

Techtopia with Chitra Ragavan

Episode 9: Anjana Rajan

Chitra Ragavan:

Technology has transformed the global media landscape, especially, the news media, as content creators of every ilk and genre have taken advantage of the digital revolution, commoditizing content, and forever blurring the lines between e-commerce and content, news and entertainment, information and disinformation.

Chitra Ragavan:

Hello everyone. I'm Chitra Ragavan, and this is Techtopia. One media executive who saw the digital revolution coming long before others did, is journalist, media investor, and advisor Marcus Brauchli. He's here to talk with us today about the future of digital media and news. Brauchli is co-founder of North Base Media, an investment firm specializing in media and technology in global growth markets. He has served as an advisor to media groups, including Graham Holdings, Univision, and HT Media.

Chitra Ragavan:

Before co-founding North Base Media, Brauchli was executive editor of the Washington Post, overseeing the Post's print and digital news operations, shepherding the newspaper's digital revolution, and helping the Post win seven Pulitzer prizes. Before joining the Post, Brauchli was managing editor of the Wall Street Journal. His more than two decade tenure at the journal included 15 years as a foreign correspondent, mainly in Asia, and eight years as a senior editor in New York. Marcus, welcome to Techtopia.

Marcus Brauchli:

Thank you so much, Chitra. Great to be here.

Chitra Ragavan:

We were both reporters at major news outlets when the digital revolution began and the end of what you aptly described the other day, when we were chatting, as the end of the Voice of God period, when journalists were highly trained, experienced, reputable, for the most part, respected quite a bit, and the main content creators in media and news media. And then you saw the digital tsunami hit and it changed all of our lives. And you were on the forefront of bringing the Washington Post into the digital age. It must've been a huge challenge to pull it off. What was it like?

Marcus Brauchli:

Well, the truth is, the transformation that began with digital technologies, which really led to what you were describing, the end of the Voice of God, the end of the gatekeeper

era. It actually began, probably, 10 or 15 years before I came to the Washington Post in 2008. The internet began to erode at the edges. The ability of the big centralized sort of monopoly, oligopoly media players, the ability of them to set the agenda for all other news coverage, because it opened up the door to other people creating content and distributing content via social media channels via start-up media companies, in the early days, via blogs. Allowing people to sort of connect with audiences in a way that previously hadn't been possible. And it took a long time for the big established media companies to recognize this tsunami of change that was bearing down on them.

Marcus Brauchli:

For a long time, it simmered and percolated along. And the big focus was on whether the digital revolution was going to erode, as it did, the classified ad business was going to take away, as it did, the display advertising business. And it wasn't so much on how content itself would have the ability of anybody to create content and share content and create groups to share content, how that would erode the credibility and the authority of traditional media houses.

Marcus Brauchli:

And that really, it came slowly. The Washington Post, where I was the executive editor from 2008 until the end of 2012, the Washington Post, actually, was very early into digital media. They were one of the first organizations to put their newspaper online. The Washington Post Company, at that time, owned both the Washington Post and Newsweek, and the then owner of the Washington Post Don Graham, who was the chairman of the Washington Post Company, made a very astute decision early on to put all the digital media operations, of not only the Washington Post, but Newsweek into a separate building in, frankly, a separate state.

Marcus Brauchli:

It was actually in Virginia, a different legal jurisdiction from the Washington Post or Newsweek. Because he was concerned, at the beginning, that all of these digital media companies would be suffocated by the rhythms and obsessions of print journalists, who weren't at all focused on the much more dynamic needs of the digital media properties. So by the time I got there, in 2008, actually, the Washington Post had been doing a lot of innovative and strong digital content for years, but it wasn't integrated into the Washington Post newspaper. They sort of co-existed.

Marcus Brauchli:

And I remember when I came to the Washington Post as editor in the summer of 2008, an early meeting in my time there, was ahead of the Republican Convention in 2008, and the editor of the Washington Post online site, Jim Brady, came into the print side newsroom in downtown Washington to ask whether the editors of the print side, during the Republican Convention, could be sure to send over stories as soon as they were ready, instead of, waiting until the end of the print editions reporting and editing cycle, at the end of the day, to send them over.

