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Thoughts and
solutions,
the first of
an occasional
series from
Borkowski.do

OPERATING CONDITIONS IN THE NOW ECONOMY

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THE NOW
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The Now Economy is our term for the world in which we now think, communicate and do business.

It is a world defined by speed and complexity. A world in which no channel of communication is controllable and no public reaction is certain.

We've written on the Now Economy before, taking you through our definition in more detail. What we'd like to do now is illustrate with examples some of the Now Economy's more daunting aspects, and discuss how you can get the most out of them in your communications. We call these the four operating conditions of the now economy.

First, there is the concept of disruptive change. When we say 'disruptive', we don't mean it in the sense it was used in your year 7 school report. We mean it in the sense first popularised by the polo necked eggheads of the tech world. A disruptive force in a market or society is one which doesn't just advance existing processes or debates, but one which actually starts something new. The iPod, for example, was disruptive. It wasn't just a new, better portable music device - a competitor to Sony's Walkman - it actually created a whole new market. From then on, consumers wanted portable listening solutions which allowed them to take control of how their content was arranged. The music industry would never be the same again.

In section one, we illustrate this operating condition. We talk first about the cycle of birth and death; how over the past twenty-thirty years, dying technologies have been replaced by new ones which aren't just a straight replacement but actually do something quite different. We then explore, by means of some simple timelines, how some rather clever people have used disruptive change to their advantage, and how others have struggled.

Next, we have a potentially tricky operating condition: the multi channel media strategy. Back when we started our agency, communications wasn't too complex (though it didn't feel that way at the time). PRs had to contend with a news cycle led by daily papers and a handful of broadcast news programmes. Big launches had to be targeted to a handful of Sundays, supplements and consumer mags then followed up with a story of two. Crises unfolded day to day, with time in between for planning and co-ordinating

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statements. Nowadays, there is the 24 minute news cycle to contend with, driven by the minute by minute chatter of Twitter and Facebook and by the evolution of rolling news and online updates among traditional outlets.

In section two, we show that communicating anything to the public, whether it be something great you want to shout about or damage you want to limit, requires adept use of a multitude of media at breakneck speed. We run through a crisis which unfolded at full tilt - the recent sex abuse scandal around Lib Dem peer Lord Rennard. We then talk about a brand that uses a mix of traditional and new media to great effect - betting shop operator Paddy Power.

In section three, we illustrate the third operating condition: the demand for conversation. The public no longer thinks of institutions, whether they be political, cultural or corporate, as faceless monoliths. Instead they are accountable and answerable. This is not to say that many institutions don't still manage to pull the wool over the public's eyes - they most certainly do. However, to do so still requires some concession to this conversational instinct.

We illustrate this trend by exploring the medium that most clearly exemplifies it: Twitter.

Finally, we look at a fourth operating condition - antitrust. Across most areas of public life, people are less willing to trust experts or leaders. We take a look at important developments in some areas of public life which have led to the untrusting society we find ourselves in today.

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Disruptive Change is now a reality in almost all areas of public life. In recent years, it has been defined by a cycle of birth and death, whereby old technologies and systems die to be replaced by new ones which operate radically differently:

Death Print Media

Controversial one, this. However, we don't mean death in the total sense: Print readership is now gradually stabilising, particularly in the magazine and weekly worlds, and even though it is tricky to monetise, digital news is still seeing a dominance by traditional media brands like The Daily Mail and the Guardian.

However, what is unquestionable is that the power of a tabloid front page to mobilise the crowd is vastly diminished. We base this partly on anecdotal evidence (The Daily Mail's recent 'Vile Product of Welfare UK' headline following the Philpott scandal didn't reliably capture the public mood, with most polls showing around 43% of the country believing that Philpott raised some questions about benefits, and 51% believe Philpott was merely one evil man) and partly on the money: despite spending on digital ads still being worryingly low, in 2012 it surpassed spending on print ads for the first time.

Birth Social News

Social news, by which we mean news and current affairs content distributed online and produced primarily to be shareable on social media or searchable on google, is still in its infancy. However, two key proponents are doing very well indeed: MailOnline is set to hit £100m revenues in the next 3-5 years thanks to its principle of publishing "all the news that's fit to talk about." BuzzFeed recently expanded into the UK and, while figures on its success are yet to be published, it has been hiring new writers and boldly diversifying content to an extent unseen among other news content producers.

The point here is that, if social news becomes the dominant method of news transmission, it won't simply be an update on the tabloid heavyweights of old. For communications, it means that the old model of a shocking headline or a great image aren't enough. There must be a powerful, shocking, surprising story at the heart of anything one tells.

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As the power of the traditional media is curtailed, whether by superinjunction or by Royal Charter, social news may find ways around this. There is still an (increasingly less likely) possibility that restrictions on digital news distributors will be less severe. More likely, social news can rely on the fact that it doesn't need to overtly print forbidden or libellous information for individuals to share it and know what it means - news of the (false) McAlpine sexual abuse allegations spread across Twitter without any journalist needing to mention them out loud. Had they been true, this would have been a triumph of modern press freedom.

