

Olsen Lecture

Politics and Media in the Internet Age

George Osborne, 14 November 2006, St Brides Church, Fleet Street

[Check Against Delivery]

I want to talk to you tonight about Nick and his world.

Nick is a 25 year-old teacher. He doesn't really watch much TV, except for episodes of Scrubs he downloads using LimeWire and then watches on his PSP. He met his girlfriend, Susie, through MySpace. She lives in Canada but they talk every day using Skype. They both love music but neither of them listen to the radio. They download the latest tunes from BitTorrent and send each other funny videos they find on YouTube.

Nick's interested in current affairs but he doesn't read any newspapers. Instead he gets his news through his personalised Google homepage and Popbitch emails. Like his friends, he has his own blog which he updates with photos he's uploaded onto Flickr.

If Nick wanted to tell people about the life and writing of the late Tom Olsen, and this lecture held in his memory, he would go straight to Wikipedia and create a new entry.

How are you going to communicate with people like Nick?

How am I, and other politicians, going to communicate with him and his generation?

There is nothing new about revolutions in communication.

It was here, to the courtyard of this church, five hundred years ago that William Caxton's assistant brought the world's first moveable type printing press – and with that one innovation opened up access to the written word from thousands to millions.

A mile or two from here Benjamin Disraeli was born into a world where nothing – no person and no piece of information – had ever travelled

faster than a horse. By the time he was Prime Minister he was communicating with Australia by telegraph.

And then came the ages of radio and television that created popular mass culture and forged common national experiences – from crowding around tiny screens to see the Coronation to sitting in front of widescreens watching in horror the collapse of the World Trade Centre.

Now we are in the early stages of the internet revolution.

But I think most of us –in politics and in the traditional media - have been slow to recognise the profound change which the latest revolution is bringing about in our society.

We see it as merely another communication medium.

As well as issuing press releases we also post them on the party website. As well as doing a TV interview we record a podcast. As well as printing our newspapers on paper we put them on-line.

But the internet revolution is much more than that. It is bringing about a decisive shift in the balance of power.

The printing press, the radio station and the television studio are all essentially what you might call ‘one to many’ technologies: I the newspaper editor or the programme editor decide what you are going to consume.

Of course, you are entitled to switch channel or buy another newspaper – but then you are simply putting another editor in charge.

The difference with the internet revolution is that it is a ‘many to many’ technology: everyone is becoming an editor.

In politics and in the media we’ve both assumed that we do the talking and the people listen. Now the people are talking back.

It’s exciting, liberating, challenging and frightening too.

There are 57 million blogs and the number increases by 100,000 every single day.

Over 125 million people have created their own MySpace page – and 250,000 new people do so each week.

Every minute fifteen new user-generated videos are uploaded on to YouTube.

This is today. What will it be like in five or ten year's time?

It is very different from the world we all grew up in – the world of a mass culture. We had access to three or four TV channels and half a dozen radio stations. By and large everyone watched the same programmes, read the same newspapers, went to see the same blockbuster movies and listened to same hit songs. We received our political information from a dozen or so columnists, another dozen political editors and a handful of TV shows like *Weekend World* or *Panorama*.

This world is alien to the generation below me. As Chris Anderson has written in his seminal book *The Long Tail*, this new generation has unlimited and unfiltered access to information of all sorts – from the most mainstream to most obscure.

Their cultural landscape is “a seamless continuum from high to low, with commercial and amateur content competing equally” for attention. There is no distinction between the mainstream hit movie and the user-generated video, no difference between the award-winning newspaper columnist and the favourite blog site.

Where does this leave the mainstream media and the main political parties?

Let's start with the impact of ‘Google-isation’.

The University of California at Berkeley produces a Report called ‘How Much Information’ which works out how much new information is produced in the world each year.

Their latest report showed that together we are creating 5 exabytes of new information a year.

An exabyte is a one with eighteen zeros and five exabytes is the equivalent of 40,000 new British Libraries.

If the incredible development of storage capability continues at its current pace then by the year 2015 everything ever printed or broadcast in the history of the world will be available on a single iPod.

I mean everything – every book, picture, newspaper, piece of music, TV programme, radio show in every language ever.

I remember when Eric Schmidt, the Chief Executive of Google explained this to me last month. He had flown over from America to speak at our Party Conference and I had taken him out to dinner with the editor of the Times and his political team.

There was silence around the table as we all absorbed this extraordinary fact. Then Peter Riddell asked Dr Schmidt a question: “Dr Schmidt, I’d like your advice please. I was planning to buy an iPod next week. Should I wait a bit?”

Peter tells me he is now the proud new owner of an MP3 device.

Of course, the key insight that Google had was that having so much information was useless unless people could search through it quickly and efficiently.

