

**SEVENTH LLOYD N. CUTLER LECTURE ON THE RULE OF LAW**

**“Trust, Media and Democracy in the Digital Age”**

The Newseum, Washington, D.C.

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Speaker: **Alberto Ibargüen**, *President, John S. and James L. Knight Foundation*

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MR. IBARGÜEN: I want to thank, first of all, Salzburg Global Seminar for inviting me to speak. In a world of new rules and lightning fast communication, the Seminar's role as a haven for thoughtful exploration of complex issues has never, never been more important. And thanks, Stephen, for the privilege of offering the 7th Lloyd Cutler Lecture. My interpretation of the legal aspects of this is going to be very, very broad, but you know that, and you said it was okay.

It is an extraordinary honor to be associated even in a – in a small way with such a formidable mind, consummate connector, and public intellectual. I didn't know Lloyd Cutler, as a number of you did, so I called a friend of mine, Jonathan Fanton, who did know him. Jonathan taught at Yale. He was president of the MacArthur Foundation. He's now the head of the American Academy of Arts and Sciences. So, he knows a good man when he sees one, and he saw one in Cutler. Jonathan remembered him with affection, as a man of great intelligence, good judgment, and meticulous in thought and action. And he said, unlike some leaders, Lloyd kept his own judgment until he had the necessary information. I'm sure that was not a commentary on current events.

(Laughter)

MR. IBARGÜEN: I couldn't be more pleased, too, that we're here in the Newseum. I was proud to be chairman of the board of the Newseum when we inaugurated this building. I led Knight Foundation to become one of the Newseum's founding partners and its biggest outside donor. This wonderful place was actually designed to be open and immutable.

Shortly after the terrorist attacks of 9/11, we were nearing the end of the design phase of the building, and somebody suggested we really ought to change the design and make it something much more secure. We chose instead to keep the façade you see today, which is two-thirds glass and one-third stone, symbolizing both journalism's quest for openness and transparency and our immutable adherence to free expression. I love the wall with the First Amendment carved on great slabs of Tennessee marble located more or less equidistant between the White House and the Capitol, reminding everybody that Congress shall make no law abridging the rights to speech, press, religion, assembly, and freedom to petition the government.

The Newseum promotes the values that we live and breathe at Knight Foundation with an endowment of now about \$2.3, \$2.4 billion. We made more than \$140 million in grants last year to programs, projects, and people committed to informed and engaged communities honoring Jack Knight's belief that an informed citizenry, determining its true interest in a democratic republic, is the highest, best form of government.

In that spirit, tonight I'd like to talk some about trust, about democracy and media, and the evolving role – critical role – of digital platforms, and the First – and the evolving understanding of First Amendment values. I'll be very, very glad later also to talk with Charlie and take some questions. I think it – I think it is pretty fitting that Charlie is the – is the moderator tonight since – given his connection to Yale and to Knight, and it's always wonderful to be back with friends.

So, let me begin by focusing a little bit on the technology companies that play such an incredibly dominant role in our current media landscape. A few weeks ago, representatives from Facebook, Google, and Twitter came to town to testify before Congress. They were sober hearings. Our representatives peppered them with questions largely aimed at understanding Russian social media activities in the 2016 elections.

That inquiry is important, I believe, but let's look beyond the scope of those hearings and explore a broader conceptual issue that I think is massive and thorny, which is the role and responsibility of technology companies that began as platforms and transformed, I believe, into publishers. These are two very different things with different roles in society.

Are they merely platforms and tech companies, or are they publishers with social and legal responsibility for what they publish? That is a central question at the heart of how to use the internet for democracy, and it involves technology, evolving attitudes toward First Amendment values, and key questions challenging the big tech's business models.

Throughout history, humans have grappled with how to identify truth, how to control information, how to empower people with knowledge. The Greeks struggled to balance common identity and purpose with

free and democratic expression. We can each point to different periods in history when technology has complicated and charged that quest, sometimes using information for good, sometimes for evil.