Marcus Brauchli:

And the print side editors, basically, told him, "We can't do that. We have a process, and we'll send all that stuff to when it's finished editing, probably sometime between 7:00 and 11:00 PM," which, of course, is not exactly what people are looking to find content online.

Chitra Ragavan:

Yeah, interesting. A New York Times story that wrote about your transformation of the Post newsroom, and bringing metrics into the whole game, in addition to, obviously, keeping an eye on the quality of the journalism, kind of marrying those two together, describes your efforts as one of the most sweeping and closely watched reorientations of any newsroom in the country. And talked about this emphasis on metrics along with quality journalism. And keeping metrics front and center is kind of a given now. It's something we automatically do.

Chitra Ragavan:

But I'm sure at that time, it must have come as a surprise to some in the newsroom, and, potentially, at some personal cost to you, in terms of your own popularity at the Post, as you were trying to turn that big ship around, in some ways.

Marcus Brauchli:

When I came to the post, in 2008, I was incredibly fortunate to have both inherited a team of incredibly talented, digitally minded people who came from within that Washington Post/Newsweek interactive organization that had been set up in Virginia, and to be able to bring it into the Washington Post, along with me, a guy named Raju Narisetti, who'd worked with me at the Wall Street Journal, who was strategic and incredibly effective on the digital side.

Marcus Brauchli:

So we were able to modernize a newsroom that was, I would say, not exactly in the spirit and operating at the speed and the cadence of the digital era. We did make a lot of changes that were, initially, hard to persuade people of the value of. As you say, putting up metrics, putting up screens around the newsroom that showed how we were doing minute by minute against targets that we'd set for building audience and increasing engagement, was not terribly popular at the time we did it. I mean, now, as you say, it's widely embraced.

Marcus Brauchli:

There were a lot of concerns in the traditional newsrooms in America at the time that we were doing that, that as people started chasing clicks, as they said, that it would lead traditional newsrooms to go down market and the kind of content that they produced, because it was obvious that you could get a lot more clicks with content that was perhaps a lot less serious. People who wrote traditional journalism on subjects that were seen as dry or policy-oriented were afraid they would suddenly find themselves

not getting resources or support from editors, because other kinds of content would draw a lot more attention.

Marcus Brauchli:

I think that's not exactly how it's played out, although I don't think it's completely wrong. It used to be, one of the criticisms you'd get, if you ran a newsroom or a newspaper was, there was always somebody who would say that you were just publishing news of a murder or something sensational to increase subscriptions or to increase newsstand sales. The truth of newspapers was, until the internet really took over, we were largely, in the US, a subscription-oriented business. And whether we ran pictures on the front page of the Washington Post of an FCC policy deliberation, or we ran pictures of naked streakers on the mall, the same number of newspapers would land in the same number of driveways in the morning. And there might be some additional newsstand sales, but negligible amount.

Marcus Brauchli:

But as newspapers, as newsrooms rather, started focusing much more on digital engagement and audience, and those metrics became important, they began to operate undoubtedly a little bit more like television newsrooms had always done, where television people always knew what their ratings were the night before, and they knew what had worked. And in fact, there's substantial evidence that the pressure to increase audience and to give the audiences what they want, I think it did lead to a diminution of the quality of television news in a lot of American markets, including the national news.

Marcus Brauchli:

And I think, in newsrooms today in America, we've seen this in the last four or five years with the political coverage, it was clear that if you ran lots of stories about Donald Trump, it drove a lot of traffic. And I think there was probably a self-reinforcing cycle that was driven by the knowledge that, if you publish certain kinds of information, it delivers certain kinds of audience engagement.

