Dear Eric Schmidt,

In your text ‘Die Chancen des Wachstums’ (‘The Opportunities for Growth’) in the Frankfurter Allgemeine Zeitung, you reply to an article that this newspaper had published a few days earlier under the title ‘Angst vor Google’ (‘Fear of Google’). You repeatedly mention the Axel Springer publishing house. In the spirit of transparency I would like to reply with an open letter to highlight a couple of things from our point of view.

We have known each other for many years, and have, as you state, had lengthy and frequent discussions on the relationship between European publishers and Google. As you know, I am a great admirer of Google’s entrepreneurial success. In just a few short years, starting in 1998, this company has grown to employ almost 50,000 people worldwide, generated US$60 billion in revenue last year, and has a current market capitalization of more than US$350 billion. Google is not only the biggest search engine in the world, but
along with YouTube (the second biggest search engine in the world) it also has the largest video platform, with Chrome the biggest browser, with Gmail the most widely used email provider, and with Android the biggest operating system for mobile devices. Your article rightly points out what fabulous impetus Google has given to growth of the digital economy. In 2013, Google made a profit of US$14 billion. I take my hat off to this outstanding entrepreneurial performance.

In your text you refer to the marketing cooperation between Google and Axel Springer. We were also happy with it. But some of our readers have now interpreted this to mean that Axel Springer is evidently schizophrenic. On the one hand, Axel Springer is part of a European antitrust action against Google, and is in dispute with them regarding the issue of enforcement of German ancillary copyright prohibiting the stealing of content; on the other hand, Axel Springer not only benefits from the traffic it receives via Google but from Google’s algorithm for marketing the remaining space in its online advertising. You can call it schizophrenic—or liberal. Or, to use one of our Federal Chancellor’s favourite phrases: there is no alternative.

We know of no alternative that could offer even partially comparable technological prerequisites for the automated marketing of advertising. And we cannot afford to give up this source of revenue because we desperately need the money for technological investments in the future. Which is why other publishers are increasingly doing the same. We also know of no alternative search engine that could maintain or increase our online reach. A large proportion of high-quality journalistic media receives its traffic primarily via Google. In other areas, especially of a non-journalistic nature, customers find their way to suppliers almost exclusively though Google. This means, in plain language, that we—and many others—are dependent on Google. At the moment Google has a 91.2 per cent search-engine market share in Germany. In this case, the statement ‘if you don’t like Google, you can remove yourself from their listings and go elsewhere’ is about as realistic as recommending to an opponent of nuclear power that he just stop using electricity. He simply cannot do this in real life—unless he wants to join the Amish.

Google’s employees are always extremely friendly to us and to other publishing houses, but we are not communicating with each other on equal terms. How could we? Google doesn’t need us. But we need Google. And we are also worlds apart economically. At US$14 billion, Google’s annual profit is about twenty times that of Axel Springer. The one generates more profit per quarter than the revenues of the other in a whole year. Our business relationship is that of the Goliath of Google to the David of Axel Springer. When Google changed an algorithm, one of our subsidiaries lost 70 per cent of its traffic within a few days. The fact that this subsidiary is a competitor of Google’s is certainly a coincidence.

We are afraid of Google. I must state this very clearly and frankly, because few of my colleagues dare do so publicly. And as the biggest among the small, perhaps it is also up to us to be the first to speak out in this debate.

You wrote it yourself in your book: ‘We believe that modern technology platforms, such as Google, Facebook, Amazon and Apple, are even more powerful than most people realize ... and what gives them power is their ability to grow—specifically, their speed to scale. Almost nothing, short of a biological virus, can scale as quickly, efficiently or aggressively as these technology platforms and this makes the people who build, control, and use them powerful too.’

The discussion about Google’s power is therefore not a conspiracy theory propagated by old-school diehards. You yourself speak of the new power of the creators, owners, and users. In the long term I am not so sure about the users. Power is soon followed by powerlessness. And this is precisely the reason why we now need to have this discussion in the interests of the long-term integrity of the digital economy’s ecosystem. This applies to competition, not only economic, but also political. It concerns our values, our understanding of the nature of humanity, our worldwide social order, and, from our own perspective, the future of Europe.

As the situation stands, your company will play a leading role in the various areas of our professional and private lives—in the house, in the car, in healthcare, in robotics. This is a huge opportunity and a no less serious threat. I am afraid that it is simply not enough to state, as you do, that you want to make the world a better place. The internet critic Evgeny Morozov has clearly described the position that modern societies need to take here: This is not a debate about technology and the fascinating opportunities it presents. This is a political