TRANSCRIPT – Mark Zuckerberg in Berlin / Second Personal Challenge 2019

Mark Zuckerberg: Hey, everyone, this year, I am doing a series of public discussions on the future of the internet and society. And today, I've traveled to Berlin to do today's discussion with the CEO of the largest news publisher in Europe, Mathias Döpfner from Axel Springer. Mathias has a really fascinating background, starting as a journalist in a music critic in Frankfurt, and now is running this really large company that publishes a lot of the top newspapers and media outlets across the continent. And you really dedicated your career to freedom of the press, figuring out how to transition to digital business models and how to make sure that journalism is sustainable going forward.

So, one of the things I'm really looking forward to talking about today is the future of the internet and journalism and how those two relate to each other. I don't know if you want to start off there. We have a lot of stuff to cover in the time that we have today. But I'm grateful to have the chance to sit down and talk to you about this. So, thank you so much.

Mathias Döpfner: Appreciate it. Really looking forward, Mark.

MZ: So, I don't know, where should we just dive in on the future of journalism and the internet? I'd like to start off with a high level of where you think about how your positioning of the company and where you think things are going, and what are the biggest opportunities and challenges you see.

MD: Just briefly, on the company, the companies today, only two newspapers and the rest of the portfolio is digital. Digital journalism and digital classified, so, these transactions that are very important for people if they're looking for the right home or right job, that is always been an essential part of a media company, of a newspaper publisher, and we have digitized that. So, that is entirely digital. 85% of our profits, 84% of our profits are digital today. Less than ten percent of advertising revenues comes from print only, from two remaining papers that are transforming into multimedia brands. The main goal of our strategy is to make sure that digital journalism is going to prosper. And I'm super optimistic about journalism and its quality in the digital world, also about its role in society. If we have the framework of decent business models, and also a fair share of value generation that is happening in the new ecosystem, and I think those will be interesting topics to discuss today. Yeah.

MZ: So, you appreciate, more than almost anyone else, the importance of journalism in society. I think you just had, with the Slovakian election that just happened, this must be such an interesting moment. I guess one of the journalists who worked at Axel Springer undertook this incredibly important investigative journalism into issues of tax and fraud in Slovakia, which inspired the woman who ran for president, and who, I think, just won to go and campaign on a massive anti-corruption campaign. But that just symbolizes, so deeply, the importance of the work that you're doing.

MD: Yeah, it's a tragic symbol of the relevance of the work because Ján Kuciak, the investigative reporter, of one of the digital news platforms that we run in Slovakia with a partner, he got killed. he and his fiancée got killed as a consequence his critical journalism and investigation into organized crime. In a way, that shows how important it is that we have independent organizations, publishers and courageous journalists who dare to take big risks in order to bring light to the truth. And sometimes it's, for some people, very valuable to avoid that, and then things like that happen. We had a correspondent of one of our brands for more than a year in prison in Turkey, Deniz Yucel. He didn't do anything illegal. He just reported independently about some things that the government didn't want to have reflected in the media, and those are examples how relevant independent journalism is, and how relevant it is to have a sustainable business model. Because only if journalism is a business, young bloggers and startup entrepreneurs are motivated to do things, to innovate in that industry. And I think only then will we have that plurality and diversity of sources which is absolutely relevant and I think also not in your intention that Facebook is, one day, transforming into a publisher that is employing thousands of journalists in order to do it all yourself.

MZ: Definitely not.

MD: I hope that you want to be a neutral platform that helps that ecosystem to generate money also for others and have that plurality. Because otherwise, that would be a different society that we live in.

MZ: Yeah, so, that's the goal. And I would love to spend some time talking about what our role in helping to shape an ecosystem, a sustainable ecosystem for journalism can be. The reason why I brought up that story in Slovakia, to me, it exemplifies both the danger that investigative reporters undertake for what is truly important work that shapes society in really profound and positive ways, and how important it is that there are models that can help to support and fund that kind of work at increasing levels going forward. So, one of the things that I'd love to talk about, and maybe we'll break a little bit of news here during this discussion, is... One of the things I've been thinking about at Facebook is how to make it so that people who use our services and want to get more news content can do that. You know, a news feed, primarily, people come to the service to connect with friends, to get updates on people's day to day lives. There's a lot of news content in there, because it's so important. But there's a lot of people who have a demand to want more news. And one of the things that's really worked over the last year or two, is that we've launched this watch product for videos. People who weren't getting all the video they wanted in news feed could go to a place, a dedicated space, to get video. And because that has started to really grow quickly, and that's a lot of video that now people use through our services, we've decided that there really is an opportunity to do something like that with news as well. But rather than do the typical thing that Facebook would've done a year or two ago, just say, you know, have some engineers and product managers internally say, okay, we think there's something to do with news, let's go build what we think is best, I want to try to build this in a more consultative way, where we go around and talk to experts in the field who have been doing this work to work out what the principals of this surface should be. So, I'd love to spend some time talking about that with you today.

