

Introduction

Good morning everyone! Or good evening from Amsterdam!

First, I would like to thank Milan for inviting me to speak today on such a special occasion. Your efforts truly deserve congratulations and I'm honoured to be amongst you today even remotely. My name is Charis Papaevangelou and I am currently a postdoctoral researcher at the Institute for Information Law of the University of Amsterdam, where I'm working on understanding how the EU's emerging regulatory framework for platforms is going to affect news media organisations.

So, the topic of my presentation today is not very far off. It revolves around the tumultuous and ever-shifting relationship between digital platforms and journalism. With digital platforms I am, mostly, referring to those that underpin our digital public spaces, dominate the technological market, and have reconfigured our means of communication, as well as cultural production. More specifically, as today I am addressing their relationship with journalism, I am referring to tech companies, and their respective platform services, like Meta and Alphabet, but that doesn't mean that other companies like ByteDance (who owns TikTok) or Apple and Amazon haven't played a role in all of the above or aren't playing – as we speak – a role in further reconfiguring the news industry.

I think an important disclaimer I must do is that I'm European and most of my work thus far has focused on the EU, while I did my PhD in France. As a result, many of the examples I draw from relate to the EU. This doesn't mean that the insights we can draw from are applicable to all countries and markets, especially those of the majority world. Indeed, platformisation, which I'll try to define later, is also subject to the nuances of each country and its respective ecosystem and intricacies.

At any rate, today, I want to invite you to explore with me the changing landscape of journalism in the digital era. This saga, spanning over two decades, illustrates the intricate dance between news media and digital platforms – a dance of innovation, conflict, collaboration, and transformation. As some brilliant scholars have described it:

it's a relationship of "co-opetition" (that is, competition and cooperation) or a relationship of "frenemies", whereby there is a constant negotiation of power dynamics. As we navigate through, what I have discerned as four phases of this relationship, we'll uncover how each era has shaped not only the field of journalism but also the fabric of our information society and the flows of information. Certainly, these are not written in stone, but I reckon that they serve as a useful guide to understand this intricate relationship. I believe that it is an important topic deserving our attention, and that of our policymakers, if we still believe in the normative values that journalism as a societal institution holds and can help us achieve, and which I think there is still value to believe in them. Said differently, to exercise our citizenship, to hold power to account, to remain vocal about things that matter and to uphold human and democratic values like freedom to expression and freedom of thought, we need a healthy and quality information diet

Phase 1: The Birth of Digital News – A Time of Optimism and Challenges

In the early 2000s, the commercialized internet was already quite well established – though far from being as pervasive as today – with products and services from Silicon Valley startups ushering us into the early years of the platformised internet, which was enabled by a laissez-faire regulatory framework that allowed them to raise significant capitals with few of the hurdles that burdened other traditional sectors.

One such service was Google News. Launched in the aftermath of September 11 by Krishna Bharat, a Google developer who wanted to have all news related to the Sept 11 terrorist attack gathered in one place to stay updated. Google News marked a seismic shift in news aggregation and distribution. Originally a consumer test version launched in the United States in September 2002, the service quickly expanded, with its French version debuting in 2003. In just a few years, the service was becoming more and more popular. For instance, in September 2008, Google News France boasted over 3.2 million unique users, reshaping how news was consumed.

This digital revolution, however, sparked significant friction between Google and publishers, especially in Europe. The rapid user adoption of Google News, coupled with its integration into Google's search engine, began redirecting significant traffic away

from individual news websites. This disruption led to numerous conflicts over copyright issues, most notably with Agence France-Presse (AFP) in France, which viewed Google's aggregation practices as an infringement on their content rights and sued Google in 2005 over copyright infringement for posting AFP's headlines, news summaries and photos without the agency's permission; they settled the lawsuit two years after.

Adding to the complexity, Google's strategic killer acquisitions, that is acquisitions that eliminate other potential competitors, transformed its role within the digital ecosystem. For example, the purchase of AdSense from Applied Semantics in 2003 laid the foundation for Google's dominance in targeted advertising, while the acquisition of DoubleClick in 2008 for \$3.1 billion further cemented this position making the company even more vertically integrated. These acquisitions provided Google with a wealth of ad-serving technology and business relationships with thousands of online publishers.

