Fake Antitrust?: Fact checking on the Alleged Competition Law Case Against Social Media (Facebook) for the Proliferation of Fake News

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Abstract

In this paper, we analyze the antitrust arguments against social media platforms such as Facebook for the alleged prioritization of fake news.

After addressing some imperative questions in a rigorous antitrust analysis, we find that the claim that social media platforms have some kind of antitrust responsibility for the proliferation of fake news is not strongly supported on evidence. Based on several national and multinational studies, the data suggests that Facebook does not have enough market power in the online news referral market to independently favor fake news and negatively affect real news organizations. Furthermore, it is quite unlikely that Facebook or any current social media platform would, intentionally or not, engage in a strategy to benefit fake news, and several indicators show that fake news has not caused a significant harm to news businesses. Nevertheless, news organizations do face the risk of resembling fake news publishers and losing their added value if they follow a counterproductive commoditization strategy.

Introduction

Who is responsible for the proliferation of fake news online?

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Many scholars and state authorities have been trying to answer this question in recent years and, unsurprisingly, many eyes have turned to Competition Law in order to find a solution to the fake news problem. In the past and to this day, there have been proposals to charge Competition Law with different extrinsic goals such as promoting SMEs, jobs, fairness, economic diversification, consumer choice, privacy, among others, which have been criticized by different scholars (Brennan 2018, p. 51; Hesse 2016; Ohlhausen & Okuliar 2015).

As news consumption via Internet grows more important every year, it also increases the risk of people reading more fake news than real ones, or even worse, not being able to distinguish between one or the other.

Gartner predicted in 2017 that by year 2022 most people in mature economies will be consuming more false information than true information (Gartner 2017). This explosion of fake news would only be possible through the Internet.

According to the Reuters Institute Digital News Report of 2019, printed news experienced a decrease in readership in the United States of America, from 43% in 2013 to 19% in 2019. In the same way, although not so drastically, TV outlets suffered a decline from 72% to 58%. On the other side, the total amount of online sources (including social media) did not experience a significant change (from 75% to 72% in the six-year period). However, taking social media alone, the evolution is stunning: from 2013 to 2019, the percentage of people turning to social media as news sources increased from 27% to 46%, peaking in 2017 (Newman et al., 2019, p. 118).
How come digital news as a whole did not experience an important fluctuation while social media had a heavy increase? This may be explained by the proposition that social media sources increased their audience at the expense of the direct browsing through news websites.

Major social media platforms like Facebook and search engines like Google have consequently started to be considered by many people as the main responsible for the uprise of fake news. Their considerable size in their most common known markets of social media and search engines, respectively, has led some commentators to suggest the idea of an Antitrust case (monopolization or abuse of dominance) against them (Hubbard 2017, Chaiehloudj 2018). Parallelly, some competition or governmental authorities in the United States of America (Facebook 2019; James 2019), United Kingdom (Fruman et al. 2019), the European Union (European Commission 2017), Australia (ACCC 2018), Germany and France (Autorité de la Concurrence & Bundeskartellamt 2019), among others, have started to conduct investigations against the tech giants in various markets and to draft reports on these issues.

This paper addresses the specific issue of whether social media companies, like Facebook, could face antitrust responsibility for the proliferation of fake news. We
argue, however, that to put forward such a hypothesis, a rigorous competition law analysis should not ignore some key questions.

First: What is the relevant market for the intermediation of fake news? And does any intermediary have enough market power in such market to favor a specific type of news? Secondly: Is it true that a digital platform like Facebook can favor fake news? Is there an inclination -inherent to these platforms' business model- to benefit fake news in detriment of real news? And finally: Is there a plausible theory of anticompetitive harm? If it is true that social media favors misinformation, could the providers of fake news stories be in a position to damage real news organizations?

Many voices that have called either for more active antitrust enforcement or that are critics of current Antitrust standards to analyze the case against digital platforms, nevertheless, have neglected the aforementioned questions. In fact, some of those questions remain unanswered, mainly due to the absence of a more acute look at the fake news issue from an Antitrust Law perspective.

