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Research Article

Effects of AI-Generated Misinformation and Disinformation on the Economy

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ABSTRACT

This study investigates the potential consequences of AI-driven misinformation/disinformation on the economy, which the World Economic Forum has identified as the most significant threat to global stability in the near term. To determine the effects of false and/or fake information on the economy, qualitative research method which involves collecting and analyzing information that is rich in detail, context, and meaning was preferred within the framework of this study, and the following inferences and conclusions were drawn regarding the potential implications and consequences of AI-generated mis/disinformation. Mis/disinformation can severely damage consumer trust, leading to reduced revenue and tarnished reputations for businesses. Fake news and reviews can harm consumers by influencing their decisions and can damage brands, resulting in crisis management efforts and decreased consumer loyalty. In financial markets, dis/misinformation can create divergent opinions among investors, leading to market volatility. Within supply chains, the spread of false information can disrupt operations and have significant economic consequences. AI-driven disinformation can pose additional risks, potentially affecting political stability and economic policies. As AI technology advances, countries are implementing stricter regulations, such as the EU AI Act, which may increase compliance costs, particularly for smaller businesses. This study can be considered important as it aims to contribute to a growing awareness of the complex and multifaceted nature of the impact of AI on the economy by investigating the potential negative effects of AI.

Keywords: *Artificial Intelligence, AI, Misinformation, Disinformation, Economy*

Yapay Zekâ ile Üretilmiş Yanlış Bilgi ve Dezenformasyonun Ekonomi Üzerine Etkileri

ÖZ

Bu çalışma, Dünya Ekonomik Forumu'nun yakın vadede küresel istikrara yönelik en önemli tehdit olarak tanımladığı Yapay Zekâ (YZ) kaynaklı yanlış bilgi/dezenformasyonun ekonomi üzerindeki potansiyel sonuçlarını araştırmaktadır. Yanlış ve/veya sahte bilginin ekonomi üzerindeki etkilerini belirlemek için, bu çalışma çerçevesinde detay, bağlam ve anlam açısından zengin bilgi toplamayı ve analiz etmeyi içeren nitel araştırma yöntemi tercih edilmiş ve YZ kaynaklı yanlış/yanıltıcı bilginin potansiyel etkileri ve sonuçlarına ilişkin şu çıkarımlar ve tespitler yapılmıştır: Yanlış/yanıltıcı bilgi, tüketici güvenine ciddi şekilde zarar vererek gelirlerin azalmasına ve işletmelerin itibarlarının zedelenmesine yol açabilmektedir. Sahte haberler ve yorumlar, tüketicilerin kararlarını etkileyerek markalara zarar verebilmekte ve kriz yönetimi çabaları ile azalan tüketici sadakati sonucunu doğurabilmektedir. Finansal piyasalarda, yanlış bilgilendirme yatırımcılar arasında farklı görüşler oluşturarak piyasa dalgalanmalarına yol açabilmektedir. Tedarik zincirlerinde ise, yanlış bilginin yayılması operasyonları aksatabilmekte ve önemli ekonomik sonuçlar doğurabilmektedir. YZ destekli dezenformasyon, potansiyel olarak siyasi istikrarı ve ekonomik politikaları etkileyerek ek riskler

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oluşturabilmektedir. YZ teknolojisi ilerledikçe, ülkeler, özellikle küçük işletmeler için uyum maliyetlerini artırabilecek Avrupa Birliği YZ Yasası gibi katı düzenlemeler uygulamaktadır. Bu çalışma, YZ'nin potansiyel olumsuz etkilerini araştırarak, YZ'nin ekonomi üzerindeki etkisinin karmaşık ve çok yönlü doğası hakkında artan farkındalığa katkıda bulunmayı amaçladığı için önemli olarak değerlendirilebilecektir.