Chitra Ragavan:

Yeah, and on the flip side, for readers, it gives a greater level of control, if you have the newspaper, because you solely get to pick and choose what you want to read. But with the algorithms driving stuff to you that you're interested in, the algorithm knows what you're going towards and it gives you more of that. So you also see on the flip side, the risks of that as well, in terms of your ability to consume all levels of news. And you see that with all of the disinformation going on now, that YouTube will look at some of your search words, and it'll start to send you down this rabbit hole of disinformation.

Marcus Brauchli:

Yeah. I mean, it's deeply unfortunate the impact of algorithms on, well, two things. First, on the serendipity factor. It is true that one of the joys of reading a newspaper is when you turn the page, you never know what you're going to encounter there. And you could say the same thing to some degree is true, if you switch on Twitter and you start going

through Twitter. But the reality is, even on something like Twitter, there are powerful algorithms that are trying to design a feed for you that will keep you engaged and give you content that the algorithm knows you like. Now, the ugly, not widely discussed truth of Silicon Valley, is the products are actually pretty lousy. The algorithms don't actually do a spectacularly good job at giving you the range of content that you might like.

Marcus Brauchli:

It's not that they're not trying, but they don't work. I mean, there has been tons written on how YouTube drives people into cul-de-sacs of hate speech and extremist content, because somebody watched one piece of content that the algorithm somehow interpreted as meaning that you're interested in one kind of content.

Marcus Brauchli:

And if you want to see algorithms at work, I mean, one of the things that's fun to do is go on TikTok and don't register, and just use TikTok over a period of time. And watch how the TikTok algorithm cycles different kinds of content past you to see what you like and what you watch. It's trying to figure out what you like, and then it'll send you different channels of content.

Marcus Brauchli:

I mean, these algorithms they're still pretty rudimentary. They don't really give you the range of content and the experience and the knowledge you would get, from a news point of view, if you just sat down and read a newspaper. Because they're designed to give you more of what they think you like, and therefore they're not likely to find the things that you don't know that you like. And I remember once going to Facebook, when they were building out a Facebook newsfeed, and I talked to the guy who was then in charge of Facebook news. And he was telling you about how great their algorithms were, and they knew what I liked. They would know what my friends liked. They could tell me exactly what kind of content I would be interested in at any given moment.

Marcus Brauchli:

It happened to be, the day that I went to see him, I think it was the afternoon of or maybe it was the day after a meteor had come down in Siberia and caused this kind of scary and shocking streak across the sky, and then loud explosion when it hit the Earth, where it hit the Earth. And car windows were rattled, and windows were broken in buildings, and people were thrown off their feet, and there were tons of dashboard cam videos from Siberia showing this thing. It was kind of spectacular and a little bit frightening.

Marcus Brauchli:

And I said to the guy, "All the algorithms in the world, won't tell you that the minute that thing happens, all anybody wants to do is read about, how likely is it the Earth is going to be destroyed by a meteor? And all anybody's going to want to watch is these videos." And of course the algorithms will pick it up pretty fast. They'll figure out within an hour that everybody's watching this stuff. And then they'll pick it up. But it isn't able to identify

the new thing. It isn't able to know what you don't... It doesn't know what it doesn't know, but a human editor could have told you immediately, instantaneously. I mean, the minute I saw that happen, I knew that all anybody would want to read about that day was that.

Chitra Ragavan:

Yeah, I remember that actually, the videos, and it was crazy and amazing. It's funny. I've been a time newspaper reader in the paper form, and only about a year, maybe a year and a half ago, I switched to digital, and I'm acutely aware all the time. Am I reading everything there is out there? Or is the algorithm just sending stuff my way? So definitely something to think about.

Marcus Brauchli:

Let's just take the newspaper, for example. I could consume hours talking about what I think is wrong with Silicon Valley. But if you take a digital newspaper, if you are a reader of the New York Times, as I was, and I'll grant you that I may have been a somewhat abnormal or unusual reader, I would tend to read newspapers cover to cover. I would sit down with three or four newspapers in the morning, start reading at the beginning, and finish reading at the end. And I read pretty much everything in between. And I was familiar with sports. I was familiar with culture. I was familiar with business. I knew what was going on in food trends, what restaurants were happening. You could get a lot of information out of a newspaper. If you go to the New York Times website, and you just start going through the New York Times website, there's tons of New York Times content everyday, you will not find.