This paper tackles this issue by analyzing the particular case of Facebook. In chapter one, we make a brief description of Facebook’s operation, with emphasis on its role in news referral. Then, we will make an effort to determine a preliminary relevant market in which Facebook participates as intermediary for news stories (fake and real ones). Chapter two is dedicated to the question of whether Facebook, intentionally or not, might benefit from fake news dissemination or prioritization. This argument is the foundation of claims for more strict Antitrust rules or analysis against digital platforms. In chapter three, we pay attention to the competitive effect that fake news may have on real news organizations, to assess the probability of an anticompetitive harm on the latter. Finally, we present our conclusions and some remarks on the risks of the commoditization of news, real and fake.

Given the absence of sufficient data for a specific jurisdiction, we decided to broaden the sources of information and not focus on just one country. Therefore, we will first present the hypothesis for each chapter and then try to present the best available data to support or reject the assumption. Evidently, given the limitations
of data and our methodology, our study should not be read as conclusive for the presence or absence of antitrust responsibility for Facebook’s actions (or any other social media’s for that matter) in connection with fake news dissemination. Otherwise, it could be used as initial guidelines for competition authorities and scholars devoted to the investigation in this topic.

1. Facebook’s intermediation of news: Is it a dominant player?

Social media, undoubtedly, has a significant impact on the news business.

Many people around the world access news online through posts on social media. Platforms like Facebook, Twitter, Snapchat and Instagram are used by millions of people to read, share and engage with news stories, and they have enlarged the audience of online news readers.

News providers have also enlarged in number due to digital platforms. Given the lower costs of the online news business, compared to traditional mass media services (print, radio, tv), several news outlets have turned to social media as one of the main means of dissemination and reach to the public. As outlined in chapter 3, social media has contributed to the emergence of new voices in the news environment.

The relevance of social media for news dissemination has also been considered a source of distress for news businesses. Several authors consider social media a must-have tool for news outlets to the point that it would be required to impose special obligations for a predominant social media platform such as Facebook (Scott Morton et al. 2019; Balkin, 2019). This has led the discussion to the Competition Law arena by some commentators who have claimed that Facebook has a dominant position in the market that, in turn, affects the news market (Hubbard 2017; Chaiehloudj 2018; Scott Morton et al. 2019).

The specific market in which Facebook would be dominant is a subject of ongoing dispute, but some commentators and civil society reports have neglected a deeper examination and have broadly referred to Facebook’s performance in the social media market and the digital advertising market as purported evidence.
For instance, Hubbard exhibits Facebook and Google’s revenues in the digital advertising market as proof of their market power in connection with the dissemination of fake news (Hubbard, 2017, p. 2).

Similarly, Scott Morton et al. from the George Stigler Center presented Google and Facebook as the companies that dominated the US digital advertising market in 2018. In the report, they show that both of them enjoyed a 58% share of the market; while Amazon, the company with the third biggest market share, obtained a 7% share (Scott Morton et al. 2019, p. 157).

These approaches are too vague, nonetheless. Online digital advertising is a derivative indicator of people’s online attention. People spend time online not only reading news, but also looking for entertainment, shopping and other commercial transactions. Furthermore, statistics show that reading news is not among people’s top activity in social media. In this regard, Hall (2018, 169) conducted a laboratory experiment, in which he requested a group of young adults to use their social media accounts in order to record their activities. According to the results, they spent 40.88% of their time just browsing, while reading news or stories occupied just 15.38% of their social media activities.

Oliveira & Fraga highlight the fact that even traditional media outlets depend on social media companies like Facebook as propagation tool to reach to their potential readers online, and therefore assay a preliminary market definition of “online advertising and propagation services within the Facebook environment (2018, p. 50). From a different perspective, Grunes points out that “we do not think of an antitrust market as one in which market share is based on the share of a consumer’s time or attention something gets” (Grunes 2017, p. 5). We concurred with that view. There is no single market for getting consumer’s full attention. Patterns of online activities differ greatly, and distant activities such as reading news, online shopping or online gaming cannot be simply considered as substitutes. We need to refine a specific delimitation of the market that is relevant for news consumption.
Even within a social media platform, the behavior displayed by the various users should be a sign of the existence of more than one relevant market. Therefore, market power in online social networks might also be a too far-reaching indicator when considering news readership. We must take a deeper look at social media’s interaction in connection with news consumption online.