Anahtar Kelimeler: *Yapay Zeka, YZ, Yanlış Bilgi, Dezenformasyon, Ekonomi*

I. INTRODUCTION

Artificial Intelligence (AI), the foundations of which were laid in the 1950s and which we repeatedly hear about every day, can be generally defined as the ability of machines that imitate human intelligence. Today, there is almost no field that has not been touched by AI, and its incredible performance has made it part of the agenda on an almost daily basis [1]. AI has the potential to be used in numerous areas such as national security, finance, marketing, healthcare, transportation, education, production, agriculture, tourism, customer service etc. and its applications are expanding rapidly. For example, in finance, AI can identify potential risks and suggest mitigation strategies for risk management purposes; in healthcare, AI can help doctors analyze and diagnose x-ray images.

Due to rapid developments in the field of AI, it seems that AI will further increase its popularity and prevalence. While what can be done with AI surprises people every day, the pitfalls and dangers involved in the use of AI for various purposes are also causing growing concern. The study by Anderljung and Hazell states that AI systems can be used for increasingly harmful purposes as they become more powerful and accessible, that some AI models can produce increasingly convincing propaganda and other forms of misinformation and also create deepfakes videos, images and voices that are almost indistinguishable from the original to mislead people [2].

AI-generated materials can have very serious implications depending on for what purpose they are used. The ability of AI to produce persuasive but consciously or unconsciously false content poses a significant threat in many different areas, including social, political, economic, military and security. In a specific research study conducted by Pöhler et al. [3], it is stated that AI software and training data and other components are generally available online and easily accessible, which enables innovation and development of AI at a high speed, however, it is stated that these accessible systems and especially AI can be used maliciously and threaten physical, digital and political security [3].

In another study conducted by Slapczynski; states that despite its many successes, AI also brings important problems and ethical concerns to the agenda, such as replacing people's jobs, being prejudiced and violating privacy, and that it is very important and critical to consider the problems that will be created by AI technology, which is expected to continue to advance, and to ensure that AI is developed and used in a responsible and ethical manner [4].

According to several perspectives, including those of leading AI researchers, generative AI could significantly ease the creation of realistic yet false or misleading content on a large scale, potentially leading to catastrophic effects on people's beliefs and behaviors, the public information landscape, and democracy itself [5]. In the context of AI-generated content, the distinction between mis/disinformation (misinformation and disinformation) is crucial. When false information is spread without the intent to deceive, it is referred to as "misinformation." Conversely, when false information is intentionally and covertly spread to deceive and manipulate others, it is known as "disinformation" [6]. Misinformation is a broader category that encompasses disinformation, which specifically involves an intent to deceive or mislead people.

Mis/disinformation that can be generated by AI has been identified as a significant global risk in recent years. Such false and manipulative information causes significant problems in areas where AI is used. Although there is plenty of evidence of how AI-based tools are improving access to all kinds of

information, as well as health, education, public and government services, it is important to be cautious as this rapidly evolving AI technology harbours serious risks as well as opportunities. In January 2024, the World Economic Forum identified AI-enabled mis/disinformation as the world's biggest near-term threat [7]. While AI offers many innovations, conveniences, and benefits to humanity, it also brings with it some problems, as mentioned. Those who think that those negativities are just the beginning and will reach more serious dimensions claim that AI is a technology that will end human superiority and even that it is the last invention of humanity and also stress that just because we can do something does not mean we should do it [8].

The purpose of this study is to explore the potential impact of AI-generated mis/disinformation on the economy, which the World Economic Forum considers the most significant near-term threat globally. Due to the timeliness of this topic, no comprehensive study has been found to date within the scope of this research. Therefore, it is believed that this study will fill a significant gap in the existing literature and serve as a foundation for future investigations on the subject, providing a valuable contribution to the field.

The rest of the paper is organized as follows. The following sections provide a structured framework for understanding the potential applications and capabilities of AI, which can be utilized in both positive and negative ways. This is followed by a detailed explanation of the methodology employed in this study. The subsequent section delves into the potential consequences of AI-generated mis/disinformation on the economy, while the final section provides a concise summary of the main findings and implications of this research.

