BATTLE FOR REVENUES BETWEEN BIG TECH & NEWS PUBLISHERS

Govt has pushed for a level playing field and advocating equal share of revenues between the tech majors and news publishers.

The battle between the tech majors and news publishers is getting strong and the Govt is pushing the big tech to share revenue with digital news publishers. Big Tech refers to the major technology companies such as Apple, Google, Amazon, Facebook and Microsoft.

Citing examples of countries like Australia and Canada, Union I&B Ministry Secretary Apurva Chandra said it is important digital publishers get fair share of revenue generated by the big tech from hosting the news content.

In Australia, the government made a law that mandated companies like Facebook and Google to pay news publishers if they wish to host their content.

Australia, Canada, France, and European Union (EU) have ensured a fair split of revenue among the creators of news content and the aggregators.

Chandra said, “For the growth of the news industry, it is important that the digital news platform of
all these publishers which are the creators of original content get a fair share of the revenue from the Big Tech platforms which act as an aggregator of the content created by others.”

He said, “I understand that they have in place adequate systems of checks and balances to ensure that correct and factual news flows out and are a good example of our stated policy of self-regulation.”

The basic idea behind wanting to make Facebook and Google pay for news shared on their website is to address the issue of disproportionate advertisement revenue on the internet. Internet ad revenue goes mostly to Facebook and Google and these websites feature news articles. The argument is that while hosting of news articles helps Facebook and Google get revenue through ads, the news publishers don't get the proportionately benefitted.

Though news publishers abroad have supported such a proposal, platforms like Facebook have resisted such moves. Their argument is that they are merely an intermediary and users share news content as per their will. They have also argued that they are not the only ones profiting as news publishers also get a platform to showcase their content and a lot of traffic goes to the news website from Facebook and Google.

What Facebook didn’t say was that this traffic isn’t worth nearly as much to those publishers as it could be, because Facebook and Google control the majority of the digital ads market and make most of the money from it, rather than the outlets whose content those ads are posted on.

There should be a consensus on this and suitable mechanism evolved so that both the stakeholders benefit.