According to the 2019 Reuters Digital News Report (Fisher et al. 2019, p. 13), Internet is becoming the primary source of news in many countries: United States (48%), Canada (44%), Australia (43%), and United Kingdom (42%). If we are to consider online news consumption alone, then we must study what means do people use to read news on the Internet.

A person can read news online either going directly to the website of the specific news provider, or entering indirectly, after going first to a search engine, a social media platform or any other mean. This indirect form of news consumption is catalogued as news referral. A referral in these circumstances can be defined as a recommendation from one website to another (Sarirah & Ruza 2017, p. 7). Thus, the news referral service provided by digital platforms consists in providing hyperlinks to journalistic content to consumers and referring consumers to the source, which are generally websites or apps owned and operated by media businesses (ACCC 2018, p. 95).

Some competition agencies like the Australian Competition and Consumer Commission (ACCC) have considered a specific market of online news referral and highlighted the market power of digital platforms like Facebook and Google (ACCC 2019). However, those platforms have rejected the idea of a specific news referral market or have downplayed its relevance. For Google, news referral traffic “is incidental to the provision of (...) search results to [its] users” (ACCC, 2019, p. 218), and for Facebook only a small proportion of its content is comprised of news (ACCC, 2019, p. 218).

Despite Facebook and Google’s opposition, there are good reasons to consider a specific news referral market.
Algorithms used by social media and search engines have influenced and determined the consumption of online news. Employing the data collected by their subscribers and users, these platforms select and curate the content that is displayed to every user. In a way, these platforms have replaced the editorial tasks of a publisher, unbundling and atomizing the news that readers used to find from a single source (ACCC, 2019, p. 171).

According to the Digital News Report of Australia in 2019, 62% of consumers who access news online do so via indirect methods such as social media, news aggregators, email newsletters and mobile alerts (Fisher et al. 2019, p. 28). Nonetheless, the ACCC Digital Platforms Inquiry report showed that still 44% of all access to news websites come directly from the news source. Google represents the access gate for 32% of consumers and Facebook the 18% (ACCC 2019, p. 297). Two very important inferences can be extracted: news referral is a substitute for direct news consumption, and while digital platforms are essential for online news readership, none of them individually may have enough market power to act independently.

Figure 2
Means of accessing news media websites in Australia, 2017-2018

Facebook and Twitter are the platforms of social media with more linkages to traditional media’s news on the web, according to Ju et al. (2013, p. 1). Furthermore, the study of Ju et al. (2013, p. 5) suggests that the market of general news could be divided in four: printed media, websites, Facebook and Twitter. Their study suggests that a significant share of the audience is more likely to look for news directly from their original source rather than looking for it indirectly on social media. Social media subscribers represented only a small fraction of the largest U.S. newspapers’ audience size in print and on the web (Ju et al. 2013, p. 8).

In the United States, Allcott and Gentzkow (2017, p. 222) found that top news sites obtained only 10.1% of their traffic from social media. And even in that scenario, it is unknown how much of said traffic comes from reading news articles specifically as opposed to alternative content such as society pages, crosswords and others (Sacher and Yun 2017, p. 8).

The Reuters Digital News Report (2019, p. 42) showed statistics obtained from populist and non-populist sectors from both the US and Europe. In Europe, there is a greater preference for reading online news directly from the website or the news provider app (32% for the populist group and 36% for the non-populist one), in comparison with the use of search engines (24% and 25%) and social media (24% and 18%). On the other hand, the US does not have a marked preference between the three alternatives (social media, search engines and direct browsing), as it can be seen in the graph below.
These statistics are far more relevant than the ones showing the percentage of social media subscribers who use the social media platform for reading news. For instance, according to a Pew Research study in the U.S.: 44% of Facebook users and 59% of Twitter users consume news while on the specific digital platform. But the same study shows that 39% of Facebook users also get news from local television, 25% from cable TV, 23% from network nightly TV, 33% from news websites and apps, 23% from radio and 15% from newspapers (Sacher and Yun, 2017, p. 5). In other words, that many people get news from a social network does not provide conclusive information about the market power of such platform, inasmuch as the same users could be getting the news from multiple sources.

