Research on Social Responsibility of Internet Media Corporates from the Perspective of Law

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Abstract:*This paper revolves around the social responsibility of Internet media corporations. To begin with, the paper analyzed the developmental process of relationship between legal system and Internet media corporations, and based on this, then the paper illustrates reasons why they are supposed to take on responsibility from different perspectives and how current legal reformation should strike a balance among Internet media corporations of different scales. The article lays stress on cause-effect relations of some pressing issues. After a series of analysis, this paper concludes Internet media corporations, especially giants, need no more protection but should be required to shoulder more social responsibility. Meanwhile, the paper proposed several plausible ways against the overdominance.*

Key words: *Internet media tech; Law; Legal transformation; Anti-monopoly*

Introduction

We have seen and continued to see Internet corporations, say, media platforms giants, penetrate, dominate even monopolize our life and market, because Internet media have largely supplanted traditional media and become an indispensable source of extensive information. Many studies have focused on the technique as key factors that have promoted these streaming corporations. However, law have also played a fundamental role throughout the process as well. Seen from a different perspective, apart from technology, law as well shaped the Internet media corporations' dominance and is also greatly influenced by the transformation brought by Internet. The industry has been going from "being protected" to "being restricted" and the fair competition has been proved being affected even impaired because several giants are preponderant. Hence, for the Internet media goliaths, the relationship between right and obligation is facing a fundamental remodeling and the relationship between power and right has undergone structural transformation. Small corporations' development would be stifled by the monopoly of big ones and their developmental possibility compromised. Hence, legislation should make a concrete analysis accordingly.

Law is an imperfect yet indispensable vehicle by which both to conserve and transform society. It would be rash to undervalue the certainty, generality, and predictability that an effective legal system can provide. Few societies achieve genuine harmony and accord; and Internet society is not an exception, yet in the absence of

a descent into chaos and conflict would surely be an inevitable consequence for increasingly polarized planet. More and more intricate interaction will inevitably lead to profound law reform. Quite a few have pointed out that several online media giants have become the "decider", for a variety of media platforms, via their ever-advanced algorithms, tell us what is worthy viewing or what we might get interested in on a daily basis.

What the paper tries to convey is to give an introduction of the correlation between law and development of Internet media corporations on the ground of anti-monopoly. Most arguments in the article are proposed based on existing issues and confirmed by interrelated examples from different perspectives. Moreover, the article also applies cause-effect analysis, which is to probe into the reasons behind the phenomena that Internet media, thus further providing some strategies. In all, the article analyses the development of Internet media corporations and legal system, as well as the strategy respectively.

To begin with, law have excelled the Internet media corporations because initially law aim to give equal access to Internet. But with the springing up of a bunch of media behemoths such as Facebook, TouTiao and so forth, a chain of problems emerged because of openness of law. But restrictions also carry dangers to those "baby" media corporations in that many of them are not able to afford the censorship, thus more than hard for them to get into the market. Lacking of some hard-bitten counterparts, dominance of goliaths could be strengthened, thus all above sticking into a tricky vicious circle. Under this circumstance, this article would look at how law have shaped the Internet media giants, and further analyze the potential strategies and risks.

The paper consists of three parts with each focusing on one aspect. The first part is hitched to how law have helped Internet media develop into industry tycoons. On the one hand, online media used to be considered similar to traditional telephone service but it turns ed out they are substantially different, especially when Internet techniques boomed and transformed our life in an unprecedented way and speed. The second part tells that, with the advancement and expanding of Internet media corporations, freedom that law used to give them will lead us to dilemma. Instead, restrictions could vitalize more corporations. This part centers upon potential impact monopoly might pose. The third one discusses about strategies and latent challenges, which is followed by some analysis toward the situation.

Reasons for Internet Media Giants' Monopoly from a Perspective of Law

The monopoly could be attributed to mainly two aspects, one is the openness of law, while the other one is lag nature of law. These two features enable law to promote the boom of Internet media giants. Back when those Internet giants were babies, they were well protected and encouraged, as Gunther Teubner put in *Fragment of Constitution*, the Internet industry unconsciously followed the rule of "net neutrality", which was to assure everyone's equal access to Internet. The rule was on the basis of initial design and purpose of Internet which is to guarantee technically that, as long as a computer and some payment, everyone was able to surf the Internet equally. The author of *A Declaration of the Independence of Cyberspace* concurs that "we are creating a world where anyone, anywhere may express his or her beliefs, no matter how singular, without fear of being coerced into silence or conformity." Upon the notion, therefore at the beginning, ISP served only as platforms of their users and did not need extra law to regulate. They were seen no more than a kind of channel so they did not have to be responsible for specific contents on the platforms.