'Social News,' too, needn't mean silly stories about celebrities. The triumph of wikileaks is that it was social. Even after its traditional media partner The Guardian and the New York Times either stepped gracefully aside or mounted anti-Assange smear campaigns it is still releasing cables and making headlines thanks to the drive of its motivated followers.

Death P2P Fileshare Networks

Again, a bold claim, and we're not claiming that digital piracy is going to cease anytime soon. However, with the closure of Napster, the sanitation of Limewire and Kazaa, and the current action against The Pirate Bay, the distribution channels which sprung up in the early 00s and late 90s to facilitate the illegal sharing of copyrighted content are collapsing.

Birth The New Underground or the Corporate Dream?

It's not quite clear yet what is replacing these channels, but two opposing scenarios are likely.

On the one hand, entertainment industries are increasingly getting wise to the digital, low-friction consumption habits of modern consumers and providing legal, monetised services to give them what they want. Spotify has achieved vast traction and global growth. Their financial results are shady, and the last solid figures available are from 2011, when they weren't doing well. However, since then they have introduced various new subscription models. If you believe EK, they might have seen revenues as strong as \$889m for 2012. They plan to pay out \$500m to rightsholders this year, which would suggest revenues are significantly higher than that are expected. Netflix's share prices have seen consistent rises. In late April they were up 24% to around \$216m, now they're listed at \$233.97m.

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On the other hand, there are new, more pernicious channels for piracy gaining traction. TOR (The Onion Router) which allows users to place servers on the Dark Web, an unsearchable portion of the internet which can be used for purposes including trading, is growing in popularity. Currently the fears about TOR focus on less consumer-friendly black markets like the arms trade and child pornography. However, should these platforms become easier to use, there is a real possibility that they will become much less defeatable channels for piracy.

Either way, these scenarios demonstrate how the internet is changing. Consumers are now willing to engage with complex systems which require them to be continuously online: no longer is the net simply a big pipe, along which items travel and are extracted to be consumed offline.

Death Myspace

The heady early days of social networking in the mid-00's saw many now near-defunct social networks spring up, from Bebo to Livejournal. Myspace, however, was the most important. At its peak (December 2008) it attracted 75.9m monthly unique users in the U.S. By May 2011, this had dropped to 34.8m. Recent attempts to revive the company, including the actions of celebrity co-owner Justin Timberlake, may yet work. However, for our purposes here, that is a question for another time.

Myspace was friendly and fun. Driven by its dominance of music communications, its customisable home pages, its dramatic 'bulletin' updates to friends and more, it was a network for the young. It helped normalise social networking for the generation known as the 'digital natives.' However, once it had served this purpose, it swiftly lost the interest of consumers.

Birth Facebook

Many analysts think that Facebook's fortunes are about to turn, but even if this is the case, what it has achieved is remarkable. It now has something like 1.06 billion monthly active users, logging 1.13 trillion 'likes' last year and seeing \$1.58bn in Q3 2012.

Facebook represents many trends in popular consumption of the internet, but perhaps the most important is how habitual it has made social networking. Unlike Myspace,
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FaceBook has always traded off a clean user interface and profile design and a frictionless way of keeping in touch with friends via the newsfeed. It has also seen remarkable success on mobile: it has 680m MAU as of December 2012. Whether Facebook maintains its dominance or is toppled, social networking for the foreseeable future will be something people do several times an hour, not once a day.

Death Geeks

In 1980, the prevailing Western cultural stereotypes and social hierarchies were those of the American High School. The Geeks, then, were at the bottom. Sure, the 1980s saw explosive revolutions in technology: the first great Apple/Microsoft wars, the first generation of videogame consoles and more, all of which have gone on to shape the world we now inhabit. However, these were either made by geeks for geeks (videogaming, for instance, rarely if ever appeared in the modern media as anything other than a scare story until very recently) or they were used by all but celebrated by few. Beyond Bill Gates and Steve Jobs, few geeks achieved mainstream applause until the ‘dot com’ boom of the late 1990s.

Birth Nerds

A nerd is a geek with friends, a geek with passions, a geek with creativity. Nowadays, the Nerd is king. The 90s saw Amazon, Last Minute, Friends Reunited et al normalise internet success, producing products which turned everyone into a passionate online researcher. The 00s took this a step further, with products from Facebook and Myspace to Moshi Monsters turning everyone into an internet creative.

We’ve also seen a rise in what were once considered geeky pursuits. Video games are now the world’s most important entertainment industry. In part, this is thanks to large budgets and clever marketing of AAA blockbuster products: Call of Duty: Modern Warfare 2 saw the largest ever launch of an entertainment product. This shows the movement of technology into our day to day behaviours. In gaming, this has largely been represented by the growth in handheld platforms, which are easy to market as a desirable consumer product. From Pokemon Red and Blue in 1996, credited with single-handedly saving an entire system (the Gameboy) and achieving unprecedented mainstream success (including a major syndicated cartoon tie-in) to Angry Birds, now played by everyone from committed gamers to the Prime Minister.