Marcus Brauchli:

You may find six articles relating to Joe Biden issuing his executive orders to control guns in some way, because that's the news of the day. And they're very quick to put stuff up, because they know they have to surf those waves of interest. But you'll never navigate your way through to certain kinds of content.

Marcus Brauchli:

And so if you are somebody who is very interested in the arts, you may start reading the New York Times through its art section, and never navigate your way through to the sports section. So people's information diets, I think, are becoming more siloed, and the internet has made it possible for people to have more information, more authoritative information, faster information than they could ever have before. And in some ways, it's good. I've heard a lot of people bemoan the end of the traditional era of foreign correspondents, where one correspondent for the Chicago Tribune based in Beijing would travel Asia and write these great feature stories for readers of Chicago, who we needed to know about what was going on in Asia a little bit, but probably not very much.

Marcus Brauchli:

And there's a lot of people, especially, in traditional journalism, who worry about the end of that kind of foreign correspondence. I'm not particularly worried about it, because the

truth is, and I knew those correspondents who worked for the Chicago Tribune or in my case, the Wall Street Journal. And they would fly into a place, they might not go, but once a year, and they would get into a taxi, talk to the driver about what was going on, go to the hotel, read the newspapers, make a few phone calls to people they talked to the last time they were there, and write a story saying what was happening in Indonesia, say.

Marcus Brauchli:

Whereas today, if you actually care about Indonesia, as opposed to the bulk of the readers, who might read the story, because they're kind of curious what the Wall Street Journal thinks is important about Indonesia or the Washington Post, if you actually care deeply about it, especially if you happen to be expert, and, let's say you're living in Washington, and you're part of the World Bank's team that decides whether to allocate resources to development in Indonesia, and you maybe even speak Bahasa, you can wake up in the morning, you can know everything that somebody in Jakarta knows about what's going on in Indonesia.

Marcus Brauchli:

So the quality and the depth of information for people who care deeply about things is widely available. The hazard of the era we live in, of course, is that people generally are not all communicating on the same set of information, they don't operate on the same facts anymore because different source is produced different frames of understanding the world around us. And there's not a sort of general... The number of people have, let's say, general awareness of important things, who have the information that allows them to make good decisions in democracies or good policy decisions about economics, the number of people who have sort of wide knowledge, I think is greatly diminished, because people read vertically. They read what interests them.

Marcus Brauchli:

They get great information on the things that interest them, and they may be better informed than they've ever been on their hobbies or their professions, but they're not necessarily well-educated on things horizontally. They don't know what's going on broadly. They know what's going on vertically.

Chitra Ragavan:

Over your long career, you've touched on, basically, virtually, all aspects of media and news media, photography, writing, editing, design, digital, and obviously integrating digital into news media. What made you decide to go into investing in media companies and creating North Base Media?

Marcus Brauchli:

When I left the Washington Post as editor, I went to work for Don Graham, who then owned the paper as an advisor, and then vice-president at the Graham Holdings Company, it was then called the Washington Post Company, now it's Graham Holdings, on digital media strategy and investing. And it was a great perch from which to look at

all the changes that were going on. The previous 12 years, I had been one of the top editors at the Wall Street Journal, and then I was the top editor in 2007 at the time News Corp acquired Dow Jones, and then I went to the Post and was editor there.

Marcus Brauchli:

And for those 12 years, I was more or less perpetually engaged in adapting big traditional newsrooms to technological change, to workflow change, to audience behavior change. And there were tons of things that were happening that were fascinating to me. A lot of which transcended the traditional news domain.