What is more, the openness of law, to some extent, accelerated some media corporations' blossoming. A new conception, "Emerging Illegitimately", has been put forward recently by a Chinese professor which indicates that many Internet companies develop by disobeying the rules of traditional law. Take TouTiao, one of the top-notch news applications in China, it was founded in 2012, but soon got off the ground in 2014. The way it gained market was to provide subscribers with news that TouTiao smuggled from other websites and then transcoded them. Despite the notation of articles' source and link, what shows to subscribers is only pages of TouTiao. In fact, what TouTiao did was indeed a kind of tort, so it is not surprising for its being sued by one of its counterparts and punished by National Copyright Administration of The People's Republic of China (NCAC). Notwithstanding, being penalized is not necessarily a bane, instead, could be a boon, and coincidentally, the very first growth of the number of users encountered the legal issue, just right after the tort. In fact, TouTiao took this lawsuit as a wide advertisement and therefore attracted reams of subscribers and more sponsors came along. Statistically, 2016 saw nearly quadruple incomes compared with that in 2015, while in 2017 the income surged to 1.5 billion.

Actually, TouTiao is not an exception at all. It is assumed that many now-popular applications, ranging from video websites and online finance to online ride-hailing service, has gained their position and reputation via offering attention-grabbing free service to catch eyes, and afterwards enrich their contents through certain tort, advertised and looked for sponsors. Streaming media might copy works from foreign websites without permission.

Specifically, there are three stages of "emerging illegitimately" of Internet media, the first stage is to opt free model coupled with ads, which aims to successfully entre the market and compete with traditional media, while the second one is to encourage users to create contents (kind of separate "free labor" of big scale in essence) in response to accumulating users and strengthening protection from governments. The third stage mainly revolve around transition from sharing to building connection among finance, matter and so forth, thus challenging more and more traditional industries and triggering more interests' conflicts with and within a wider system.

At first, as stated in his speech, *A Declaration of the Independence of Cyberspace* we are creating a world that all may enter without privilege or prejudice accorded by race, economic power, military force, or station of birth. What is more, the "online service provider safe harbors" also did good to the growth of International media corporations because as a practical matter, it is scarcely pragmatic for original producers to scrutinize and push off illegal contents. So it is easy for corporations to escape from allegations.

Besides, the lag nature of law also proved play a part in the prosperity of Internet media. Legislation requires a lot of time and energy, which makes adjustment of law difficult to keep pace with the development of Internet. As an illustration, *The E-Commerce Law of the People's Republic of China* was not enforced until 2018, more than 5 years after it was proposed in 2013, for the act had gone through trial-and-error, collecting all sorts of rules, cases as well as conventions spanning more than a decade. In conclusion, considering the high cost and low speed of legislation, it could never be not chary enough to lay down a law in the Internet era featuring rapid development and unpredictable vicissitudes, because it is very likely that if throwing outrageous sums into modification and recast of certain law, it is not impossible that a law is lagged

behind already before its propagation and application. On this occasion, governments are inclined to adopt experimentalism which is to, at start, make room for Internet corporations' development and not strengthen the censorship until the industry is fraught of unworkable problems.

In 1996 president of USA, William Jefferson Clinton signed an act of significance named Communication Decency Act (CDA) in which the 230th explicitly stipulates any ISP or users should not be seen as posters or representors of content. In other words, Internet service providers and other web companies to some extent resemble the telephone communications provider in that they are all just channels for disseminating information, not having to accept responsibility for what appears on their pages and being accountable for users' acts and views, even slanders. This act was deemed to pave the way for tech companies via helping them stripping off the responsibilities and sidestepping burden of lawsuit. Within the five years after the enaction of the CDA, Facebook, Twitter, you tube's mushrooming treaded close on another. In conclusion, to some extent, law have promoted the boom of the Internet media industry.

The Negative Impacts of Monopoly Imposing on the Industry.