Social media subscribers practice multihoming when searching for news (Gentzkow & Shapiro 2011, p. 1832). Allcott & Gentzkow (2017, p. 212) reported that “only 14 percent of American adults viewed social media as their ‘most important’ source of election news”.

The ACCC’s final report (ACCC 2019, p. 350-351) recalls information from Roy Morgan Research to acknowledge that digital platform users still depend on offline
media formats. For instance, two-thirds of digital platform users watched news of the day on television, while the second preferred media format was radio. News websites and other online sources came in third and fourth place respectively.

It is important to point out that even when an important percentage of the population use social media as their main source of news, they would still rely on other means of information. Search engines represent strong competition for social media businesses in the so-called news referral market.

This may be the reason why the ACCC chose not to establish Facebook or Google were dominant in the market for news referral, despite considering it a market in itself and stating that each company is “likely to have substantial market power” (ACCC 2019, p. 58).

Despite the fact that social media platforms have had a clear impact in news businesses and have become one of the main channels for news consumption, evidence today shows very little support for the hypothesis of Facebook’s dominance (or any other social media platform) in the news referral market. Facebook may have bargaining power in its relationship with news outlets but not to the point to being able to act independently. Search engines and direct access to news websites represent some forms of significant competitive pressure to the social media company.

2. Fake news first: Does Facebook prioritize fake news over real news?

Another assumption in the arguments for Facebook’s antitrust responsibility is that the social media company favors the proliferation of fake news. That is, the platform allegedly prioritizes and highlights such content in its subscribers’ news feed. This would be the result of the algorithm’s observation and interpretation of said users’ online activity. Apparently, in the view of its critics, Facebook’s algorithm would be designed to promote certain type of content, such as fake news as it captures more attention from its users, and the time spent by them can be monetized by the digital platform.
Digital platforms like social media effectively compete for user’s attention (Evans 2013, p. 330), which is a limited resource and cannot be exploited endlessly. Therefore, it is logical to assume that Facebook’s algorithm would give prevalence to such content that draws more attention from its subscribers. Even if that holds to be true, we would need to make a second and perhaps a third inference: that fake news draw more attention than real news, and that Facebook algorithms only privilege attention without any regard to the accuracy of the content.

Scott Morton et al. suggest that social media platforms unduly prioritize extreme content and fake news and exploit people’s fears and biases. Digital Platforms’ goal is to “maximize engagement, often through extreme or divisive content” (Scott Morton et. al 2019, p. 10). In order to accomplish this engagement, an algorithm filtering takes place. Said mechanism leads users into more extreme content of their particular preferences (Scott Morton et. al 2019, p. 164); which means that the content exposed to the user will likely be aligned with what the algorithm has learned approaches more to said user’s politically or ideological mindset.

News outlets have clearly expressed their complaints about the way social media and search engines rank the content in their respective platforms. Furthermore, atomization of news means that editors lose control over the curation and selection of articles, which creates a new playfield in which a single news story could have the same reach notwithstanding if it was published by a large or small media outlet.

With lower costs to access to the news market, both readers and publishers with more extreme views have more possibilities to join the conversation. The costs of reading and the cost of publishing go down. While this can make the news market more competitive, it also makes it cheaper for false news providers to enter into the market and thrive in it. False news writers, unlike traditional journalism, do not risk losing their credibility. Their business model has low production and distribution costs (Martens et al. 2018, p. 41).

Gosh & Scott (2018, p. 20) state that the dissemination of adversarial disinformation campaigns has been facilitated by platform-based commercial technologies. Hubbard claims with regard to Facebook that “the more outrageous content is, the more it elicits likes, shares, comments and clicks, collectively called ‘engagement’”
Meanwhile, Frieden suggests that Facebook, Twitter and other platforms’ responsibility derives from becoming “passive conduits for a toxic mix” of fake news, disinformation, propaganda and defamation (Frieden 2019). Facebook has refused to disclose the amount of money (coming from advertising) derives from fake news posts, and has minimized its importance calling it ‘negligible’ (BBC 2017).