As we think about this, and it isn't the problem we're going to solve tonight, but take some heart from Gutenberg. Before Johannes Gutenberg mechanized the Chinese invention of the printing press, there was order. Books were rare. They were distributed from the few to the few, and usually came with a cardinal's imprimatur asserting truth. After Gutenberg, any Tom, Dick, or Martin Luther could print and distribute whatever he wanted. Information flowed from the few to the many, and soon from the many to the many, so many, in fact, that information and opinion became hard to control, unreliable, unruly. It took a hundred years or so, an evolving experience with technology and its governance for people to re-learn to trust information.

In a room full of people who know Bob Schieffer, and I'm sure you do, I should note that he makes this case in his new book, *Overload*. And if you really want to go deeper, check out Elizabeth Eisenstein, the brilliant professor at the University of Michigan, and her book, *The Printing Press as an Agent of Change*. It sounds like a – it sounds dense, but it is a wonderfully exciting and, I think, really uplifting scholarship.

But trust they did eventually. People did trust finally information, and we, I think, are at a similar place. At the beginning of our republic, the reach of media was local and largely verifiable. The public learned to trust information because they could see for themselves when the information was true, was, in fact, true. The circulation of leaflets and newspapers extended to roughly the area of electoral districts. The Founding Fathers publicly debated the core ideals of our republic through accessible argument. It wasn't debate so much as argument. In doing so, they formalized the role of the press as staging ground – the staging ground for the middle, an area of words where common ground is the common prize, where left and right can come together in compromise.

And it remained that way with newspapers, pamphlets, and later radio, and even television. The signal of a radio station until relatively late in the 20th century or television local news was really about the same as a couple of congressional districts or a mayoral district. And none of this am I pretending that this did not come with major speed bumps of sometimes partisans, sometimes warmongering, sometimes bigoted press reflecting their owners and the times. But by and large, the United States grew up with local papers that established a direct relationship between themselves and their communities. That relationship held through most of the 20th century until the phenomenal rise of internet.

This discussion would've been difficult to imagine a few decades ago before the first electronic message traveled between two computers, or 15 years ago before Facebook, or just a dozen years ago before the

first tweet. But conceptually, the issue is not new. Technology has upended society many times before, and internet represent the most fundamental change to media and society since Guttenberg. It is both, I think, the great democratizing tool in history and democracy's greatest challenge. It gives us all voice and potential influence beyond previous imagining.

And at the same time, with the country – with our country dividing itself in real-life and online, into more and more homogenous communities described in *The Big Sort*, which I would highly recommend to you, internet has facilitated the creation not just of the filter bubbles, but the protective shields that allow us to block out dissenting or differing views. The success of any traditional news operation used to be measured by its ability to effectively and reliably inform society, but the business model that's sustained newspapers for more than a century is now broken. Gathering and disseminating accurate information is expensive and revenue is short. We now have simultaneously a torrent of individual and small information efforts and have a potentially socially dangerous concentration of power in the hands of a handful of private companies with seemingly boundless potential for reach.

Media means digital and cable, cool mediums that require hot performance, and trust in all media, especially traditional media, is at an all-time low. Americans' trust in institutions generally and in each other is at a historic low. According to Pew Research, only 20 percent of Americans trust their government. The same low percentage has a lot of trust in the national news media.

I agree with Nina Jankowicz, who – of the Woodrow Wilson Center, who recently wrote in the *New York Times* that, "It's impossible to say definitively what causes this mistrust, but its growth has coincided with the rise of both the adrenaline-driven internet news cycle and the dying of local journalism over the past two decades. Without news that connects people to their town councils or county fairs, stories that analyze how Federal policies affect local business, people are left with news about big banks in New York and dirty politics in Washington." Said another way, there simply are fewer and fewer institutions unifying community by feeding news to the middle and setting the agenda for civil discourse for both left and right.

Social media has catalyzed the fragmentation of what was once a somewhat united public sphere. It has fractured and privatized the town square. The shattering of communal baselines has become a problem before the social media boom, of course, but the divides among us have only grown starker as we find less and less common ground and rely more and more on opinion presented as news.

