

"Google, the media patron. How the digital giant woos journalism"

Authors Executive Summary

The study describes how Google has funnelled more than 200 million euro in cash gifts to European media since 2013, while at the same time the company has resisted political efforts in Europe to force it to share advertising revenue with ailing publishing houses. Google's first fund was created in France in 2013 to appease publishers calling for a "Google tax" on digital advertising. This provided a template for the future, as the study's analysis of the origins of the Google News Initiative shows. The study describes how Google's attention and gifts have transformed the relationship between the Silicon Valley company and German publishing houses. Findings are based on anonymised interviews with 25 German media executives and journalists covering digital media, a data analysis of 645 projects funded by Google's Digital News Initiative (DNI) in Europe between 2015 and 2019, as well as a survey on the use of Google tools among German media houses. The research is flanked by an interview with two key figures in Google's European news division and supported by an in-depth analysis of source material on origins of Google's journalism initiative.

What the study has found out:

- Of Google's giving to media between 2015 and 2019, the bulk of the money went to long-established Western European publishers. Commercial publishing businesses account for 70 percent of Google's funding within the Digital News Initiative. Only 9 percent of funding went to non-profit and public service media companies, with other funds going to research institutions, individuals and non-journalistic media start-ups. The median founding date of funded organisations is 1996, which shows Google's funding favours incumbent companies. (The company says funding decisions are made by experts and industry leaders on the board of its News Initiative, but it hand-picks who sits on that board.) While Google is not transparent about funding figures for media, the study is able to draw on a data gathered from publishers and publicly available information.
- Interviews with publishing executives show that while most of them were sceptical of Google's motives and several interviewees described the company's funding as a PR exercise, the money was often spent on key innovation projects within publishing houses. "Well, we wouldn't have done it otherwise, because we simply can't afford it", one manager told the authors.
- While most of Google's money goes towards projects for publishing companies, the company also funds events such as the Global Investigative Journalism Conference and hosts its own conferences as part of the Google News Initiative, as well as an exclusive annual event, the Google Newsgeist summit. Google also funds fellowships and trainings for journalist and newsroom developers. Interviewees said that the funding for events and fellowships is a form of community-building by Google. While they said it has helped to create space for debate

with Google, some stress that it has ‘brought Google to the table’ at debates even within German publishing. While several managers and journalists describe the company as a more reliable and constructive interlocutor than Facebook, several interviewees showed notable reluctance around calling Google a ‘partner’, a term the company uses for publishers.

- A non-representative survey among 22 German publishers as part of the study shows a growing reliance on Google tools for the distribution and creation of content as well as for monetization. For instance, 18 in 22 publishers said they rely on Google services such as Analytics, Tag Manager and Search Console to measure and control the distribution on content, while 15 says they use Google AdSense or AdX to generate advertising revenue. However, in the interviews several managers showed a certain degree of scepticism around new products such as Subscribe with Google. “We try not to do anything where we become the product of someone else”, an interviewee said. Several interlocutors described the relationship with Google as one with a “frenemy” - half friend, half competitor.
- Both managers and journalists interviewed for the study stressed there have been no attempts at influencing editorial decisions by Google or its intermediaries, but several journalists talked of a fear of self-censorship amid the growing cooperation with Google. One interlocutor likened it to bite inhibition in dogs (“Beißhemmung”). Another said the money helped to shift perspective in journalism circles towards a more genial attitude towards the digital company.
- Google has used its funding for media as lobbying tool visa-vis publishers in the debate around EU copyright reform and data protection. In an interview for this study, the digital giant has acknowledged that Google helped to set up a publisher advocacy group, European Innovative Media Publishers, which opposed the ancillary copyright clause later included in the Copyright Directive. Meanwhile, Google has also used its voluntary aid to media companies as talking points in closed-door conversations with the European Commission, as documents obtained through freedom of information requests as part of the study show.
- The study has its focus on the Digital News Initiative, which was geared towards European media and ended in 2019, but it includes observations on the global Google News Initiative which has since superseded Google’s Europe-only initiative. While GNI still has a limited budget to fund innovation projects in media companies, the global successor to Google’s European initiative it is more strongly focused on promoting Google services. After data gathering for the study concluded in mid-2020, Google announced a billion-dollar fund that will pay publishers to license their news content for a new product, Google News Showcase. Payouts were announced to start in Germany and Brazil and reportedly include a contract clause which allows Google to terminate the agreement if the publisher participates in a legal claim or complaint against the company.

What the study's authors say:

- “Our study shows that Google has used its gifts to appease European publishers, who long were the digital giant’s fiercest political adversaries. Google’s media funding is far from being philanthropy - it resembles a pay-off to an out-flanked rival.”
- “Google’s services and product ecosystem have created an operating system for journalism, which media organisations are increasingly reliant on. It is unclear what it will mean for media pluralism if an entire industry is dominated by one player - Google.”
- “Funding for conferences and fellowships has put Google into the CV of more than one aspiring journalist and media innovator. This has helped to paint a positive image for the company as friend of journalists, but will the cosy ties between Google and the industry help to blunt the edge of journalism investigating Google on issues such as data protection, protesting employees or ties to US intelligence and military?”

Co-author Alexander Fanta explains:

- “My first contact with the topic was in 2017, when I myself was on a fellowship funded by Google at the Reuters Institute for the Study of Journalism in Oxford. The question has led my colleague Ingo Dachwitz and me to investigate Google’s journalism ventures for the past years.” Our instinct as journalists was to ask ‘why are they doing this?’

The Otto Brenner foundation and the German Trade Union Confederation (DGB) fund the study. It will be published on the 26th of October 2020 in German, an English version will follow later.



Information (in German only) on the study are available under www.otto-brenner-stiftung.de/medienmaezen-google

For the authors

Alexander Fanta

Phone: +32483248596

E-mail: alexander.fanta@netzpolitik.org

Otto Brenner Foundation

E-mail: info@otto-brenner-stiftung.de

www.otto-brenner-stiftung.de