MD: But can you concretize a little bit what your plans are? I mean, whatever Facebook does to strengthen journalism is very much appreciated by the industry as long as there is some fair model. Either that it is possible for the publishers to really have direct access to their consumers and really build that customer relationship directly with them, and/or to have a fair revenue share. I think these things are absolutely vital, because otherwise if Facebook is transforming step by step into a publisher itself with its own curation, then it creates a very unpleasant dynamic, I think, also, in the long run for you, because then people would say, at the moment, 2.2 billion customers, it cannot be you to decide who gets which news and what is good news and bad news and fake news and serious news. So, I would be really interested how concretely you want to do that. We know, instant articles, some publishers contribute others don't, because they say there's no upside in it for us. What is now the new project? perhaps explain.

MZ: Let me go through some of the principles that we're starting to think, I'd love to discuss them in detail and also hear if you think that there are other principles that we should have for the projects. First one, we don't want to build this in a vacuum, we want to be consultative. We're at the beginning, we haven't built out a lot yet, we want to talk to people about what the best way to make this work is. The second principle is that we want this surface high quality and trustworthy information. So, of course anything that we do is going to be personalized, but there's a question that I have, which is, what is the level of curation that we should have in order to... And we're not going to have journalists making news, we're not a publisher.

MD: Take publishers from broadcasters, from video journalists and from all sources, is that correct?

MZ: This is a clean sheet of paper. But I think what we want to do is make sure that this is a product that can get people high quality news, right? So, one of the questions that I'm curious to talk about with you is how you think we should think about that mix of whether we should be doing any curating of the content that comes in versus it should be all personalized. So, that's one question, and we can get into that. Maybe it's useful for me to go through the three or four principles upfront. And then we can hit each one, one at a time. So that's the first question. How do we achieve high quality and trustworthy information in the balance of curation and personalization? the second is modernization. I think there's a real opportunity within a separate news surface to have better monetization for publishers than we have today in news. Because the relationship that we'll have there is that, you know, unlike a news feed, where friends might see a link somewhere and pass it along, in this case, Facebook could have a direct relationship with publishers order to make sure their content is available, if it's really high quality content. So, there's a whole set of questions around how do we build a service that is contributing to high quality journalism through increasing monitorization.

MD: And I think that people can tell through the way we've done subscriptions so far, and we don't take a revenue share of that. We really want to, to the extent that we can build services that help to fund more investigative journalism and high quality journalism to that. There's a

question of how we do that. And the last principle that I think is worth laying out front, is I would hope that in the online ecosystem, that new types of journalism can thrive, that potentially, well, some of them, not necessarily new, local journalism is having a hard time transitioning to the internet in general, and I would hope that we can be one of the ways that we can support and make that more sustainable from a distribution and modernization perspective. But I also think there are new models of independent journalists, people doing work that's based on their own analysis or interest-based things that there isn't that strong of a model around today. But, potentially, we can make that happen.

MZ: A new generation of journalists and publishers is fortunately a rising in the digital world and that ranges from diginative publishers, like Vox or Buzzfeed or Vice, I think those, too, are even more important. An ecosystem of super interesting people that have a lot to tell. And I think that should be all embraced. But to come back to your distinguishing factor of such an offering to the offerings that are only based on legacy media. The two most important questions you have mentioned I think are related. You said, how about curation and how to organize that, and how do we ensure that high quality journalism is really promoted? yeah. And I have always been very skeptical about the curation by Facebook. I have a quite contrarian view here because I think the more you start to curate, and to select, and to make choices, the more you automatically, and even involuntarily, transform into a publication house, into a media company. And then, honestly, you're just too big. Sooner or later, you will be split up by regulators because they will say there cannot be so much dominance in one company that makes the decisions globally who reads what. So you have to keep a degree of neutrality. So I would strongly recommend not to curate, and to only say, "we stick to the legal framework." so if something is illegal, you take it out. If you are asked by prosecutors, and I think they should make the decisions, you have to help to trace the sources. You have to make sure that fake accounts are not such a big problem I don't know how many fake accounts you think Facebook has, but it seems to be quite a big amount. Some people are saying 700 million. I have no clue, but that has to be dealt with as a very serious problem. But whenever it really comes to curation decisions, I think it's very delicate ground and I think Facebook should be more positioned as a kind of neutral technology network that connects people and helps people to get informed. But whether the information is correct or incorrect, or good or bad, or from sources that we like, you should be as neutral as possible. And that leads me to the next question, how to ensure quality. I think it is very simple. The better the business model is that Facebook provides for publishers, the more professional journalists you will attract. If it's only about reach and popularity, only about audience, the seduction to be a platform for manipulation is so high because people want to make a business. We have to make a business in order to finance investigative journalists and correspondents, and big foreign networks, they cannot afford to do that for free. But manipulators, governments from Russia to China, other sinister sources, they can all use it, abuse it, and then you have an image problem for Facebook, but also a structure problem for journalism. So I would focus on making sure what makes the offering and it's structuring on Facebook attractive for the hundreds of thousands of journalists, bloggers, digital native publishers, legacy publishers, that they are attracted to put their best content on that platform and I think that should be the main focus. And that will automatically resolve the quality issue.