As argued above, admittedly some of media giants milked the openness and lag nature of law and made a great leap. However, now the situation indeed raises a worry about fair competition, for recent years have seen some tech giants' monopoly over industry. That is partly because they often benefit from legal exemptions even use the legal issues to rake in. Currently, it is true that several tech giants have the monopoly of the market. Social contradictions are very likely to deteriorate unless these tech giants are strictly regulated and controlled. So it is not a stretch to find out many countries are putting anti-monopoly into motion. And a series of new ideas mushroomed both in Internet area and legal system that need further coordination and interaction.

To begin with, there is no doubt that the monopoly imposed great threats on small-scale corporations. To demonstrate, the European Commission has accused Google of using control of Android, its mobile operating system, to give its own apps a leg up. Facebook keeps buying firms which could one day lure users away: first Instagram, then WhatsApp and most recently tbh, an app that lets teenagers send each other compliments anonymously. Although Amazon is still increasing competition in aggregate, as industries from groceries to television can attest, it can also spot rivals and squeeze them from the market.

To illustrate, EU tends to release the historically strictest regulation——GDPR (General Data Protection Regulation) which is specifically used to regulate the companies. Those punished companies could be fined up to $20 million, otherwise 4% of their yearly turn-over. The act is seen as response to the dominance of tech giants like Facebook and Google, which are able to govern the wide-ranging personal information and offer tailored advertisements. Likewise, the US government is trying to prohibit the actions like google swallowing Waze and Facebook gorging Instagram and Whatsapp in that these combination will murder potential rivals and arrest the creativity. Also, a proposal on anti-monopoly targeted the new-born corporations is being brewing in order to help them start up.All above illustrates law have no longer tried to protect these tech giants, instead, law have got on the way of restricting.

On the other hand, law supervision does help but more limit a branch of first-step corporations because law have entrenched the dominance of tech giants. The more law has regulated the content appearing on the media, the larger scale of moderators, who are hired to censor and bowdlerize the content that cause harm, are required, and it is true that the armies of content moderators are expanding. Recent statistics has shown that Facebook is projected to employ 20 thousand moderators, who are to make the platform less toxic but protecting the freedom of speech, while Youtube about 10 thousand. However, for those startups, especially those already-tightfisted ones, it is more than tricky to afford the burden of hiring moderators, let alone moving the needle or edging out from jungles of giants. Therefore, the law suppresses the development of new-born Internet corporations, and also precludes the creativity that some new-born corporations might inspire.

Therefore, it is not surprising for more and more politicians begin to believe the monopoly of Internet media giants is weakening the competition and wealth distribution rules that libertarian in economics based on. Thus, these giants should be more restricted and surveilled rather than being protected any longer. In the event of the right is owned by minority, we ought to balance the profit and risks existing within digital platforms, including industry platforms, as well as provide more chances for various collaborative innovation.

Moreover, the monopoly has deeper and further effects on public's information acquiring, since moderators convene every week to decide what is going to be removed from the pages, what can be left or what can exist but must under control, decisions made at these meetings eventually filter down into instructions for thousands of content reviewers around the world. To some extent, Internet giants are well on their way to becoming "ministries of truth" for a global audience. What is more, currently, groups of data joined mounting evidence that major social media and news media hold the key of what we get online. To demonstrate, according to *The Economist*, nearly half of American adults get their news on Facebook; YouTube, Google's video-streaming service, has 1.9bn monthly logged-on users, who watch around 1bn hours of video every day. The data show that those media giants have become a main venue of expression and a large proportion of information we receive come from them. However, with the expanding of Internet, and Internet media, the net neutrality has faced ever-increasing challenges. Because now the brand-new digital tools are able to distinguish disparate "user level", which allows ISP to offer different kinds and levels of service according to how much one has paid, also known as "Access Ranking". For example, social media such as Facebook, Instagram are able to figure out what one has frequently viewed and benefit from these data, in other words, we use it for free but we pay for our personal information.

Consequently, diversity of contents will be greatly hampered and users are likely to get entrapped by the Information Cocoons which first proposed by American scientist ahsisj hhwj in 2006. Internet media can use algorithms to sift what users care about most, thus catering for the urgent needs that call for acquiring individualized information efficiently, but inevitably, media algorithms also filter the contents that are deemed vapid .To put it to a nutshell, news audience is getting broader with the Internet expanding widely, yet the way of thinking is getting narrower.

