media content, including one distributed through social media. In line with this, civil society and research institutions should investigate and inform the public about malign practices by all actors in the informational ecosystem including governments and private sector. At the same time, democratic governments should provide support for this type of research and reporting.

Democratic governments should protect the use of end-to-end and other types of encryption as a necessary step for protecting freedom of speech and thought. None of the benefits of breaking encryption for law enforcement agencies outweigh this risk for people's privacy. The loopholes in encryption laws will allow abuse of law enforcement in Scenarios 3 and 4 to end free expression and thought.

Similarly, democracies should ban mass surveillance and facial recognition technologies, as they fundamentally threaten political pluralism and inherently carry the risk of abuse of the political rights and civil liberties such as freedom of assembly and association.

- We call on leaders within multilateral institutions, democratic governments, and civil society to develop guidelines and best practices on how domestic and international legal mechanisms can be used to hold accountable individuals, institutions, and states that support and/or participate in the creation and distribution of disinformation and propaganda.
- We call on leaders within the United Nations to collaborate with civil society and other actors to explore how existing UN reporting mechanisms, such as the UNHRC Universal Periodic Review, can be used to hold states and state institutions accountable for the protection of the public against disinformation and propaganda.
- We call on leaders within democratic governments, civil society and media and tech industry to promote the idea of Information Ecosystem Investment legislation that will allow vetting of all investments in the information ecosystem.
- We call on leaders within democratic governments, civil society and media and tech industry to advocate with the European Union, Organization of American States and other regional bodies to prohibit, in law and in practice, indiscriminate or arbitrarily targeted uses of facial recognition and biometrics which can lead to unlawful mass surveillance.

Participating Members

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