II. CONCEPTUAL FRAMEWORK

AI has made extraordinary progress, especially in recent years, and has become an integral part of many aspects of our daily lives. AI can be found in almost every field, from industrial applications to consumer-facing technologies. It is almost impossible to find an advertisement, marketing activity or application that does not mention or contain AI. As with many technologies, it is also possible for AI to be used in different ways other than its intended purpose, and such examples have begun to be encountered. While the benefits and advantages of AI are often cited, in recent years the negative aspects of AI that can cause problems have increasingly come to the fore, and important warnings for Governments to take precautions have begun to emerge.

AI, which is of great importance in today's digital age, is a technology that is built on the ability of machines to think and reason like humans by training models on large amounts of data by using certain learning techniques. The fact that AI increases efficiency and provides convenience in many areas has led to the rapid adoption of AI applications in these areas. Recent studies and experiences indicate that the use of AI in many fields increases efficiency and leads to significant achievements. Healthcare, education (natural language processing), transportation (drones and vehicles), production, e-commerce, tourism and finance are among the sectors where AI makes a difference [9].

Factors such as the fact that machines undertake many jobs, automate some tasks, increase productivity, can function 24/7 and do not get tired are gradually increasing the economic and operational benefits of AI and making AI indispensable [10]. AI is considered to have some advantages over natural intelligence in that it is more permanent, consistent, less costly, easy to replicate and disseminate, easy to document, and can perform specific tasks much faster and better than human beings. Therefore, it would not be erroneous to say that intelligent machines powered by AI will further replace or enhance human capabilities in many areas [11].

AI, which has the ability to incorporate human behavior and intelligence into machines or systems, is also considered the leading technology of the current Industry 4.0 applications. Therefore, thanks to AI, it is possible to create intelligent, smart and automated systems according to current requirements.

Different types of AI, such as analytical, functional, textual and audio-visual AI, can be applied to improve the intelligence and capabilities of an application to solve current problems. Furthermore, the AI revolution has the potential to pave the way for progress, much like previous industrial revolutions that launched major economic activities in manufacturing, trade, transport and other areas [12].

The way information is disseminated across different platforms has been revolutionized by AI. In order to deliver personalized content, AI algorithms analyze user behavior and preferences. This ensures that users receive the most relevant information, increasing engagement and satisfaction. AI is also changing the way brands and users interact with each other. Thanks to the data collected and produced by AI's algorithm, AI-powered systems can quickly determine which content will be delivered to customers and which channel will be used at what time. Thus, businesses using AI tools have opportunity to spend more time for the other aspects of digital marketing [13]. Thanks to its ever-increasing capabilities, AI also offers invaluable possibilities to support businesses, increase efficiency and reduce costs. These capabilities make AI a reliable and effective source for experiences, especially when it comes to recognizing customers, tracking user behavior, processing data in real time, making recommendations and providing offers [14].

Artificial intelligence has emerged as a powerful tool for analyzing large data sets. AI significantly contributes to various fields and solves various tasks by enabling experts to discover complex patterns and dependencies. The role of AI in big data analysis is tremendous. The ability of AI in big data analysis exceeds human capabilities, especially in finding patterns and realizing predictive analytics [15]. AI systems can also condense large volumes of information into short summaries. AI enables complex information to be transformed into more understandable forms. This includes both extractive and abstractive summarization, making it easier for users to grasp key concepts quickly. The impact of AI on information dissemination is profound, enabling both efficiency and personalization of information distribution [16].

With the increasing use of AI and data analytics in newsrooms, news organizations are experimenting with new ways to deliver news more effectively to their customers. These include data-driven recommendations that tailor news selections to the personal interests, characteristics or information needs of individual readers. Some of the largest news organizations have been exploring the potential of AI and related technology to distribute their products more effectively and to deepen engagement with readers and increase revenues [17]. For instance, Google is also backing the development of a web-based application that leverages AI technologies to aid journalists in fact-checking. This innovative tool will enable users to search vast datasets, including police and government records, to uncover accurate information [18].

With the integration of AI technology, some of the big information dissemination platforms can now identify individual user needs, filter and deliver targeted messages with unprecedented accuracy. The most significant advantage of AI-powered information dissemination is its ability to analyze user habits through data sharing and provide personalized content tailored to their specific needs. However, as we harness the power of AI, it is crucial that we avoid algorithmic biases and ensure responsible data sharing practices. It is also essential to recognize that AI technology can augment human capabilities, but its potential risks must be carefully managed. As a result, leveraging AI technology can significantly enhance information dissemination, but it is vital to use it wisely and responsibly to achieve optimal results [19] [20].