MZ: One of the big questions on the curation personalization front is a News Feed today, across Facebook and Instagram, basically all the content that you see is stuff from sources or friends or pages that you've either followed yourself, or something that, on the Facebook side, they have shared. And one of the big questions I think we'll need to figure out as we embark on creating this new service is, should we keep that principle? should we make it so that if you follow the new York times, you can get their content, but if you don't follow the Washington Post, then you're not going to see that content? or should we have some kind of understanding of, you know, here are the sources that are broadly trusted, either across society or your networks specifically, and try to build either algorithms or human curation? we're not going to have journalists, we're not going to be producing news, like you say, but do you think there's an opportunity and should we be trying to explore this in a way where we can service high quality content or do you think we should have it stay limited to what you as a person using the service have kind of asked for and connected to yourself? in the "watch" tab for video, we have gotten broader. So our term inside Facebook is "unconnected content." you haven't yet connected to the source making the video, but we think it's going to be potentially interesting or valuable to you so we'll show it. That creates a very different dynamic.

MD: I don't see any reason why you shouldn't be as broad as possible. I think the broader the offering is, the better it is. You may have some criteria, which brands, which sources, which institutions you accept, and where you say, "no, that is not in line with our rule of law, and with our very principle constitutional values." but apart from that, you should be as open as possible, as broad as possible, include everybody. It really depends on the question of a business model for the players who are active on that platform. I think that is the thing that really matters. And not to limit it,to say you have to decide whether you're a Washington Post or New York Times or Business Insider subscriber. I think that's not criteria for you. You should remain as neutral as possible.

MZ: Yeah. So let's go to the business model. Because I think this is such a critical part of this. We've worked together a lot on this, on subscriptions, and you were one of the original people who I talked to who really encouraged us to move towards trying to enable better subscriptions and allow people in our community to more actively subscribe to different publications. That's off to a reasonable start. There's a lot more to do there, but I'm generally optimistic about the direction that's going in. On instant articles, we do a very favorable revenue share, so that way the vast majority of the revenue goes to the publishers. What more do you think we should be thinking about in a service like this in terms of making sure that this is as sustainable and profitable for journalists and publishers as possible? we're coming at this from a very different perspective than some of the other players in the space who view news as a way that they want to maximize their revenue. That's not necessarily the way that we're thinking about this. I want to make sure that to the extent that we can, we're funding as much high quality journalism as possible and that's always been the conversation that we've had on this.

MD: First of all, I've always been totally convinced that quality journalism in the digital world can only exist if there's also an element of paying readers. And when I suggested that more than ten years ago for the first time, also said we need the legal framework, people were laughing about it, and said, "this guy doesn't understand. On the internet, everything has to be for free and it's only about reach and data but not about money." of course, it turned out that with reach you cannot pay your rent and you also don't get your breakfast. So in the end, now it seems to be a consensus that journalism, also digital journalism, and that is the journalism of today and the journalism of the future, papers are going to disappear sooner or later. This journalism that we call quality journalism can only exist if there is a paid element, if there's digital subscription. Now, we have fortunately achieved, after ten years of discussions, last week, a very important approval in the EU parliament about copyright reform that will make sure that if somebody is using a publisher's content, being a video or a text, for commercial purposes, wants to use it in order to drive reach and monetize it with advertising, there should be a license agreement. And that would be my first and very obvious suggestion, to think about it instead of saying "we have here a budget of 300 million and we distribute it, more or less, as philanthropic money to publishers." which means, indirectly, we don't believe it's a decent business model, we need it to be subsidized. instead of that, just say, "okay, we respect that law, the content that we use from publishers, from journalists, from bloggers, needs to be indirectly funded, financed, by a tiny percentage that is a license fee and that, basically, is the parallel that has been so absolutely crucial for the music industry over the last decades. The music industry wouldn't exist today had there not been these license agreements since the '60s. It wasn't, in the music industry, always an obvious thing because music was a fluid good. Every dj could use it, every radio station could play a song. For a newspaper or magazine it was irrelevant because nobody would put it on a Xerox machine. So this has changed now, and I think that would be a very simple and obvious thing to simply say, "okay, if we are using, for this new tool, entire pieces of content or summaries of stories, breaking news, exclusive stories, service journalism, then we are going to pay a license fee. I think that would be very simple. It would already be a big step.

MZ: Yeah, that's definitely something that I think we should be thinking about here, because the relationship between us and publishers is different in a service where we're showing the content on the basis of us believing that it's high quality, trustworthy content, rather than just, "okay, you followed some publication and now you're going to get the stream of things that they publish. I think that makes a lot of sense and there's a lot of details to work out there, but it's one of the things that I'm quite optimistic could make this more sustainable.

MD: You would be perceived as a really helpful player in a healthy eco system. And I think a healthy eco system of independent journalism from various sources, video journalism, text journalism, audio journalism, rich media journalism which is the present and the future, I think that is in the very vital interest of a platform like Facebook. You need great content in order to remain relevant and keep your reach up.