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The rise of the nerd shows how unpredictable mass cultural opinion can be. Despite the fairly consistent growth of the tech sector over the past thirty years, how many in the clean cut, slick suited 80s would have predicted that the big swinging dicks of tomorrow would be people then getting their heads flushed down toilets? The Now Economy demonstrates a passion among consumers for great creative product, no matter how supposedly tarnished or toxic it may currently appear.

Timelines of disruptive change

Music consumption and creation - Vinyl to the mp3

1979 Sony Corp. introduced the Sony Walkman TPS-L2, a portable cassette player. Legend has it that the order to develop the technology came straight from Sony co-founder Masaru Ibuka, who travelled a great deal for business and found Sony's existing cassette recorders too difficult to carry around. Whatever its conception, the success of the product was phenomenal. It sold upwards of 50,000 units in its first three months of release in Japan - bosses had predicted sales of less than 15,000 in the same time. 'Walkman' made it into the OED by 1986 - a more significant feat back in the days before Oxford Dictionaries began to realise the PR value of controversial word introductions. Vinyl's dominance - and the primacy of sound quality over convenience - was forever over.

1984 Sony proves once and for all that portability is the driving force behind consumer adoption of formats with the release of the Discman, which leads CD sales to soar two years after the medium was first introduced.

1990 Deck, the world's first software-based digital multitrack recorder is released. It sets the stage for Cubase, Protools and other later home recording software. By the end of the decade, the perception of recording as something only available to the serious professional was forever eradicated.

2000 Apple purchases digital music library software SoundJam MP and renames it iTunes. The world begins storing and playing its music digitally, and never looks back. The album format and the traditional notion of 'ownership' of a record are eroded, arguably reinforcing piracy trends.

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2001 Apple releases the iPod, securing the future of music as digital. The iPod becomes a lifestyle icon, reinforcing Apple's decade-long status as the greatest brand in the world.

2009 Wired declares that mobile phones 'will change the way you listen to music' as they become the dominant device for music consumption.

Event TV - Coronation Street to Big Brother

1977 ABC pioneers the miniseries, a compelling, easily sellable format which draws together nations across short, high budget, story driven serials, usually adaptations. The late '70s and early '80s saw smash hits like *Shogun* (NBC, 1980), *The Thorn Birds* (ABC, 1983), and *The Winds of War* (ABC, 1983) in the US and *Brideshead Revisited* (Granada, 1981) and *Tinker, Tailor, Soldier, Spy* (BBC, 1979) in the UK.

1981 Britain's Coronation Street soap opera sees Ken Barlow and Deirdre Langton wed, drawing an audience of 24m and ushering in a new golden age for British soaps. America had the mighty *Dallas*, for many the defining TV product of the '80s.

1989 Fragmentation of TV distribution reaches new levels, with 60% of American homes wired for basic cable. Britain is some way behind, but catches up with the launch of BSB (later BskyB) in 1990.

1997 A lengthy brainstorming session at Endemol spawns *Big Brother*, the world's first major introduction to reality TV. It is to become the defining genre of the following ten years, combining cheap production values with a high PR-ability that plays well across emerging channels well into the 00's and beyond.

2004 The UK sees the first series of future global talent brand *The X Factor*. The show makes a global star of star-maker Simon Cowell, marking a period in which the public has unprecedented awareness of the processes behind the fame industry, and paradoxically a greater desire for fame. By the end of the decade, former *X Factor* stars will appear in major media editorial roles, in the charts, and as guests on future series of *The X Factor*.

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2010 Against all the odds, drama sees a resurgence with the release of *Downton Abbey*, a phenomenally (and internationally) successful period drama.

Radio - Home Service to Spotify

1969 The BBC publishes its report, *Broadcasting in the Seventies*, which proposed an end to regional broadcasting in favour of restructured national programming and greater local coverage. The last vestiges of the old 'Home Service' are abandoned in favour of a more fragmented, personalised experience.

1972 As the popularity of vehicles like the Mark II Mini (1969) soars, Radio 2's *The Dunn Thing with John Dunn* becomes the first great 'drivetime' show. Radio begins to assume its unique position as a universal medium with high passive and limited active listener engagement. Advertisers have never quite worked it out.

1977 The BBC bans The Sex Pistols' *God Save the Queen*, cementing its position as a sure fire hit and bringing a new political dimension to the classic 50s phenomenon of the banned smash hit.

1985 Kiss FM emerges. It is typical of the resurgence in pirate radio: based in an urban environment (South London) rather than offshore, it has access to the up-to-the-minute latest in dance and urban music. The death knell of BBC Radio's control over the nation's tastes is sounded.