While the specific configurations of Facebook’s algorithm are unknown to the general public — and probably protected as a commercial secret —, it is highly unlikely that it would be capable not only of distinguishing real content from false information, but also to explicitly favor the latter. Until this day, several efforts have been put forward to develop an automated mechanism to detect fake news without success. Furthermore, social media platforms like Facebook and Youtube have faced strong criticism for the configuration of their respective algorithms in a way that unduly censors content that is automatically flagged as fake or dangerous (Stjernfelt & Lauritzen 2020, Eidelman 2018, Balkin 2017, Tobin et al. 2017, Benjamin 2014).

Constine suggests that the suppliers of content are “interchangeable and disposable” in the eyes of Facebook’s algorithm (Constine, 2019).

It is worth asking then: Is it probable that Facebook or any similar platform would deliberately benefit fake news in detriment of real news?

One theory poses that fake news make users stay and interact more in the platform, which in turn, allows the platform to be more profitable for selling ads. At the same time, subscribers’ interaction with fake news could allow Facebook to get more data about their users’ interests and preferences (Chaiehloudj 2018, p. 22, p. 36).

Facebook’s official statement in recent years is that they aim to promote “meaningful social interactions”, therefore, it would be more probable for a user to see posts from friends or information that the algorithm has predicted would better match with their interests, rather than public content such as news from media organizations (ACCC 2019, p. 216, p. 246). In a submission to the ACCC, Dr. Catherine Tucker affirmed on behalf of Facebook that “Facebook’s position as a
social media platform does not give it any particular advantage as a news intermediary” (ACCC, 2019, p. 247). Furthermore, Facebook, along with other platforms, have started working in partnership with third-party fact-checkers to evaluate the truth or falsity of a story and demote fake news (ACCC 2019, p. 171).

Some of Facebook’s actions in recent years seem to confirm this position. In June 2016, they announced a shift, prioritizing posts from friends and family over groups and brand pages. And in 2018, Facebook announced a change in their algorithm for ranking the news feed, de-emphasizing news publishers (Oremus, 2018).

Either as a way to reduce harm to its brand, as a method to prevent some form of state regulation, or as a measure to preserve its appeal to consumers, it looks like Facebook is not exempt from market forces and consumers’ demands.

All this seems to point that there is not a calculated effort to prioritize specifically fake news. However, some type of information—regardless of its truthfulness or falsity—may be favored by social media users and, therefore, positively ranked by the algorithm. Users may prefer more extreme or outrageous content, which in turn, would encourage news media businesses “to frame stories in ways that elicit a strong response, rather than publishing objective, impartial information in a neutral tone” (ACCC 2019, p. 343).

The increased presence of fake or outrageous content in social media would come as a result of the consumers’ preferences rather than from an express and centralized decision to favor one type of content over the other. If fake news gain any traction, “it is because we the people read their misinformation, believed it, and shared it” (Lemley 2019).

This competition for the most dazzling content could indeed be the fuel for the proliferation of deliberate false information in social media, notwithstanding the apparent lack of a competitive intention by Facebook to privilege fake news.

Another idea to take into consideration is the expected backlash that a digital platform would receive if it chooses to privilege misinformation. That ill reputation could damage the attractiveness of an online platform and could potentially push
its subscribers away (Grunes, 2017, p. 7), especially if, as previously stated, a social media platform like Facebook is not the most relevant source of news for news readers and its subscribers use it mainly for other purposes. Likewise, a generalized lack of confidence in a specific platform from its users could also drive away legitimate news outlets.

At this point, it is not realistic to declare the existence of an anticompetitive purpose in Facebook’s configuration of its algorithm to favor fake news. However, fake news when connected with scandals and outrageous content may drive the attention of users.

3. **Fake versus real: Do fake news harm real news providers’ competitive position?**

Even if there is not a direct responsibility on Facebook’s side for the proliferation of fake news in social media, we could still make the effort to answer the question of whether fake news is damaging the business of real news media. After all, it is this purported harm that is the reason behind the discussion of an antitrust liability on the part of Facebook.

As mentioned in the study by Allcott & Gentzkow (2017), the inclusion of fake news suppliers in the market of online information could theoretically be a threat not only for those websites that provide real news, but also the cause of a social welfare reduction. These mechanics are explained by a set of steps that involve the appealing of incentives for all parties involved.