MZ: Yeah, and especially within a product like this. I mean, unlike in news feed where we have this kind of interesting dynamic where people obviously care a lot about news. It's critically

important. But the main reason people come to Facebook is to keep in touch with friends. So there's been this kind of interesting dynamic where, institutionally at Facebook, I think we understand and really value high quality journalism for its social impact and the importance that has in society. At the same time, we also get feedback from people in the community, which is "well, look, when I come to Facebook, I want to see what's going on with my friends. There's a bunch of news that I want to see, but I don't want my whole news feed to be that. but I think there are going to be, call it ten, 15, maybe 20% of people in our community, who really want to go deep and have an experience that they can go to that's all news which will give us, hopefully, the ability to dramatically increase the distribution and, if it's successful, the monetization to high quality participants in the eco system. So that's something I'm personally excited about.

MD: Could you tell me a little bit... I read, of course, your important post about Facebook's strategy. Reshape or is it a pivot? I don't know. In any case, the new role that privacy plays. I mean, also, here it used to be kind of a discussion, this is something for the old Europeans, they don't get it. But in America, data, privacy is not so important. Could you explain a little bit why you wrote that? Why you want this? I mean, I find it super interesting and exciting, but I'm just trying to understand a little bit better what led to this surprising move in your strategy, and how that relates to the things that we discussed about the future of journalistic diversity.

MZ: Yeah, I'd love to. His is a huge topic, so I'd love to spend time on this. Actually, before we go on to that, do you mind talking about principles of local journalism? I think that fits with the topic that we're on. And then we can spend a bunch of time on the privacy focused vision for the future of social networking. One of the things I've been focused on is... Local journalism is definitely under a lot of pressure from the internet. I think we really believe that subscriptions is going to be valuable for that. We've done work with an accelerator in the US. We're now announcing a European program on this for subscription accelerators. It's going to be a two million euro program as an initial trial over the first few months, working with, I think, 12 German publishers. But I'm curious how you think that... What's the future here? What more should we be doing? If you were running a local paper, what do you think the path to making that sustainable is? then we'll move on to privacy.

MD: Absolutely, with pleasure. First of all, I have said already that I think every paper that wants to stick to paper is going to die sooner than later, and we have to make sure that we redefine journalism, and that we emancipate the idea of a newspaper from paper. If it's limited to paper, then it is a going to die. But I don't see any reason... I just see reasons why journalism can get better in its digital version. You have unlimited access to the intelligence of your user. You have more flexibility because there is no deadline. You have unlimited space. If you want to summarize something briefly, you can do it. But if you want to be profound, you can have endless lengths. So everything is possible. And then you have rich media. You have access to all content categories. So you can combine it in very creative ways. So there are many reasons why digital journalism's going to be smarter, better, more relevant for the society if there is that framework, for a business model. And that is also true for local journalism. I don't see any reason why local journalism should not be able to benefit from digitization. I think you could

even say for a local publisher, it maybe even easier because she or he is very, very exclusive, very specific content. What The New York Times, the Washington Post, The Wall Street Journal is reporting is the same that you hear on CNN, on FOX and other tv outlets and other media. Everybody is dealing with the national, international news landscape. A local journal has its specific journalism. So if they also build platforms, regional platforms, local platforms, where they also act new service levels for their readers, I would think this content is even more irreplaceable by others than national or international journalism.

MZ: Yeah. That makes sense.

MD: I'm really optimistic. it's a kind of an alibi. We are so small we cannot do it or we can only exist on paper. Why? it's the interest in local news and local developments. There's almost nothing else, apart from sex and crime and sport and the kind of traditional topics that news organizations have always dealt with over the centuries than local news. Local news is next to these three other topics the most authentic, existential interest that people have and that's why I think it should also have a great future also on platforms like Facebook if the ecosystem is healthy.

MZ: Yeah. Okay. So that actually segs nicely into the privacy-focused vision for social networking that you were asking about. So, the big picture of what I see going on is, you have these big social networks, like Facebook and Instagram, that have really focused on helping you connect with a lot of people at once, all your friends, people you're interested in. It feels like the digital equivalent of the town square or a public space, where you're coming together, you're interacting with a lot of people at once and it's very valuable. You can do amazing things, right? not just connect with the people you care about, but find interest groups that matter to you, create fundraisers, help grow your business, increasingly find people to date. All kinds of different things that you do in a space where there's a lot of people. But I think what we know from the physical world is that, as important, if not more than the town square, the public space is our private space, so the digital equivalent of the living room, I think is going to end up being an even more fundamental thing to our online space than even somebody who uses a broader platform. So the question is, what are the principles for how you develop the digital equivalent of the living room? and there I think you want to start from the most private interactions, right? so, individual messages that people are sending. You want to make that as secure as possible. That's why I'm really focused on end to end encryption. I'd love to get your views on this because one of the things we're focused on for the next year is how do we make it so that we get the balance right between privacy and security but also safety in a community where the content is encrypted. So, you want to start off with that really secure foundation. Then, just like we've been able to build out all these different utilities on top of the digital equivalent of a town square, all these different ways you can interact with everyone at once, I think that there needs to be a rich platform that is built on top of your... all the private ways you want to interact with people. So think about not just individual chats, but small groups and ways that people can come together.