The old-saying goes that ‘information is power’. Well now most households have access to more information than entire governments had access to just twenty years ago, and they can search through it far more quickly than an entire department of filing clerks could have in the past.

That empowerment is already transforming society. Take the medical profession. We go to our doctor when we are ill because he or she knows what is wrong with us and we do not. Or we didn’t until now.

Each day seven and a half million Americans use the internet to get health information – more than double the number who visit a doctor. They are investigating their symptoms, swapping notes with other patients, comparing experiences of different drugs.

They no longer think doctor knows best. And they may be right. Last week there was a story that the diagnosis provided by Google is often more accurate than the diagnosis of an average GP.

Why are we so surprised? Doctors have been estimated to carry 2 million facts in their heads to help them to diagnose disease. But Google gives

patients access to over 3 billion medical articles, completely reversing the balance of information.

Your business in the media is information. You collect it, assess it, prioritise it and publish it. You tell us what you think we need to know. Now all those things can be done by a blogger on his PC.

This is profoundly liberating. But it also brings dangers. For not all information is equal. Some is wrong, some is malicious, some is dangerous.

The traditional media, operating sometimes uneasily within a rule of law, acted as a filter. That filter has gone.

Is it right that everyone can access sites that tell you how to commit suicide? Is it right that libellous rumour can be flashed across the world by an obscure website based abroad that leaves its victim with no recourse? Even if it is wrong, what can we or should we do about it?

The media is waking up to the democratisation of information, but the government – particularly in this country - is still fast asleep.

When it comes to public services, the government is racing just to catch up.

Of course the Government has created some new websites and many of the forms you need to fill in are now available for download. You can even fill in some forms over the net too.

That's the most basic reaction to new technology: doing the old thing a new way.

But to really harness the new technology, you need to rethink the way public services work. As we move from a one-to-many to a many-to-many world, it won't do to just replicate the same old processes, with new technology.

After all, it's good that you can now apply for your passport online, but why can't you check hospital waiting lists or doctor appointments in real time?

It's a step forward to be able to submit your tax forms online, but why is it not possible to find out where that money is being spent?

There is certainly a public appetite for greater online interactivity. A survey last year found that over half of the public thinks that more public services should be available online.

So how should public services will look in a many-to-many world?

Well, part of the answer might actually be found in a particular student union bar. Like most student union bars, this one, named Ultra Thirsty, is full of young people chatting about music and overdrafts. Lecturers rarely venture in there, and any talk about assignments or homework is frowned upon.

But you won't find this bar on a map. It's a virtual student union bar, part of East Anglia's Ultraversity initiative, which offers the UK's only fully online university degree courses. Ultraversity students never have to meet their tutors or go to freshers week - students can schedule their studies around their other commitments, and can get in touch with fellow students and tutors using instant messaging technology.

This personalisation and choice is a sign of things to come.

But it's more than that too. For in a truly networked world, where providers of services trust their customers and want to respond to their wishes, we would see provision of public services that really engages.

What the Government haven't understood, and what their huge IT blunders have shown, is that it's as much a change of culture as a change of technology.

A culture that welcomes criticism and comment – then reacts to it.

A culture that seeks customers' views and ideas at every stage of developing a service

A culture where every service can be improved, and no service is ever fully developed.

We are a long way from that vision now.

Secrecy remains the watchword. Whitehall knows best remains the assumption.

Take something simple: today you cannot find out how much of your tax money is being spent in your local GP practice. It's not published by the government.

Neither is the amount it spends hiring new civil servants.

Or how much the NHS pays its chief executives.

When the rest of society is being opened up by the power of search, this secrecy is doomed.

In America they have taken a big step towards making information about government, and particularly government spending, accessible to all.

The Federal Funding Transparency and Accountability Act was signed into law this year on the back of bipartisan support. It will lead to the creation of a website that will allow any American citizen to search for exactly how federal money is being spent.

As the President put it: people will be able to "Google their tax dollars".

Nothing like that exists in Britain. But I hope it might. Tomorrow is the start of the new Parliamentary year.

In this session we will be introducing a Bill which would create a similar website over here. It would open up spending by the Treasury to scrutiny. Taxpayers in their own home could find out where their pounds are being spent.

In the best tradition of journalism, the public would be able to follow the money.

I hope the Government engages with the idea and accepts the legislation. If not then we might have to call upon what one of the co-sponsors of the American Bill, Senator Barack Obama called 'the army of bloggers' who overcame opposition over there.

But what is clear is that a public now used to accessing and searching a mass of information about their world will not tolerate governments who try to control or withhold information about how their money is spent.

Google-isation is just one of the forces transforming the world of politics and journalism.

Another is the rise and rise of on-line networks – the second phenomenon I want to look at today.

How many people here are friends with Tom Anderson?

You must know Tom. I met him in Santa Monica in July.

