

POLICY BRIEF

Lies, Spies and Big Data: How Fake News Is Rewriting Political Landscapes

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Lies, Spies and Big Data: How Fake News Is Rewriting Political Landscapes

On November 7, 2016, Donald Trump was elected President of the United States after a bitterly-fought campaign against Hillary Clinton. The election was very closely-run, with Hillary Clinton winning the popular vote, but losing the presidency based on the U.S. electoral college structure. However, months after Donald Trump was declared President of the United States, questions remain about the legitimacy of the U.S. elections. The central issues are the emergence and use of so-called 'Fake News' and the accusation that Russia, through espionage and online hacking operations, sought to influence the presidential elections to promote Donald Trump and denigrate the reputation of Hillary Clinton.

The issues thrown up in the wake of the U.S. presidential election have fundamentally undermined trust in the workings of the international media and further damaged U.S.–Russia relations. A report by the U.S. intelligence services accusing Russia of attempting to influence the outcome of the election, prepared for President Obama and published in the election's immediate aftermath, led to the expulsion¹ of 35 Russian diplomats from Washington just days after the results were announced. President Putin, on the other hand, opted not to expel any U.S. diplomats from Russia. The investigation into Russia's involvement and influence on the U.S. elections continues today.

This policy brief provides an overview of how the gathering and dissemination of news has changed in a globalized digital environment, how consumers digest and share news at an ever-increasing pace, and how the management of big data can influence electorates across borders. It will also define 'fake news' and the extent to which it might have influenced the results of the U.S. elections.

The News

The news is no longer the news. Journalism has been turned upside-down or, in the jargon of digital entrepreneurs, 'disrupted' by a new model, like Uber, focused on what the consumer wants to see. However, the problem with disrupting the news is that one can no longer rely on the headlines, even from long-trusted sources or outlets. What consumers often believe is independently verified, objective and factual reporting is increasingly being replaced by comment, opinion and outright lies, filtered through social media channels. 61% of millennials,² defined as the generation born between 1981 and 1996, get their political news from Facebook and update their opinion of the world via social media feeds, which are filtered by algorithms that encourage sensationalism and the formation of political echo chambers. Our news has been replaced by 'post-truth' and 'fake news', the new catchwords of political reporting. Consumers get what they want: the information they are interested in suiting their political stance. But this tailored information distorts the truth.

Social media channels are not news channels in the traditional sense. We generally expect news channels to disseminate independently sourced and verified information by qualified journalists reporting to a chief editor, who should ensure that stories are truthful and balanced. In most countries, news organisations are held accountable by law for the veracity of the stories they publish. The public in these countries has been protected from the deliberate and malicious publication of false information to promote a political or religious position.

Social media platforms, on the other hand, are very rarely held accountable for the stories, comments, opinions and photographs they publish. They are playing a numbers game. The value of a social media platform is measured in traffic generation, which in turn creates advertising revenue, so traffic is accelerated by algorithms which give consumers what they want to see or hear. In the run-up to the U.S. elections, teenagers in a small Macedonian town created US-styled political sites posting hoax stories,³ including one

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¹ Obama Expels 35 Russian Diplomats in Retaliation for US Election Hacking // The Guardian. 30 December 2016. URL: <https://www.theguardian.com/us-news/2016/dec/29/barack-obama-sanctions-russia-election-hack>

² Facebook Top Source for Political News Among Millennials // Pew Research Center. 1 June 2015.

URL: <http://www.journalism.org/2015/06/01/facebook-top-source-for-political-news-among-millennials>

³ Inside the Macedonian Fake-News Complex // Wired. 15 February 2017. URL: <https://www.wired.com/2017/02/veles-macedonia-fake-news>

about a Syrian attack on New York, attracting tens of thousands of followers and clicks on links to the sites. The teenagers were then able to sell advertising on the sites based on the size of their audience, earning thousands of dollars a month.

Post-Truth and Fake News

In terms of journalistic milestones, 2016 will be remembered first by post-truth and then by fake news.

Post-truth is the Oxford Dictionary's 'Word of the Year' for 2016 and marks the period where comment and sentiment replaced factual news in terms of reach and influence, enhanced by the algorithms of key social media platforms, which promote stories people want to hear rather than what traditionalists might call 'hard news.'

Fake news is a symptom of post-truth, a new phenomenon confirming the old adage that truth (and hard facts) never got in the way of a good story.

