

**DEFIANCE 001**

# WHY WE DEFY

**ALEX GLADSTEIN**  
HUMAN RIGHTS FOUNDATION



## DEF001 - ALEX GLADSTEIN INTERVIEW TRANSCRIPTION

### WHY WE DEFY

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**Peter McCormack - 00:01:39**

Alex, hi.

**Alex Gladstein - 00:01:41**

Hey, Peter.

**Peter McCormack - 00:01:43**

December the 14th, 2018, you and I recorded a show about Bitcoin.

**Alex Gladstein - 00:01:48**

We did.

**Peter McCormack - 00:01:49**

Why it matters for freedom.

**Alex Gladstein - 00:01:51**

Yes.

**Peter McCormack - 00:01:52**

And ever since then we've stayed in regular touch. I've learned a lot more about what you do, the HRF. I've become a lot more interested in the topics around censorship, human rights and freedom, and here we are, what is it? Seven, eight months later, we are recording the first show for Defiance.

**Alex Gladstein - 00:02:11**

Couldn't be more thrilled.

**Peter McCormack - 00:02:12**

Yeah. I couldn't have done it without you, so thank you so much. I feel like my journey has come from Bitcoin more into your world, whereas you've come from the world of human rights and Bitcoin has become a tool that you've learned a lot more about and we're kind of meeting in the middle here. So I feel like with the Defiance podcast, this is a chance for me to learn a lot more about things that have been... It's not that I haven't been aware of them. I obviously watch the news. But there are topics that I don't think I've realised how important they are. And so between you and I and pulling this show together, hopefully we're going to explore some of these subjects and help people understand a bit more about what's going on in the world.

**Alex Gladstein - 00:02:53**

Yeah. I mean, my hope would be that in the same way that Bitcoin sometimes inspires this addictive itch in you, you learn a little bit about it and all of a sudden you have ten more questions. You want to keep digging in. There are a lot of other topics like that, where you don't know too much about something at first, kind of have this surface level understanding of how it works, and then you start to have more questions and you dig in and you dig in and you dig in. And there are so many topics like that, whether it comes from how do Democratic revolutions work to free speech around the world to how different governments have evolved over time to how different technologies have impacted society. There's a lot to dig into.

**Peter McCormack - 00:03:36**

I think going out to Oslo was a real game changer for me, as well. It wasn't only learning

about new things, but actually I met a lot of fascinating people who can articulate experiences in a very, very open and very interesting way. I kind of had the itch before I went, but I remember flying back afterwards and I kind of knew I had to do something more. I had to take this Bitcoin thing further. I had to explore these subjects. So firstly thank you for inviting me out to that. That was a great experience.

**Alex Gladstein - 00:04:11**

Yeah. I mean, look, what the Human Rights Foundation does with the Oslo Freedom Forum is gives the audience member or when you visited us, it kind of gives you this glimpse of the staggering diversity of the world. And it's something you don't see often in any particular gathering or media outlet or conference. It's a very unique thing. And we basically bring people from more than 50 different countries and regions and places all together in one particular location and it just gives you this sense that the world is so much more varied and different and nuanced than what you previously believed. And a lot of that is because you are living in a bubble. Wherever you are, you're living in a bubble. Doesn't matter whether you're in Beijing or in New York or in Sydney or in Tokyo or in London. You're living in a bubble where things beyond your bubble matter less to you. The difference in terms of whether things are inside your bubble or outside your bubble is usually the media and how the media reports things.

**Alex Gladstein - 00:05:14**

What the Oslo Freedom Forum is, is a tool for us to be a bubble-breaking machine. You come there and you just sort of systematically get all of your assumptions broken about how things work, especially as it relates to politics and government. And you learn about countries that are bigger than probably your own country, many times bigger, that have crazy situations happening where people are struggling for their freedoms or people are sacrificing so much even for just a fraction of the freedom that a lot of your listeners probably have. And you learn about these cases and you learn about these individuals and it really gives you some depth and context for your own life.

**Peter McCormack - 00:05:51**

I think that's almost certainly correct, especially when you talk about living in a bubble. I try and think about where my life was maybe three, four years ago. I was working in advertising in London. My job was to help my clients sell more of whatever stuff they had to sell. I was aware of whatever was on the news, just certain global things that were going on. But I

wasn't aware to the level of detail since I've got involved in Bitcoin, since I've met you, since I've been to the Oslo Freedom Forum, where I've learned, I think the word you used there perfectly was staggering, the staggering difference of lives that people are living. And one of the things that stood out to me was, I think it was almost the first statistic that went up during one of the first presentations of the Forum, where I think it was something like, and you'll know the exact number, over 4 billion people live under authoritarian rule. And that for me was staggering, because that's over 50% of the world's population are living under authoritarian rule.