He's 30 years old. His interests are music, movies and – bizarrely – the history of Communism. His favourite bands include Superdrag and the Sex Pistols, and *Lawrence of Arabia* is one of top films.

Tom also has 125 million friends. Yes, 125 million friends. Because Tom is the co-founder of MySpace and when you join MySpace, as 125 million people have, Tom is your first friend.

MySpace is an on-line network which enables people to edit their own homepage with their own pictures, music, stories and links to their friends homepages.

It is not the only such network. 50 million people use Hi5 and 22 million are on Bebo. 29 million find friends on Friendster. 12 million look for dates on Match.com.

These people are not brought together by a common geography or experience. Often they have never met each other.

What they share is a common interest.

We are used to people living in a particular place, or being employees of a particular company, or members of a trade union, or readers of a newspaper. We are used to being organised by others and having others speak on our behalf.

These on-line networks are different. People are organising themselves and speaking for themselves. And they are mobilising politically.

Earlier this year, in one of the biggest marches in American history, half a million people gathered in Los Angeles to support the rights of immigrants.

They were brought together by on-line social networks. Because the march was not organised through established pressure groups or unions,

the people who turned up were not the usual political activists – in fact they were the people that conventional politics usually fails to reach like non-voters and illegal immigrants.

That's not to say the traditional political parties in the US aren't using social networks – or perhaps I should say being taken over by networks.

If you had logged onto Moveon.org last Tuesday, tapped in a ZipCode, you would have been directed to the nearest house where you could go to make phone calls on behalf of Democrat candidates. 6,921,000 such calls were made via the website.

These on-line political networks are springing up in the UK too now – and interestingly they are almost all Conservative ones.

Take Conservativehome.com.

It's an on-line community of Conservative activists that engages in a constant commentary on what the Conservative Party leadership is up to. Thanks to them our attempts to keep our new A-list of candidates secret lasted about 24 hours – not because it leaked but because individual candidates were identified one by one by friends and friends of friends on the network.

My first reaction was to be annoyed. And then I paused and thought about it, and realised something exciting was happening. There was a vibrant, noisy, irreverent Conservative community out there. Our party was alive not dying.

Although I am sometimes the target of members on Conservativehome.com, it is unambiguously a good thing that it exists.

For it – and other websites like Iain Dale's blog and the new conservative internet TV station 18 Doughty Street - are sure signs of the health of the Conservative movement.

That's why my fellow Shadow Cabinet colleagues and I regularly take part in interviews and discussions on websites like these.

Nothing like it exists on the Government side. Why? Because you simply couldn't imagine the current Labour leaders working with a website where Labour supporters took pop-shots at them.

They haven't yet realised that in a bottom-up age, a top-down government is unsustainable. The days when party leaderships and governments handed down decisions from on high is long over.

So too are the days when the public accepted that the political and media elites had a monopoly on wisdom.

Now we increasingly trust to the wisdom of crowds – the title of a fascinating book by James Surowiecki.

This is the third influence at work in our society I want to look at.

The argument is simple: groups of people are remarkably intelligent and are often smarter than the smartest people in them. Even if most of the people within a group are not especially well-informed or rational, the group can still reach a collectively wise decision.

There is nothing new about this insight.

Surowiecki gives the example of an agricultural fair near Plymouth one hundred years ago. There was a 'guess the weight' competition for a large ox and almost eight hundred people took part, many of them not farmers or breeders. When their average of all their individual guesses was worked out it turned out to be spot on. The collective wisdom of the crowd was better than the wisdom of its individual members.

The difference today is that the internet allows the input of tens of millions of people to be brought together. That is how search engines work.

Instead of experts deciding which order to rank the web pages in, the on-line community decides collectively by its actions.

Another example is Linux. Linux is the open-source operating system that is the main rival to Microsoft Windows.

Linux is constantly updated and improved. Yet no one owns Linux. No one is directing the improvements or updates. The code is available on-line and thousands of independent programmers make changes, fix bugs, and add new features – all for no personal gain.

The same principle is used to maintain Wikipedia, the on-line encyclopedia. The entries are created, edited, corrected and up-dated by the on-line community.

The idea stands on its head the concept of the traditional encyclopedia written by the most learned experts in its field. And the usual complaint is: how do you know what is written is true?

But then how do you know what appears in the Encyclopedia Britannica is true? A study last year by *Nature* magazine looked at a sample of entries on science and found that Wikipedia's entries had only four errors to Britannica's three, and of course they could be corrected in minutes instead of waiting for a reprint. What is more, Wikipedia has over a million entries – more than ten times Britannica's – so in many cases it's a question of facts versus no facts at all.