When the term 'fake news' first appeared in mainstream media during the U.S. elections, it was quite easily understood, referring to deliberate fabrications designed to mislead the public and specifically the U.S. electorate. These included the now-famous stories⁴ detailing that Hillary Clinton sold weapons to ISIS and Donald Trump was endorsed by the Pope. Since then, the meaning and understanding of the term has become far broader and more confusing, depending on the source, the outlet and the intent. Fake news now includes satire, poor journalism or, it would seem, anything that does not support the political agenda of the new U.S. President ('Any negative polls are fake news, just like the CNN, ABC, NBC polls in the election' – Donald Trump).⁵

The way we consume news has changed dramatically over the last few years. Before these changes, consumers would start their day with the radio or a newspaper, reading bylined stories and trusted editorials. Consumers could choose a voice or opinion, left or right-wing, by the title they read, depending on the source's editorial

policy. They trusted experienced newsmakers on TV, radio or in print and set aside time to digest their news feed.

Fast forward to 2017, when millennials pick up news on their smartphones via the social media platforms they share with friends and family. The public's trust has switched from established newscasters to mainstream social media platforms, where they receive comments and opinions in bite-sized pieces.

This change in the way people read and share news and opinions is not only accelerating the news cycle. It is also creating a mine of information that reflects the beliefs and sentiments of millions of voters. Today voters have access to personal feeds from countless sources shared on Google, Twitter, Facebook, etc. Traditional media analysts have become concerned about the ability of public and private organizations to monitor and manipulate this big data — extremely large data sets that may be analyzed through computational methods to reveal patterns, trends, and associations, especially relating to human behavior and interactions — to influence how people vote.

The media have always been involved in influencing elections. Political parties in Europe and the U.S. know all too well how a campaign story, well-told and broadcast on the eve of an election on the front page or at the top of a news bulletin, can swing voter opinion up until election day. The budgets raised by candidates in US elections for media advertising are an equally strong indicator of the reach and influence those candidates can secure as the elections approach.

However, this time the game has changed. In the run-up to the U.S. presidential elections, Hillary Clinton raised \$1.2 billion to promote her campaign, almost twice the amount committed for Donald Trump's election bid.⁶ The Democratic campaign was heavily funded by an army of wealthy supporters offering millions of dollars and crowd-funders raising sums in excess of \$100,000. Hillary Clinton invested heavily in television advertising, the traditional media employed to broadcast clear messages to a very wide audience. Donald Trump, on the other hand, led a

⁴ Read All About It: The Biggest Fake News Stories of 2016 // CNBC. 30 December 2016.
URL: <http://www.cnbc.com/2016/12/30/read-all-about-it-the-biggest-fake-news-stories-of-2016.html>

⁵ Tweet // Donald J. Trump. 6 February 2017. URL: https://twitter.com/realDonaldTrump/status/828574430800539648?ref_src=twsrc%5Etfw

⁶ Tracking the 2016 Presidential Money Race // Bloomberg Politics. 9 December 2016.
URL: <https://www.bloomberg.com/politics/graphics/2016-presidential-campaign-fundraising>

very different campaign. He was the largest contributor to his own campaign, committing \$66 million in cash and using his business resources, including his own private jet and hotels, to travel across the country and host events.⁷ There were a few additional wealthy contributors to the campaign, but most of the additional funding was raised by smaller donations (less than \$200). In other words, he had a different fundraiser profile.

With a much smaller budget, Donald Trump managed a very different campaign compared to his democratic rival, spending a far higher proportion of his funds on social media instead of TV advertising. By mid-October 2016, he had spent \$57 million on digital advertising compared to Hilary Clinton's \$10 million. At the same time, Trump managed to dominate TV news headlines, often by provoking and attacking TV channels for plotting against him. This approach secured him massive TV coverage at no cost (he dominated headlines rather than paying for advertising campaigns) and enabled him to appeal directly to his core audience: the disheartened working class, who felt left out of the American dream.

There is a big difference between TV and social media campaigns. TV advertising is mass media, broadcasting a simple message to a massive audience. Social media, on the other hand, can be targeted far more accurately, identifying groups and individuals to target specific profiles. Analyzing social media allows political analysts to understand in more detail what people watch, read and consume. Analysts can thereby understand the public's opinion and political leanings. Based on this, it is easy to tailor campaigns to specific communities, reinforcing existing beliefs or prejudices. The same technology can be employed via targeted programming, with the use of algorithms to roll out a far more efficient campaign than linear advertising for large, unfiltered audiences.

