

The Year Of You

In 2006, the World Wide Web became a tool for bringing together the small contributions of millions of people and making them matter in new ways

By **LEV GROSSMAN**

THE “GREAT MAN” THEORY OF HISTORY IS usually attributed to the Scottish philosopher Thomas Carlyle, who wrote that “the history of the world is but the biography of great men.” He believed that it is the few, the powerful and the famous who shape our collective destiny as a species. That theory took a serious beating this year.

To be sure, there are individuals we could blame for the many painful and disturbing things that happened in 2006. The conflict in Iraq only got bloodier and more entrenched. A vicious skirmish erupted between Israel and Lebanon. A war dragged on in Sudan. A tin-pot dictator in North Korea got the Bomb, and the President of Iran wants to go nuclear too.

But look at 2006 through a different lens and you’ll see another story, one that isn’t about conflict or great men. It’s a story about community and collaboration on a scale never seen before. It’s about the cosmic compendium of knowledge Wikipedia and the million-channel people’s network YouTube and the online metropolis MySpace. It’s about the many wresting power from the few and helping one another for nothing and how that will not only change the world, but also change the way the world changes.

America loves its solitary geniuses—its Einsteins, its Edisons, its Jobses—but those lonely dreamers

may have to learn to play with others. Car companies are running open design contests. Reuters is carrying blog postings alongside its regular news feed. We’re looking at an explosion of productivity and innovation, and it’s just getting started, as millions of minds that would otherwise have drowned in obscurity get backhauled into the global intellectual economy.

Who are these people? Seriously, who actually sits down after a long day at work and says, “I’m not going to watch *Lost* tonight. I’m going to turn on my computer and make a movie starring my pet iguana. I’m going to mash up 50 Cent’s vocals with Queen’s instrumentals. I’m going to blog about my state of mind or the state of the nation or the *steak-frites* at the new bistro down the street.” Who has that time and that energy and that passion?

The answer is, you do. And for seizing the reins of the global media, for founding and framing the new digital democracy, for working for nothing and beating the pros at their own game, TIME’s Person of the Year for 2006 is you.

Sure, it’s a mistake to romanticize all this any more than is strictly necessary. The Web harnesses the stupidity of crowds as well as its wisdom. Some of the comments on YouTube make you weep for the future of humanity just for the spelling alone, never mind the obscenity

and the naked hatred.

But that’s what makes all this interesting. The Web is a massive social experiment, and like any experiment worth trying, it could fail. But, this is an opportunity to build a new kind of international understanding, not politician to politician, great man to great man, but citizen to citizen, person to person.

Questions

1. What are the reasons for TIME’s selection of its 2006 Person of the Year?
2. What are some ways in which the Web is creating new forms of community and collaboration?



The Gurus of YouTube

How a couple of regular guys built a revolutionary new company that changed the way we see ourselves and our world

By JOHN CLOUD

LET'S SAY YOU'RE IN YOUR 20S AND YOU START your first Internet company. Let's say 21 months later you sell it for \$1.65 billion. What happens next? That's just the question Steve Chen, 28, and Chad Hurley, 29, two of the three founders of YouTube (the other, Jawed Karim, went to grad school last year) are asking themselves.

YouTube became a phenomenon in 2006 for many reasons, but one in particular: it was both easy and edgy, a rare combination. You can watch videos on the site without downloading any software or even registering. YouTube is to video browsing what a Wal-Mart Supercenter is to shopping: everything is there, and all you have to do is walk in the door. But because the site doesn't prescreen uploads—which is a lot cheaper for Chad and Steve than hiring a bunch of editors to police millions of users—it ends up hosting a lot of out-there stuff as well: obscure bands, tear-jerking video diaries, and so on. The unmediated free-for-all encouraged the valuable notion that the site was grass-roots and community-run. These are partial fictions, of course. YouTube controls the “Featured Videos” on its home page, which can dramatically popularize a posting that otherwise might fade. Also, the video in the top-right section of the home page is an advertisement, even though it doesn't always look like one. There is an endless supply of kinda weird, kinda cool, kinda inspiring stuff there, which means you can waste hours on Chad and Steve's site.

