



FACE TO FACE di FABRIZIO PERRETTI*

Carlo De Benedetti: Passion and Business in Publishing

Starting with the themes addressed in the dossier of issue number 2/2020 of *Economia&Management*, dedicated to the future of newspapers, Engineer De Benedetti talks to us about his past experience as the publisher of *Repubblica*, the mistakes made and the importance of financial equilibrium for a newspaper's independence. He dedicates considerable attention also to his new adventure at the head of *Domani*, a newspaper betting on digital that is aimed at a reformist audience in the modern, pro-European left. In this wide-ranging interview, there is also criticism of the current government and the new leadership of *Confindustria*, as well as some reflections on the relationship between capital and labor, which is the subject of the dossier in the current issue of *Economia&Management*.

Before talking about your new publishing venture, I would like to ask you some questions about your previous experience. You have been present in the publishing world since the 1980s. In these thirty years you have seen the evolution of the Italian publishing sector and the decline of the press, due first to television and then internet. This decline took place both internationally and naturally also in Italy. In this scenario, what position di Repubblica occupy? And what were the positive and negative aspects of your experience as the publisher of that newspaper?

The most negative experience regards a mistake made by all publishers, myself included. With the advent of internet, we made a mental association between the free nature of the web and free web editions of newspapers that were added to the paper editions. It is incredible to think that a product that has a cost for publishers, was made available to readers for free, thinking that internet advertising could cover expenses. Thus the same formula used for paper for many years was applied to the web, but forgetting that in the first case advertising was always accompanied by the sale of newspapers at newsstands. As regards my time at Repubblica, I don't see particular errors committed during such a long period. We certainly have a history, that is, Repubblica has a history – as you see I slip up and still say “we” – consisting of two great editors for twenty years, Scalfari and Mauro. Replacing figures of their caliber created imbalances for the newspaper, as can be expected. Some mistakes were probably made in choosing personnel.

From this standpoint, what is the relationship between publisher and editor in chief? In the specific case of Repubblica, where the first editor was also the fonder of the paper, was the relationship easy or complicated?

I always had a very good relationship with Eugenio [Scalfari], but I have to say that with him my function was limited to more managerial than editorial aspects, such as the acquisition of local publications or radio stations. This is because Eugenio was the editor in chief, founder, and inventor of Repubblica: he was everything at the newspaper, so there wasn't even room for a publisher, he was the publisher. With Mauro the relationship was excellent (it was already good when he was the editor of La Stampa) but it was a little different. The editorial aspects were always chosen by him and I always



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supported him and shared his ideas. I can't say that I had a role in editorial decisions during his term. The relations between a publisher and an editor in chief are not codified, they always depend on the individuals. My relationships with Scalfari and Mauro were certainly both a bit extraordinary, the type of relationships that were not constructed with others.

Yet the publisher always has a financial responsibility.

Yes, absolutely. An editor in chief must be allowed to do his work, but he should never have control over the company's accounts, because he does not have specific skills in this field. It would also be somewhat of a contradiction, because an editor would want the newspaper to always look better, have more employees, and be full of extraordinary photographs; all legitimate requests, but that cannot always be fulfilled. A publisher must think in terms of great responsibility for the profit and loss account – especially in these lean times we have been living through for a while now – because we must not forget that a positive result is the basis of a newspaper's independence. The publisher can be an extraordinary person in terms of independence, but when he has to go ask for the advertising on which he depends, he is inevitably led to losing degrees of freedom; or at the least, if he doesn't lose freedom, he potentially finds himself in a position of weakness.

Is the search for financial equilibrium also reflected in the editorial line? Does the publisher put pressure on the editor to ensure the editorial line is consistent with financial needs?

This was never the case for me; I never found myself in this situation and I'm glad I never had to experience it. I remember the first important reorganization that took place at Repubblica. I called Mauro and told him: "The accounts show that we need to cut eighty journalists, think about it and come back to me after a couple weeks in which you have thought about the newspaper considering this need, which cannot be postponed." Mauro came back to me, and very transparently, said: "OK, I understand and this is my proposal," and he presented me with a new structure that reflected the personnel reduction needs. This was my experience, and as you see it was a very collaborative experience. Just as I didn't interfere in the editorial line adopted by the editor in chief, he trusted my request for a reduction of personnel, considering it to be in the newspaper's interest and important for independence. Each of us trusted the other and our respective responsibilities. I certainly couldn't expect the editor in chief to tell me he had to get rid of some journalists. It would have been a contradiction in terms.