1995 The public launch of digital radio in the UK sees the beginning of radio undergoing the same fragmentation process as TV. Consumer tastes are increasingly personal and genre-driven.

2011 Digital music service Spotify launches Spotify radio, with a mobile version rolled out the following year. This takes the fragmentation begun by digital radio to its logical conclusion: there are now as many stations with as many genre mixes as there are people subscribed to the service.

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n February, the Lib Dems have felt the full force of public meltdown in the Now Economy.

When Channel 4 News on Thursday 21st February broadcast allegations of sexual abuse aimed at former party Chief Executive Lord Rennard, the response of the Lib Dems lacked two things: clarity and paranoia.

The former is a cornerstone of good PR in a news cycle which is less 24 hour than 24 minute. Where once a smoke-screen of garbled half-truth was a useful delaying tactic, it will now be ripped apart near-instantly, only increasing the hunger for the whole truth. One needs to decide from the outset how much of the truth one is going to give, and how much one is willing to do, and then do everything possible to remain on that line. It took Clegg until Tuesday 26th (morning of) to take firm, personal charge of the situation and reassure Sky News that, while the investigations were top priority, he would not be providing a running commentary.

The latter has always been at the heart of good communications. A culture of comfortable internal advisors means organisations of all stripes have lost a lot of their PR fervour. A crisis cannot wait, the public will demand satisfaction and the media most definitely are out to get you. Rennard knew this - he allegedly kept a little black book full of compromising information about other party members, which is (partly) why he held so much sway for so long - shame his party didn't share his tenacity in establishing their position.

Thursday 21st February

C4 news break the story with allegations from 3 Lib Dem women of harassment by former party chief executive Lord Rennard. The Lib Dems launch two investigations into the issue, but otherwise suffer from wishful thinking, with an impersonal blanket denial from Clegg's office creating a vacuum that they will fail to satisfactorily fill for some time.

Friday 22nd February

Rennard steps down from the party duties he only resumed in late 2012, denying everything. Meanwhile, the press fall over themselves to maximise Lib Dem culpability, with The Telegraph revealing it informed Clegg's then Chief of Staff of allegations in 2010, only to receive a flat denial.

Saturday 23rd-Sunday 24th February

*As Clegg remains sequestered on family holiday in Spain, his silence is filled by the chattering of a thousand hacks, with *The Daily Mail* publishing correspondence implying he knew of historic allegations. Other party figures including Vince Cable try to cover for him, but the media are not satisfied until, on Sunday night, Clegg finally breaks his silence. His statement is poorly judged, admitting some knowledge of Rennard's reputation and needlessly dragging Danny Alexander into the fray.*

Monday 25th February

An array of appalling splashes makes the party begin to get flustered. Unfortunately, they all have different ideas of what constitutes an appropriate response, from Tim Farron's blunt admission that 'we screwed up' to Jasper Gerard's reminder that 'this isn't the Jimmy Saville case.' Finally they get around to revising their complaints procedure as Scotland Yard admits it is taking an interest.

Tuesday 26th February

*Clegg speaks to Sky News and attacks the 'self-appointed detectives' fuelling the scandal. This turns out not to be the best idea as in everyday parlance those detectives are what's known as 'the free press.' Meanwhile, *The World At One's* interview with a claimant brings the toll of alleged victims up to nine. Rennard's response is to deny everything again, only in slightly more flowery language.*

Wednesday 27th February

*As Clegg prepares for his regular 'Call Clegg' spot on LBC, *The Mirror* brings the toll of allegations up to around 30, and Sarah Gidley is reported to have told him of the accusations when he became party leader. He then claims that the allegations were that allegations were 'in the background' when Rennard originally resigned from the party, a contradiction of his earlier statement.*

Thursday 28th February

Alison Smith, the original whistleblower, bows out of the scandal she has helped to fuel, explaining that she has spoken to the police, and urging other women with information to do the same.

Friday 1st March

Salvation! The Lib Dems win comfortably in the Eastleigh by-election, largely thanks to an effective grassroots campaign which pulled local focus away from the scandal. Is the party safe again?

*‘A crisis
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Saturday 2nd- Sunday 3rd March

The answer is: sort of. The party closes ranks and the press begin to lose interest. However, Clegg himself may have taken irreparable reputational damage, facing a potential leadership challenge and attacks from Labour. Had he made a firm public statement straight away, he might have avoided much of this.

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conversation defines the Now Economy. People are no longer willing to accept directives right off the bat - they need the freedom to question, discuss and engage. This is not to say that they aren't still susceptible to propaganda, but any message needs to be couched in the form of a discussion.

The area of public life which best exemplifies this is Twitter.

What is Twitter?