Earlier this year, Knight Foundation partnered with Aspen Institute to form a Commission on Trust, Media, and Democracy to consider these questions. It's led by New York Public Library president, Tony

Marx, and former Tennessee state legislator, Jamie Woodson. The Commission will consider these fundamental issues of trust and recommend solutions to restore it. This is one of, I think, many such efforts, and I think this is something that the Salzburg Seminar would have a major role to play in.

What we know today, what we know or think we know, which leads to what and who we trust and who we deem trustworthy, is increasingly determined by five behemoths: Facebook, Google, Amazon, Apple, and Microsoft. As examples of their dominance, consider that Facebook and Google capture more than 75 percent of digital ad revenue and make up 40 percent of America's digital content consumption. In another time we might've looked at such dominance with the same jaundiced eye that Presidents McKinley and Teddy Roosevelt used to gaze on Rockefeller Standard Oil or Carnegie's U.S. Steel. So far, we haven't, but I think that could change.

Facebook and Google have become more influential purveyors of information than any New York Times or any Washington Post. Yet the Silicon Valley giants and others like them have shied away from accepting a publisher's basic responsibility for the authenticity of their content. They have virtually limitless opportunity to define and form community beyond geographic boundaries, but they disavow responsibility for authenticity, for the truth or falsity of the material as a basic tenet of business.

As I see it, a publisher's success is premised on consistently delivering reliable news and information. Today's platform premise success on basic access tailored to personal preferences for any proposition, person, or group. Those are new rules indeed, and I think maybe unsustainable.

Jack Knight's notion of a well-informed citizenry, eager to tackle questions with a common factual framework, is very challenged today. With the disaggregation of news sources and the rise of technology companies as leading publishers, Americans have lost their bedrock of democracy, which is a shared baseline of facts.

Today, people already view tech companies as media companies. Pew Research shows that a majority of American adults get their news on social media. Facebook is the top source of political news for the Millennial generation. In all age groups, the percentage of social media users who rely on those platforms for news is increasing. This dominance is no accident. The amount of information about ourselves, our habits, our preferences that we share with tech companies in exchange for their – for the convenience of their service is stunning.

In addition, tech companies already produce and will produce more content. Think of YouTube News. Think of Facebook paying to create video content to share on live platforms, or Amazon Studios for movies. These companies may shun the media label, but they proactively pursue media revenue streams.

And like the trusts of decades past, the tech giants are horizontally integrated, saturating and dominating the market for information, and sometimes vertically integrated, exerting influence and control over content at every stage from generation, to production, to distribution.

They've been as successful as you know they have. You can't blame them for not wanting to change. They never intended to shoulder responsibility for reporting news, but sometimes life is unfair and takes an unexpected turn. But why would they change? I think they would change because their role has – society has changed, and their role in society has changed, and they have to step up to the new responsibility, I think, if they're going to be allowed to continue acting – functioning in the way they have. I think they'll change because they have to. I think they'll do that – they'll change because it's bad for business.

Think about the people talk about reading something on Facebook or even Google. They don't say – people don't say I read that Charlie Savage story in the – that was published in Thursday's New York Times. They say I read it on Facebook. I read it on Facebook. If it turns out that the stuff you read on Facebook is not reliable, if it turns out that you – that you are proven consistently wrong, that is bad for business.

And I think there's real hope in that for me, from my perspective. I think there's – I believe in that kind of self-interested motivation that would drive a company like Facebook, and I think is driving a company like Facebook, to consider what they need to do in order to ensure authenticity. I don't think – I've talked with many friends who say, well, but it's so convenient, you'll never get people to rebel, you'll never get people to walk away from it. I don't know what never is. Fifteen years ago, Facebook didn't exist. How long ago was it that we thought IBM would always be, given the age group of us – most of us –

(Laughter)

MR. IBARGÜEN: – with due respect to anyone not – who doesn't remember when IBM was the great behemoth before Microsoft took them down, and then came Google. So, I don't know when never is.