III. METHOD

Qualitative research method was preferred within the framework of this study, which was carried out in order to determine the effects of AI-based mis/disinformation on the economy. Mis/disinformation can have subtle effects on the economy, such as influencing public opinion or shaping consumer behavior. Qualitative research is tought to be better suited to capture these subtle effects, which may

be difficult to detect using quantitative methods. Economic outcomes are often influenced by contextual factors, such as cultural, social, and political environments. Qualitative research allows researchers to examine these contextual factors and how they interact with economic outcomes, providing a more nuanced understanding of the effects of mis/disinformation. For the reasons mentioned, the scope of this study has been determined with the idea that making comprehensive determinations and recommendations by examining the negative aspects of AI and especially the effects it may have on the economy may contribute to the relevant literature.

Within the framework mentioned above, related studies and researches published on AI technologies have been analysed, the information in these documents has been used, and in order to ensure the integrity of the study, in addition to the benefits and advantages of AI applications, the negative and disadvantageous aspects of AI have been focused. In this context, the consequences of the effects of AI-generated mis/disinformation in general terms were firstly identified and then evaluations and determinations were made in terms of their possible effects on the economy.

The effects of AI-generated mis/disinformation on the economy have been addressed within the scope of this study from the perspective of contributing to the level of awareness in this field due to the increasing amount and impacts of such information. In order to achieve the intended purpose of the study and to avoid erroneous determinations, publications and researches on AI, which is in continuous development, especially in recent years, have been analysed.

Since the information utilised within the scope of the study was obtained from open sources and no activities requiring the collection of personal data were carried out, it was not necessary to obtain ethics committee permission in this study.

IV. FINDINGS

AI systems are purpose-built frameworks that utilize a knowledge model to execute pre-defined tasks, without explicit algorithmic instructions. This enables the application of concepts such as learning, planning, perception, communication, and cooperation to technical systems. However, established risk reduction measures in software development are insufficient in addressing certain risks. Furthermore, AI applications must contend with a multitude of biases, some of which are specific to AI and are not adequately addressed in the verification and validation processes of traditional software safety standards. Consequently, the development of safe AI systems requires a deep understanding of trustworthy AI components and the need for tailored risk management strategies to address the novel challenges associated with this technology [21].

News plays a crucial role in our daily lives, often reinforcing people's biases and beliefs. However, when news is fake or manipulative, its purpose shifts to fostering mass ignorance or indifference for personal gain or to serve the interests of a particular group. In 2015, Google introduced the DeepDream algorithm, revolutionizing content generation and manipulation by transforming ordinary images. AI quickly became a significant tool for altering content. In 2016, Prisma software emerged, enabling users to easily transform existing content into unique and stylized paintings, further expanding AI-driven content manipulation. The turning point came in 2017 with the widespread recognition of DeepFakes, a term that attracted substantial media attention and highlighted its profoundly detrimental potential for deception [22]. The introduction of ChatGPT in 2022 can be regarded as another significant turning point in this context. Large language model (LLM) such as ChatGPT and similar powerful tools are sophisticated AI systems designed to generate human-like text based on extensive datasets. These models excel in various tasks, including content creation, language translation, and answering questions. While LLMs provide significant benefits in terms of efficiency and scalability, their influence goes beyond technological advancements. The capability of LLMs to produce convincing and coherent text brings up critical issues regarding information

authenticity, the potential for misinformation, and the ethical considerations of AI-generated content [23].