Opinions Are as Important as News

The erosion of fact-based, independently verified news items has occurred over several years as the number of news outlets has proliferated online and editors are inevitably challenged to create additional content for their audiences. In the late

1990s, TV and radio audiences tuned in to hear updates on local and international news at specific hours, usually on the radio before work and on TV news bulletins in the evenings. The turn of the century saw the introduction of 24-hour 'rolling' news. News consumption patterns inevitably changed from scheduled or 'linear' programming to news 'on-demand'. Without fresh facts to keep stories running, editors turned to comment and opinion. Over time comment and opinion began to dominate bulletins. Nowadays we tend to hear far more of someone's opinion of a news event than the news event itself.

The shift from news to opinion, now carried out on billions of social media feeds continuously circumnavigating the globe, continues to generate fresh content for audiences hooked on a never-ending 'news' cycle.

Proof that news as we once knew it no longer exists is the fact that, according to a recent survey,⁸ audiences will follow and share a news item (fact or opinion) that they like, whether they believe the item is true or false. Election commissions and democratic institutions are concerned that feeding audiences opinions and sentiments they already support will become political consultants' key strategy for aligning the public with their own candidates. Accurate analysis and management of big data allow a candidate to fully understand what voters want to hear and reflect it back to them.

Media Management Ahead of Elections in Europe and the U.S.

Following the Brexit referendum in the UK and the subsequent U.S. elections, the political establishment on both sides of the Atlantic was left in a state of shock. The liberal or left-wing parties, supporting migration across borders regardless of migrants' religious beliefs and the promotion of international trade agreements, have been removed from government. They are bereft of power and looking for explanations, someone to blame. The U.S. government under Barack Obama, between the declaration of election results and the inauguration of Donald Trump, was quick to blame Russia for interfering with

⁷ Ibid.

⁸ Many Americans Believe Fake News is Sowing Confusion // Pew Research Center. 15 December 2016. URL: <http://www.journalism.org/2016/12/15/many-americans-believe-fake-news-is-sowing-confusion>

the democratic process, with reports from the CIA backing up the claim and prompting the expulsion of Russian diplomats. However, as the same reports clearly stated at the time, any Russian interference in the elections did not affect the outcome; in other words, it has been at worst a case of attempted interference. Since the inauguration, claims of Russian ties to the Trump team have continued to surface and resulted in the expulsion of key members of Donald Trump's cabinet, including National Security Advisor Michael Flynn. There were also calls⁹ by many in the U.S. Republican Party to bar the appointment of U.S. Secretary of State Rex Tillerson on the basis that the former head of Exxon Mobil had too good a relationship with Russian President Vladimir Putin, established during negotiations over oil exploration and drilling rights in Russia. New members of the cabinet continue to be scrutinized by U.S. security services.

While Russian interference in the U.S. elections has been the major story overshadowing the victory of Donald Trump, more interesting and better documented evidence points to the influence of U.S. billionaire Robert Mercer, one of Donald Trump's biggest financial donors during the election and described as 'a right-wing former computer scientist with IBM who made his money from hedge funds with cutting-edge data management technology'. Mercer is committed to correcting what he regards as 'left-wing bias' in the U.S. mainstream media. To this end, he committed \$10 million to the right-wing news site Breitbart¹⁰, which has been incredibly successful under the management of his close associate Steve Bannon, Trump's campaign manager and chief strategist during the U.S. elections. Breitbart is one of the most popular sites in America with 2 billion page views a year. Its page is the most popular one for a political site on Facebook and on Twitter.¹¹

Ahead of the U.S. elections, Mercer supported¹² the Leave campaign for Brexit in the UK, led by

Nigel Farage, and introduced him to Cambridge Analytica,¹³ formerly part of the SCL Group, which specializes in 'election management strategies' and 'messaging and information operations' developed over 25 years in places like Afghanistan and Pakistan. In military circles this is known as 'psychological operations', mass propaganda that works by acting on people's emotions.

The beauty of the media analysis and management led by Cambridge Analytica is that the gateway into the data required for control over human behavior is the 'like' button on Facebook. The lead scientist at Cambridge University's Psychometric Centre found that with knowledge of 150 likes, their research model could predict someone's personality better than their spouse.¹⁴ If the like button is the gateway to measurement of public sentiment, then the gateway to influence on behavior is to amplify key words to the point where they are trending across Facebook or Twitter. These words can be introduced through 'bots', accounts that are programmed to look and act like people and change conversations to make topics trend. It is estimated that one-third of all traffic on Twitter before the EU referendum consisted of automated bots, and they were all in favor of Brexit.¹⁵ The consultants behind Donald Trump are, at their core, specialists in changing the behavior of large groups by amplifying particular political narratives. Key words, like 'immigration' or 'fake news' trigger an emotional reaction, and when these terms are used repeatedly by political candidates like Donald Trump, they are quickly picked up and amplified via social media, giving the impression that these issues are mainstream, legitimate concerns of the majority.