**Alex Gladstein - 00:06:52**

Right. And we can make jokes about the president of the United States or whatever democratically elected leader happens to be in power in places like France or Japan or the United Kingdom, but what we're talking about here are actual authoritarian states where there's no separation of powers at all between the executive legislature and the judicial branches. So you have, essentially, whether you want to call it a senate or a people's assembly or a legislature of some kind and this is separate from the power invested in the executive branch, which is separate from the power invested in the judicial branch. And these things balance each other out. This is kind of where freedoms and rights come from in the democratic societies, separation of powers. And in these authoritarian states, it's one man or one small group of men controlling everything. The difference between that closed society and more or less a free society that I imagine most of your listeners come from is really striking. It's not something you can really properly understand until you start spending a lot of time with people who live in closed societies who have experiences that you might only dream of.

**Peter McCormack - 00:08:08**

What are the main things that people won't understand about the differences in freedom that people have in these countries?

**Alex Gladstein - 00:08:15**

Well, there's a good test called the town square test, invented by a Soviet dissident named Natan Sharansky. The idea behind the town square test is can you go to the middle of your town or your village or your city and basically yell at the top of your lungs and criticise the leader of your country? This is a pretty good litmus test for whether or not you live in a free country. In my country, in the United States, which certainly is not perfect, we at least have

those civil and political freedoms. We're a free country. So I can go and I can criticise Trump as much as I want. I can say whatever I want about him in terms of how much I don't let him, etc. And not only that, but people on CNN and many different media outlets literally make a living off making fun of him. If you look on 90% of the major TV stations in the United States, you will find people criticising and questioning and even television shows, like late night comedy, etc, making fun of our president. So this is literally an occupation you can be paid a lot of money for in the United States, is to make fun of the president.

**Alex Gladstein - 00:09:18**

In a place like Syria or in a place like North Korea or China or Cuba or Zimbabwe or so many other countries around the world - again, there's like 90 of these places - you would be terrified to go to the middle of a public area and criticise your leader. Absolutely terrified. And the difference is not just staggering in terms of the fear factor - we call these societies fear societies, whereas the other ones are free societies - but also the implications it has for pretty much anything you want to do as a human. I can make a case that whether you care about peace or gender equality or maternal health or literacy rates or public infrastructure, welfare, pretty much anything that you think would be better for humans is better in a free society than in a closed one. Humans just do better in open societies, and there's a lot of evidence to support that.

**Alex Gladstein - 00:10:14**

When we explore these concepts at the events that we do at HRF, I think what we're trying to show people is that it's worth fighting for freedoms and privacy and rights. Sometimes we just kind of fall asleep and we take things for granted, and many philosophers over the centuries have pointed this out, [Tokefield 00:10:33] being a famous one, basically saying that if you get too lazy with your civic liberties, your freedoms will fall away from you. And I think that's actually true. The price of freedom is eternal vigilance.

**Alex Gladstein - 00:10:44**

So with the Oslo Freedom Forum, not only do you get to become more educated and empathetic about causes around the world, but I find that you go back home afterwards and you want to fight harder for your own freedoms and you get more pissed off about what's going on in your own country. One of the things I learned from Bitcoin, for example, was about the Bank Secrecy Act in the United States. I learned that basically we have no

financial freedom in the United States. But that's not something I learned about until I started to dig in. You got to dig in and you have to be an engaged citizen.

**Peter McCormack - 00:11:18**

We can actually separate what are free and closed states, but also encroachments of freedoms in, say, our own countries, you know, the US and the UK, where we believe we have freedom but our freedoms are being encroached upon.

**Alex Gladstein - 00:11:32**

Sure.

**Peter McCormack - 00:11:32**

But I just want to go back a touch. When you talk about the town square test, I can't help but think of a great example here was what happened with Pussy Riot in Russia. I've been under the belief for many years, not until recently, but that Russia was at least a democratic society, but it isn't a truly-

**Alex Gladstein - 00:11:53**

No.

**Peter McCormack - 00:11:53**

It's a veil.

**Alex Gladstein - 00:11:54**

It's a dictatorship.

**Peter McCormack - 00:11:54**

It's a dictatorship. But I had the belief growing up that under the Gorbachev era, it was becoming a free country, it was becoming democratic. What's happened here? What am I missing?