All of these moves, thus, not only made Google a digital advertising powerhouse but also shifted the online advertising revenue streams, significantly impacting the traditional news media's financial models, which relied mostly on the monetisation of their direct and, mostly, unmediated relationships with readers through selling newspapers or, rarely, subscriptions. As such, the rise of platforms like Google Search and Google News had not only a financial impact on journalism, but also a broader cultural effect, whereby they remediated that relationship.

Phase 2: Pushback and Symbiosis

As digital platforms like Google and Facebook gained momentum, the news industry began to push back. The tension was particularly acute in Europe, where the disruption caused by these platforms clashed with traditional news distribution and revenue models. The conflict sparked by Google News in Europe exemplified this struggle, leading publishers from countries like France, Italy, Spain and Germany to lobby their governments to pass tax or similar laws that would make Google pay for using or indexing their content on Google.

A turning point in the relationship between Google (and platforms) and journalism was the landmark agreement signed in 2013 by Google and French publishers brokered by then-Prime Minister François Hollande and then-Google's CEO Eric Schmidt. Specifically, what can now be called the prototype of platform funding programs, the American tech giant agreed to create a €60 million fund, named Digital News Innovation Fund, providing French news media organizations with cash and digital advertising credits to purportedly help them transition in the digital era. The initial plan of the French government was to impose a new tax on Google that would compensate media whose content was indexed in the search engine, but Google would not let that happen – and to a certain degree, in hindsight, it was rightly avoided because it would have created a literal tax link that could endanger the openness of the internet. In any case, this fund became the Digital News Initiative in 2015, a €150 million fund aimed at financing European publishers at large and, finally, transformed into the Google News Initiative in 2018, Google's \$300 million US global fund for journalism, but we'll return to this point later.

In the period between the launch of the Digital News Innovation Fund in France and its expansion to Europe with the Digital News Initiative, two other stories matter for the evolving saga between platforms and journalism. The one relates to Spain and the other to Germany.

In 2013, Germany had passed a similar law the one that France wanted to pass in a bid to make Google pay for indexing news content. However, due to the law's vague language, Google proceeded with listing only links of articles on its search engine and, thus, was able to avoid paying for the demanded license. As a result, German publishers had to waive their right to remuneration as their incoming traffic from Google plummeted. This became an important lesson both for policymakers and publishers, as well as Google: on the one hand, policymakers and publishers learned that link taxes should be adjusted to account for more intricate provision of content and publishers understood that they were now becoming increasingly dependent on tech giants. Similarly, in 2014, the Spanish government passed a stricter law that essentially made it illegal to use snippets of content by online services without a payment to the Spanish Association of Newspaper Publishers, which represented the vast majority of news

media orgs. Google retaliated by removing all Spanish media from the Spanish version of Google News for almost eight years, only for it to be re-activated after Spain complied with the new European copyright framework in 2021. Again, important lessons drew from this story: Google can unilaterally decide to throw media under the bus so long as it doesn't satisfy regulatory demands that could endanger its market dominance. This would later play out in Australia and in Canada, as you all know very well.

However, despite these efforts, the industry's struggle with platforms over advertising revenues and content rights continued to intensify.

As a result, this phase saw the press and the broader news industry coming to terms with Big Tech's dominance alongside the increasing platformisation of journalism and the burgeoning dependencies on online platforms' infrastructures, digital advertising and data analytics services, as well as their network effects. Having said that, I understand that these terms might sound a bit vague, so before moving on to the third phase, I would like to take a few moments to unpack them.

- First, by platformisation we, mostly, mean the infiltration of digital platforms in our everyday life, which has led to the transformation of our relationships and all types of exchanges as activities that are mediated by digital platforms that extract data from these activities to fuel their business models. The platformisation of news, then, refers to how the production of news becomes progressively tailored to obey the mechanisms and organizing principles driving the platform ecosystem, as prominent media scholar José van Dijck has written.
- Second, the relationship between platforms and news media is fraught with power asymmetries that derive from the high level of dependency that the latter has on the former. Consider, for instance, that example of what happened to news publishers in Germany after deciding to take their content off of Google News for two weeks; there are numerous other similar cases that signify how Google and other platforms need journalism to populate their services with quality content, but that news media just need platforms more.