Twitter is a microblogging service that invites users to answer the question “What’s happening?” in 140 characters or less. These messages are called “tweets”, and users are able to engage in conversations with any person or institution that has an account at any time of the day. Users are able to use “hashtags”, phrases preceded by the “#” symbol, which turn into links, categorising all tweets relating to that topic. When a topic gains a lot of traction it is placed in a chart, and those that reach the top positions are publicly listed and referred to as “trending” topics. A brief perusal of these topics is a good indicator of what is driving conversation that day. This is great - tight, unpretentious, engaging.

The way that Twitter is used commercially demonstrates consumers' growing need to have some personal connection or symbiotic relationship to the brands they purchase. 67% of Twitter users say they would be more likely to make a purchase from a follower. Like it or not, there are people with opinions about what you do, and a means of disseminating them. So it's essential to cultivate a meaningful and measured Twitter presence.

Below we've detailed some case studies which illustrate the conversational now economy operating condition that Twitter exemplifies:

Professional Conduct on Twitter

After a number of high-profile scandals, the public has become increasingly savvy about online privacy. However, there have been a number of blunders even in recent months. Here the medium of Twitter allowed for a highly visible public response to statements or actions which once would have been difficult to challenge.

Keith Vaz MP made comments on Twitter about Home Secretary Theresa May's physical appearance, sparking outrage in the media.

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David Lammy MP made a flippant comment about black or white smoke at the Vatican which was construed to be racist.

Stella Creasy MP was hunted down and harassed on Twitter by a disgruntled Wonga employee as she has been outspoken about her views on payday loans. The employee was forced to issue an apology. Wonga claimed that an “unauthorised junior employee” was responsible for the behaviour and that a “disciplinary procedure” was taking place.

The US Embassy in Cairo came under fire for unusually politically-charged messaging emanating from its account with regard to its views on Morsi and the power of the Rule of Law in Egypt. The account was eventually shut down, which commentators argued was more damaging for the brand as it insinuated that the US would crumble under public pressure.

Spanish-language newspaper El Pais was forced to apologise for posting a picture purporting to be of Chavez in his hospital bed which was later proven to be a fake.

Customers want companies to care

Microsoft Studios' creative director, Adam Orth openly made comments on Twitter saying that consumers should “deal with” having to have a constant internet connection in order to use a new Xbox console, arguing that people wouldn't refrain from buying a vacuum cleaner just because electricity sometimes goes off. This contradicted Microsoft's “customer-centric approach”. The fall out undoubtedly played a part in Microsoft's recent U-turn on the Xbox One, meaning that customers will no longer need to be constantly connected to the internet to play.

Information wire as used by celebrities

Twitter is increasingly being used by celebrities and their PR teams as a means of spreading messaging about their lives and their brand. In some instances, it can be a form of press release. Successful celebrity accounts range from Barack Obama and the Papal account, which are known to be run by the White House and Vatican press departments respectively, yet still have a large following, to users such as Justin Beiber and Stephen Fry, who are in charge of their accounts, and use them as a means of promoting causes which concern them as well as using the platform as a means of updating their users.

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There are advantages and disadvantages to each approach. Whilst accounts such as Barack Obama's and the @Pontifex account are bound to have a large following given their prestige, for lesser celebrities, such assistance could be off putting for fans, who want to feel they are getting closer to their idols .

However, if celebrities are to have control of their public Twitter personae, it is important that they are media-trained and media savvy. Whilst individuals such as Stephen Fry have shown a canny ability to engage in Twitter conversation and leverage the medium as a means for self-promotion, other celebrities have found themselves in compromising positions as a result of posting photos, or getting involved in heated debates with other celebrities through the medium.

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ere, we look at how two areas of public life have become defined by antitrust - by inherent distrust of the establishment figures we once thought were there to protect us. These two areas are, namely, politics and finance.

Politics Timeline: Wilson to the Coalition

1963 Harold MacMillan's secretary of state for war John Profumo resigns, after his long-denied affair with Christine Keeler is exposed as truth. The public never again has the slightest trouble believing that a respected establishment figure could fall prey to his/her baser urges.

1965 Tariq Ali recalled in a recent G2 article that Michael Foot shouted at he and his fellow student lefties as they jeered at Prime Minister Harold Wilson for "crawling to the Pentagon": "you idiots, don't you realise that Wilson is the most leftwing Prime Minister this country is ever going to have?" it marked the beginning of the end of Britain's postwar leftist project. After a few years of hippie libertarianism followed by early-70s industrial strife, Ali and his friends weren't laughing.

1980 Margaret Thatcher delivers the single greatest line of her career to the Conservative Party Conference: 'You turn if you want to, the lady's not for turning.' It came to define her premiership - she oversaw a remarkable and, from the present day position, seemingly irreversible shift to the right in British politics. From now on, collectivism was dead. The public wanted to see big money, fast results and a free market.

