The Fragility of Truth: Disinformation and Democracy in the Digital Age

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In 2016 alone, incumbent party or elected leader in 5 of top 10 global economies is deposed or defeated (US, UK, Brazil, Italy, S. Korea).

UK votes to exit the EU.

Populists leading or gaining in France, Germany, Austria, Poland, Hungary, Turkey.

Minority and/or anti-establishment governments in many countries

Panama Papers revealed tax evasion on a global scale by both business and government officials.

Mainstream media continues to lose audiences, advertisers, and revenue. Dramatic decline in advertising revenue.
The attack on truth telling institutions

- The media: Global rise of fake news, disinformation and propaganda campaigns.
- The judiciary
- The intelligence agencies
- The administrative state
- Research and education institutions
Why is this important?

- Information important for well functioning of society/economy
  - Asymmetric information can lead to exploitation, corruption
  - Transparency is name in political life to “good information”/absence of information asymmetries

- Possibilities of exploiting asymmetric information leads to incentives to create asymmetric information
  - Taking actions which would impede transmission of information and create poorer information

- New issue: providing disinformation and malinformation
  - And destroying institutions for assessing truth and context
Broader perspective

- Enlightenment basis of advances in our society
  - Notion of progress
  - Notion of reason/rational
  - Scientific method—trust with verification
    - Science can’t survive if there isn’t a common understanding of the truth
    - But neither can democracy/notions of “due process”

- Main dangers of Trump and similar demagogues elsewhere
  - “epistemology”: what they are doing to undermine our institutions, including our institutions of science and ascertaining the truth
Historical living standards

Source: INET
Real wages of London craftsmen, 1200-2000

Figure 3. Real wages over seven centuries: craftsman (skilled worker) in London (1264-2001).

Source: INET
Improvements in life expectancy since 1820

![Graph showing improvements in life expectancy since 1820 for Western Europe, United States, and Latin America.](image)

New age of uncertainty

- Challenge: Mis/disinformation makes it **all the more difficult** to establish **what truth is**.

- Proliferation of fake news and alternative truths often creates information overload that complicates one’s search for a personal and social platform.

- A new, more **fragile relationship** between **truth** and **politics**.

- A new age of **“epistemic insecurity”**: To act on a fact, how much confidence do we need to have that this fact is correct? What scale to use?
What to do about it?
Understanding Incentives for disinformation

- Corporations attempting to sell more (but not always fraud)
- Electoral politics
  - Especially strong incentives when there can be corruption
- International politics
What to do about it?

Understand **mechanisms** by which effects are felt

- Herding/social media
- Exploiting consumer irrationalities (behavioral economics)
- Undermining trust in institutions
- Undermining truth (shed doubt)
Examples of actions: Supply-side measures

Key challenge: taking actions to “improve market” while preserving human rights

Similar actions taken by authoritarian governments to suppress dissent

- Delay: hinders herding, time for verification
- Disclosure: who has purchased ads (providing insights into incentives)
- Create verification institutions—and attach verifications to messages
- Restrictions of hate speech
- Other restrictions
  - Restrictions on targeting or allowing advantages in targeting — knowledge has to be put into public space
  - Liability for platforms
  - Greater public support for “truth” institutions and for dissemination of information (public broadcasting)
    - Creating a larger public space
Actions: demand measures

- Improving ability of users to discriminate (media literacy)
  - Limited efficacy
  - Likely to be more successful with increase in overall literacy
- Key problem: those engaged in disinformation understand well human psychology, irrationalities
This is a key issue

• Which goes to the heart of our society, our democracy, and our economy
  • Easy to imagine nightmare scenarios where matters get much worse
• There will be no easy solutions