Marcus Brauchli:

In the old days of newspapers, for example, there was a circulation department or a marketing department, they were combined, and the circulation and marketing department's basic mission was to decide what the audience that the newspaper needed should be, go out and market and make sure that circulation distribution was available in those areas, and build audience in order for the ad department to be able to maximize sales of and revenues from advertising to those audiences.

Marcus Brauchli:

In the digital world, the audience is determined largely by the kind of content, the timing of the content, the manner in which you distribute content, and all of those things are the domain of news. Traditionally, the content producers who traditionally, they just did content and somebody else worried about what the audience should be and how to sell the advertising. In the digital world, those things all converge. And if you are somebody sitting in a newsroom today, making decisions about what content to distribute, on what platform, to what audiences, at what time, you're making decisions that fundamentally, and without any exception affect the way the business itself is run.

Marcus Brauchli:

Your decision about what content is distributed what audience, determines, what kind of advertising you're going to get, and what kind of revenues you're going to get, what kind of traffic you're going to get, what kind of engagement you're going to get. And so, when I went to work for the Washington Post parent company, and started looking at digital media. I realized it was time to broaden my understanding of how media worked well beyond content, to every other aspect, to the business side, to the technology side, to understanding, strategically, where the industry was going to go.

Marcus Brauchli:

We were increasingly, it was clear to me, going to be competing with businesses that traditionally were not considered news businesses. In the digital world, we all coexist on what I call this vast, flat, digital plane. We can all see what everybody else is doing. When somebody is reading an article from the Wall Street Journal on her iPhone, she's a click away from playing a game on her phone, from making a phone call, from texting a friend, and the experience of consuming content on a phone, on a tablet, on a laptop, increasingly, is indistinguishable from a user point of view. Whether you're consuming

content from a traditional news provider, from a television entertainment company, even from commerce companies. You mentioned this at the very beginning, the convergence of content and commerce is coming fast.

Marcus Brauchli:

Because if you look at Amazon, for example, Amazon is not a place you go shopping. In the old days, people might go shop at a department store, look around, see what they might like, and buy something. But you can't really go shopping in some Amazon website with, I don't know, a billion SKUs, different products that are available. There's no way to, really, conveniently navigate it. So Amazon is forced to, like everything with content, use algorithms to try and drive you to places it thinks you might want to go based on your past behavior. And that's not really shopping, but it may satisfy some need in you.

Marcus Brauchli:

But I think if you look at how content engages people, if a magazine publishes online floral print dresses are in for spring, and they publish a bunch of images of floral print dresses. Each one of those images is shoppable, because you can click on it, and it'll give you a range of floral print dresses you might be able to buy, for different price points. That might lead to a convergence of commerce and content, where the content company might get, let's say, an affiliate fee, a commission for every sale that comes out of an image that they publish on their content site. And that's happening. That's happening all the time now.

Marcus Brauchli:

And that's a much better experience, from a consumer point of view, from a shopper's point of view, to be hearing from a content company you trust about, like, here are some interesting floral print dresses you might want to consider for spring. As opposed to having H&M or Gucci tell you, "Hey, this is what we think you should be buying," because everybody knows that they're pushing their products.

Chitra Ragavan:

Yeah. And it's fascinating, even the big... If you look at the New York Times and the Washington Post now, that paid content on Wall Street Journal, even, it's striking to see how much more prominent and interwoven that paid content is along with news articles. You really have to step back sometimes, and say, "Wait a minute, I'm actually looking at an ad. I'm not looking at an article." And I think that's both, it's helpful in some ways, but also very risky. Because you, sometimes, may not know what you're reading, and who's pushing the information.

Marcus Brauchli:

Yeah. I mean, I think that it's very important for content companies to preserve their integrity for people to know what they are and what they stand for. Because in this ever deepening ocean of information, of content, images, words, videos, everything you can look at on your phone and your computer, I do think people are increasingly seeking out

islands of clarity. Things that they know that they can trust and rely on. And at some level that's good. I think it's been very beneficial to traditional news publishers.