1997 Labour win the General Election with the largest majority of any government since 1935. Despite, or perhaps because of, this being one of the last general elections won through traditional spinning, with The Sun's last minute turnaround credited as the single most significant moment in the campaign, this election more than any other became known for its communications campaign. This is thanks largely to the notoriety of Tony Blair's spokesman Alasdair Campbell, whose role in the 'dodgy dossier' fiasco and battles with the BBC meant he has come to represent all that is wrong and incestuous with the traditional media/political elite.

2009 The Daily Telegraph exposes a cross-party culture of expenses fiddling which saw MPs claiming expenses for

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Duck Houses, Holidays and other luxuries. The scandal marks a key point in a general growing distrust with mainstream politics. It is credited as a large factor in the Lib Dems' election success in 2010, and is consequently an early stage in the antitrust narrative which saw confused voters elect Cameron and Clegg on the grounds of 'change,' before becoming similarly disaffected with the coalition and turning increasingly to extremism, most recently seen in the local council success of UKIP.

2011 The Guardian reports that alleged phone hackers working for News International targeted the phone of murdered schoolgirl Milly Dowler. Resultant public outrage leads to the Leveson Inquiry, which in turn leads to ongoing negotiations on curtailing the press. With readership down and social channels growing in power anyway, it is unlikely that the traditional print media industry will ever regain the trust and power it once had - and neither will the politicians with whom the inquiry revealed it to associate.

Three Key Moments

Thatcher and the Shift Rightward

Ironically, given that she herself was such a divisive figure, Thatcher did a huge amount to prepare British politics for homogenisation. Why do I say this? Consider the following points:

- Thatcher won power partly on the strength of the now infamous Saatchi&Saatchi poster campaign, 'Labour Isn't Working.' This is now lauded by the ad industry and politicians alike as one of the greatest political adverts of all time - it is one of only two political adverts to appear in Campaign's hall of fame. It is interesting for two reasons. It signals the start of modern politicians' great love affair with spin. Thatcher and her string of communications overlords from Lord Bell to Maurice Saatchi were master propagandists who managed to sell some fairly frightening ideas to the overwhelming majority, and this poster represents the beginning of this, especially as the figures in the poster were not unemployed but members of the Hendon Young Conservatives. From this point on, it would be very difficult for politicians to achieve anything through the traditional political tools: speeches, campaign promises and the like. This poster spoke to people on a level which went deeper than politics. The Tories under Thatcher, it said, represented not political ideas but a mood, and a belief that a slow

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Britain simply wasn't good enough. To an extent, this spoke to people on both sides of the political spectrum.

● Thatcher remained in power so long, arguably, because she was a great international leader, dauntlessly representing Britain's interests on the world stage. Ever since, we have been searching fruitlessly for a mighty, head of state figure, and some of later politicians' greatest disasters can be traced back to the desire to be such a figure. Blair's disastrous war in Iraq was motivated by a desire to position Britain alongside America as a leader of the free world, and Cameron's current EU mess began not with UKIP's rise, but with a desire to cease kowtowing to Germany in the international arena. The thing about international politics is that it doesn't prioritise ideology so much as personality and decisiveness, both of which Thatcher had in spades - The Economist's definitive obituary lists her greatest achievements as the protection of British interests in the Falklands and her actions on the world stage in bringing an end to the cold war.

● The 1980s saw the end of ideology and dogma as a plausible way of carrying out popular politics, at least for the time being. Thatcher's smashing of the NUM at home, and her pivotal role in the dissolution of the Soviet Union abroad, have gone down in history not so much as victories of the Right over the Left, but of 'progress' - and economic success - over dogmatic inefficiency. It would now be very hard for any government to win an election on ideology, or indeed on anything other than evidence of tangible short term gain. This is most obvious in the dominance of the free market ideas which Thatcher brought to Britain, and which subsequently spread across the developed world (in 1985-2000 European governments sold off some \$100 billion-worth of state assets). The free market, the right of any individual or organisation to make and keep their money, has now become the starting point from which we think about politics.

New Labour and the End of Trust

An apocryphal story from the Westminster media lobby has it that when Thatcher was asked at a recent lunch what her greatest achievement was, her answer was 'New Labour.' What she meant was that her politics had been so successful that they had brought her ideological opposites squarely onto her turf.

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New Labour represented the deepest and most complete focus on PR value over conviction in British politics to date. As an ideology, New Labour was an attempt to reconcile Labour's duty to the less fortunate in society with the free market ideals popularised by Thatcher. They rode to the biggest majority held by any government since 1935 not on the back of solid left or right wing thinking, but rather a general stirring up of popular hope via their classic campaign tune, 'Things Can Only Get Better' by D:Ream.

What the public failed to recognise is that New Labour's ideology was based solely around giving people what they wanted. Even where they were deemed successful, their policies tended to prioritise things that would play well in the media. In Education, for example, they saw to it that University attendance soared. At the time, it provided plenty of exciting upwards graphs. Now, it is a potential major contributor to the youth unemployment in which we are currently mired.