Generative AI marks the first technology that ventures into a domain once exclusive to humans: the independent creation of content in various forms, along with the interpretation and generation of language and meaning. Today, it is often challenging to discern whether a piece of content was created by a human or a machine, raising questions about the trustworthiness of what we perceive. For some time, digitization has been reshaping the public sphere, and Generative AI is a significant contributor to this change. Structural shifts are largely driven by the rise of digital media, economic challenges facing traditional media organizations, and changes in how attention is allocated and information flows. The growing volume of AI-generated content, along with the difficulty in identifying its origin, further complicates this transformation of the public sphere [24]. Recent breakthroughs in Generative AI, fueled by LLM, have led to a surge in the creation of highly realistic multimedia content, including text, images, videos, and audio. While the potential of LLM tools is vast, it also raises concerns about the unintended consequences of their use, such as the potential for the dissemination of mis/disinformation through social media platforms, using deepfakes [25].

Harnessing the capabilities of large language models (LLMs), AI-generated content is becoming increasingly difficult to distinguish from human-written information and, in some cases, is even perceived as more credible. When LLMs are employed to generate misinformation, the ability to produce large volumes of text quickly and easily can greatly amplify fringe or misleading views by creating the illusion of widespread consensus. AI's ability to rapidly generate convincing misinformation on a large scale presents a new challenge, giving malicious actors powerful tools to spread false narratives and create widespread public confusion. A notable example is Meta's Galactica, an AI model intended for scientific purposes, which was taken down just three days after its November 2022 release due to generating biased and inaccurate content, including fake papers and misleading references [26].

A research study by Vosoughi et al. analysed the differential diffusion of verified true and false news distributed on Twitter from 2006 to 2017. The data includes approximately 126,000 cascades of news stories shared on Twitter, tweeted by about 3 million people over 4.5 million times. False news spread significantly farther, faster, deeper, and more broadly than true news across all categories. This effect was most pronounced for false political news compared to news about terrorism, natural disasters, science, urban legends, or financial information. Controlling for various factors, false news was 70% more likely to be retweeted than true news. Novelty played a crucial role, as false news was perceived as more novel than true news, suggesting that people are more likely to share novel information. This analysis is important in that it shows that false information, whether intentionally or unintentionally created, attracts more attention and spreads faster [27]

Another study by Allcott and Gentzkow explored the impact of fake news, particularly in the context of the 2016 US presidential election. One of the key findings was that fake news stories circulated on social media had a significant reach. According to their research, a database contained 115 pro-Trump fake news stories that were shared on Facebook a total of 30 million times, while 41 pro-Clinton fake news stories were shared a total of 7.6 million times. Notably, social media fake news stories during the 2016 election were shared around 38 million times, resulting in approximately 760 million clicks. This staggering number highlights the potential influence of fake news on public opinion and the importance of addressing this issue [28].

Although, the quality of generative AI has undergone significant advancements over the past year, the lack of effective tools to verify the authenticity of information poses a substantial threat to businesses, as users may struggle to distinguish between fact and fiction. Some experts are concerned about the potential for newer models to generate highly convincing misinformation at scale, tailored to specific targets. The cost of misinformation stemming from generative AI could be staggering, with millions of dollars potentially lost. To mitigate this risk, companies must prepare now to detect, monitor, and

respond to potential threats from bad actors using generative AI to create misinformation. The rise of generative AI has significantly increased the threat of misinformation for organizations due to its high-quality and accessible content, lack of effective monitoring and regulation, and inadequate governance and control [29]. As a result, companies are now spending more time and money incorporating measures to detect AI-generated information into their crisis/risk managemen plans.

An analysis made by Clarke et al. reveals that investor attention, indicated by web page views and the frequency with which an article is read to the end, is significantly higher for fake news articles compared to a matched control sample of legitimate news. The findings are both economically and statistically significant, with fake news articles generating approximately 83.4% more page views than their legitimate counterparts. It is demonstrated that trading volume significantly increases on the day a fake news article is released, but fortunately increase rate is lower compared to that observed for legitimate articles [30].

Petratos and Faccia analysed the risks posed by mis/disinformation for the supply chain and made the following findings. The processing of information is a crucial component of the supply chain, and preserving its integrity is vital. The transmission mechanisms in the supply chain can allow false or misleading information to spread and disrupt the entire chain. Intentional misinformation from external sources poses a greater threat than unintentional mistakes or misinformation that originates from within the supply chain. The risk of disruption and the negative impact on the supply chain are significantly higher when the disruption is caused by intentional rather than unintentional misinformation. Supply chain disruptions can lead to economic consequences that impact a company's profitability, reputation, and long-term competitiveness [31].