- Third, these power asymmetries build upon and amplify the power that platforms hold over news media, which can take many forms, with perhaps the most prominent one being infrastructural power. In other words, news media have become dependent on the tools and services offered by platforms (like Google Studio for Journalism, Instant Article or Accelerated Mobile Pages) and are vulnerable to the ways in which these companies govern their spaces (e.g., changes in algorithms that prioritise or moderate content). The various platform funding programs also raised issues of increased possibilities of capturing them, as in making them even more ensnared in the platforms' dominance.
- ~~Fourth, network (especially cross-side network effects as the business scholarship calls them) and lock-in effects primarily refer to how platform markets become more valuable to its complementors or third parties, like news media, when more and more users join them, while lock-in effects are referring to not being able (either due to the large network effects or even technical reasons) to escape one's platform ecosystem (e.g., SEO for Google).~~

I hope these concepts are somewhat clearer now, as we proceed on to the third phase, which is characterized by the impact of these effects.

Phase 3: The Techlash and Global Regulatory Responses

The third phase of our journey is characterized by the techlash – a global wave of skepticism and regulatory scrutiny towards big tech companies. This era was defined by growing distrust towards social media platforms, propelled by events like the Cambridge Analytica scandal in 2016-2018 and the amplification of harmful content, perhaps not better exemplified, in its starkest scenario, in the Rohingya genocide in Myanmar in 2017 that was facilitated and amplified by Facebook. All of that underscored the need for more accountability and ethical considerations in digital platform operations.

During this period, significant regulatory efforts emerged as policymakers were trying to address some of the harm that these platforms were causing, like the EU's General Data Protection Regulation in 2018. As such, these efforts did not leave the news

industry unmoved: in fact, news organizations saw this as a novel opportunity to pressure policymakers to address the power imbalance between news publishers and platforms, with the introduction of the EU Copyright Directive in 2019, which opened the way for various deals of European publishers with Google and Facebook; though I don't want to delve into details here, suffice to say that France was again at the epicentre of contested negotiations with the Competition Authority of France, actually, issuing significant condemning decisions regarding Google's abusive way of conducting negotiations with French publishers.

Beyond Europe, we also saw similar and, perhaps, even more targeted regulatory action. For instance, Australia's News Media Bargaining Code passed in 2021 represented a landmark move to ensure fair compensation for news publishers. Although no platform has been designated as an entity that would be covered by the law's scope, which would oblige the government to intervene and arbitrate obligatory remuneration for news media organisations, platforms were compelled to sign deals with numerous news media, resulting to approximately \$200 million AU (or \$130 million US) per year which, according to country's experts, has reinvigorated the national news industry. However, the biggest problem of Australia's model, which was based on competition rather than copyright as happened in Europe, was the lack of transparency of these deals. Indeed, to a large degree the agreements followed the example of platforms' proprietary funding programs which are quite opaque. It's also important to stress that the final version of the law itself was the product of significant concessions from the government after platforms threatened to leave the country. For instance, Facebook had blocked access to news for Australian users (as is now the case for Canada), which also included for a brief moment governmental or authorities' accounts in midst of a pandemic (as again was the case in Canada during the wildfires).

More recently, Canada passed its own Online News Act, attempting also to address transparency issues that the Australian law had, and despite flaws of the law, it demonstrated the arbitrary power that platforms may exert to hold news media hostages in their negotiations with governments around the globe. An important supplementary element to their negotiation tactics to water down or fend off regulation has been, as already mentioned, pouring millions of \$\$\$ to the news industry.

Meta Journalism Project, the equivalent to GNI, was launched in 2017 and spent almost \$600 million in approximately five years, which – according to a study I conducted two years ago – were mostly targeted to areas that were considering or were passing similar legislation.

Nevertheless, I wish to emphasise something. I find that all of these regulations, while having some positive impact for news media, they both fail to tackle the broader underlying systemic issues of the structure that fuel these power imbalances mentioned earlier and, in fact, make news media more dependent on platform money, albeit just in a more regulated manner. In that sense, I think that alternative ways of thinking about regulation, like Canada's subscription tax credit, could be worth exploring further.

As a result, despite these regulatory efforts, the digital advertising duopoly of Google and Meta (formerly Facebook) has persisted. This phase highlighted the ongoing challenges in finding a balanced relationship between news media and digital platforms. The platforms' pivot towards video content and other innovations continued to maintain their dominance in the digital advertising market and the rise of competitors like TikTok and the mainstreaming of Generative AI brought about new challenges, chief among is the gradual disentanglement of platforms from the news industry, as we will see in the fourth and final phase.