When some suggest that a similar approach is applied to politics we all throw up our arms. Edmund Burke famously wrote to his constituents in Bristol two centuries ago to explain to them that he was elected to exercise his own judgement on their behalf not to simply to reflect their opinions.

The assumption now is the same as it was then: ask the public for their views every four or five years at election time; but in-between elections, leave it to the experts.

Tomorrow morning we will have the Queen's Speech setting out the government's programme for the next year. It will be written by the Prime Minister, his Cabinet and their senior Civil Servants.

The recent BBC drama 'The Amazing Mrs Pritchard' suggested another approach. Mrs Pritchard is a supermarket manager who suddenly becomes Prime Minister. She then asks everyone in the country to send in their ideas about what should be in the Queen's Speech.

It sounds like a fantasy, but in Estonia – one of the most internet savvy of all the European nations – the government has set up a website called 'Today I Decide'. Anyone can send in their ideas on policy. Some of these ideas have now ended up in legislation.

The idea of direct democracy – a permanent referendum on the direction of government – has always shocked those who regard politics as their preserve – the politicians and the pundits.

Wouldn't people just jump on the latest bandwagon? Wouldn't we be at the mercy of populist gestures and short-term decision making?

Well who are we to know? Perhaps we should trust more to the wisdom of crowds.

In my Party's current policy review we are certainly taking a much more open approach. The on-going work of the different review groups is posted on our websites. The public are invited to take part and submit their views. And they do.

It is the very reverse of the usual, secret policy-making approach which political parties have traditionally favoured. It exposes us to cheap shots from our opponents.

But we think it is in tune with the times in which we live.

So too is the rise of user-generated content. The fourth and last aspect of the internet revolution I am going to look at.

Over a third of all internet users have posted something they have created on the website.

700 million videos are viewed on YouTube every week.

The size of the blogosphere is doubling every 230 days.

One million photos are up-loaded onto Flickr, the on-line photo album, every day.

The traditional media is having to play catch-up.

Jeremy Paxman is currently asking Newsnight viewers to submit their own short films which the programme will then broadcast – although he does his best to conceal his enthusiasm for the idea.

Tens of thousands of people have up-loaded pictures of their gardens onto the Daily Telegraph's new website. The Times has a blog of blogs.

But the challenge for you remains: how does a media industry which has always operated on the principle of offering a single product – a TV show

or a newspaper – to a million people adapt to a world where one person can now choose from a million products?

In the last century, as the political world evolved to the innovation first of the radio, then of the TV, we have seen a trend of increasingly intermediated political debate.

Out with the three-hour speech, directly reported. In with the sound-bite, and the ten second answer. Politicians sometimes mourn the loss of pages and pages of direct reporting of Parliamentary debate. I'm sure the reading public don't.

Over time, the role and importance of journalists as commentators has increased. Stories less often begin with a description of the facts than with description of reaction to them.

Now, just when the technology is making it possible to have a direct conversation between politicians and the people we find that commentary is not decreasing but exploding. On the web yet more the blurring of commentary and reporting is complete.

What matters is search. Faced with the arguments from every side, and claim then counter-claim of facts from interested parties, the public still turn to their trusted commentator to guide them through – not just those insider commentators in the mainstream media who now have blogs, but the thousands of part-time commentators whose thoughts are just as accessible over the net.

The cochophany of commentators is yet another example of the long tail.

User-generated content presents a real challenge to politicians too.

There is the looming threat of the permanent campaign – where the politician is never allowed to be off-record or off-guard.

In the recent US elections some candidates were followed around with a video camera 24 hours a day. The moment they said something stupid or lost their temper the video clip was posted on YouTube. That's what happened to George Allen, who went from presidential front-runner to losing the Virginia Senate seat.

But for politicians it is about more than campaign behaviour. Our business, like yours, has been about taking ideas and communicating them to millions of people in the hope that they will support them.

What if we now operate in a world where millions of people communicate their ideas to you?

David Cameron's video blog site Webcameron caught the media's attention because it contains footage of David in his kitchen. The public like it because they can upload their own video blogs onto the site, made in their own kitchens.

I look forward to seeing webGordon.

With all these profound changes – the Google-isation of the world's information, the creation of on-line social networks bigger than whole populations, the ability of new technology to harness the wisdom of crowds and the rise of user-generated content - we are seeing the democratisation of the means of production, distribution and exchange.

This new democracy is a good thing.

It is challenging our existing sources of authority, in the media and in politics, and so it should.

For our population is disengaged from our political process, apathetic about its outcomes and – I am afraid to say – equally distrustful of the politicians who participate in it and the media that reports it all.

People are no longer prepared to sit and be spoon fed.

They are taking matters into their own hands through their blogs and on-line networks and user-generated content.

They are organising political campaigns and building coalitions based around common interests.

They are spreading news and information to one another on a scale never before thought possible.

They are the masters now.