There is now clear evidence that journalism as an institution bound by truth and transparency to ensure the independence of key institutions is being battered in information wars, which can change beliefs through data management

⁹ Tillerson Fails to Win Over Key GOP Senators // CNN. 12 January 2017.
URL: <http://edition.cnn.com/2017/01/11/politics/tillerson-confirmation-hearing/index.html>

¹⁰ Robert Mercer: the big data billionaire waging war on mainstream media // The Guardian.
URL: <https://www.theguardian.com/politics/2017/feb/26/robert-mercer-breitbart-war-on-media-steve-bannon-donald-trump-nigel-farage>.

¹¹ Who are the Biggest Politics Publishers on Social? // Newswhip. 15 July 2016.
URL: <https://www.newswhip.com/2016/06/biggest-politics-publishers-social/?utm>

¹² Robert Mercer: the big data billionaire waging war on mainstream media // The Guardian.
URL: <https://www.theguardian.com/politics/2017/feb/26/robert-mercer-breitbart-war-on-media-steve-bannon-donald-trump-nigel-farage>

¹³ Ibid.

¹⁴ Computer-Based Personality Judgements are More Accurate than those Made by Humans // PNAS. 2 December 2014.
URL: <http://www.pnas.org/content/112/4/1036.full>

¹⁵ What Brexit should have Taught Us about Voter Manipulation // The Guardian. 17 April 2017.
URL: <https://www.theguardian.com/commentisfree/2017/apr/17/brexit-voter-manipulation-eu-referendum-social-media>

on a scale never before envisaged. Perhaps the cleverest initiative by Robert Mercer's team is the Government Accountability Institute.¹⁶ This organization invests in long-term investigative journalism, including a story¹⁷ about Hilary Clinton's cash resources which made the front page of the New York Times. This is a resource which can create and amplify a news agenda across credible platforms and change the hard news cycle. It is real journalism, commissioned and packaged for established news outlets, by a right-wing big data billionaire. It works.

Since the emergence of the 'fake news' phenomenon, news outlets in the U.S. and Russia have sought to reinforce their credibility through the identification of stories fabricated by their competitors. However, despite the best attempts of established media to discredit their competitors, the more likely outcome of this in-fighting is that more people will turn to social communities like Facebook, where they can interact based on personal relationships. The irony here is that social media platforms were never created as news platforms, and Facebook founder Mark Zuckerberg's promise to protect his community from fake news was undermined by his own staff, who do not believe it is possible to monitor and control conversations amongst the site's billion users around the globe. The mistake Zuckerberg made in claiming he could clean Facebook of fake news demonstrates his failure to understand the difference between a social media channel driven by comment and a news channel led by fact with editorial control. In the latest and cruelest example of Zuckerberg's failure to edit content, a disaffected U.S. citizen recently announced his intention to randomly execute a passer-by in a fit of depression. He went on to post¹⁸ the murder of an elderly man leaving church and went live on Facebook to claim he had killed 12 others. The only reason that the murder remained on the site for hours after the killing, it turns out, was that no-one complained to Facebook management and asked for the film to be taken down. Editing the channel, it appears, is in the hands of the audience. If enough people take offense and complain, then the administrator will act and pull the story. If they do not, then it stays.

The lesson here is that while driving sentiment and reinforcing public opinion through the placement of comments and statements might influence the way electorates vote, it is practically impossible to police social media platforms, even when they are used to incite hatred and murder. This darker side of social media channels is becoming a main focus of national security services, which spend increasing resources to monitor conversations that are designed to groom vulnerable individuals to plan and commit terrorist acts in major capitals around the world.

While big data might be used to gauge and influence opinion, it is by no means an exact science, more a disrupting influence. In terms of how media management and big data have been used to influence U.S. elections and subsequent U.S.–Russia relations, something has clearly gone awry. Months ahead of the elections, Russian media was clearly supporting Donald Trump as the better candidate to reset U.S.–Russia relations, and Donald Trump was openly calling for fresh dialogue with President Putin, playing down the annexation of Crimea and hinting that sanctions could be softened if he were to win office. This apparent détente has since been shattered by the continuing investigation of Russian links to senior members of President Trump's administration, as the Russian Foreign Ministry watches relations fall to an all-time low.

It is ironic that traditional news outlets, specifically in the U.S., have been far more effective than big data management in influencing the political agenda after the elections at the expense of U.S.–Russia relations.

