

Jimmy Wales: Online Safety Bill could devastate small businesses and startups

The Wikipedia founder rails against policymakers who see all content moderation through the prism of Twitter and Facebook

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The Online Safety Bill could be devastating for small businesses and startups in any sector that falls under its scope, according to Wikipedia founder Jimmy Wales.

Massive organisations are expected to price in the cost of adhering to the legally enforceable ‘duty of care’ set to be introduced into law, Wales told delegates at State of Open Con 2023.

Implementing the [Online Safety Bill](#) would immediately raise the barrier to entry for any new startup. Wales went on to say that for companies with smaller headcounts, or those that lack the tools and resources to automate processes, they may find survival unviable.

“The safety of children online is incredibly important, that’s a serious topic, so we don’t want to be obstructionist just to be obstructionist, but what we do want to say is the stuff you’re proposing isn’t actually going to help – don’t do that stuff, that’s actually harmful,” he said.

“Due to [Wikipedia’s] size and power, we’re likely to find a way to endure. That’s actually true, interestingly, of a lot of other players in this.

“I worry more about the principles of the open internet for the future for all the startups – all the small organisations, all of the different people who might have all kinds of new ideas.”

The internet entrepreneur also criticised UK policymakers for [regulating](#) content moderation across the entire industry through the prism of the “feudal” approach adopted by players like Twitter and Facebook.

“The biggest threat, really, is misguided regulators with little or no genuine understanding of internet or content moderation in the real world,” he said.

“And the reason I think this is our biggest threat is that it’s coming from countries that generally ought to be leaders in openness.”

As a result, the new regulations risk undermining a plethora of content moderation regimes that actually do work – such as community-led moderation – by placing incompatible burdens on those organisations.

He used the example of Wikipedia, in which none of its 700 staff or contractors plays a role in content or in moderation.

Instead, the organisation relies on its global community to make democratic decisions on content moderation, and have contentious discussions in public.

By contrast, the “feudal” approach sees major platforms make decisions centrally, erratically, inconsistently, often using automation, and in secret.

By regulating all social media under the assumption that it’s all exactly like Facebook and Twitter, Wales said that authorities would impose rules on [upstart competitors](#) that force them into that same model.

It’s therefore unsurprising that many of the larger companies are welcoming the proposals.

“If we look to history, large companies often do not mind regulation, just so long as the regulation puts up barriers to entry for newcomers,” Wales added.

“We have seen statements from Mark Zuckerberg that they would welcome some regulation of [social media](#). Well, of course they would, just so long as any new upcomer can’t comply with it or it’s too expensive.”

For those relying on community-led moderation, meanwhile, imposing this form of regulation can be terminal.

For instance, to the extent the Wikimedia Foundation suddenly becomes responsible for content on its website, it can become “really devastating”, he said.