



**Speech
by
the President of Iceland
Ólafur Ragnar Grímsson
at
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*The speech was delivered without notes.
This is a transcript of the recording.*

Good morning to you all.

In a certain way I was wondering what I should tell you this morning. Whether I should give you a historic overview or describe some personal experiences with respect to the new age in communication. I decided to start with a personal note.

In my younger years, when I came back to Iceland after a degree from Britain in economics and politics, having witnessed the opening of the satirical phase on British television, *That Was The Week That Was*, David Frost and the early stages of the musical revolution, I somehow thought Iceland was ready for something new.

So I started a radio programme on the State Radio – we only had the State Radio at that time – to talk to anybody who was dealing with social, economic or political problems. To cut a long story short, before the winter was over, the board of the State Radio, which by the way consisted of the editors of all the major newspapers, came together and banned the programme.

It is an interesting fact that at that time we only had party political newspapers. The only radio was the State Radio. There was no television. Everybody found it perfectly natural that the editors of the main political

newspapers owned by the political parties should also control the programmes on the State Radio.

It was a perfect system for those in power. There was no outlet, neither technical nor political, for alternative views. When a young guy, a young student, came from Britain and in a naive way thought the system was waiting for change, the easiest solution was to throw him out.

Then a few years later when we started television in Iceland (this was of course also a part of the State Broadcasting Service, as in many other countries), the programme director of the news and current affairs division decided he wanted to do something new. He came to me and asked me to do a television discussion programme, which of course I eagerly accepted, and before the winter was over that was also banned.

So early on, I established this rather unique record of being the only person in the history in Icelandic media who has been banned twice, both in radio and on television. Which was perhaps a good preparation for becoming a president later.

I mention this here this morning because the theme of your discussion is that nobody is longer in control. That the Internet has become an open playing field for anybody, anywhere in the world, with any kind of opinion, with any kind of position. This has happened in such a relatively short time. I can stand here this morning and tell you this personal story and also describe how, in the recent months, the fundamental transformation of the information revolution has played a major part in how Iceland dealt with the financial crisis, the recovery and the political and the democratic challenges that faced us.

I am not going to deal this morning with the financial crisis. I just want to mention, especially to those who come from afar, that in the early months after the collapse of the banks, even leading into the beginning of 2009, what we witnessed in Iceland was not just a fundamental economic and financial shock, but also what amounted to a fundamental threat to our democratic stability, our political system and our social cohesion. Iceland is, as probably most of you know, one of the most open, secure and stable democracies you can find anywhere in the world, with one of the most cohesive societies.

If a market failure can threaten a democratic cohesive society like Iceland, imagine what it can do to countries that do not have well established traditions in this area.

What did the population do when it faced this monumental challenge, not just to their economic future, but also to the political and

democratic and social system? It turned to the new tools of the information technology and started mobilizing. They mobilized on the Internet; they used their mobile phones. Weekend after weekend, on Saturday afternoons, they came together in the square outside the Parliament to demonstrate their opposition. Up to that point in Icelandic history, such demonstrations could not have been organized without either trade unions, political parties or other major and well-established organisations taking the lead. But here, for the first time, we got an ongoing process of demonstrations which nobody really organized in a meaningful sense of the word.

Gradually these gatherings came together on a certain platform. They wanted the Government to resign. They wanted new parliamentary elections. They wanted a new leadership in the Central Bank and in the Financial Authority. After a process of about three or four months, all these demands had been met. It was the first time in our history that the new information technology created a monumental political change in Iceland. It was an indication that something completely new was happening. Those who traditionally had controlled the political process in this country, and a large section of the economy as well, were no longer players in these events.

As the social dissatisfaction continued, and even after there was a new government, we saw this occurring again. About a year ago or so when the Parliament opened on the 1st of October there was a major semi-violent demonstration outside the Parliament, with people throwing eggs at the President, the Government and Members of Parliament. Entirely organized on Facebook, led by people nobody had ever heard of, who were only empowered by their Facebook access. Through this technology, they could mount in two days the most dramatic and threatening demonstration that we had seen outside the Parliament for years.

I sometimes say to people in other parts of the world that although Iceland is a small country, it is in many ways a microcosm, almost a laboratory of what is happening everywhere in the world. The advantage of being here is that you can see in a nutshell transformations that are changing the entire world. Our society is sufficiently developed to have all the fundamental characteristics of advanced societies, so we can see the changes clearly.

