

Speech by Carlo De Benedetti

“The future of newspapers”

Turin, June 21st 2017

I'm happy to be here among friends and colleagues to reflect together on the risks our editorial staff and our companies, but, to an even greater extent our democratic societies, are facing.

I'm particularly happy that this is taking place in Turin, on the occasion of the 150th anniversary of La Stampa, a newspaper which is part of the history of this country.

When the first copy of La Stampa was published in 1867, Italy, as a political and institutional reality, was less than six years old. Yet in 1848, when Turin was still only the capital of the kingdom of Sardinia, the Albertine Statute was the first to state “The press will be free”.

We now know how that constitutional act would be ill-treated in practice, and subsequently wholly denied by fascism, but that seed gave life to Article 21 of the Constitution of the Republic of Italy.

The citizens' freedom of expression and the freedom of the press are the foundations of modern democratic societies.

Over the years my conviction that a democratic society, particularly a large-scale democratic society, cannot do without professional journalism has increasingly been confirmed. The illusion of a total rejection of intermediaries, in politics as well as in the field of information, has shown and shows the limit of all millenarian ideologies: the disappearance of the experienced mediators creates a space for what we might call new mediators who elude collective verification and copy the manners but not the qualities of their forerunners.

In our field we have seen this phenomenon spread with uncontrollable force. The very powerful new mediators of personal relationships and informers of the human race have rapidly become unavoidable hubs. I am, of course, referring to Google, Facebook, Apple, and other Over the Tops: which, let it be said immediately and clearly, I admire...I admire deeply for what they have imagined, designed and produced, but in which I see both potential and risks.

The risks due to the size of the OTTs are cause for alarm for many reasons. The New York Times has underlined how Google's investments in A.I. (Artificial Intelligence), on which the global social and economic future depends, are not balanced by anywhere near that level of investment by the government. Which is tantamount to saying that it's in Mountain View and Cupertino, not in Washington or Beijing, that what we will be in ten or twenty years is being designed.

The big digital platforms seem to have realized lately that professionally produced journalism is an essential condition for the survival of modern democracies.

Turning to ourselves, we publishers have realized that declaring open war on Google and partners is fruitless, despite their use of our material without paying us. They have the means and resources to fight us off. So much so that we have moved from a situation of conflict between publishers and OTTs to one of consultation, and in some cases, agreement based on the recognition of principles such as copyright.

We ask to be allowed to do our job.

The discussion must be very much wider, it cannot be just a question to settle with negotiations between the sides, with an enormous power difference to boot. If we are here, it is because we no longer believe we are going through a simple evolutionary phase, but we realize we are part of a real revolution in human relations and production. And this revolution entails, for us, the discovery of a simple fact: we are no longer alone.

- We are no longer the only ones collecting, processing and providing information;
- We are no longer the only ones connecting people and institutions;
- We are no longer the only ones oiling the wheels of the economy and business with advertising.

The necessary, though rather insufficient, condition for reaffirming and rebuilding the news publishers' role in a digitalized democratic society is that of accepting this evident truth.

The publishers, journalists and other professional figures who made our world great are today part of a much vaster system. A veritable “information ecosystem” to which belong associations, no-profit organizations, commercial enterprises of other kinds, public and private institutions, individuals and, of course, the digital platforms, the infrastructures which enable but also limit freedom of expression in the 21st century.

We need to redefine what, in this new context, the roles are of news entrepreneurs, those who organize human resources and techniques to create, publish and distribute professional products. We must rethink and reposition companies that live off journalism.

The question I put to myself and to you is as simple as it is disconcerting: how must journalism and news publishing change in a cultural system where the act of “publishing” is understood as simply pressing the “Enter” key? The answer can only lie in the creation and offer of news products that are not interchangeable or replicable.

Among the laws regulating the digital universe is the “good enough” law: amid the clamour of content and services the user often settles for medium quality products, sufficient for the context and needs of the moment. Just look at the phenomenon of Mp3 music files, whose quality is vastly inferior to other formats, but which are “good enough” on the bus, in the car and in hundreds of other listening conditions.