Stories is increasingly this. they're ephemeral. No matter who you share them with, they go away after 24 hours, which is definitely a privacy protective feature. Increasingly, I think what people want in these spaces is for data not to stick around over time. If you're interacting with somebody in your living room, one of the properties of that is you might say something but there's not a log of it that someone else is keeping track of. There's no liability on that going forward. All the ways that people are going to want to eventually interact with businesses, do payments, transfer money is fundamentally a private thing but it's incredibly valuable as a society to be able to unlock that and being able to do that makes sense in a kind of more private platform than a more public one. Basically, what I looked at in terms of the trends, is that if you look at the ways that people are interacting now online and that are growing the fastest, its messages, its small groups, and its ephemeral stories. And these all have the property that they're more private than these digital town square type equivalents. So I don't know whether you call this a pivot, or like what you were saying, but I think it's clear that this is the next big thing that people want to get built. And between WhatsApp and Messenger, we have a good foundation, for starting to do... We have to do a lot of work to make sure that everything is end to end encrypted and the systems work all together and we built out all the things that people want on top of that. But fundamentally, this is a very big shift for us. You know, we're not used to building the town square type products in a way where the data doesn't stick around for a long time, in a way where everything is as private as possible, but I think that we've... This is a really important next step to take, and I'm really committed to the cultural change that we need to do inside our company to do this, because it's very clearly what people want.

MD: I couldn't agree more, mark, and I think that is the right step to get with Facebook to the next level, to take privacy more seriously, and I think it is a hundred percent a trend in societies. Snapchat has also challenged you a little bit at the beginning by focusing on a more ephemeral product here. But I remember when we had met first time in 2006 in Berlin, clearly, you were not focused on privacy. I fully understand you were in the relatively early stage of making a very, very big global company out of Facebook and get as much data as possible from your consumers. And then it was quite a long journey and you've created one of the most valuable companies in the world and it's an incredible achievement. At the same time, in quite some time, you were also exposed to a new form of criticism, of debates in society about Facebook being part of manipulation and abuse by governments and by sinister forces and soon. And I would like to understand to which degree this new focus is also a reaction on these changes. In a way, one could say you have created this incredible company and suddenly it turns out to be a titan that is getting out of control and you try to get back control. Is that also one of the aspects in this move?

MZ: Well, I just think that in our lives, there's this duality where we want public spaces and we want private spaces. It's definitely true that I've spent most of my last 15 years developing more public spaces. It's not that Facebook is public, you're communicating with your friends, so, inherently, most of the content is not visible to everyone in the world but still, if you're communicating with hundreds of people at once it feels relatively more public. And like you're saying, if you're communicating in a more public space, that's not going to feel like the most

private product, even if we've done a good job giving people controls on how they want their information to be used and soon. So, I think that there's a...after 15 years of that, and there's a lot more to do there, so I don't mean to imply that that's done, I'm quite excited about, you know, the whole first 20 minutes of this conversation was about all the innovation and things we can do on top of that type of a model still, but I do just think that people want both. You know, you want a space which is as private and secure as possible, and you want the ability to go out and interact with a lot of people at once. And right now when I look at our technology landscape, I think the more private modes of communication are underdeveloped. Right now, we have text messages, but there should be as rich of a platform built up around text messages and all the ways you want to interact privately as there is around Facebook or Instagram and all the ways you interact publicly. So, in retrospect, I do think a lot of the scrutiny has made me think a lot more deeply about privacy and these issues. I also just look at how people are using the products. Like I mentioned before, the three fastest growing products are messaging, small businesses and stories. That's a clear signal not from, you know, some elites or policy thinkers only, but from, like, all of the real people who are using these products on a day to day basis, say they want this. And I just think that means that for the next 10 or 15 years of what we develop, this needs to be the next big focus because we need to culturally get this right. It's a very different mindset.

MD: You've been talking about culture. Do you think privacy today is more important in the US than five years ago? do you see a mentality change in the younger generation?

MZ: I definitely think so. I agree. People are growing up with these products. They increasingly have an understanding that, you know, if I build up a profile, put all my photos on Instagram or Facebook, that's an asset, right? and people like having a timeline that they can look back on. I think people also increasingly recognize that it's a liability, too, to have all this content around and this information around. That's why one of the things that I wrote in that note was, I actually think we should be moving towards a default especially in messaging services, where all messages disappear after a few months or year, we haven't nailed down what exactly the period should be, but I think that people increasingly recognize that having all this data around, yes, it can be used for a lot of valuable things, but it also is a liability over time. There are all these nation states that are trying to hack in and get access to your content, there are these hackers, and that's why I think people appreciate encryption, too. We go around and talk to people in countries where WhatsApp already huge, and encryption is this very esoteric technical concept so you don't expect that mainstream people understand how encryption works and most don't understand how it works.

MD: It will be a commodity sooner or later, everyone is expecting that.