Marcus Brauchli:

I mean, if you look at the growth of digital subscribers to the New York Times, Wall Street Journal, Washington Post, it's driven, I think, in part, because people feel like, I need to know there's one place I can go and the content they're delivering to me is reliable. It's what I want to see. I think there's a danger in it that, when I say people seek out islands of clarity and this ocean of information, there are, unfortunately, also people who will decide that their island of clarity is the place that seems most resonant to them. And that may lead them to a place that's not a reliable source of information.

Marcus Brauchli:

I think perhaps that the gravest threat right now, not only to journalism and its credibility with people, but also to our society, in particular, democracies, is misinformation and disinformation. And I think a lot of it has been the accidental by-product of technological changes. Technology, obviously, I don't think anybody in technology set out to erode democracy, though, I think their products have done terrible damage. And they've done it, it started, I think with social media, making it very easy to share information. And it suddenly seemed to people that what journalism was doing was like no different than what they were doing. I can share something on Facebook, and my 300 closest friends see it and comment on it. There's a fire in my neighborhood, and I take a picture and post it on Twitter, and people all respond to it. It feels like, this journalism thing's not that hard, getting information and distributing it.

Marcus Brauchli:

And then, the next thing that happened was technology has made it really easy to make all content look the same. So if your email inbox in the morning contains an email newsletter from CNN, alongside an email newsletter from InfoWars, they look the same, and you might say, "Well, what makes this one right and this one wrong?" And people start choosing the ones that they think are more resonant. And next thing that happens is, this AI algorithm machinery that we were talking about before, which directs people into the sort of these cul-de-sac of like-minded people, so-called filter bubbles. Once you say, you're interested in certain kinds of content, you signal to the algorithm, this is what you like, it feeds you more of that.

Marcus Brauchli:

And all of a sudden you're seeing all this information that looks like journalism. It seems to have been gathered in the same way, and happens to coincide with your worldview. And so you think, ah, this is something I can rely on. Why shouldn't I believe this? Why should I believe this other stuff? And then on top of everything else, the big platforms, have these powerful economic incentives for feeding you more content that maybe false, even if it's reassuring to your worldview, because they know that you engage with it more, and, because they're driven by advertising, by clicks, their incentives are to, to have you engage more. And there's been a lot of reporting that's been quite powerful

and disappointing, from the point of view, how the institutions behaved about Facebook and how Facebook executives, knowingly allowed content they knew to be false or misleading or inflammatory, to be distributed on its platform, because it was engaging.

Marcus Brauchli:

And I think that was a bit of a moral advocacy on the part of the Facebook. I think there's been a lot of moral advocacy on the part of big companies in Silicon Valley, because they're a little bit misguided by naive and ill thought out philosophies of libertarianism that don't actually reflect what's good for the society, democracy that allows them to even have those philosophies, but it's what it is.

Chitra Ragavan:

So what's the solution? What are you seeing that might offset some of these dangerous trends?

Marcus Brauchli:

Well, the easy answer is, it would be really helpful if some of the powerful people in Silicon Valley grew up and got a conscience and a sense of responsibility. I mean, there's a lot of, let's say, almost greed driven, childlike thinking among executives in Silicon Valley, who've rationalized behavior that's, at best, amoral. And they say things about what they can allow and not allow and what they can accommodate and not accommodate, and they invoke the First Amendment and they say they have to take all sides into account. And there's all kinds of rationalizations, but really, they come down to, these are not unsolvable problems. There are technologies that they themselves have built that would allow them to begin to grapple with some of the things like false and misinformation that, whether it's on COVID or encouraging hate speech in certain countries and different languages, they could deal with it.

Marcus Brauchli:

In the case of the big technology companies, it would require that their profit margins go down. It's not that they couldn't address these problems. It might mean there would be less engagement. It might mean that they would spend a lot more money on content moderation and on tools to keep certain kinds of information out. It would mean they would have to make choices that would require them to be, perhaps, smaller and less profitable. Maybe their gross profit margins go from 60% or 70% to 20% or 30%. But that might be the price of being a responsible corporate citizen and participant in a world where these kinds of misinformation and disinformation are potentially fatal to and at minimum toxic to democracies. And democracies are essential for the existence of these kinds of companies.

