

Your response

Volume 2: The causes and impacts of online harm

Ofcom's Register of Risks

Question 1:

- i) Do you have any comments on Ofcom's assessment of the causes and impacts of online harms?

GDI recommends that Ofcom's assessment of online harms would be strengthened by including **the financial incentive to create and amplify harmful online content.**

The [attention economy of online platforms](#) is driven by ad dollars — the more eyeballs on a piece of media, the more profit from ad money it generates. Content that inspires strong negative emotions tends to gather the most views, which provides an economic incentive to create harmful content. On the open web, this is enabled by programmatic advertising companies that often don't have comprehensive or enforced policies regarding the monetisation of harmful content. Further, programmatic advertising platforms have unique reach outside of traditional "active users." Indeed, active users for a programmatic user service would include the advertisers and individual sites hosting ads. For ad tech companies the definition of "active user" needs to include websites that carry ads and advertisers to buy ads.

- ii) Do you think we have missed anything important in our analysis? Please provide evidence to support your answer.

Research has demonstrated that despite the sharp growth of programmatic advertising, advertising [policies are not comprehensive nor enforced](#), and [have opaque data on the ad funding pipeline](#). AWO, a data rights agency, has described the status quo as an "[accountability crisis](#)" where "individuals are expected to navigate a complex web of companies in order to control the types of ads they see online." e.g. in other media such as TV and radio the adverts carried are governed by rules ensuring viewers/listeners some assurance as to quality and safety. GDI shares AWO's outlook that **the status quo is unsustainable for users, publishers and advertisers.**

- **GDI estimated in 2019 that disinformation sites generate [quarter billion dollars per year](#) in ad revenues.**
- **Our estimates were conservative**, as we took the most conservative assumptions at every step of the analysis, so **the actual money generated by these ads on disinformation sites is likely to be much higher than our numbers suggest.**
- GDI has [identified similar lapses of policy coverage and enforcement](#) when it comes to e-payment and ecommerce platforms serving known US hate groups)

- As GDI has also documented [within Europe](#), many online ad policies are absent for a range of harmful content, including content that **violates key human rights-related issues** (such as for gender, sexual orientation, racial and/or religious discrimination). Additionally, internal company **advertising and publishing policies do not always align**: for example, [Verizon's advertising policy](#) specifically bans COVID-19 disinformation ads, but it has no provisions for delivering ads next to [COVID-19 disinformation stories](#). And when the policies do exist, they are not being enforced.

iii) Is this response confidential? (if yes, please specify which part(s) are confidential)

No.

Question 2:

i) Do you have any views about our interpretation of the links between risk factors and different kinds of illegal harm? Please provide evidence to support your answer.

The greatest challenges of disinformation are that:

1. It is a larger phenomenon than simply an assessment of what is true or false.
2. It aims to purposely foster malicious and divisive framing to create conflict and violence.
3. Disinformation narratives and framing often overlap with each other (i.e. those who believe in 5G conspiracies often also believe in anti-semitic, misogynistic and racist conspiracies).

The GDI views disinformation through [the lens of adversarial narrative conflict](#) which creates division and anger among individuals and seeks to uproot trust in institutions. Adversarial narratives are characterised as false or misleading, financially or ideologically motivated, and aimed at fostering long-term social, political or economic conflict. Adversarial narratives create a risk of illegal harm by targeting at-risk individuals, groups or institutions and often include state-seeded, FIMI narratives. The adversarial narrative framing of disinformation is useful for regulators because it **focuses on the harm inflicted on those least capable — such as children and marginalised groups**. It centres the conversation around harm while avoiding debates over truth. For further information about how adversarial narratives impair human rights, [see GDI's research here..](#)

ii) Is this response confidential? (if yes, please specify which part(s) are confidential)

No.

Volume 3: How should services assess the risk of online harms?