Most important, though, is how easily 'giving people what they want' can morph into telling people only what you think they need to hear. The 'dodgy dossier' which led to war in Iraq was perhaps the greatest breach of public trust ever committed by a modern political party. While many people suspected a lack of evidence for WMDs in Iraq, particularly following the death of Dr David Kelly, it wasn't until 2008 with the confession of foreign office aide John Williams for his part in the deception that the truth was fully revealed. The public has never really trusted a politician since. When politics moves away from solid ideology, the only benchmark it has is the public opinion. When the only benchmark one has is public opinion, the temptation to lie can be too great to resist.

Interestingly, according to The Economist's recent geographically adjusted political map of Britain the North/South Labour/Conservative divide is still well entrenched. However, when set against declining voter turnout and the likely enormous number of protest votes for Ukip and other next election, this speaks more to brand loyalty than it does to actual ideology. Most polling data suggests people vote in a particular direction because they have always done so more than because it will bring them change.

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The Coalition in one Scandal: The Rennard Affair

The coalition staggered into power against a backdrop of total antitrust in politics. In modern political discourse, there is a perception of parties as disparate groups of squabbling individuals. This has been compounded by the rule of a coalition, which always highlights personal ideological differences among the powerful, in this case from Cable who frequently openly criticises the Conservatives to Clegg who is perceived as bending over backwards to accommodate them.

This is currently being exemplified on an almost weekly basis, but one recent illustrative scandal was the sexual abuse affair which surrounded Lib Dem peer Lord Rennard. Rennard faced claims from a number of party members that he had sexually abused them, something which he denied. The rest of his party had to tread a careful line: without wishing to condemn their man on minimal evidence, the scandal had implications for the party's organisation and complaints procedure, and they had to be seen to be doing something.

The scandal exposed just how difficult it is to be a political leader in a multi-channel world, and just how woefully poorly our current leaders have risen to the challenge. Had Clegg emerged right away with a calm, strong performance, forbidding a running commentary but making strong assurances that he personally would be making sure party investigations were running smoothly, and being clear about his current line (which still looks somewhat shaky) that he didn't know about specific allegations but had been made aware of - and tried to deal with - general issues, this might not have been so problematic for him personally. Ideally, he'd have appointed the independent whistleblower charity at this point.

Even if the above line was later proved untrue, the level of press speculation and thirst for the story which was allowed to build up in the three days before he made his statement are largely what has driven this. Another key issue is the sheer number of different Lib Dems who've now spoken on the issue, all with conflicting accounts. Had Clegg been more available as a spokesman, this might have been somewhat curtailed.

‘The Rennard scandal exposed just how difficult it is to be a political leader in a multi channel world,’

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Finance Timeline:

1982 - year zero The Forbes rich list counted no financiers among its number, whilst on wall street a team at investment bank Solomon brothers are cooking up the ingredients for the Mortgage bond boom, the first great financial innovation of the 1980s.

1983 Michael Milken sets the LBO boom - the era's other great trend - in motion with the \$1.1bn hybrid security issuance of MCI Communications.

1987 The Savings and loan crisis in the US leads to global recession. Public perception is that this is caused by greedy bankers but, crucially, greedy bankers like Milken operating on their own for simple personal gain.

1996 The market begins to see a sharp increase in subprime mortgage lending. For the first time, regulators, politicians and bankers are knowingly collaborating in risky behaviour for mutual benefit.

2007 The US housing market crash - a direct result of overzealous subprime lending - leads the world into the recession in which it is still mired.

2013 Basel III, a new regulatory system designed to stamp out risky behaviour among bankers, is introduced. If it holds, it will mark the most significant curtailing of Banks' bad behaviour due to public pressure.

Three Key Moments

The 1980s, yuppiedom and the seeds of chaos

In his book Liar's Poker, Michael Lewis writes about his youthful experiences at the Wall Street trading firm Solomon Brothers. Solomon Brothers all but invented the market for mortgage bonds, one of the most profitable financial markets of the '80s, because they were rude, hungry and heartstoppingly risk loving. They went on to lose out to the pioneers of the junk bond market - traders bigger, badder and riskier than they. Their story is illustrative of the finance world of the 1980s. This was an industry gone supernova, careering upwards and outwards and rewriting the rule book as it went.

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Lewis's narrative centres around the career of one man, Lewie Ranieri, head of Solomon's mortgage bonds department, a crass, obese Italian who worked his way from a job in the mailroom to a position as one of the four or five most important men on Wall Street. He had a vision of a mortgage market defined by huge clusters of bonds, and he remade the market in his own image, changing any law and beating down any rival who got in his way.

As the financial world exploded, men like Lewie became rarer again. The MBA crowd came back to dominate Wall Street and the City, but these new sharks weren't like the conservative statesmen of their parents' generation. There was no turning back now, and the combination of quick minds and hungry wallets ensured a market that tore itself apart and rebuilt itself multiple times, each time richer than before. The Junk bond market, the invention of financial futures and other epoch-making innovations saw profits soar as the industry became complex beyond the understanding of the man in the street (and, in many cases, the suit in the boardroom).