Marcus Brauchli:

It's worth saying that, the company that I think is probably most culpable in this areas is Facebook. And Facebook today reaches more people, if you aggregate the audience of Instagram, Facebook, and WhatsApp, all of which are owned by Facebook, they reach more people in aggregate every day or every month than were alive on this Earth the

day Mark Zuckerberg was born. And when Facebook went public, Mark Zuckerberg followed the example of, I should say, some big newspaper groups, and created a two-tier shareholder structure, where he controls the voting power in Facebook.

Marcus Brauchli:

And so he has super majority control over Facebook. He's held all the responsibility for Facebook. He's kept not all of the economics of Facebook. He allowed that to be made public more, but he kept all the responsibility for Facebook, which publishers of newspapers, when they went public, more than a generation ago in the 1960s and 70's, they use the similar two-tier your shareholder structure, which I think actually probably should be illegal, but that's a whole separate conversation. They wanted a two-tier shareholder structure because they needed to preserve the editorial integrity of newspapers, and not subject and commercial pressures.

Marcus Brauchli:

I think it's interesting, what's happened with Facebook is, Mark Zuckerberg has this super control over the company. He's retained the responsibility, but at the same time, he's rejecting responsibility. They create a supreme court, a super governance body to oversee the editorial decisions of Facebook. Which, frankly, I think, when you keep the super voting control of the company, that's one of the responsibilities you should be taking, not trying to outsource it to somebody else, so you're not actually responsible for the thing that you've insisted on keeping responsibility for. Again, I don't have a problem with this body being created, except insofar as, I don't think you need somebody else to make those decisions for you.

Marcus Brauchli:

I think those are hard, difficult decisions, there may be too many of them for you to make all at once. But I think, ultimately, you can't set up a separate decision-making body for that. You have to take responsibility for what you're doing, and in taking responsibility for what you're doing, you have to confront some of the moral consequences of the product you built. And when Facebook says for months and years, that there are certain things they can't do, they can't control certain kinds of content. They can try to control it at the margins. And then a few weeks before the election, all of a sudden, they say, "Well, actually, we're going to take down all the QAnon content." Or they say, "We're going to suspend political advertising for a period of time."

Marcus Brauchli:

It reminds me of the old joke about Winston Churchill sitting next to Lady Astor, and he asks her, "Would you sleep with me for a million pounds?" And she says, "Well, I suppose I might." And he says, "Well, how about for a 100?" And she says, "What do you take me for?" And he says, "We've established that. We're now negotiating. We're just haggling over the price." And you know, that's what Facebook basically... It said, they actually can do this stuff, but they choose not to.

Chitra Ragavan:

So looking ahead in wrapping up, to the next year or two years or five years, what do you think will happen to, potentially, rein in companies like Facebook? What do you think will happen?

Marcus Brauchli:

There's a whole lot of different pressures that are arising. At the end of the day, Google and Facebook should be treated like utilities, and utilities are largely regulated. We've never had a situation where one individual has such control over information globally. We have tools for dealing with economic monopoly, which there's no question Facebook and Google are in the monopoly camp. And there are tools for addressing their economic monopoly. We don't have tools or even a comfortable pathway in the United States for addressing information monopoly, because the First Amendment, basically, precludes that path.

Marcus Brauchli:

And therefore, we're going to have to think, as a society, how do we pressure these companies to do the right thing? How do we get them to recognize that maintaining their profit margins at the expense of our democratic societies may be a mistake, that they should take another path? How do we put economic pressure on them, so they don't continue to do this?