Governance and accountability

Question 3:

i)	Do you agree with our proposals in relation to governance and accountability measures in the illegal content Codes of Practice?
<p>Currently, it is unclear whether programmatic advertising services would be captured under the User-to-User Code of Practice (CoP) or the Search Engine CoP. If programmatic advertising services are excluded from CoP obligations, there is a risk that they do not report data that could reveal the extent to which illegal online content is being funded and artificially amplified. Appropriate CoP obligations for programmatic advertising services would include having enforced and comprehensive policies, as well as data relating to enforcement (such as metrics showing demonetisation actions taken by category of illegal content and investments in trust and safety).</p>	
ii)	Do you think we have missed anything important in our analysis? Please provide evidence to support your answer.
<p>A recent report from AWO on behalf of the European Commission found that transparency is a key challenge in digital advertising. The majority of advertising respondents stated that they felt there was insufficient transparency around advertising performance, and many called for the ability to independently audit and assess this data to confirm its accuracy. This is consistent with previous research: a 2020 survey of large advertisers undertaken by the World Federation of Advertisers (WFA) found that 79% encountered a lack of data sharing when working with large platforms. It is especially critical for auditors to have greater transparency within the ad-tech industry because it would increase accountability of the monetisation and artificial amplification of disinformation and harmful content.</p>	
iii)	Is this response confidential? (if yes, please specify which part(s) are confidential)
No.	

Question 4:

i)	Do you agree with the types of services that we propose the governance and accountability measures should apply to?
<p>Due to the specific risk of a programmatic advertising service funding and amplifying the reach of illegal content, it would be appropriate to have programmatic advertising companies be considered <i>smaller service's with specific risk</i>. Consequently, programmatic advertising services need to have more obligations to share data necessary to defund harmful content.</p>	
ii)	Please explain your answer.
<p>The media that gets the most engagement is typically the ones that trigger strong emotions (hatred, fear, jealousy, etc.) — and financial rewards (via online ads and other monetisation channels). This reality creates a financial incentive for disinformation merchants to create negative and harmful content and put it online in order to monetise it and technology companies' algorithms promote the most engaging content to ensure high ad revenues. The more engaging the content, the more engaging it is and the more ad dollars it will generate. Therefore, social media companies algorithms can also promote harmful content for money. It is not just bad actors. It is a feature of the design of social media if programmatic advertising</p>	

companies are not subject to the governance measures, then ad-tech companies would not have to report and be accountable for the ad monies they flow to illegal content. For further information, refer to this academic paper on the [economics of fake news](#).

iii) Is this response confidential? (if yes, please specify which part(s) are confidential)

No.

Question 5:

i) Are you aware of any additional evidence of the efficacy, costs and risks associated with a potential future measure to requiring services to have measures to mitigate and manage illegal content risks audited by an independent third-party?

When digital services have large power dictating how they are assessed there has been misconduct because of auditees being able to leverage the informational gap between industry and regulators.

- One poignant example is when European risk regulation attempted to supervise their chemicals sector by delegating industry to provide the information necessary for risk assessments, yet there was repeated abuse of methodology to skirt regulation ([refer to this paper for more information](#)).
- Formalising input, advice, and data from civil society organisations into the audit process would help ensure the process has buy-in from a larger range of stakeholders.
- Mandating that the choice of auditor and compensation be provided through an independent third party, such as a coalition of civil society members who do not receive funding from platforms, can protect against external standards being undermined by the platform's market power.

ii) Is this response confidential? (if yes, please specify which part(s) are confidential)

No.

Volume 4: What should services do to mitigate the risk of online harms

Our approach to the Illegal content Codes of Practice

Question 12:

i) Do you have any comments on our overarching approach to developing our illegal content Codes of Practice?

Within a CoP that explicitly includes programmatic advertising services, there should also be more specifics on the transparency of ad-tech company ad-placements and ad-bids and the role of civil society organisations in informing guidelines for disclosures. Existing transparency tools have been [criticised for not providing watchdogs and regulators the information](#) they require to hold platforms accountable.

ii) Is this response confidential? (if yes, please specify which part(s) are confidential)

No.

Question 13:

- i) Do you agree that in general we should apply the most onerous measures in our Codes only to services which are large and/or medium or high risk?

Due to the risks posed by programmatic advertising services to fund illegal content, as described earlier in the submission, obligations should have a minimum standard for all of the programmatic advertising industry.

- ii) Please provide the underlying arguments and evidence that support your views.

If ad-tech transparency obligations largely differ between large and small programmatic advertising services, there is the potential to create whack-a-mole problem where smaller companies, which fall outside the scope of the regulation, step in to replace the larger companies that have stopped providing monetisation services (online advertising, ecommerce, e-payment, and online donation systems). The provisions on online advertising as well as the CoP should cover all companies that offer these services, regardless of size. Ideally the CoP would extend to other online monetisation services to ensure that these companies also have policies against funding harmful content and disinformation.

- iii) Is this response confidential? (if yes, please specify which part(s) are confidential)

No.