One wonders how much of the witch hunt around Trump's links to Russia has been instigated by key editors vilified by the new U.S. president, barred from White House briefings and condemned for publishing fake news. If there was a plan to manage the media, then it has certainly backfired.

Fake news has a minimal effect on U.S.–Russia relations aside from reinforcing prejudices on

¹⁶ About // Government Accountability Institute. URL: <http://www.g-a-i.org/about>

¹⁷ Cash Flowed to Clinton Foundation Amid Russian Uranium Deal // New York Times. 23 April 2015.

URL: <https://www.nytimes.com/2015/04/24/us/cash-flowed-to-clinton-foundation-as-russians-pressed-for-control-of-uranium-company.html>

¹⁸ A Murder Posted on Facebook Prompts Outrage and Questions over Responsibility // New York Times. 17 April 2017.

URL: <https://www.nytimes.com/2017/04/17/technology/facebook-live-murder-broadcast.html>

both sides of the Atlantic. Neither side trusts the other's national media, especially where there is government funding to promote the vision and values of a country overseas, the clearest examples being CNN, the BBC and Russia Today.

U.S.–Russia relations are at a very low ebb, and at this point each side accuses the other of interfering in its domestic politics. The appearance of U.S. politician John McCain at a rally in Kiev calling for the ousting of Yanukovich was, for President Putin, a clear attempt to divide Russia and Ukraine. More than encroaching on Russia's sphere of influence, it was breaking up a strategic alliance and potentially locking Russia out of its only warm water naval base in Crimea. This was, from the start, a provocation that would inevitably force Russia to take action over the peninsula. The apparent attempt by Russia to back Trump in the U.S. elections is, at worst, an attempt to interfere in the U.S. democratic process, which, according to the CIA, failed, and can be added to either side's accusation of meddling in the other's domestic politics.

CONCLUSIONS AND RECOMMENDATIONS

1. Fake News and Post-Truth are disruptive but do not change minds or political realities.

Recent elections in the UK and the U.S. were overshadowed by manipulation of messaging and media, with comment replacing fact and social media amplified by the use of big data to disrupt the campaigns of incumbent political parties. While media manipulation might have affected the results of the elections, it did not change opinions, but rather amplified the voice of the opposition. Despite political change, the disruption has not changed political realities; Donald Trump has failed to pass the key reforms he promised and Europe is still grappling with the realities of Brexit.

2. Traditional media are more influential than social media in holding government to account.

While social media activity in the U.S. clearly had a strong influence on the electoral campaign, amplifying key messages and motivating Trump supporters to vote, it has since been traditional media outlets that have kept the President in check, making it practically impossible for him to follow through on election promises. He has not delivered on healthcare reform, immigration restrictions or improving relations with Russia. The same media were also instrumental in the ousting of his National Security Advisor and other members of his team.

3. Listening to and managing conversations key to supporting “Brand Russia”.

Any initial relief or even euphoria over the victory of apparent Russophile Donald Trump quickly turned sour with the expulsion of 35 Russian diplomats from Washington. However, the election has brought up multiple opportunities to start conversations and build mutual trust. U.S. conservatives and the right-wing, it turns out, have a lot of respect for President Putin and his espousal of traditional family values and patriotic nationalism. On a geopolitical level, both countries need to address major security issues in Syria and North Korea, and the application¹⁹ by Exxon Mobil for an exemption to deep-water drilling restrictions in the Black Sea reflects the desire to work together on both sides. These and similar conversations are the key to building trust in “Brand Russia” as it resumes its growth and prepares for the World Cup.

4. Fact-checking is important, correcting fake news more so.

The issue of fake news remains a concern in both the U.S. and Russia, across traditional and social media. Major news outlets have taken to highlighting fake news with a big red stamp, reflecting its toxic effect on accurate reporting. The Russian Foreign Ministry has dedicated a section of its website to highlighting key stories across major international media titles that are apparently false. In fact, everyone is doing this, including Facebook. Fake news is, it appears, now endemic. It is all well and good to highlight falsification, but the logical step from here is to demand correction or clarification from media editors. The letters and editorial pages of the Financial Times, for example, are the place to balance opinion and cite facts that counter poor journalism and falsification. Social media is also an increasingly popular forum for quickly addressing fake news issues.

¹⁹ Exxon Mobil Seeks U.S. Sanctions Waiver for Oil Project with Russia // New York Times. 19 April 2017.
URL: <https://www.nytimes.com/2017/04/19/business/energy-environment/exxon-mobil-russia-sanctions-waiver-oil.html>



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