MZ: Exactly, that is what I was gonna say. Even if people don't understand exactly how it works, they know they value it because they know they want to make sure that their information is safe from hackers. They don't want governments to be able to access it in ways that are unlawful. They don't even want the company that's providing the service, they don't want us to be able to access it. So, increasingly, I think that's going to become the norm and that's a very

big shift in values and culture for us to make sure we do that, that pivot or just shift, and that's the thing that I'm really committed to getting right inside the company for the next five to ten years.

MD:
Talking about messages and messengers, briefly to the question... In your privacy focus vision, you mentioned a couple of criteria that are relevant, and one of them is also with regards... No, sorry, that was not privacy, it was in your recent article that you wrote for "the Washington post".

MZ
Oh. Yes.

MD:
About your regulation. That was where I discovered something that surprised me. You said there are certain aspects of regulation that needs to be a priority and one was portability. And I wanted to ask whether that portability means, would you have referred to...in the hearing in congress, when you said that other companies are allowed to also read text messages and get text messages that Facebook is automatically reading. Is that what you call portability and to turn it around, isn't that in sharp contrast to privacy? and isn't that, in a way, the opposite of privacy? because a company like Facebook would share, under portability, very private, very confidential information here and there.

MZ: Yeah. I think you're hitting on a really important point, that, I think a lot of times, people think of these as two different areas, privacy protection and data portability. And there really is an important overlap and it's going to be important that society figures out where we want to be on this spectrum. You know, I've always really believed in portability, in the sense that, as far as 2007, when we launched the first Facebook development platform, I basically believed there were going to be all these different ways that people want to interact with their friends. There was no way we were gonna build them all. So the most useful thing that we could do is make it very easy for people to bring their information and their connections and some content from their friends to other services, so that way they could get all these different things that we would not be able to build. For example, you know, think about like you would want your calendar to be able to show when your friend's birthdays are and their names and their pictures on them. In order to be able to do that you have to sign into your calendar and bring with it some information, not only about you and who your friends are but a little information that your friends shared with you, and I thought that that was a really valuable thing that I just thought would unlock a lot of value. Now, over time, though, there's a real question between where do people want to draw the line on... If I'm sharing with you my birthday, do I want you to be able to bring that to another app? you know, and we've seen really challenging cases where now, in the last couple of years... You know, with Cambridge Analytica and a lot of these... And other instances like that... Okay, your ability to take that information of mine and send it to an app has led to that developer then abusing our policies, in the case of Cambridge Analytica, the developer turned around and sold people's data to another firm which is against

our policies. we banned the developer. But the question is, in a world of data portability, whose responsibility is it when you're bringing information from one service to another? and that's the real question that society needs to work through. Is it Facebook's responsibility? is it the internet? is it the platform's responsibility to make sure any service that plugs in and gets access to data through us... Is that we ensure that that's safe or do you want people to have the ability to bring their data or some data that people have shared with them to other services as they choose? and I feel that's a really interesting and big question that I think needs to be explored.

MD: My view is very clear, in any case it should be the customer, it should be the individual, who decides what happens with their data. I think that is very crucial. It cannot be a state who decides it, but it can also not be a company who decides it, and I think neither companies nor states should own the data. The data should be owned by the individual and the individual should decide what happens. And if the individual likes it if you share the data with Spotify or any other company because that improves the services for them, that's fine. But if they don't, then it shouldn't be done. And also, the criteria should be so well disclosed and explained that it's a realistic decision that somebody can make, not just a formal decision that's in the interest, a check mark, in a very complex text that nobody reads. So I think those are very important factors here. But let me stick to the issue for a moment. I think a company like Facebook that is generating 97% of its revenues by advertising, that is totally driven by the opportunities that come with targeting and with a smart ai driven analysis of customer data and the usage of customer data, to which degree can you really compromise on the usage of data without harming your business, and, this is my second question, would you be willing in the end to even make concessions with regard to the profitability of Facebook and its growth, speed, in order to serve the more important issue of privacy?

MZ: yeah. I mean, we already do a number of things where we don't use data in certain ways and that hurts our business. We made a big statement last year that we were going to not work with... We weren't going to import any data from data brokers or anyone like that. That made it harder for some advertisers to reach the people they want on Facebook but I think that's the right way for us to be working, so, yeah, maybe that hurt our revenue by a percent or two or something like that, which on a large scale is a lot of money. But I think that things like that are definitely the right way to go. Going forward I think we need to figure out where the right lines are. So we want to give people more controls, like, last year at our developer conference, I talked about this tool called clear history, which we're working on. Turned out to be a little more complex than I had initially thought to build, but we're fully committed to this and we'll deliver it ,hopefully, sometime soon. The basic idea is that, in your web browser, you have the ability to go and clear your cookies, and you know that if you clear your cookies it's going to make some parts of your experience a little worse, you might get logged out of some web sites and have to log back in, but as the user you should have the right to go clear that information. And I think that people on Facebook should have the right to clear the third party metadata that services share with us as well. So this is an example of something that, when people choose to clear their history, that's going to mean that their experience might get a little worse, their ads might be little less relevant, their newsfeed might be ranked a little less well. The fact