This law applies equally to digitalized information.

And here I’m not talking about wrong or misleading information, what is called “fake news”.

I’m talking about the enormous quantity of information produced for the most varied reasons which is “good enough”, with access costs of virtually zero.

No business model can function if its competing product has a price equal to zero. It is therefore evident that we cannot think we can stay in the market - particularly that of social attention and relevance - if we too are producing and distributing interchangeable “good enough” information. We must concentrate on the information

“that makes the difference”, the information that only an exceptionally professional structure can supply with due continuity and professional weight. Information with an exceptionally high content of quality and work.

In the end, what distinguishes information by professional journalism from non-professional information is method. The public must know with certainty that what they find in all our distribution channels, is distinguished by the method used for its production. A method made up of checks, transparency, contrasting opinions and public admissions of errors.

In a world of zero cost “good enough” information, publishers must be able to regain the trust of the public. Here lies the value of our work. Everything that aims at increasing trust, also leads to increased economic security.

If we then agree that the role of the press is even more essential when some of society’s fundamental values are endangered by extremism and populism, it makes sense to launch, as I will in my conclusion, from here, from Turin, a proposal for the convocation of

an “Estates General of News Publishing”, open to every individual, company, group or category wishing to participate. And start anew.

Start anew, but from where? From quality, as I have stated, but also from data.

A few weeks ago, the Editor-in-Chief of the Economist, here with us today, published a special that highlighted how data is the new resource in the digital world.

I could not agree more. Three years ago on the occasion of the WAN-IFRA congress right here in Turin, and you see how this city keeps coming up in our discussions, I asked the political and regulatory authorities to recognize that the unjust and anticompetitive advantages enjoyed by the big digital players “are of a new form and must be tackled with new concepts”.

Among the concepts, I put forward the idea that the Antitrust authority could act on the data market by prohibiting or limiting the use of data collected in one line of business for the benefit of another line of business or service in the same group of companies.

Following the same line, the Economist suggested starting to imagine data “sharing”, at least of some data. For example, I would add, starting with data generated by the interaction of users with publishers’ content that is linked to, quoted from or appropriated by the digital platforms.

We already have available the data produced on our platform by user interaction with the content we publish. But data produced on third party platforms like Facebook are also produced from our content. I would like this to be recognized.

In any case, data are the centre of activity and interest of all the global players of the digital economy - so much so that a few weeks ago the Italian Competition Authority, the Communications Authority and the Italian Data Protection Authority announced a joint Sector Inquiry on “Big data”, to identify potential competition concerns and define a regulatory framework to foster competition in the digital economy, to protect privacy and consumers, and to promote pluralism within the digital ecosystem. We will actively participate, since data have become the centre of activity and interest for news publishers and journalists as well.

These are merely a few suggestions.

I passionately love the publishing profession, but it is evident that I and colleagues of my generation sometimes lack the cultural references needed to tackle the problems that face us, which redefine our field much further afield than the traditional vertically integrated industry that the newspaper sector used to be. We must talk, be open to the contributions of other cultures, professions and competences.

Let us do that. The moment has come to meet and talk about it. Let us begin in Italy, by convening the “Estates General of News Publishing”, inviting all stakeholders as representatives of the various categories of the industry (publishers, journalists, printers, etc.) and opening up to others, OTTs included. Italy should be just the kick-off: I would love to see this to blossom into a Europe-wide initiative.

I repeat: we don't want state aid and we are not seeking subsidies, we want to find the way to remain profitable, because if news publishing dies, as it is in the process of doing, it is not just an

industrial sector that dies, it's an essential function of democratic systems that does so.

Thank you.

CDB's short answer to the question:

"What is your priority for the future of newspapers?"

We must concentrate on the information "that makes a difference", that's not replicable, and with an exceptionally high level content and work. We have to make a fresh start beginning with quality and also data.