Let's come to your new initiative, Domani, that comes out on September 15. Given the importance of financial results, I want to ask you immediately: is it a business opportunity or a project without a profit motive?

I think all economic activities must seek to make a profit, otherwise they would be a bit like zombies. This is because on the one hand there are real costs, and on the other there must be just as real revenues, and not, shall we say, revenues of satisfaction. As an entrepreneur, I wouldn't even be able to enjoy a venture defined by losing money. A profit is the goal of any business initiative, whether in publishing or not, but it is also the means to maintain that independence that underlies my philosophy as a publisher, my approach to publishing.

Domani is an initiative that starts backwards compared to newspaper tradition. Historically, newspapers were born in paper form, and then with the advent of the internet they added a digital edition, making that mistake I mentioned at the beginning, that of being totally free. This newspaper is born digital and uses paper only as a symbol of nobility, in the sense that a newspaper is not considered such unless it also has a paper version. For us, the number of copies sold in newsstands will be a source of great disappointment or satisfaction, but it will not impact our profit and loss account, or will only do so marginally. The true challenge for us is that of digital subscriptions. From a financial standpoint, the initiative's success will hinge on the number of digital subscribers we succeed in obtaining. We have a break-even that allows us to see this initiative in the black after the startup phase, naturally to the extent that our product – the product the editor and his associates will produce – is successful.

Having said that, if you ask me why I'm doing this, it's also because I have great passion for journalism and because it seems to me that in the current Italian publishing panorama, after what has taken place in recent years, there is no longer a voice that truly represents a "reformist" reader, people who are sensitive to problems of inequality and are somewhat close to a pro-European, moderate left. Today there are only right-wing newspapers and centrist newspapers like Corriere della Sera, that has historically been in that position and thus it is natural for it to occupy that area. Other newspapers have decided to change their political references, leaving many readers as "widows." So I think there is considerable potential for a newspaper positioned in the reformist area.



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Is it correct to say that this space has been created because Repubblica has abandoned the position it occupied?

Without a doubt. When Repubblica was Repubblica this space didn't exist because it was fully occupied. This is one of the reasons there are no publications on the left. Repubblica killed l'Unità and Paese Sera. Despite being much more moderate than these two newspapers, it left no room for them because it covered everything. It covered, in an extremely valid way, I must say, a broad spectrum that was not necessarily only on the left, but that also included the enlightened middle class, made up of readers who recognized both the importance of social issues for collective cohesion, and the need to be on the side of the weak. This was the space occupied by Repubblica. The great intuition and skill that Scalfari and Mauro had was to cover all of that area.

So without this change in Repubblica there wouldn't have been room for Domani?

Exactly. Furthermore – and I must say that this is absolutely not a sort of revanchism in regard to Repubblica, and I have demonstrated this by not hiring anyone who worked for that newspaper – I add that the last thing I want is to repeat a masterpiece. Repubblica was an extraordinary success that cannot be replicated because the times have changed. For this new experience of mine I have chosen an editorial staff of all young people, with an editor in chief who will soon turn 36 years old and a great gender balance. This may be the only newsroom in Italy that has an equal number of men and women, and this is not simply a goal reached, but a different way of conceiving work. So Domani is not a copy of Repubblica because that is not its goal: we have neither local news nor sports. It is a newspaper with a strong focus on political and social questions, and a smaller number of pages than Repubblica.

In other public statements you have stressed that Domani intends to target a young audience. The “widows” of Repubblica are not just young people, though. Moreover, youth generally do not read daily newspapers much, and tend to prefer free products. Doesn't this represent a contradiction?

No, let me understand. I want to take a youthful approach in addressing all of the public, young and not young, who identify with the cultural area that sees inequalities as the top problem of modern societies. Our initiative aims to be highly independent, without any constraints from political or economic powers, even psychologically; and the total freedom to do what journalism should do, hold power accountable. This does not mean

criticizing the government a priori, but being free to judge it for what it does. Our judgment may not be perfect, of course. Youth are much better equipped for this than us, in the sense that they are able to look at things without prejudice. This mental freedom is a characteristic of youth.

