THE HINDU EXPLAINS

Relevant for: International Relations | Topic: Effect of policies and politics of developed & developing countries on India's interests

The story so far: Australia is working on a law that seeks to make Internet platforms Google and Facebook pay news media companies for displaying their content as well as linking to their content. Following the publication of its draft, last year, Facebook said such a law could force it to block Australian news content on its feed. Last week, just over a month after Australia introduced the legislation in Parliament, Google said it will shut down its search engine there if the law becomes a reality, prompting Prime Minister Scott Morrison to say, "We don't respond to threats."

The broad idea has been around for a few years now. In its 2019 report, Digital Platforms Inquiry, the Australian Competition and Consumer Commission (ACCC), the country's competition regulator, noted that there was a fundamental imbalance in the power between news media and internet platforms. Specifically mentioning Google and Facebook, the report said these platforms had "substantial bargaining power in relation to many news media businesses."

Also read | Google and Facebook risk big fines under draft Australian news law

Very few platforms have the billion-plus-user base or the financial strength of a Google or Facebook. On the other side are millions of individual publishers, none close to being any match for the scale of the top tech platforms.

It also highlighted that media regulation hardly applied to platforms, though they have been increasingly playing much the same role as the media. The last two decades have also seen the tremendous rise of the platforms and sharp decline of the traditional news media, which forms the context in the report.

The Australian government, reportedly sensing how important it was to have a strong and independent media environment in a democracy, asked the ACCC to come up with a draft code, which it did last July. After some changes, the Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill was introduced in December 2020. The biggest players in Australia's news media business, including Rupert Murdoch's News Corp and Nine Network, have batted for such a law.

Also read | U.S. asks Australia to scrap proposed laws to make Facebook, Google pay for news

What is being proposed is a mandatory mechanism, under which news media companies will get to negotiate with Facebook and Google regarding payment for their content. If parties – digital platforms and news media – cannot arrive at a negotiated agreement about remuneration, an arbitral panel "will select between two final offers made by the bargaining parties." Further, the Bill provides for a 14-day notice that platforms need to give publishers regarding any change in their algorithms. This is important because changes in platform algorithms have a significant impact on the referral traffic that publishers receive, and consequently affects their business.

Also read | Australia says Google and Facebook draft laws fair, critical for media future

Yes. This is one of those rare interventions by a government in publisher-platform relationships. Platforms perform an important function in a digital world that is filled with an unimaginably huge

amount of content and information, and into which there is an unceasing flow of new content every second. They help users discover content in this vast information heap, either by way of search or via a friend's feed, for instance. This is also why publishers need platforms. For many news publications, even well-established ones, Google and Facebook are the source of much of their traffic.

Also read | [World Wide Web inventor opposes Australia's news payment plan](#)

Publications often worry about faring well on Google and Facebook. They also worry about keeping pace with algorithmic changes. But the publisher-platform relationship has rarely ever been about money. It has almost always been about tools and strategies for publishers to fare well on the platforms.

Google is not just against the idea of paying for the links but is also critical of the proposals on arbitration and algorithmic changes. In its blog, [Google has said](#): "Right now, no website or search engine in Australia pays to connect people to other sites through links… The Code undermines one of the key principles of the open Internet people use every day." Further, it does not agree to the allegation that it is responsible for the decline in newspaper revenue.

Also read | [Google says Australian law on paying for news is unworkable](#)

Shutting down its search engine in Australia is a real option because Google has taken such a step in the past. In 2014, [Google shut its News Service in Spain](#), when the government introduced a law to make it pay a licence fee to use news content. [Google shut down its Chinese search engine](#) in 2010. In France, it has been forced by law to strike deals with publishers. The EU copyright rules, which France has given force to, "allow publishers to demand a fee from online platforms showing extracts of their news," says a Reuters report. It isn't clear on what basis the remuneration has been calculated.

Google has proposed a different solution. It goes by the name, [Google News Showcase](#), a licensing arrangement with publishers across the world, toward which it plans to spend $1 billion globally in the next three years.

This story is available exclusively to The Hindu subscribers only.

Already have an account ? [Sign in](#)

Start your 14 days free trial. [Sign Up](#)

Find mobile-friendly version of articles from the day's newspaper in one easy-to-read list.

Enjoy reading as many articles as you wish without any limitations.

A select list of articles that match your interests and tastes.

Move smoothly between articles as our pages load instantly.

A one-stop-shop for seeing the latest updates, and managing your preferences.

We brief you on the latest and most important developments, three times a day.

*Our Digital Subscription plans do not currently include the e-paper, crossword and print.

Dear reader,

We have been keeping you up-to-date with information on the developments in India and the world that have a bearing on our health and wellbeing, our lives and livelihoods, during these difficult times. To enable wide dissemination of news that is in public interest, we have increased the number of articles that can be read free, and extended free trial periods. However, we have a request for those who can afford to subscribe: please do. As we fight disinformation and misinformation, and keep apace with the happenings, we need to commit greater resources to news gathering operations. We promise to deliver quality journalism that stays away from vested interest and political propaganda.

Dear subscriber,

Thank you!

Your support for our journalism is invaluable. It's a support for truth and fairness in journalism. It has helped us keep apace with events and happenings.

The Hindu has always stood for journalism that is in the public interest. At this difficult time, it becomes even more important that we have access to information that has a bearing on our health and well-being, our lives, and livelihoods. As a subscriber, you are not only a beneficiary of our work but also its enabler.

We also reiterate here the promise that our team of reporters, copy editors, fact-checkers, designers, and photographers will deliver quality journalism that stays away from vested interest and political propaganda.

Suresh Nambath

Please enter a valid email address.

Data from research firm IDC showed Apple's shipments surged 22% to a record 90.1 million phones in the quarter, giving it global market share of 23.4%.

A contest among Wyoming schoolchildren will decide the new supercomputer's name.

You can support quality journalism by turning off ad blocker or purchase a subscription for unlimited access to The Hindu.

[Sign up for a 30 day free trial.](#)