



Will Big Tech news-generation firms replace 'boots-on-the-ground' journalism?

The news industry's financial woes seem have reached a tipping point in 2024. The switch from print to digital already caused an existential crisis, but even publishers with viable online platforms currently face new distribution challenges. Small to medium-sized news organisations are contending with a digital advertising system that is so broken, some say that it could spell market failure for the sector.

The crisis has allegedly been brought about by the controversial practices of Big Tech firms like Google and Meta, and exacerbated by new generative artificial intelligence (Gen AI) technologies. In South Africa, the latest country to investigate these alleged antitrust violations, a Competition Commission inquiry in March uncovered the following:

- Plagiarised news stories on bogus sites, often powered by ChatGPT, appear higher in Google searches than their genuine counterparts. The result is that real news written by human journalists gets drowned out by machine-generated duplicates. This happened to the *Limpopo Mirror* in February. Hours after publishing a story about alleged corruption in local government, a low-quality news site, BNN, put out a copy of the same content, but with sensationalised and sometimes false claims, which earned it a higher place in Google's results than the original.
- Brands end up advertising wherever the most eyeballs are, regardless of the integrity of a given piece of content. Big South African brands like Shoprite and Rain have been spotted on sham news sites, not because they explicitly choose to but because they instruct Google to show their ads wherever it will maximise their reach.
- This perverse incentive model is proving deadly for countless small to medium-sized news publishers, hollowing out journalism's 'middle' while the only survivors are large organisations like *The New York Times* on one end, and solo journalists-turned-Substackers on the other.

In South Africa, dozens of local news publishers are struggling to stay afloat due to this crisis. Critics say it is nothing more than a case of revenue pressure due to intensified competition, which is natural in any free market. But the difference, according to proponents, is that high-quality news is a public good. Titles under management of Primedia, Caxton and Independent Media were among the 40 stakeholders who made submission to the Commission of Inquiry. The biggest concern for South Africa, they say, is the prospect of a future where 'boots-on-the-ground' journalism no longer exists, where public figures can do as they please with no accountability, and where citizens end up in the dark on the real issues facing their communities.



Meta and Google have so far been unwilling to address this issue. They have repeatedly refused to bear the cost of content moderation and quality assurance (though mounting pressure from big United States players might change that). Generally, tech firms appear indifferent (X refused to participate in South Africa's Commission of Inquiry). In Australia and Canada, policymakers in 2021 demanded that Big Tech pay their publishers to use their news content. This approach has backfired, as tech firms refuse to pay and say they are backing out of news. How then can serious journalism continue to compete? Some publishers are betting on financial lifelines from their own governments, including proposals for increased subsidies, rebates for responsible advertisers, and VAT exemptions on reader revenue.

Alternative futures for journalism's missing middle:

- **Baseline future:** Current trends continue, and middle players get displaced entirely.
- **Preferable mid-term scenario:** Publishers reach agreement with their own governments; new financial lifelines (see above) help them stay afloat.
- **Possible long-horizon future:** Competition forces Big Tech to clean up their act and adopt more equitable practices. New search upstart Perplexity could challenge Google, and new privacy-centred social media platforms could strip current giants of their secret sauce: user data.

Al Jazeera. (2024, 23 Feb). Vice Media to close flagship site, slash hundreds of staff.

<https://www.aljazeera.com/economy/2024/2/23/vice-media-to-close-flagship-site-slash-hundreds-of-staff>

Australian Financial Review. (2024, 5 Mar). Play hardball and make Meta pay fair share for news.

<https://www.afr.com/companies/media-and-marketing/play-hardball-and-make-meta-pay-fair-share-for-news-20240304-p5f9hd>

Breiner, J. (2024, 27 Feb). Lessons learned from starting a local news startup in Romania.

International Journalists' Network.

<https://ijnet.org/en/story/lessons-learned-creating-local-news-startup-romania#>

Charalambous, S. (2024, 11 Mar). Battle for the future of media - Daily Maverick's submission to the Competition Commission. Daily Maverick.

<https://www.dailymaverick.co.za/article/2024-03-11-battle-for-the-future-of-media-daily-mavericks-submission-to-the-competition-commission/>

Coy, P. (2024, 13 Mar). There's no obvious way to reclaim control from Big Tech, but technologists are trying. New York Times.

<https://www.nytimes.com/2024/03/13/opinion/internet-web-3-tech.html>

Geffen, N. & Van Zyl, A. (2024, 6 Mar). How Google and Facebook are killing local news publications. Daily Maverick.

<https://www.dailymaverick.co.za/article/2024-03-06-how-google-and-facebook-are-killing-local-news-publications/>

Klein, E. (2024, 21 Jan). I Am Going to Miss Pitchfork, but That's Only Half the Problem. New York Times.

<https://www.nytimes.com/2024/01/21/opinion/pitchfork-gg-internet-media.html>

Ledwaba, K. (2024, 5 Mar). Elon Musk's X Corp faces backlash for refusing to participate in Competition Commission inquiry. Bizcommunity.

<https://www.bizcommunity.com/article/elon-musks-x-corp-faces-backlash-for-refusing-to-participate-in-comp-commission-inquiry-127696a>

McCarthy, R. (2024, 2 Feb). Why does journalism seem like it's collapsing? Call it market failure. Fast Company.

<https://www.fastcompany.com/91021907/why-does-journalism-seem-like-its-collapsing-call-it-market-failure>