Plausible Strategies for Law and Internet Media Corporations

In order to save the day, there need a series of plausible solutions for both law and Internet media companies. Changes are also alarmingly required in that previous methods towards anti-monopoly targeted with traditional companies and there are many doctrines that are not suitable to Internet company. There were mainly two traditional methods against monopoly of which one is to break up, the other to regulate. Firstly, despite precedent of breaking up the Tesla, which was splitted up into 34 parts, thus well hamstringing the monopoly. And in 1886, The Interstate Commerce Commission of USA ordered the dominant train company to raise the price, which was to arrest its low-price ascendency. Yet both turned out not practical enough in the Internet industry because most products are free and would come at a high price in forgone investment and innovation. Also, a full-scale break-up would cripple the platforms' economies of scale, worsening the service they offer consumers. So the landscape needs to undergo a tectonic shift.

To begin with, Internet platforms should set a bottom line of their contents and form a uniform standard. Regardless of different definitions and range of freedom of speech, society must concur that illegal contents are definitely not allowed. They are supposed to implant risk-controlling systematic mechanism so as to promote transformation and upgrading of legal systems and rule order. Secondly, optimize the process of dealing with hate speech. Instead of scrutinizing and deleting illegal information one by one, platforms are expected to make a clear and specific standard and recruit advisory penal and user representative in order to assist platforms to calibrate these standards. Meanwhile, platforms also need to provide users with appropriate channel of feedbacks

Nevertheless, turning them into censors does not get that problem solved. Censorship alone would not work well enough without corporations themselves. Subject of legal responsibility should be media corporations rather than governments, only when Internet media corporations themselves shoulder the responsibility of censor and control the content, can the whole system function well. David Jonhson and David Post hold the belief that the appearance of Internet media without geographical bound have brought about new area which fazed the legal system. The area needs clear rules to regulate, but now a satisfied system is deficient on the ground of current right. Tom Steinert-Threlkeld concurred that, "In terms of cyber regulation, something has never changed, especially the nature against nearly all forms of system."

Most importantly, as *The Economist* put it, Tech platforms should not be ambivalent any longer and they should shoulder their responsibility for anti-monopoly. Internet giants should no longer be allowed to stand by these maxims, advocating a laissez faire policy on science, its scale, its tools, its image; above all, its impact on national and international affairs. Internet media corporations should accept their social responsibilities. Now the table is turning around, for those once-fledgling tech companies have grown into feature-rich platforms and already gained a foothold in tech industry. They do not need any more protection to shield them from responsibilities, instead, they are expected to accept responsibilities to censor and control the negative even dangerous effect that users' commends or views might have. To illustrate, Alex Jones has recently hit the headlines met with firm resistance from various quarters because of the spates of conspiracy theories he had bruited online, like he once rumored that all terrorism attacks were held by governments on purpose. As conspicuously utter nonsense they were, it's keen that readers are so credulous in Ales Jones'

rumormongering, given that each month witnessed above 80,000 clicks only on his Youtube pages without other platforms counted.

Additionally, there needs some qualification for taking responsibility, Internet media giants' accepting responsibility means to maximize the pros rather than only minimize the cons or keep neutral. The idea comes from the common problems raising among Japanese companies, which is to say, although a company usually has different working apartments undertaking disparate tasks and responsibility, they all try their best to make themselves safe when faced with challenges. For instance, imagine a patient is wobbling over an essential but high-risk operation, one doctor tells him/her,"I will tell you everything I know about the possible risks of the operation, but you have to make up your mind on your own and take the responsibility of the operation",while the other doctor said the patient, "There are risks during operation, yet I strongly suggest you have this surgery. "Upon this occasion, the latter doctor should be seen as responsible because the former doctor pushed the responsibility on the innocent patient and pushed himself/herself out of liability. Therefore, being neutral, to some extent, is similar to avoiding responsibility of risks, which is not acceptable as well to Internet media corporations.

The increasing magnitude and complexity of myriad algorithms render it impractical for citizens to become acquainted with the internal system, and for authorities to enforce it. So some suggest Internet media corporations open their algorithms and data in order to be censored independently by the third platforms that specialize in scrutiny. Only in this way, can society evaluate the contents under a uniform standard.

Legal system also need transformation to acclimate the request of the times growth, but should not be over category. Just as John Perry Barlow proclaimed in his speech in 1996, *Declaration of Independence of Cyberspace*, from propriety, identity to expression, migration, none of these conceptions of the law apply to digital world. Because all these conceptions are on the ground of physical entities, nevertheless, there does not exist any physical entities in the cyberspace. Internet is a new land for human beings, so law once well applied to Industrial age is not suitable any more. Concurrently, reforms are required to make better use of existing law and make efforts to shorten the distance with Internet development. Legislation is expected to keep the intervention at bay, striking a balance between tech giants and infants. Governments should proffer a relatively looser environment for incipient corporations so as to help them sputter their way through the ever-competitive era and ameliorate the situation.

