

Distribution dispute

Media and tech giants need to find a common ground

Should online giants like Google and Facebook be compelled to pay for the news items they publicise by sharing links? There are strong arguments to be made for and against such a practice. This debate has been on for several years and it has led to controversial actions in France and Spain. Now, Australia says it will legislate a code making it mandatory for Google and Facebook to share ad revenue with media. According to the Australian treasurer, Josh Frydenberg, the Australian Competition Commission has been tasked with drafting revenue-sharing regulations. This will include provisions related to value exchange and revenue sharing, transparency of ranking algorithms, access to user data, presentation of news content, and penalties for non-compliance. The draft law will be released for comments by the end of July, and it could be passed by November. The Covid lockdown has impacted media revenues badly and the crisis may have precipitated this action. But Australia's policymakers had been trying to persuade the online giants to adopt a voluntary ad-revenue sharing system for a while, before resorting to legislation.

Australia's competition commission says over 98 per cent of searches on mobile in Australia are with Google and 17 million

Australian (out of a population of 25 million) connect to Facebook for at least 30 minutes daily. It estimates that, out of every Aus\$100 spent on online advertising, \$47 goes to Google, \$24 to Facebook and \$29 to all others combined. The two platforms have similarly dominant positions elsewhere. Across the world, Google and Facebook are the two biggest media platforms and news aggregators. Snippets of relevant articles with headlines and photos are visible on Google on every search. The search engine's news service also posts news related content. Facebook users also post links to news. It is true that Google and Facebook only display headlines and snippets. But both Facebook and Google live off the advertising revenues they earn. Neither shares ad-revenue with the media houses which create the content they link to. The media houses on their part say that Google, Facebook, and similar entities would not receive either traf-

fic, or ad-revenues, without access to the content they display and link. On their part, the platforms argue display on their platforms guarantees high visibility and volume of traffic, which content-creators are welcome to monetise in any way they can. They also say content creators can voluntarily opt out of their content being shared on the online platforms.

France and Spain have tried to impose similar ad-revenue sharing schemes on the online giants. Neither has been very successful. In France and Spain, Google simply stopped offering news services with local links. That caused a crash in traffic volumes for local media. There are apparently chances of legal action targeting Google in France on the grounds that it has abused its monopoly status by shutting down links to local media. France is said to be also debating a new law to try and force revenue-sharing.

Both sides in this debate obviously have

some logic backing their argument. It is also obvious that this is a relationship. The outcomes in France have been "lose-lose" because neither side reached. In the broader context, Facebook, Twitter, and the likes of them, such as other social media sites and search engines, have disintermediated the advertising industry. Ad can now flow directly via Google or Facebook, without having to go through a media site. If you want to keep a slice of that ad-revenue, you have to, in that case, content creator's decline, with an eventually no revenue-share via legislation, a blunt instrument. Any model of revenue sharing should ideally, develop with online platforms, media houses, and recognising what they can do to bring to the negotiating

Lives vs livelihoods

The low virus-related mortality rates for India and other tropical countries do not support the case for stringent lockdowns, which would also destroy businesses and jobs

ALOK SHEEL

There is a lot of data in the public domain on the rapid progression of the Covid-19 pandemic that, among other things, is threatening to result in another Great Depression.

The course of the Covid-19 pandemic has varied sharply across space and time. Aggregating the data controlling for demography and geography reveals interesting patterns that have a bearing on the kind of differentiated public policy response that is warranted. The data from China, where the pandemic began, looks very different when controlled for population size.

Countries in the northerly latitudes, above roughly 30 degrees north latitude, have a different epidemiological pattern from those in and near the tropics. The influenza virus appears to take a more deadly form in the former zone, whereas the latter is more susceptible to bacterial epidemics such as malaria and tuberculosis.

The normal mortality distribution deriving from epidemics also follows this differential epidemiology. The United States has about 55,000-60,000 deaths annually from seasonal flu. Controlling for population size, this translates into roughly 200,000 deaths for a country of India's size. That the seasonal flu has not been a major public health concern in India is apparent from the fact that flu data is not readily available, unlike the time series data available for tuberculosis and malaria.

Only data relating to Influenza A, H1N1, are available. Deaths from H1N1 have averaged at most around 2,000 per year for the past few years. Controlled for population, this translates into about 500 deaths a year for a country of the size of the US. Annual mortality from tuberculosis in India on the other hand exceeds 220,000. Another 20,000 die from malaria.