What we have witnessed in the so-called Arab Spring and the Occupy movement in the United States and elsewhere we already saw in Iceland more than three years ago. Our country thus showed the fundamental political transformation. If you ask me the question as a

former professor of Political Science: ‘What was the key instrument driving the political change and the reaction to the financial crisis in my country?’, I would say it was information technology.

This has led me to conclude – and it is perhaps a surprising conclusion for somebody who has spent almost his entire professional life within the established institutions of our political system, the Parliament, the Government and now the Presidency – that these established traditional institutions of western democracies, whether they are in the United States or in Europe or in Iceland, have now, given this new playing field, become almost a side-show. *Almost a side-show*. That is a pretty strong statement, from someone who has dedicated most of his life to operating within these institutions.

I will give you a few more examples. The so-called ‘Icesave dispute’ with the governments of Britain and the Netherlands, causing the Icelandic people to take responsibilities for debts created by the failure of a private bank which operated in Britain and the Netherlands. When, after a long deliberating process, the Parliament finally agreed to the deal, a lot of people in Iceland thought it was fundamentally unfair and wanted me to exercise the right under the Constitution to put it to a referendum. How did they do it? A group of people, most of whom I had never heard of before, came together and collected on the Internet in a matter of a few weeks, what in the end amounted to almost a quarter of the Icelandic electorate. A quarter of the Icelandic electorate!

I agreed to these public pressures, the referendum took place and the deal was thrown out by over 90% of the people voting, saying NO. A rejection of a deal negotiated between the governments of Britain and the Netherlands and Iceland; initiated by an unknown group of people with only the Internet as their tool of operation.

When the second Icesave deal was put to the Parliament and it again agreed to the deal, the same process took place. But even more so. It happened in a shorter time, almost a week. The group came to the Residence and presented the petition with almost 20% of the electorate having supported it in about a week. I have to tell you that although I know this society pretty well, I couldn’t have named most of the people who came with the petition. They were completely unknown figures in the Icelandic political and the social scene, apart from two or three people.

Then following my first decision on the Icesave dispute, the global media suddenly wanted to hear the Icelandic case. So I spent about a year and a half, almost two years, talking to all kinds of global media, Internet

websites, CNN, BBC, Al Jazeera, Bloomberg, Reuters' – you name it, various newspapers and so on.

What was fascinating to me about this process, was that gradually I discovered that through this dialogue with the international media, whether it is the Internet media or the more established television stations or newspapers, I was having an extensive dialogue with the people of Iceland without speaking with a single Icelandic medium. Why? Because as all of you know, immediately after CNN or Al Jazeera or whoever had broadcast the interview, it was on You Tube in Iceland, you could look it up on your phone or your iPad, you could be anywhere in Iceland and follow what I was saying in China, in New York or wherever.

To me, as a person who has operated within the Icelandic media for almost half a century, it was an incredible experience to realize that you can have an extensive and effective dialogue with an entire nation for over a year without speaking to a single medium from that country.

Which proves once again that the world has become a global village. This is not just a phrase. It means that you can in fact talk to anybody anywhere in the world without using any of the traditional national or local media. I can sit in China, in a glass booth and talk to somebody representing Bloomberg and within an hour everything I say is known in Iceland. People react to it, express opinions about it, criticise me for it and I answered them in the next interview with CNN.

So, what does all this mean? Where are we? With respect to either politics or the economy or marketing, whatever you are marketing — whether you are marketing political opinions, whether you are marketing a new soft drink, whether you are marketing a new pill or whether you are simply marketing yourself, whether you are a media personality or a film star, a politician, a CEO or a new entrepreneur.

One of the lessons is: Yes, it has become a universal marketing place. The distinction between the political system and the economic system has completely disappeared. The media that deal with the so-called economic system and the so-called political system no longer make the distinctions.

The second lesson is that it does not matter where in the world you are. You can communicate with anybody, anywhere at any time. National boundaries have completely disappeared. In my own personal experience from the Icesave issue, the fact that the President could have an extensive dialogue with his own people without speaking to a single local or national medium is a very dramatic proof.