Phase 4: Readjustment and Reevaluation

In the current phase, we observe a readjustment and reevaluation of the relationship between journalism and digital platforms. This era is marked by platform companies, particularly Meta, reassessing their role in the news ecosystem. While Google has maintained a closer relationship with news content, possibly due to its reliance on quality editorial content for its search engine and emerging AI services, Meta has shown a tendency to distance itself from direct involvement in news distribution.

Indeed, Google launched its Google News Showcase in 2020, which has been appearing in more and more countries ever since, which is a \$1 billion US investment in the news industry and, for those of you who're unfamiliar with this service, it's

practically a distinct interface – think of it as an enhanced, multimodal version of Google News – through which, participating publishers can select which stories and how will appear in Google's news products, like Google News and Discover. Of course, this involves – again- a series of untransparent commercial agreements between the company and news media. Yet even Google, has repositioned itself in relation to the news industry. For instance, over the past year, they let many people that were, basically, the architects of many of its previous news relationships programs and have reduced funding projects through GNI. This could, then, hint a shift in strategy to double down on creating stronger bonds of dependence with the news industry within its infrastructural ecosystem, as the Google News Showcase suggests.

On the other hand, Meta seems to have taken a totally different approach regarding its relationship with journalism. Most evident in this approach has been its decision to block access to news for Canadian users in response to the Online News Act. Other examples of disentanglement, as we call it with Sarah Ganter with whom we're currently working on this, are the deprecation of news-related products, like Facebook's Instant Articles or Facebook News (think of it as a similar effort to Google News Showcase). In our opinion, this echoes the company's broader strategy to allocate more resources on Metaverse – that thing is still alive indeed – and, more widely, both firms' decision to pursue AI-fueled products and services. Further, and perhaps most importantly though, this also hints at the reality with which these companies are faced: regulation is here to stay and in spite of their efforts to water it down or fend it off altogether, one way or another they have been compelled to assume more responsibility vis-à-vis our digital public spaces and put their hands in their pockets to share some money with the news industry. Put simply, we reckon that they realised it wouldn't make sense to keep funneling money into the news industry, especially in the ways that they were doing previously, when the returns on their investments was not the expected.

Meanwhile, user behavior has also shifted. For instance, a recent study of the Pew Research Center showed that in the US only about 22% of respondents now preferring to start their news journeys on specific websites or apps, a significant decline from just a few years ago. Likewise, more and more people, especially younger audiences, prefer

getting their news through video-sharing apps like TikTok or Instagram. At the same time, the integration of AI and other advanced technologies by platforms like Google and OpenAI marks a new frontier in content creation and distribution.

The case of AI is of particular interest moving forward, I believe, given that these Large Language Models have been largely trained on publicly accessible information, like news content, and with press publishers being increasingly alert to this and closing off access to, for example, OpenAI's crawlers, we see new shifts to the political economy of media. For instance, only recently, OpenAI penned a significant deal with the Associated Press to obtain access to the large agency's rich archive to better train its models. The company also recently launched its own funding program for US local newsrooms. These developments point to an ongoing evolution in how news is produced, distributed, and consumed, further blurring the lines between traditional journalism and technological innovation, while further complicating the political economy of news media in the platform era.

Conclusion: Charting the Course Ahead

As we stand at this critical juncture in the relationship between journalism and digital platforms, it's imperative that we continue to navigate these waters with a keen eye on preserving journalistic integrity, ensuring transparency, and fostering sustainable models that benefit society at large.

The journey of journalism in the age of platforms is far from over. It is a narrative that continues to unfold, influenced by technological advancements, regulatory changes, and the shifting landscape of media consumption.

Several policy questions beget our attention and I'd like to invite you to consider these moving forward. How can we ensure that issues of infrastructural and structural forms of power are taken into account by proposed regulations? How can we push for further transparency in these deals that are taking place between tech companies and news media, especially large ones? How can we create policy and regulatory frameworks that empower news media vis-à-vis platforms instead of further entrenching their dependence?

In closing, I encourage you to view these changes and these questions as both a challenge and an opportunity. It's an opportunity to shape the future of journalism in a world increasingly mediated by digital platforms. The balance between empowerment and dependency varies, not just across different publishers and platforms, but also over time. Understanding this dynamic relationship is crucial in navigating the digital currents that shape our information society.

Thank you for your attention, and I look forward to exploring these themes further with you in the Q&A session.