The Spanish flu always comes up in any discussion regarding India's vulnerability to large-scale flu-related deaths. According to received wisdom, India accounted for the highest number of deaths globally during the Spanish flu of 1918. There is, however, enormous difficulty in disaggregating flu mortality from other causes, especially since bubonic plague and malarial fevers were also rampant at the time of the Spanish flu.

Basal death rates were very high right from the first census in 1872 census till 1921, during which the population remained stagnant despite very high birth rates of about 35-40 (per thousand). A large number of Spanish flu cases were also imported through large-scale overseas troop movements on account of war. Basing public policy on a statistically challenged event over a hundred years ago and ignoring



Those in informal employment have suffered the most during India's lockdown

WHAT THE COVID-19 DATA REVEALS

Country	No. of cases	No. of deaths	Population	Cases/million	Deaths/million
Timeline	Apr 24, '20	Apr 24, '20	2020	Apr 24, '20	Apr 24, '20
TEMPERATE					
Canada	42,110	2,147	37,742,157	1,116	56.9
France	158,183	21,856	65,273,512	2,423	334.8
Germany	153,129	5,575	83,783,945	1,828	66.5
Italy	189,973	25,549	60,461,828	3,142	422.6
Spain	213,024	22,157	46,754,783	4,556	473.9
Netherlands, Portugal, Sweden, Denmark, Norway, Switzerland	118,944	9,157	57,298,913	2,076	159.8
Turkey	101,790	2,491	83,992,953	1,212	29.7
Iran	87,026	5,481	83,992,953	1,036	65.3
Russia	120,067	16,060	67,886,004	1,769	236.6
US	886,709	50,243	331,002,647	2,679	151.8
S. Korea	10,674	236	51,269,183	208	4.6
Russia	42,853	361	145,934,460	294	2.5
China	82,804	4,632	1,439,323,774	58	3.2
Japan	12,368	328	126,476,458	98	2.6
Total	2,219,654	166,273	2,681,193,570	828	62.0
% of Global	81.0	87.0	35.0	-	-
TROPICAL					
India	23,502	722	1,380,004,385	17.0	0.5
Bangladesh	4,689	131	164,689,383	28.5	0.8
Pakistan	11,155	237	220,892,331	50.5	1.1
Mexico	11,633	1,069	128,932,753	90.2	8.3
Brazil	5,036	3,331	212,559,409	23.7	15.7
Indonesia	7,775	647	273,523,621	28.4	2.4
South Africa	3,953	75	59,308,690	66.7	1.3
Nigeria	981	31	200,963,599	4.9	0.2
Ethiopia	117	3	112,078,730	1.0	0.0
Egypt	3,891	287	100,173,395	38.8	2.9
Total	72,732	6,533	2,853,126,296	25.5	2.3
% of Global	3.0	3.0	37.0	-	-
World	273,4102	191,189	7,718,145,564	354.2	24.8

Source: <https://ourworldindata.org/coronavirus-source-data>

what has transpired since is suboptimal.

The accompanying table comprises 29 big countries that together account for almost three-fourths of the global population. The countries are classified according to geography. The first set of 19 countries is located approximately above 30 degrees north latitude in the temperate zone. The second set of 10 countries is relatively poor and below 30 degrees north. The land mass and population below 30 degrees south is negligible.

The contrasting course of the Covid-19 epidemic in the two sets of countries is so startling that one wonders whether the same public policy response was ever warranted. Bangladesh and Pakistan, which do not have such a comprehensive lockdown as India, have fared almost as well. The countries south of 30 degrees latitude account for 37 per cent of the global population and just 3 per cent of reported Covid-19 cases and deaths. Most of the Covid-19 cases here are also linked to overseas travel. The low-

er number of cases in these countries might be because both testing and data systems are weaker. Deaths are, however, less likely to be under-reported than infections.

On the other hand, 19 major countries located above 30 degrees north latitude account for a slightly lower share of global population, but over 81 per cent of reported cases and over 87 per cent of deaths, despite having better resources and the best public health infrastructure in the world. Most of the remaining 16 per cent of cases and 10 per cent of deaths are also from countries in this region that are not included in the table.

The global best practice is to combine lockdowns with fiscal packages (10 per cent of the gross domestic product, or GDP, in the US so far, 15 per cent in the UK and 20 per cent in Japan), on a scale unknown outside times of war, in addition to very accommodative monetary policies. This attempts to address the catastrophic economic consequences of national lockdowns through a combination of basic income support, tax breaks, incentivising employers to protect jobs, and subsidising businesses. Such massive State support arguably tilts the trade-off between lives and livelihood towards the former.