These men - coldly intelligent, self consciously styled and unimaginably wealthy - were the first of a new breed. Soon, the icons of every business were sharp-suited, glamorous and deeply individualistic, not just in finance, but in advertising (the Saatchis), property (Donald Trump) and even the creative industries (Harvey Weinstein). satirists decried these people, painting them as psychopaths (Patrick Bateman) and cartoon villains (Gordon Gekko). Everyone else was happy to look on in adoration.

The business world would never be the same. Gone was the idea of the boss as benefactor. From now on, we were all in it for ourselves, for better or for worse.

The 90s-00s, the Sub-prime Mortgage Crisis, and the Disaster of Innovation

The sharks of the 80s had their fun temporarily stopped by the recession of the late-80s and early 90s. Sparked initially by a large wobble on the Dow Jones Industrial Average and compounded by the response of a weak Savings and Loans industry in North America, this recession was not catastrophic, but it was enough to see financial profiteering curtailed for a short while.

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By the mid-90s, however, the brains and the wallets were back, but this time they were working together. Among various new innovations and get rich quick schemes, the most influential would prove to be the rise of sub-prime mortgage lending.

Just like the innovations of the 80s, this was a cunning way to remake the market for bigger returns. It involved banks lending to clients with poor credit ratings, then selling those bonds on over the newly soaring market. Unlike the 80's, however, it saw unprecedented co-operation between the different parties who stood to gain. For the idea to work, it required banks, credit agencies and in some cases government bodies to collaborate in risk, or at least for some of those parties to turn a blind eye.

Inevitably, the good times didn't last. The new dominance of dodgy mortgages led to a wave of repossessions which drove the US housing market down at a frightening speed. This led to a collapse in the construction industry, massive job losses, the infamous 'credit crunch' and, eventually, the global recession in which most of the developed world is still mired.

So why was this different in the eyes of the public to the usual pattern of boom and bust? The issue is one of lost trust. Rather than the actions of many crazed individuals, the sub prime mortgage crisis was caused in part by the collaborative decisions of those who are supposed to protect us: politicians and legislators, credit agencies, financial regulators and more.

Consequently, the global financial crisis impacted dramatically and possibly irreversibly on public trust in politicians and above all, bankers. Since the crisis, we've seen an unprecedented appetite for scandals involving the monetary habits of the powerful, from MPs expenses, to LIBOR-rigging, to UK government decisions regarding bailouts for private banks. Ask any journalist and they'll tell you the only healthy sector of their profession is financial journalism. Why? The public want bankers watched like hawks.

Today: Now Economy, New Responsibility?

The excesses of the noughties and the long, bitter recession that followed them have left the world of finance not only with a monumental image problem, but a business strategy

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which may be fundamentally untenable. Cowed and broken, the world of finance is having to readjust its expectations and, in many cases, go crawling back to the consumers it abandoned. Once again, its problems are those of every business writ large.

Across Europe, regulation is the order of the day. Some of this appears motivated directly by the public mood. The EU cap on bonuses and a slew of proposed 'Robin Hood Taxes' across the continent all play to a gallery which is baying for banker blood. Other rules, like those introduced under Basel 3, are genuine attempts to alter a culture which seems fundamentally wired for crisis.

The big beasts increasingly find their futures looking bleak. Equities trading, once the beating heart of banking, is now barely profitable - average share volumes in America have fallen by 37% since the crisis and since 2007, the revenue generated by trading shares has fallen in every year bar one. Despite this, the grey hairs in charge still cling to the business. Technology, too, is causing problems. Now that one only needs the best algorithm, rather than the best human talent, to second guess the market, lean, mean competitors have sprung up and are, in many cases, raking it in.

Amid such harsh climes, many banks are realising they have no choice but to adopt a now economy attitude of greater transparency, better ethics and a focus on the consumer. Barclays are spending swathes of their training budget on instilling a new corporate values system in employees across the organisation. Much of RBS's recent restructure has been designed to increase focus on UK retail banking.

For banking, as for so many businesses, the party is over, but in the relative quiet of the kitchen there are benefits to be had. Creative, consumer focused strategy, new ethical habits and new freedom for small start ups are all opportunities for those who know how to use them.

Conclusion

These operating conditions are varied in their implications. However, all of them have one thing in common: they breed uncertainty.

In the Now Economy, no market is secure, no individual

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or brand is above criticism, and whole tectonic plates can shift on the words of one idiot on Twitter. Perhaps 'twas ever thus, but if it was, we didn't realise it until recently.

At Borkowski.do, we specialise in helping you to equip yourself for uncertainty, showing you the stories which drive you and the things that make you special, the things which will be with you through thick and thin.

If you're interested, get in touch at hello@borkowski.do