When fake news crosses from social media into the realm of business and finance, the consequences can be severe, potentially wiping out billions of dollars in seconds. A study by Arcuri et al. was made to explore whether fake news systematically affected financial markets. Analyzing a sample of fake news events from 2007 to 2019 across Europe and the US, the impact of false information on stock markets using two empirical methods: an event study and a multivariate OLS regression on abnormal returns was assessed. The findings indicated that stock markets did react to false information, particularly in the short term. False negative information lead to a negative market response, while false positive information prompted a positive reaction. However, these reactions tended to dissipate quickly, with negative responses fading within a week and positive responses within a day. This aligns with psychological research showing that people are generally more attentive to negative information than positive. The dissemination of fake news can lead to conflicting opinions among investors, as the "informational" content of these false reports is not universally recognized. This disagreement among market participants can subsequently impact stock returns [32].

The impact of direct misinformation, such as fake news and fake reviews, on consumers occurs at two distinct levels, depending on their role. Consumers can either be "receivers," influenced by misinformation in their decision-making processes, or "actors," who create, share, or spread misinformation. As receivers, they incorporate false information into various stages of their purchasing decisions. As actors, they may further spread brand-related misinformation, impacting others within their networks. Brands can be harmed by direct misinformation, such as fake news and fake reviews, which target the brand or its products. Fake news forces brands to navigate crisis management strategies to restore consumer trust, while fake reviews negatively impact consumer perceptions, brand evaluations, and trust in review platforms. As a result, brands may see lowered consumer attitudes, reduced perceived value of their products, and decreased purchase intentions [33].

The European Council has officially adopted the EU AI Act on 21 May 2024, a proposed regulation aimed at addressing the growing risks associated with AI, following its introduction by the European Commission in April 2021. This groundbreaking regulation, the first of its kind globally, establishes a common framework for the use and supply of AI systems within the EU, based on a risk-based classification approach. AI systems deemed to pose "unacceptable" risks are prohibited, while "high-

risk" systems, which could negatively affect health, safety, or fundamental rights, are allowed but must meet specific requirements to access the EU market. Systems with “limited risks”, due to their lack of transparency, will face information and transparency obligations, while minimal-risk AI systems will have no further requirements. The regulation also includes specific rules for general-purpose AI models, with stricter standards for those with "high-impact capabilities" that could pose systemic risks and significantly affect the internal market. The AI act could lead to a significant increase in compliance costs, which would likely discourage investment in AI in Europe, especially for small and medium-sized enterprises (SMEs) that may not have the resources to comply with the regulations [34]. While the US has some regulations for AI, it lacks a federal framework, unlike the EU, which has a comprehensive AI Act.

V. CONCLUSION

The emergence of AI technology is revolutionising the way we live by streamlining tasks, improving decision-making processes and tailoring experiences to individual needs. From voice assistants and personalised recommendations to medical diagnostics and driverless cars, AI has become an integral part of our daily lives. However, this technological advancement also raises pressing concerns about privacy, job displacement, erosion of trust and ethical implications, making its impact both profound and complex.

This study explores the potential consequences of AI-generated mis/disinformation on the economy, which the World Economic Forum has identified as the most significant threat to global stability in the near term. While AI has been credited with driving innovation, transformation, and numerous benefits across various fields, there is insufficient attention to its negative effects. Recognizing the importance of balancing this narrative, this research was designed to provide a more comprehensive understanding of AI's impact by considering its disadvantages. By exploring the potential negative effects of AI, this study aims to contribute to a growing awareness of the complex and multifaceted nature of AI's influence on the economy.