Marcus Brauchli:

Now, it's going to come from individual countries, I expect. The Europeans are, obviously, well ahead of the Americans, in terms of their concern of a privacy regulations. I'm not sure GDPR was the smoothest solution ever, but they're addressing it. And they're very focused on issues of like what kind of content can be distributed. Individual countries are going to restrict what content can be distributed. Some countries are going to start requiring that the big technology platforms, actually, pay fair compensation for the information that they profit from. Both Facebook and Google and Twitter, all these companies, they rely heavily on content other people create for them, whether it's people just posting about their friends or sharing newspaper articles, or videos. Other people pay for the content and creation that these platforms then monetize, and the platforms rather disingenuously say, "Oh, well, it's a fair trade, because we're giving them the distribution and the tools to reach all these people."

Marcus Brauchli:

But if it was really a fair trade, their profit margins wouldn't be as fat as they are. A fair trade would suggest much narrower profit margins. So I think it's going to be country by country regulation. A lot of countries in the world, I think, look at how China regulates its internet. And I don't want to hold China up as a model for anything, because I think a lot of what China's doing the world right now is terrible and problematic to democracy, and free movement of people and information.

Marcus Brauchli:

But what China does, is China says to the internet companies, "Look, there's just certain stuff you can't do, and we're going to leave it to you to figure out how to deal with it, but here's what you can't do." And they say, "Don't publish information about," for example, "Beijing's repression of the Uighurs. Don't publish information about Beijing's repression of Hong Kong. Don't publish information that would seem to flatter Taiwan. Don't publish information that would seem to make the US look good." They basically issue these edicts, and then the internet companies are in a position of having to figure out how to implement these edicts, and the government doesn't go beyond that.

Marcus Brauchli:

Now I don't think the US, again, is ever going to go down that path, and I'm glad that it won't. But I think there are a lot of other countries in the world that will, and they'll just say, "Hey, Facebook, if you want to operate here, here's the rules. Google, if you want to operate here, here are the rules." And some companies, when confronted with those kinds of requests, may make difficult decisions, as Google ones famously did, when it pulled out of China after China hacked into some Chinese people's accounts on Gmail, Google, basically, said, "We're out of here," and stepped out of China, in a big way, for a long time.

Marcus Brauchli:

Facebook, recently, encounter this in Australia, when Australia insisted that internet companies that want to redistribute content produced by news companies in Australia, who paid to have that content, and who paid the cost of having that content created, if they want to redistribute that content, they're going to have to pay publishers for it. Facebook in one of the all time insane policy responses I've ever seen a company launched, decided that they were going to just stop allowing the distribution of news and other related content, including by the way, a lot of nonprofit content, including from foundations and organizations that were trying to provide information about how to get COVID vaccines or be safe in COVID.

Marcus Brauchli:

Facebook just suspended all that information, and demonstrated it's bullying behavior in the worst form. In the end, Australia and Facebook reached an accommodation. Facebook agreed to pay publishers for information, which as many commentators pointed out, seemed to favor Rupert Murdoch, who is not considered by everybody to be exactly the little guy that they want to see Facebook helping in this world, but it solved Facebook's problem in Australia.

Chitra Ragavan:

Interesting. Well, Marcus, thanks so much for joining me today, and for the great conversation.

Marcus Brauchli:

It's a pleasure Chitra. Thank you very much for taking the time to talk to me. I appreciate it.

Chitra Ragavan:

Marcus Brauchli is co-founder of North Base Media, an investment firm specializing in media and technology in global growth markets. Brauchli has served as an advisor to media groups, including Graham Holdings, Univision, and HT Media. Before co-founding North Base Media, Brauchli was executive editor of the Washington Post, overseeing the Post's print and digital news operations, shepherding the storied newspaper's sweeping digital revolution, which began on his watch. And during his tenure, the Post won seven Pulitzer prizes. Before joining the Post, Brauchli was managing editor of the Wall Street Journal. His tenure at the journal included 15 years as a foreign correspondent, mainly in Asia, and eight years as a senior editor in New York. This is Tectopia. I'm Chitra Ragavan.