First of all, assuming that fake news have the facility of being mistaken by real news, people will believe to a certain degree in some misleading information. The situation could lead to higher probabilities of readers making wrong decisions. For instance, in the election of a candidate, or the usage or avoidance of certain products.

Notwithstanding the inefficiencies caused by choices based on false information, if readership of fake news increases at the expense of real news, the providers of the
latter will suffer competitive harm inasmuch as their ways of generating income will be affected as well (e.g., decline of subscribers and advertisers).

Secondly, even if users realize the fake nature of the information taken as true in social media, users’ precaution will rise. The skepticism towards news presented on social media would have an effect towards not only fake news providers but also with respect to real news sites.

The increasing distrust in the legitimacy of online real news providers could reduce the demand of reading them directly from social media. According to Allcott & Gentzkow (2017, p. 219), there would be a supply side response from those providers. Given the fact that fewer users will believe in the information presented, truthfulness will not be a distinctive factor, therefore, the incentives to invest in the investigation and validation of facts and information would decrease significantly, leaving the market with low quality news, which will reduce social welfare by not providing real-validated news to those users who have higher preferences for them.

When this theoretical prototype is put to test, however, we find some conflicting evidence.

To start, it is arguable that ingenuous online readers will not be able to differentiate real news sites from well-known traditional media from dubious fake news or scandalous sites in the long run. Several studies show that people more prone to believe in fake news are the ones influenced by ideological, political or religious biases, who look forward to reaffirm their early beliefs by any source possible (Bronstein et. al 2018, p. 8). On the other hand, other studies suggest preconceptions are not the reason to trust in fake news, it is laziness, reflected on the failure to engage in sufficient analytic reasoning (Pennycook & Rand 2018, p. 46-47).

Notwithstanding the ability to distinguish fake news from real ones, there is no evidence that suggests that either fake news in social media is hurting the readership of real news, or even that users’ interaction with fake news is profitable enough, in other words, that fake news publishers are taking sources of incomes (e.g., advertising money) away from news media websites.
Some studies have shown that with regard to news consumption, real and fake news may be complements rather than substitutes. Martens et al. (2018, p. 29) mention in their report that online users choose more than one source for news consumption.

Furthermore, Nelson & Taneja (2018, p. 3728) observe cross visit patterns between fake news and real news sites. They found out that a significant proportion of users that visited fake news sites also visited well-known real news sites. As an example, nearly more than 50% of people who visited websites of dubious content also visited Yahoo-ABC.

**Figure 4**

Percentage of desktop and mobile visitors to fake news sites who also visited real news sites in October 2016

Real news sites ranked in ascending order by unique visitors per month. 

In addition, Webster & Ksiazek (2012, p. 46-47) assert, according to their empirical research, that there is little evidence that news consumers are loyal to just one news outlet; instead, there exists a high overlap between outlets. To prove it, they observe the consumption patterns of audiences across Internet sites and TV channels. The data gathered was used to compute percentages that measured how much each outlet has reached to the audience. Naturally, the top ones had
numbers significantly higher than the ones located at the bottom of the ranking. However, by observing the number of links with the other 235 outlets in the study, the overlap between them was verifiable.

The results showed that, although Spike Digital Entertainment (the least visited outlet) had reached a total of 0.36% of the population, its audience overlap with other news outlets was close to 70% (Webster & Ksiazek 2012, p. 49). Thus, the evidence emphasizes the fact that users do not rely on a single source for being informed as they are exposed to more than one outlet, indicating the complementary attitude towards them.

When compared the volume of readership or traffic between real news websites and more dubious online websites, the results are telling. Fake news websites are very small compared to real media websites (Nelson & Taneja 2018, 3727; Martens et al. 2019, p. 6).

One could argue that a particular fake story might have a larger reach or engagement than the average and neutral real news story (Chaiehloudj 2018, p. 36). Nevertheless, a wider picture shows a different panorama. For instance, Fletcher et. al (2018) conducted a research regarding the reach and the impact of real and fake news in Europe. In the case of France, real news sites have a significantly larger reach to the audience than fake news sites when considering more than just one day or one news story.
In the same way, users spend much more time in real news sites in comparison with the fake ones.