**Alex Gladstein - 00:12:07**

In the Russian case, there is no such thing as simplicity when it comes to is it a free country or is it not. We have stand-outs. We have Norway. We have northern European countries which are quite obviously, from any measure, free countries. We have North Korea, which anyone in their right mind would basically describe as a dictatorship. And as we get closer to the middle, it becomes more confusing. But Russia should be a pretty close. I mean, after

the fall of the Soviet Union, you had a decade of instability and uncertainty and you had basically the United States and other powers ranging from Japan to Europe trying to basically invest in stability. That's what they wanted to see in Russia. They didn't necessarily want to see a free and democratic Russia, they wanted to see a stable one for monetary, mercenary reasons.

### **Alex Gladstein - 00:13:02**

Over time, what happened was there was an enormous discontent with regard to Yeltsin's reign. He seems very ineffective. He had super low approval ratings. Even though the way he was elected may have been to many extents free and fair, he was a tremendously disappointing leader. There was actually a moment when Boris Nemtsov, who was then a very, very popular leader of a particular region in Russia, was polling better than Yeltsin, towards the end of the '90s. Yeltsin realised this and he wanted Nemtsov to come rule with him in Moscow, and initially Nemtsov said no. And had Nemtsov stayed in his own region, he may have become the president of Russia in a free and fair election, but Yeltsin actually sent his daughter to Nemtsov. Nemtsov was very vulnerable to personal, emotional meetings and requests and things like that, so he took the meeting with Yeltsin's daughter and he agreed. He couldn't say no. So he went to Moscow and then he was just destroyed by the media, by different scandals, whether they were true or not. By even just little things. And he was eventually dragged down in terms of his popularity and this paved the way for Mr. Putin.

### **Alex Gladstein - 00:14:29**

At the beginning, everybody was fairly happy about Mr. Putin, if you just read the papers. There was few people who were in the West, at least, criticising Mr. Putin. Our chairman at HRF, Garry Kasparov, from the beginning was very skeptical, but most people were pretty happy to see this guy. He seemed reasonable. He seemed like a strong leader that Russia needed. But if you started to watch almost from the very beginning about what Putin did, he started to basically dismantle the different separations of powers and freedoms in Russia, and it's a playbook that any dictator would follow.

### **Alex Gladstein - 00:15:02**

One of the first things that you want to do is go after the oligarchs, go after the business leaders. So he tried to put all of them under his control and the ones that kind of wouldn't listen to him, he literally seized their assets and put them in prison. He would go after the

judiciary. He would go after the legislature. He would start getting rid of people in the legislature and in the judiciary that didn't agree with him. And over time, he started going after the media, too. He would start to just take over certain media, get certain media, get their license taken away, murder certain people brazenly, obviously. And over time, he achieves basically this dominance over both political state and civil society in Russia. It took him the better part of a decade, but by 2010, 11, 12, it was quite clear that Putin's Russia was a dictatorship. And at the end of the day, whose fault is that? There's a lot of blame to go around, but certainly a lot can be pointed at the West for allowing him to do this and for basically ignoring some of the obvious signs. The same thing happened in Turkey. The same thing happened in Venezuela, where you had popular leaders who were initially elected in a free way, more or less, over the time, dismantle the democratic institutions of that country.

**Alex Gladstein - 00:16:17**

So in many ways, the trajectory of the world has changed irreversibly because of three men: Putin, Erdogan, and Chavez. I mean, these three people could've taken their countries on a course of freedom and democracy. Instead they built dictatorships, and it's incredibly unfortunate. I mean, the world could be such a different place if Russia and Turkey and Venezuela were all constitutional republics with freedoms and property rights and free speech and healthy innovation and scientific communities that weren't fleeing the country and entrepreneurship and booming business and less corruption. You wouldn't have things like a refugee crisis coming out of Venezuela right now. You wouldn't have things in Turkey like tens of thousands of teachers and lawyers being jailed because they disagree with the government. You wouldn't have things like the Russian government just brazenly invading other countries on its periphery.

**Alex Gladstein - 00:17:12**

So it's kind of amazing that these small events, these individual events can change so much of world history, but it shows us that we need to really pay attention to the erosion of democracy in certain countries, too. And that matters for us. You being British and me being American, we need to be very careful about what's happening in our own countries and make sure that we avoid the fate of those countries.