As a result of this study; the following determinations have been made regarding the effects of AI-generated mis/disinformation on the economy and an effort has been made to provide recommendations related to the consequences of these effects:

- The rapid advancements in Generative AI, driven by LLMs, have led to a proliferation of incredibly realistic multimedia content, including text, images, videos, and audio. While the potential of LLM tools is immense, it also raises grave concerns about the unintended consequences of their use, including the possibility of widespread mis/disinformation dissemination through social media platforms via deepfakes.
- The above statement is significant because it highlights the alarming fact that false information, whether intentionally or unintentionally created, tends to garner more attention and spread faster than accurate information, posing a significant threat to the integrity of our online discourse.
- Misinformation can create a devastating impact on consumer trust, as it can erode confidence in brands and markets. When consumers are unable to distinguish between authentic and fabricated information, they may become wary of making purchases or investments, leading to a loss of revenue and reputation for businesses.
- Fake news and fake reviews can harm consumers and brands in two ways. Consumers can be influenced by misinformation as "receivers", incorporating false information into their purchasing decisions, or they can create and spread misinformation as "actors", affecting others. Brands are targeted by fake news and fake reviews, which can damage their reputation, forcing them to manage crises and restore consumer trust. This can lead to decreased consumer attitudes, lower product value, and reduced purchase intentions.
- The proliferation of fake news can give rise to divergent opinions among investors, as the accuracy of these false reports is not universally accepted. This disparity among market

participants can, in turn, have a tangible impact on stock returns, as conflicting views and uncertainty can lead to increased market volatility and fluctuations in stock prices.

- The transmission mechanisms within the supply chain can facilitate the rapid dissemination of false or misleading information, potentially disrupting the entire chain. The risk of disruption and the ensuing negative impact on the supply chain are significantly elevated when the disruption is caused by intentional rather than unintentional misinformation. When supply chains are disrupted, companies may face significant economic consequences, including decreased profitability, damage to reputation, and compromised long-term competitiveness.
- AI-driven mis/disinformation can profoundly influence electoral outcomes, leading to political instability that may affect economic policies, undermine investor confidence and can erode trust in institutions, politicians, and the democratic process.
- The rise of generative AI has heightened the risk of misinformation for organizations, driven by the production of high-quality, easily accessible content, coupled with insufficient monitoring, regulation, and governance. Consequently, companies have to invest more time and resources into incorporating detection measures for AI-generated content within their crisis and risk management strategies.
- In response to the escalating risks associated with AI, countries have begun implementing measures. For example, the European Council adopted the EU AI Act in May 2024, which could substantially increase compliance costs. This increase may deter investment in AI within Europe, particularly affecting small and medium-sized enterprises that may lack the resources to meet the regulations. Additionally, governments might introduce stricter regulations on AI and digital platforms to combat misinformation, potentially resulting in higher compliance costs for businesses.

The following recomendations can be made to reduce and/or eliminate the negative effects of AI-generated mis/disinformation on the economy:

- The spread of fake news and mis/disinformation has escalated to alarming levels in recent years, profoundly impacting societies and economies. The ease with which this content is shared on social media and other online platforms has made it increasingly challenging to distinguish fact from fiction, resulting in widespread confusion, mistrust, and destabilization. In today's digital age, individuals must be vigilant in recognizing and combating misinformation and disinformation. By critically evaluating sources, verifying facts, and understanding the tactics used by misinformation campaigns, people can help foster a culture of accuracy and critical thinking, contributing to a more informed and responsible global community.
- Fake news is becoming more prevalent and is now recognized as a component of operational risk for companies. Investors must consider this when making business and investment decisions, and effective countermeasures need to be established to address the issue.
- For governments and institutions, implementing effective strategies to combat disinformation is vital for preserving the integrity of democratic processes, maintaining political stability, and safeguarding the economy.
- Proactive measures are crucial to combating the spread of misinformation and promoting the distribution of accurate information. This can be accomplished through education and awareness campaigns, fact-checking initiatives, and collaborative efforts between governments, civil society, and technology companies to enhance media literacy and digital citizenship.
- To address the challenges posed by AI regulations like the EU AI Act, proper actions should be taken, such as supporting SMEs through government incentives, simplified compliance mechanisms, and grants; investing in Regulatory Technologies to automate compliance and offer affordable compliance services; and raising awareness and education about AI regulations, as well as providing skill development initiatives.

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