that the experience is worse might mean that we make less money, but fundamentally people should have that right to go and clear that meta data if they want and knowing full well that, yeah, it could make parts of the experience worse, but that's an example of where that should go. As we move towards this, the privacy focused vision, on the foundation of messaging, we've architected WhatsApp to collect basically as little information as possible. So is that going to be as strong of an ads model in terms of being able to have as well ranked ads as we've been able to do within Facebook and Instagram? I don't know. But what we've seen so far is that the volume of how people want to communicate privately is so big that even if the ads model is somewhat less effective, I'm pretty sure that we'll be okay. Maybe it won't be as good as the things we've built. But fundamentally, I got into this because I want to build services that help people connect and communicate. The ads model has helped a lot of small businesses, especially around the world reach customers and grow their businesses and it's something that I'm very proud that we've been able to do but I think doing this in a way that gives people complete control over how they want their data to be used is the only sustainable way to do it going forward.

MD: I think in the long run it's going to be healthy for companies like Facebook because otherwise you will face other challenges by regulators and the customers asking for it more and more. So I think it is totally normal that in such a development over two decades of the digital economy, there are new learnings and new priorities and I think it's great that Facebook is really announcing that you will react very concretely and implement changes the players in the world that are getting more and in Asia, in china in particular, are based on totally different philosophies and let's say democratic standards and a different framework. I think that some of the Chinese platforms are becoming more and more direct competitors, like we chat, and they are more a helping element in a country that is not democratic and where a new plan is to complete surveillance of their population and a social scoring system to a full transparency and control of what people think, say, and do. How do you see that in the big competitive landscape? will that be, in the long run, a good argument for the American platforms to say, "look, how they are doing it, we have to compete." or would you say we have even more to make sure that we distinguish ourselves that a platform like Facebook is different from these platforms and their values.

MZ: Yeah, I think that there's completely different visions for how the future of the internet should go that are playing out. And clearly some, a country like china has a very different vision of the internet than a lot of western countries. When I wrote this op-ed over the weekend around places where I thought regulation would be productive, one of the things I said was I think GDPR from Europe is a very good foundation for data privacy regulation and I'd like to see more countries around the world adopt a framework similar that's to that. I get that it's not going to be exactly the same because everyone needs to fit the legislation to what makes sense in their country but having a framework which is as much as possible globally harmonized would be valuable because it encodes certain principals that people should have control of how their data is used and at the same time companies should have the ability to use the data to help keep people safe and operate their services. But one of the critical things that GDPR does, or more importantly doesn't do, is it doesn't say that companies have to localize data and store

people's data in any given country. I just think, the work that we've done around the world, that is just so important, because what we've found is that, you know, there are a lot of countries in the world and they vary in their respect for rule of law and respect for human rights and respect for privacy, and one of the things that I've seen is if we put a data center in a country, then we're opening up for that country to be able to, you know, basically send in their military or different folks to apply physical force to get at people's data. And so I think that one of the most important decisions that we make, you know, running an internet company, is where do we put those data centers? and there's definitely, one part of the big debate worldwide is how much data localization should be required. And one of the things that I really think is great about GDPR is it doesn't require that as part of the standard for data protection. So when you get back to the broader conflict and ideology about how the internet should play out, that's certainly one of the foundational elements that I really hope that the European model spreads and wins out because if it doesn't then we're not going to have the internet as you think about it today. it's not going to be one platform that any entrepreneur can build for, that everyone can access all the services and has the same protections. It's going to be the internet in every country is going to be very different and you have all these countries that don't have as much respect for human rights, that will just have much more access to people's information. That's not the future that I want to try to build towards.

MD: It's quite the surprising and counter intuitive move that the founder of one of the big American tech platforms is now at the forefront of asking for more regulation, better regulation, and defending, in a way, European regulation. What are your people in Facebook saying? are they saying our CEO is going crazy now defending the Europeans? how is the internal discussion and had it anything to do with Chris Cox's departure, that he disagrees with you on that? or is that totally unrelated?

MZ: no, no. This conversation was controversial at the beginning, but I think now internally, most people would agree that that we've spent most of the last few years focused on addressing some of the really big social issues. Right, so policing harmful content, protecting election integrity, strengthening data privacy protections. And I think what we've seen is that there's a lot that we can do. We've built some of the most advanced systems in the world for identifying terrorist content or information operations by nation states, and I'm very proud of a lot of the work that he have we done there. But at the same time I think there is a clear need for society to define what the responsibilities of companies are, and what are the responsibilities of governments, and what they do. And I just think, and it gets back to something that you were saying on the content side, for example, which is, you know, we make these decisions everyday about what content stays up on our services and what comes down. And some of these are incredibly contention decisions, a lot of them, they could be very criticized from both sides. We take down too much content, we leave up too much content. On some level, we don't want a private company to be making all of these decisions. You know, we want a more democratic or independent process for deciding what are the norms, because, again, it's not only... It's not like we're the only company. There are dozens and dozens of services that people use to share content online and having a standard framework for how those companies should operate, I think, would be very useful for people to basically establish

what the social norms are. And it's very different in every country. Right, different countries think more or less content should be permitted. So I'm working really hard to try to do two things in parallel. One is build up our systems to be as effective as possible internally. But, two, externalize as much of the decision making as is reasonable. Because it's our responsibility to build the systems that can identify harmful content and remove it, but I don't necessarily think it should be up to any given company to decide what the definition of harmful content is.