I can imagine, to borrow from Malcolm Gladwell, I can imagine a tipping point when our society says enough. Enough, when consumers change the game. These things happen. World wars are started. We don't need to go that far. Think about – think about what's happening now. I think we're living in a moment now in the U.S. around sexual abuse and harassment after decades of silence and looking the other way. Those stories are the kindling, and the Harvey Weinstein disclosures were merely the spark that set the fire of change. I believe we're witnessing a fundamental change in attitudes and practice.

In the market, if consumers feel they're not well served by existing services, they'll find other services. And



remember that Yogi Berra is always right: if the fans don't want to come to the ballpark, nobody can stop them.

(Laughter)

MR. IBARGÜEN: So, if I were – if I were running a company and I was producing stuff that wasn't believed, I'd be worried.

I also think platform companies may be forced to change by government, which, challenged by their power and supported by a potentially mistrustful public, might ultimately trust bust if only out of self-preservation. I think they'll change because technology, and this is really important. I think they will change because technology will enable them to assume more effective control of their content, which presents all sorts of other questions about machine learning and decision making.

Meanwhile there are efforts that people are making to address some of these things, some within the companies themselves. I give credit where it's due with Facebook, Google, and other places. I also know that organizations like the Trust Project, which is meeting here at the Newseum later this week, which is funded by Craig Newmark of Craig's List, Google, and, full disclosure, Knight Foundation, at Santa Clara University, working with news rooms and technology companies to help the public and algorithms differentiate between news content and fakery.

A proposed new project, News Guard. It hasn't gone anywhere yet. It might. It's spearheaded by Gordon Crovitz who used to be at the Wall Street Journal, and Steve Brill. They seek to make the effort even simpler. They want to have – they want to have a marker that shows red, yellow, and green based on the authenticity track record of whatever the source is. Will that be perfect? Of course not. None of these things are. None of these things probably ever will be because it's about judgment. But these are efforts dealing with the problem.

At Knight, we believe artificial intelligence will play a huge and increasingly important – increasingly central role. And so, with Pierre Omidyar, who founded eBay, and Reid Hoffman, who co-founded LinkedIn, we started a fund to work with MIT's Media Lab and Harvard's – Harvard Law School's Berkman Center to explore ethics in government – governance of artificial intelligence.

When those tech solutions I just suggested are developed, how fast can they become dark implements in the hands of Big Brother? In a New York heartbeat. How obscure can tech companies be? Darker than Darth Vader, and they speak a language most of us, including members of Congress, don't fully understand. So, it's critical that organizations like ours, like Hasting Center's, which works on these issues

with regard to health, MacArthur Foundation, Democracy Fund, continue to do so, as well as Washington think tanks, our great research universities, because leaving the ethics in governance of how we know what we know to corporations whose primary purpose is commercial gain, or, with all due respect to whoever is in political power, it is not just bad policy for the short term. It's bad for democratic society in the long term.

In the meanwhile, are there traditional media companies that are doing things? Yes, I think there are. I think right here, maybe the best – the best adapting big paper in the country is the Washington Post. I'd also look at what the Texas Tribune does in – out of Austin or ProPublica out of New York. These organizations have very different business models, and, again, I should tell you that we have funded projects with all three of those, with the Washington Post, with Texas Tribune, with ProPublica. They have different business models. Some are nonprofit, some are for, but they share a common commitment to verification journalism, and to the use of technology to find and reach their audience.

They believe, as my friend, Marty Baron, likes to say, that we have to focus on doing the work of getting the story right because that's where the credibility will be proven and earned, but the technology has to be one-click advertising, one-click. Did you – did you see? Using the – using the techniques, the marketing techniques of selling on online to sell news.

Since we're in the Newseum, I'd like to end my part of the remarks with some observations about the changing understanding of what free speech and free press mean to young Americans. Although the ferocity, reach, and frequency of today's political attacks have ratcheted up the level of intensity, I've talked with too many people in politics to believe that their view of media is fundamentally new. What I think is new is a changing generational view of what "free speech" means.