Stefano Feltri, the editor in chief you chose for Domani, is certainly young. Would you define him as a left-wing editor in chief?

I don't know. I define him as an anomaly among editors in Italy. First of all, because I don't think there are other newspaper editors in chief who graduated from Bocconi (and also spent a period of time studying in Chicago). I have also appreciated his uncommon understanding of economics. More than left-wing, he is liberal democratic. What I asked him is to remember that we will always be on the side of the weakest and with those who act as a severe check on economic and political powers.

The next issue of our magazine is dedicated to the relationship between capital and labor. This is a conflict that has had various phases and levels of intensity, and it seems that in recent years labor has been defeated. As a representative of capital on the one hand, and the publisher of a newspaper attentive to the weakest on the other, how do you interpret the current situation of this conflict?

This is a very complex discussion. Let's say that two elements have radically changed that relationship. On the one hand, the deflation we have seen of labor, and on the other, the inflation of assets, of capital. This is what has created the inequalities we see. Inequality has always been present, but in the last ten years it has increased to a level I no longer consider tolerable. Labor has been deflated as a consequence of globalization. It is evident that all of manufacturing, except extremely sophisticated and specialized processes or those linked to beauty and culture, typical of Italian ingenuity, have been sacrificed by this phenomenon. This is because a laborer who works in an Italian textile plant has been put on the same level as a worker in Pakistan, Vietnam, or China, and thus his work has inevitably been devalued. On the other hand, central bank policies, that have led to increasingly lower and even negative rates, have inflated the value of assets. So the phenomenon is not so much the result of the relationship between capital and labor, but derives from globalization and the policies of central banks. This has caused an objective gap in the discussion that goes beyond the relationship between the Confindustria business association and labor unions – a relationship which involves both conflict and collaboration – and beyond the parties, that is, going above the labor unions and the industrialists. Two phenomena have emerged,

labor inflation and asset inflation – that were not controlled by either the unions or the industrialists, and this has led to an intolerable situation.

In this regard, how do you judge the actions of Confindustria now, and the attitude of its leadership, which some consider aggressive?

My judgment is very negative. I was the president of the industrialists in Turin and in the Piedmont region, and I was vice president of Confindustria for eight years; I am shocked by the attitude of the current leadership of the industrial association. I was surprised by the aggression and contempt for the opinions of others. I don't understand the goal and I find it to be an extremely negative attitude for the country and industry. What is the point of saying that the government has caused more damage than Covid-19? What do you hope to gain when you say something like that, when you are the head of an organization that must think of the interests of its members? What do the members gain from a sentence like that? Nothing, except an a priori attitude of resentment. This is the same attitude we see in the relationship with the unions when you say: "We want new labor legislation, let's sit down and discuss it." The current attitude adopted by Confindustria seems to be such a simplistic and arrogant approach, and I am very sorry to see it.

I certainly am not soft on the government and I believe that there are many things that show its weakness. The events linked to Covid-19 have overshadowed the underlying political problem, that is, how to modify and improve the structural situation of a country that hasn't been growing for ten years. We have serious problems that predate this government. But I don't see an idea in this government's agenda of how to reverse the trend. I believe that the correct attitude should be that of collaborative criticism, without being captive or servants of the government, but also not expressing criticism for its own sake. So it's important to avoid starting out with the kind of statements I just cited, that are unacceptable.



So we can say that in Domani we will find positions that are critical both towards the government and towards Confindustria and the industrialists?

Certainly, but also towards the unions.

Unions are at the center of the discussion in the dossier of this issue of *Economia&Management* – in an interview with the Secretary of the CGIL Maurizio Landini, a sort of relay between one of the leading exponents of Italian capitalism such as Engineer De Benedetti (although he is in part anomalous, and often a dissenting voice), and one of the main representatives of the world of labor. Their experiences are certainly different, but they are united by a strong impetus towards a future in which it is necessary to rethink and redesign the relationship between capital and labor. Enjoy reading!