MD: Exactly. Very good to hear because that is one of my biggest worries, that it could be a very seductive form to react to all these discussions, to say, okay, we distinguish good from bad, we make sure only the good things are going to be on our platform, and I think that can be, with good intentions even worse than no control, because that is then and has to be, sooner or later, a form of manipulation, and a form of decision responsibility that a company cannot take.

MZ: Yeah, I really agree with this. It's something I really worry about internally. The teams are very thoughtful and have good intent like you're saying, but at some level, I think, more of this process needs to be external than independent.

MD: Yeah.

MZ: That's why, one of the things that we're working to set up now is this independent oversight board for content that someone in our community would be able to go appeal a decision if they don't like a decision we made on taking something down, they'll be able to appeal that decision to an independent board which is not employees on Facebook which will have a binding authority. If we take something down and then that group says no, look, free expression is more important, you have to leave this out, then it's going to stay up. So we need to decide and figure out exactly how that oversight board should work. We're taking a lot of this to consult with experts around the world to help figure that out. But it's... This is one of the most important things that I want to really care about getting right.

MD: And we have to make sure that it's still all in the framework of the legal system and the rule of law where I think in the end, the prosecutor and judge have to make the final decisions. I'm really worried about the general mechanics of world powers and the future of democracy, and I would be interested how you see that. I truly think that we all take it for granted, but we see to which degree digitization of our society and globalization of our society have amplified and accelerated. Certain developments have strengthened populous and autocrats. And if you look to the world leadership at the moment, democracies are weak or stumbling, the populous are on the rise, the autocrats from Russia to turkey are very strong, and the strongest are the dictators. China with the help of AI is conquering the world systematically with a new form warfare, which is business. They have the commodities in Africa... Most of them under control. They have done aggressive investments in Europe and all over the world. Just in Germany, 36 investments last year, some of them in real key industries in Germany, and they are having an influence. And I think who controls AI controls business success and in the long run, also, political processes and political influence. I would just try to understand how much you are

worried by the future of our system, of values of the free west and all that. I mean, you were interested in history and roman democracy. To which degree are you worried about it?

MZ: well, I think it's hard not to be worried looking at some of the trends that are going on right now. But I think the case to be optimistic is that democracy and free expression are inherently chaotic processes. And what you have to believe, if you believe in them, is that, by getting all the information out there, by creating more transparency, even if the results in the near term aren't necessarily what you would hope for, you are putting the issues on the table and eventually helping society confront them and work towards them. And progress isn't linear. You don't always move in the direction that you think you should. And certainly, the tools can be manipulated and misused, and we have a massive responsibility. Both the internet companies and Facebook in particular. But society overall to make sure we set the right rules for governing us to make sure the bad things that people are gonna try to do, that we minimize that, we keep it to a bear minimum. But I at least, sitting here today, knowing everything I know now, I still believe that giving people a voice to share their experiences, get that out on the table, share their ideas, even if it's a contentious process, even if it's not as orderly as some of these more authoritarian places, I think that's what has made this culture flourish over time, and I would bet that it will continue to be that case going forward, too.

MD: But you have with Facebook an extraordinary responsibility. Some people see Facebook as a potential threat to democracies, you would make the case it can be the fundament of a better democracy. I would be interested to hear whether your two daughters, Max and August, and your thoughts of their future and the world that they are going to live in made a difference on your personal priorities and views about Facebook's responsibility and Facebook's future.

MZ: Well, having kids changes how you think about things. So, yes, I do think that that, and just the events over the last few years and what we've... All the different negative ways that people try to abuse these products that we've been aware of certainly have created a massive sense of, "wow, we have a much bigger responsibility than we realize to make sure we minimize harm." everything from nation states trying to interfere in elections to terrorism, to people trying to spread hate speech and divisive content, and cyber attacks to get at people's private information. All these things that we need to get right and do. It's why, and one of the more interesting stats is, we are now spending more as a company on safety and security than the whole revenue of the company was when we went public earlier this decade. So this is like a massive effort for many billions of dollars every year. This is like a huge focus for us. But going back to your question, I do think that over the long term, giving people a voice and helping people connect to the people that they care about and the interests in forming new kind of communities that might have not been possible in the physical world offline. I think that over time, that will help us build a stronger social fabric and be a positive for democracy. But we have a lot of work to do to make sure that we make this work well, and I think we need to make sure that we execute on those values and principles.

MD: And make sure that their diversity of content providers, of creative people, creative industries and publishers and journalists is going to remain, and is going to be strengthened.

And I'm also sharing...

MZ: That's a critical part of society and democracy.it needs to happen. And that gets us to the whole first part of the conversation that we had. Well, thank you so much for sitting down. We could spend hours going through all this. Absolutely. It was fun. But I think we covered a lot of ground in an hour.

So, thank you so much.