The third lesson is that anybody can be involved. The so-called traditional distinction of who is the formal decision-maker, who is the formal player either in the marketing system or in the political system, has in my opinion completely disappeared. This technology opens the possibility up for anybody to be involved. Those who are running big corporations, if they do not realize that now anybody, wherever they are placed in the so-called hierarchy of their organisation, can be and must be involved, they are in for big surprises. If political leaders don't realize that anybody anywhere in the political system, even completely unknown people, can hit you within a week, even before this day is over, they are also in for big surprises.

It has almost become like the scene in those western movies where you arrive in a new town; you are alone on your horse and anybody can take a shot at you from behind any door or any window. You have no idea who it is who starts the shooting. You are alone, whatever your formal title, your formal position or your so-called power. You cannot get any corporate or political power in this new world, in my opinion, that will shield you or give you safety from events that can come at you from anywhere.

That to me is good news. It is tremendous news. It is the ultimate form of democracy. It is the ultimate form, the essence of the so-called free market system which enables individuals to do their own thing. So we should celebrate this transformation. We should not be like many of my colleagues or CEOs, who are scared or afraid of what is happening.

We should also realize that it is just the beginning, my dear friends. This is just the beginning. No expert has a clue about what this system will be like in ten years' time.

Which also makes it fascinating. We are all in this journey together. Nobody could have told Obama, who is supposed to be the most IT-connected politician in the world, and was elected because of how skilfully he mobilized this new media, that one of the policies of his Presidency would be turned down by the square in Cairo before he finished his speech in Washington by messages sent from the crowd in almost zero time scale. When he finished his speech in Washington it was already evident that the new policy was a failure because the crowd had voted him down. When Hillary (Clinton) came the next day and gave a press conference to try to resurrect a new type of policy, the crowd also turned her down before the press conference was over.

Imagine the situation of young people in a square in Egypt who turn the American President down before he finishes his speech! He is supposed to be the one who knows most about how to deal with these

media. It also proves that it does not matter how many experts from Silicon Valley he has around him, he is not going to succeed if the people who are empowered by this new technology do not agree.

This has become the ultimate democracy, the ultimate freedom. But it also carries a lot of responsibilities. In our fascination with this technology we have not yet started to deal with the responsibilities. But that will come.

So let me conclude here this morning by wishing you well in your deliberations and discussions. It is a fascinating subject. It has been one of the most remarkable experiences of my professional, political and academic life to have the privilege to witness at first hand how this is transforming our world. In many ways I think it has become the most fundamental democratic force in the world. It will transform the marketing system, it will counterbalance the corporate powers in the economic world, it will allow new players, thinkers, entrepreneurs and initiators to have a strong impact.

Just watch Social Network, the movie. You have probably already seen it, but watch it again and then think about the year when it takes place. It is the only thing I want you to have in your mind when the movie is over. What year does it take place in? Now, soon over a billion people will be on Facebook.

If it is true, as Google maintains, they now have in their service systems translation capabilities so we can phone anybody in China, and talk to that person without knowing a word in Chinese or they knowing a word in English or Icelandic. We speak our mother tongue and they speak Chinese. The technology will do the simultaneous translation. If this becomes the practice, it means that English will lose its power. Education will no longer be the condition for becoming a global citizen. Anybody will be able to speak to anybody anywhere in the world, just by using their own language.

That will also be a monumental democratic force in the world, putting national governments as well as corporate leaders in a very fascinating new position of weakness.

Let me simply conclude by telling you a story. It really opened my eyes about eight or nine years ago. I was in Mumbai, having a discussion with the people who created the Reliance Telephone Company. They started from scratch. Their marketing target was the poor people of India, the poor people in the villages, the poor people in the slums of Mumbai and other cities. Within half a decade they had got 80 million subscribers, most of them among the poorest in India. The premise for this was the

very simple notion that before this new technology arrived on the scene, the assumption was that in order to create progress in any society you had to start with education. You had to start by teaching people to read and write. But now the mobile technology had enabled every nation in the world, every village, every community, every family, every individual to by-pass all of that, because even if you can't read, even if you can't write, everybody can talk. Simply by giving us a technology where we can talk and let the technology then transform those words into text and messages, we have been empowered in a way that nobody could have dreamt of.

So I welcome you to Iceland. I hope those of you who live and work in Iceland will use this opportunity to benefit from the dialogue with our guests. But above all, I wish you well and by all means enjoy the ride in the coming years because only one thing is certain. It is going to be fascinating.