And, according to *The Great Transformation*, Karl Polanyi, during the process of economical powers' development, it is very likely to see a trend of ruining. On this occasion, a fail-safe mechanism for self-protection is needed lest economical capital invades other social space. When this so-called double movement applies to Internet system, a "counterproductive force" is required for avoidance of jeopardy that is caused by unlimited expanding of code and logic of big data. These mechanisms would turn data from something titans hoard, to suppress competition, into something that users share, to foster innovation. Just as William Gibson once said, "The future has arrived, yet not evenly distributed."

From my perspective, I am inclined to tech giants themselves to take more actions instead of put strain on law associated with anti-monopoly. Because from an economic angle, many economist have considered anti-

monopoly law as a punishment to winners and anti-monopoly law place restrictions on free competition. The industry giants' taking position of the failed ones is a reasonable and predictable result of competition. It is the competition that law should protect rather than certain competitors no matter how fragile or mighty they might be. Garys Beckers firmly believes the fierce and cruel competition will push the tech giants down sooner or later due to the economic developmental rules. We should let giants go and await for market to self-regulate and rebuild.

There are some inspirations for anti-monopoly in China. In such a globalized world and surrounded by ever-increasing concerns on monopoly, China is expected to constantly perfect the anti-monopoly system, but more importantly, raise the awareness of tech giants. Progressive and constructive as the current law system is, the anti-monopoly law still have some problems. Therefore, as the biggest Internet media market, I reckon Chinese Internet media corporations are expected to follow the market rules.

Conclusion

Many Internet media giants' hegemony all over the globe could not only be attributed to rapid advancement of Internet technique alone, law, though, played a significant role as well in these giants' development. Once they were protected, but now they are turning to a stage of being restricted. At the beginning, law aim to protect the new-born industry to optimize the potential benefits. And given the fact that both we and our legal system are living in an era of transition from industrial society to digital society, combined with openness and lag nature of law itself, law tend to adopt experimentalism—instead of closely following the changes, law choose to provide space for development before making new adjustments. Consequently, it is law that help breathe new life into the industry. But with the development of Internet media industry, then a series of problems of overbalance loomed up such as invasion of privacy, spread of illegal contents and so on. Therefore, relevant regulations are urgently required to rein in the situation.

Of course stricter regulation and surveillance enable the Internet industry to be more controllable even predictable, but more profound change is anticipated at the same time. Stronger constraints, on the flipping side, exact relevant prices on market and society, for the young, vulnerable start-ups' growth are stifled by the high expense of content moderation. What is more, big corporations could not only continuously upgrade the algorithm to present something that users might feel intrigue in order to keep users on the page, but even recast the contents even tamper the truth to make content more arresting, which can also be ever more extreme and of bad kind. Most importantly, Internet media giants have capability of controlling what billions of people see and say, even lobby their elected participate in political rallies and protests. Suppose several giants form a monopoly with no more developing counterparts, , they become our central source of information, also the real decider of us. So we still have a long way to go before we manage to efficiently field the questions.

In the future, although some people argued that currently keeping centralized by several giants is ineluctable and streamline Internet industry system, considering the improvement of allocation calculative ability enables people to recommend more clearly and efficiently.

By contract, I reckon that more freedom will be brought about in a long term. Freedom and constraints are everlasting issues for human beings. Any application of a new technique could be the means of getting freedom, and Internet is one of the typical examples. Being free is one of nature of Internet, and Internet is also a carrier of people's view and value, for people have long seen Internet as a space with more freedom. Meanwhile, using the Internet media platforms freely is a spontaneous pattern which is still following the net neutrality, while constraint is an artificial pattern that abides by interest rules. The former is immutable, while the latter one is volatile. What is more, many people argued that the Internet system has sounded the death knell for previous legal system which is based on the physical matters. Currently, due to a worldwide lack of rigid top-down regulatory system, the Internet media system now much more rely on down-top publicity, transparency and participation. And the advancement of new technology say, cloud calculation and blockchain, enables Internet to turn to decentralization and more freedom.

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