That, in turn, means advertisers want to be on YouTube, which is why Google paid so much to buy it. If even, say, 10% of the \$54 billion spent

on TV advertising annually migrates to video sites like YouTube in the next few years, we will pity Chad and Steve for selling for a mere \$1.65 billion. But for now, with YouTube still unproven—it has never made much money, and it could be crushed by lawsuits from content creators whose material shows up on the site without permission—the blockbuster acquisition price carries a whiff of the late-'90s Silicon Valley gold rush. It now falls to Chad, the CEO, and Steve, who runs the tech side, to prove that what they created

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with Karim will not become the next *broadcast.com*, the video provider Yahoo! bought for \$5.7 billion in 1999—and which now doesn't exist.

Turning YouTube from a sensational rumpus to a profitable corporation will require Chad and Steve to thread the company through legal disputes, hire at least 100% more employees than they have now,

negotiate with the biggest ad and media companies in the world, maintain their unique identity without getting swallowed up by Google, please shareholders, manage p.r. and flawlessly execute a thousand other tasks that far more experienced executives have flubbed. Can a couple of kids who grew up nowhere near Silicon Valley handle all this?

Chad Hurley met Steve Chen and Jawed Karim, two engineers with whom he would occasionally bat around ideas for start-ups, while he was working at PayPal. Karim, 27, enrolled at Stanford last year to pursue a master's in computer science, and today there's some tension between him and the other founders, who have become famous while he toils in a small, modestly furnished dorm room. Although Karim is named on YouTube's site as a co-founder, Chad and Steve have promoted a highly simplified history of the

company's founding that largely excludes him. In the stripped-down version—repeated in dozens of news accounts—Chad and Steve got the idea in the winter of 2005, after they had trouble sharing videos online that had been shot at a dinner party at Steve's San Francisco apartment. Karim says the dinner party never happened and that the seed idea of video sharing was his—although he is quick to say its realization in YouTube required “the equal efforts of all three of us.”

No company, of course, is ever founded in a single moment, and YouTube evolved over several months. Chad and Steve agree that Karim deserves credit for the early idea that became, in Steve's words, “the original goal that we were working toward in the very beginning”: a video version of HOTORNOT.COM, a dating site. Karim says it was a pioneer: “I was incredibly impressed with HOTORNOT, because it was the first time that someone had designed a website where anyone could upload content that everyone else could view. That was a new concept because up until that point, it was always the people who owned the website who would provide the content.”

The idea of a video version of HOTORNOT lasted only a couple of months. “It was too narrow,” says Chad. He notes that another early idea was to help people share videos for online auctions. But as the site went live in the spring of 2005, the founders realized that people were posting whatever videos they wanted. “In the end, we just sat back,” says Chad—and the free-for-all began. Within months,

investors such as Time Warner and Sequoia Capital, a Menlo Park investment firm, began to approach YouTube about buying in.

Early on, Chad and Steve made a crucial good decision: despite pressure from advertisers, they would not force users to sit through ads before videos played. Pre-roll ads would have helped their bottom line in the struggling months, but the site would never have gained its mythological community-driven status. It would have seemed simply like another Big Media site. The question is, How do they preserve the site's underground image now that YouTube is merely a jewel in the Google empire? As it happens, Google executives are powerfully aware of this problem, and they are sending outward signals that YouTube will remain independent.

The biggest threat to YouTube remains potential copyright lawsuits from content providers who could claim that the site—like Napster before it—is enabling thieves. YouTube says federal law requires only that it remove videos when copyright holders complain—not to preemptively monitor the site for infringements, which would destroy its spontaneity.

It's hard to imagine Chad and Steve sitting through endless meetings on copyright law. They're too young and too creative. They usually demur on questions of what they will do next, blandly stating their hopes to “improve the product,” as Chad puts it. But, PayPal co-founder Max Levchin, their former boss at PayPal, says,

“The essential crisis is coming. They better get ready. And the essential crisis for an entrepreneur is, What is this all about? Did I just make the most money in my life ever? For what purpose? And...am I going to start setting up my family office and manage my investments, or am I going to jump off another roof and hope there's a parachute?” ■

Questions

1. What is the main reason YouTube has been such a phenomenon?
2. What is the biggest threat to YouTube's survival?

