

# Under pressure, Google to pay some outlets for news content

June 25 2020, by Rob Lever

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Google has shifted its position by agreeing to partner with and compensate some news organizations as part of an initiative to help the struggling sector

Google announced plans Thursday to pay some news organizations for content in a departure from its past practice following pressure from

governments and media groups around the world.

While details of the plan were not known, the move could represent a significant shift by the internet giant and follows initiatives by Facebook and Apple to create news products in partnership with media outlets.

Google said it would pay media partners in three countries and cover the costs of pay-walled news sites to give users free access to a dedicated news app.

The program will begin with "local and national publications in Germany, Australia and Brazil" and is set to expand to more countries soon, the tech giant said.

"A vibrant news industry matters—perhaps now more than ever, as people look for information they can count on in the midst of a global pandemic and growing concerns about racial injustice around the world," said Brad Bender, Google's vice president for news product management.

Google intends to pay for "high-quality content for a new news experience launching later this year" to allow media groups to "monetize their content," Bender said.

## **News industry's woes**

The move comes with many news organizations struggling with declining print readership and challenged by the digital ecosystem where ad revenue is dominated by Google and Facebook.



The Google initiative to partner with news organizations comes with many legacy outlets struggling with declining print readership

Google has been accused of siphoning off online revenue and has faced legal battles in France and Australia over its refusal to pay news organizations for content.

The California giant has countered that it helps drive traffic and revenue to online news sites. It has also announced several efforts to aid journalism through its Google News Initiative.

The Google move comes after Facebook said last year it would create a "news tab" in partnership with media groups to promote journalism and stem the flow of misinformation.

Apple launched its news app in 2015 which helps promote media subscriptions and in 2019 added a paid service called Apple News+ which shares revenue with newspaper and magazine publishers.

Google's initial partners include the Spiegel Group in Germany and Brazil's Diarios Associados. Australian publishers Schwartz Media, The Conversation and Solstice Media are also among the partners, according to public broadcaster ABC.

## **Helping whom?**

David Chavern, president of the News Media Alliance, which represents the US newspaper sector, said the announcement was "vague and confusing" and may be designed to help Google negotiate its legal battles with media.

"It is a step in the right direction, but only a quite small one," he said.





A 2018 picture shows a newsstand in France, where authorities have ordered Google to negotiate payments to media to comply with a European copyright directive

Gabriel Kahn, a professor who follows media economics at the University of Southern California, said Google's move is not what the industry has been seeking.

"Google has crossed an important philosophical threshold—the idea of paying the producers of the content that it distributes," Kahn said.

"But this is still Google setting the rules for its own game. Google is still the one deciding who gets to play, what the terms are and how much is paid out."

Nikos Smyrnaio, a media professor at the University of Toulouse in France, said Google's announcement "fits into a strategy of divide and conquer" and may be part of an effort to avoid a broader compensation plan.

Geraldo Costa Neto, executive director of the Brazilian newspaper Estado de Minas and a negotiator with Google, said however the agreement would compensate media and "reverses the logic of Google's algorithm" by allowing the news organizations to select content.

"The news will be chosen on editorial, not technological criteria," Costa Neto told AFP.

Some European and global organizations including AFP have sought laws requiring internet companies to pay for news content including "snippets" in search results.

In April, France's competition regulator said Google must begin negotiations on payments to media groups after refusing to comply with Europe's new digital copyright law.

Earlier this month, Google rejected demands from Australian news publishers to pay millions in compensation to local media under a government-imposed revenue sharing plan.

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