The poorer countries, where Covid-19 is far less rampant and severe, cannot afford such fiscal support. India's fiscal package thus far is just 0.8 per cent of GDP, despite the large-scale dislocation arising out of arguably the most stringent shutdown globally. In these societies it is also impossible to enforce personal distancing outside urban middle class neighbourhoods. The absence of such support leaves a large number of persons at or just above the poverty line jobless and cashless in the absence of social security or automatic stabilisers. They are unable to exchange labour income for food, and have no savings to fall back on, making them vulnerable to starvation.

A protracted lockdown also risks tanking the economy, destroying businesses and jobs permanently, and endangering complex supply chains. In these conditions, the trade-off between saving lives and saving livelihood tilts towards the latter, especially when the data does not support the case for stringent lockdowns. Would enforcing social distancing norms, enhanced testing, tracking overseas travel and data-based localised shutdowns have sufficed?

The bottom line is that an oversized fiscal stimulus is the flipside of a comprehensive lockdown, at least in compassionate liberal democracies.

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How IPR protection boost green innovation

ARVIND MAYARAM & GARIMA SODHI

Innovation has transformed the world. But what spurs innovation? Evidence shows that intellectual property rights (IPR) promote innovation by rewarding innovators. Now another transformation beckons, albeit with green technology. International treaties related to climate change have been adopted, and national targets set, but unless there is technological advancement, it will all be in vain.

What needs greater attention in tackling climate change is the unsung hero of innovation — intellectual property. On the occasion of World Intellectual Property Day 2020 today, we look at the role of IPR protection in boosting green innovation.

There is no single commonly accepted definition of green innovation or technology. It varies from abatement of climate change to adaptation, depending on the goal. But in general, it can be described as environment-friendly. As defined in Chapter 34 of Agenda 21 (The United Nations Programme of Action from Rio, 1992) and referred by the World Intellectual Property Organisation (WIPO), green technologies are environmentally sound technologies that protect the environment, are less polluting, use all resources in a more sustainable manner, recycle more of their wastes and products, and handle residual waste in a more acceptable manner than the technologies for which they are substitutes. They include "know-how, procedures, goods and services, and equipment as well as organisational and managerial procedures."

Green technology is generally thought of as unreliable and expensive. Souto and Rodriguez (2015) have shown in their research that the major obstacles in environmental innovation are lack of funds, high cost of innovation and uncertain demand, which is consistent with some previous studies. Some studies show that IP protection promotes development, commercialisation and distribution of green technology by protecting and rewarding innovation. It also helps in obtaining funding. An analysis by WIPO showed that from 2002 to 2012, the number of PCT patent applications published for renewable energy increased by 547 per cent. This period witnessed a huge investment in the sector.

Advanced economies (AEs) have long been investing in research and development of green technology. Developing countries neither have huge resources and innovation capabilities for technology development, nor capital to buy or license the technology from the AEs. These countries often resort to compulsory licensing. India's National Manufacturing Policy also promotes compulsory licensing of patented green technologies for technology transfer, where necessary.

Article 31 of the TRIPS (Trade-Related Aspects of Intellectual Property Rights)

agreement permits compulsory licensing in "case of national emergency or other circumstances of extreme urgency or in the public interest." The rationale for such licensing is not such licensing would be an effective way to technology transfers. Some alternative ways. Some attention in tariff and non-tariff measures.

Apart from technology also has huge potential. In this regard, India has an important role to play. In countries, compulsory licensing is an important component of technology transfers. Some alternative ways. Some attention in tariff and non-tariff measures.

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It is expected that the transition to a green economy may take several years, but the process can be accelerated by adopting favourable policies and incentive mechanisms

Canada, Taiwan has an explicit provision to benefit by channel for patents for

The role of organisational transfer. Some attention in tariff and non-tariff measures.

WIPO GREEN by content and seekers of environmental technologies. India may use of its clout with WIPO national organisational technology transfer.

Green technologies electric vehicles have been commercialised. In transition to a green several years, but the process can be accelerated by adopting favourable incentive mechanisms clean technologies earth and its inhabitants starkly evident than in clean air and water lockdown. On this importance of IP in promotion in achieving the sustainable world must be

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