Nevertheless, such fake news sites received a larger share of social media interactions (likes, comments and shares) (Fletcher et al., 2018, p. 3-5).

**Figure 7**

**Average monthly Facebook interactions for prominent French news sites and some of the most popular false news sites in 2017**

![Graph showing Facebook interactions](image)


Engagement with specific news stories, by itself, is not a sufficient threat to reliable journalistic outlets. There is no evidence to support the claim that the engagement produced by a singular fake story could actually represent a strong source of revenue for the publisher (Oremus 2018; Sacher and Yun, 2017, p. 8), or at least to pose a competitive threat to a real news organization.

As it has been stated by others, fake news has always existed (Shafer 2016; Sacher and Yun 2017, p. 4; Lemley 2019). We have also always had biases towards certain type of information, regardless of its truthfulness, and we have always had the problem of not dedicating enough critical thinking when faced with scandals and outrage. Social media and search engines have only made it easier for common users to make their voices available to everybody willing to listen.

Then, we could realize that there is a problem not on the supply of fake news nor in the intermediaries, but on the demand side. The level of proliferation fake news is associated with the level of consumption.
Nevertheless, we believe there is reason for some concern in the online news industry in relation with the fake news problem. And that is the risk of commoditization.

One way in which well-established news organizations have been responding to fake news is by engaging in similar tactics of presenting news using scandalous language and more shocking formats, click-baiting readers to fight increasing readership obtained by non-journalists dedicated to the dissemination of misinformation. Real news providers have succumbed to the temptation and joined the battle with fake news publishers in the latter’s turf, using their same vocabulary and sensationalistic tactics and vastly depending on social media consumption even though social media users do not take part of their most loyal readership (Ju et al 2014, p. 11-12).

When they engage on that type of practices, actual news outlets surrender their added value and make it more difficult for consumers to distinguish the source of the stories they read or watch. And when consumers cannot differentiate between high quality news and unchecked false news, their willingness to pay for news may decrease (Martens 2018, p. 18).

Reuters conducted a test in 2017 that showed that less than half of the respondents “could recall the name of the news publisher when coming to an article from search engines (37%) and social media (47%)” (Martens 2018, p. 21).

Instead of distinguishing themselves from fake news or unchecked news, traditional outlets started to resemble them, transforming news—in the eyes of the readers—in ubiquitous commodities. If news outlets follow this path, then they would be facing a competitive harm from fake news, but a self-inflicted one.
Conclusions

Irrespective of whether people believe in fake news or just read them for entertainment, why do they consume misinformation? Is it because Facebook or social media in general “provides” them with fake news, or are fake news mostly located in social media because people put it there? What came first? The egg or the chicken?

Fake news predates the Internet and any particular digital platform, and will continue to exist regardless of what happens to Facebook. Making a platform responsible for a phenomenon that depends on the consumers’ preferences is not only unjust, but it will not help solve the fake news problem. Fake news will simply find another way to appear into the spotlight.

It is certain that social media has impacted traditional media, and that several news organizations depend greatly on platforms like Facebook or Google for referral to their websites. But that does not make a specific platform responsible for consumers’ preferences of certain type of contents.

Furthermore, even when fake news providers may have learned how to game digital platforms’ algorithms to their benefit, “it is unclear why legitimate news sites could not take advantage” of the newsfeed algorithm in the same manner or a better one (Sacher and Yun 2017, p. 8).

To the best of our knowledge, there is no evidence of an anticompetitive practice that took fake news to the pinnacle. Social media only made this phenomenon more visible, while traditional news outlets lived in a bubble without facing the growing risk. Said risk is not that people would naturally stop reading real news —to which there is not supporting information— but instead that news media would fall for the trap of resembling fake news instead of differentiating themselves from outrageous and extreme stories.

Real news media organizations have done their share to collaborate with Akerlof’s (1978) prophecy of a market for “lemons” in the news industry, filled of distrust and where actual news stories and fake ones might look like fungible commodities for
some people. Then, if fake news does present a competitive problem for media organizations, there is no need to look for intermediaries when we can find more direct and obvious responsibility.

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