In early 2016, Knight Foundation commissioned Gallup – the Gallup organization to survey attitudes among college students on First Amendment freedoms. The results suggest that there is a fundamental generational shift in our understanding of these basic rights among a broad and deep sample of young people training to become our nation's leaders.

The Gallup survey showed that about three-fourths of college students believe in free speech. That's good. They consider 25 percent maybe don't. That's maybe not so good, but three-quarters is good on any kind of a poll. And the thing that then really makes you scratch your head is that about two-thirds believe in safe spaces. This is really a major, major shift. So, three-quarters free speech, two-thirds safe spaces. Do the math and scratch your head. And among a representative sample of African-American students, some 60 percent did not believe that their right of assembly was secure. That is very significant when you think



about the whole.

My own reading of this is that the younger generation values inclusion and freedom from psychological harm in the same way that previous generations valued freedom from physical harm. In the tradition of free speech, you weren't allowed to yell "fire" in a crowded theater because you could cause harm. Now a substantial majority of college students believe "free speech" means stopping speech, censoring speech that would cause other types of harm, or cause exclusion or people – of people or groups.

The increased value of inclusion and protection from this sort of harm is intensified by the common use of social media, with its reinforcement of filter bubbles, of like-minded thinkers, and the ability to block anyone with whom you disagree. And anonymity, hate speech, and bullying all promote the sort of thinking that values protection over exposure.

We're in the field with Gallup now, and we'll have a 2018 version of that study ready pretty soon. It remains to be seen whether we have a trend or just a reflection of current events at that moment in time two years ago. If we're right and this is a trend, it will be one of the many in the ever-evolving history of the First Amendment. As these new understandings of the debates occur, we at Knight felt that it was very important to ensure that the presence of a – of a disinterested advocate was assured, a disinterested advocate that argues for free speech.

Three years ago, we partnered with Columbia University to establish the Knight First Amendment Institute for that purpose. With an initial endowment of \$50 million, it will be an independent affiliated – an independent affiliate of the university led by Jameel Jaffer and a team of outstanding attorneys, and guided by a board that includes Ted Olson, who I'm sure many of you know, from Gibson Dunn, and Eve Burton of the Hearst Corporation, with the very active support of Lee Bollinger, who is the president of Columbia and a leading First Amendment scholar. I'm also very pleased to note tonight the presence here of representatives from Omidyar Networks Democracy Fund, who have also generously contributed to creating that institute.

The First Amendment we enjoy today, the world's gold standard, was significantly forged in battles over the last half century, largely paid for by newspaper companies. Those companies either no longer exist or they're financially strained, but they left – but they have left a reasonably well-settled body of law affirming the rights of people and press articulated in the Constitution, carved into the marble at the Newseum, and the extension of those rights to broadcast licensees.

What is not settled are the free speech rights on internet. Will courts ultimately choose freedom of [speech] – as a right or the potential restrictions of a license? The consequences, I think, are enormous.

The legal questions are wide open, and Knight Institute will engage in the courts through research, scholarship, and conferences always with a bias toward free speech and free press.

In summary, and we need to get on with the – with the discussion, I'd just remind you of some of the ground rules going forward. First, we must be in line with the First Amendment. Second, we must recognize the problem is not monolithic, and any response must be nimble and iterative. And third, we should remember that this challenge exists within a larger context. The massive questions regarding the decline of trust in all institutions makes this a civic emergency.

Not long ago, I spoke with a professor at MIT about the upheaval that communication technology was causing in society, and I asked him where he thought we were in that revolution on a scale of one to 10, with one being a brand-new technology, and 10 being a mature technology with understood impact. And he said without hesitation two, maybe three. You ain't seen nothing yet. We're very much in the early days of the new world. After Gutenberg, society adapted to embrace his disruption and thrived as never before. Here's hoping history repeats itself. Thank you.

(Applause)