**Peter McCormack - 00:17:35**

Is there any understanding or study that has been done looking into why this happens? Is it



purely down to power or control from a single, almost sociopathic individual and it's a natural journey, or is any of it cultural based on the history of a specific country? How does this come to be?

**Alex Gladstein - 00:17:55**

That's a fantastic question. The subject of democracy is a rich one and I guess I would say two things. Number one, the natural state of governance is authoritarianism. Democracy's really hard. First of all, you have to convince the powers that be to step down or to give up some of their power, and that's never easy. No one wants to give up power. You can count the number of people who said you know what, I'm in control of everything, but I'm going to kind of step down and give up some of my stuff, you can count them on like a couple hands. The second thing is that democracy is a universal value, meaning no matter where you are or what religion you are, what country you come from, what hemisphere, et cetera, people have a universal yearning to want to hold their governments accountable and to not live under a dictatorship.

**Alex Gladstein - 00:18:48**

And this is just born out by the facts if you look at a world map. For every dictatorship in the Americas, for every Cuba, there's a Costa Rica, there's a free country. For every Belarus or Russia, there's an Estonia or a Latvia. For every Saudi Arabia, there's a Tunisia. For every China, there's a Taiwan. For every North Korea, there's a South Korea. For every dictatorship in South Asia, there's an India. So no matter where you're from, no matter whether you're part of the Christian world or the Muslim world, there are dictatorships and there are democracies. So saying that oh, these people aren't ready for democracy or these people can't have democracy, which is often something that people say in the West about Chinese or Arabs or Russians, this is what we call the bigotry of low expectations. It's actually basically racism. It's saying that oh, democracy's only for white people. This is ridiculous. In fact, some of the largest countries in the world are democracies that are not Western. I mean, look at India or Indonesia, for example. Or Japan. These are massive, massive countries. I think the three countries I just mentioned have, just combined, close to two billion people living in them.

**Alex Gladstein - 00:20:01**

So we need to get out of our bubble and understand that democracy is not a Western concept, it's a human concept, and that nobody wants to live under a tyrant. And I would

say that, and of course people are going to want to talk about China and Singapore as like, well, haven't they achieved so much? My main argument is that basically, countries like China and Singapore have achieved a lot in spite of their dictatorship, not because of it. And I do think that at the end of the day, separation of powers and free expression in civil society and having a free society, not a fear society, is the best way to have human flourishing and also the best way to have equality and social justice.

**Peter McCormack - 00:20:41**

Quite interestingly, a few nights ago I was watching Edge of Democracy on Netflix about what happened in Brazil, about the transition from dictatorship into democracy with, was it President Lula? And one of the things that was quite interesting there was that it wasn't an easy transition, because he had to do a deal with the Communist Party, as I believe it. I can't remember the full details, but these were people who wanted democracy. These were the Worker's Party of Brazil. They wanted democracy. For anybody to say nobody wants democracy and people want less freedom I think is kind of crazy.

**Alex Gladstein - 00:21:21**

Yeah. I think where people get confused is they think that the act of voting is the most important part of democracy and I think that's wrong. From what I've observed and learned, elections, voting someone into power is kind of like the cherry on top of the democratic system. First you need free expression, then you need separation of powers, then you need civil society. And only then, if you have all these three things, do the elections matter. I mean, Kim Jong-un has elections. Hitler was elected. Many dictators were elected. Putin is elected, as I'm sure you read when you first were looking at it. Oh, he's elected comfortably all these different times. Paul Kagame in Rwanda was elected by 99.8% of the vote last time.

**Alex Gladstein - 00:22:05**

So all these people get elected. The actual act of electing someone is not what matters in a democracy. It's all the other things that come before it. So when you look at a country like Brazil, which on its face is technically a democracy, has enormous problems with regard to separation of powers, has enormous problems when it comes to civil society, has enormous problems when it comes to free speech. So nothing's black or white. We can't say Brazil's a dictatorship, because one person does not control everything and there is free media there and there are enormous numbers of civil society organisations and different lobbying

groups and different groups that are pushing for different things. It's an open society, but it's certainly a deeply flawed one and it's one that, like every country, needs a lot of work and needs the international community to pay attention to what's going on there so we can make sure especially the disenfranchised don't get abused.

**Peter McCormack - 00:23:02**

Turkey is also another interesting case. Again, as somebody who has only recently, I would say over the last two years, started to understand or appreciate what's happening there, my children are there right now. They're on holiday. I would say as an uneducated person on what's really happening in Turkey, I'm under the belief, well, if my children go on holiday there, it must be fine. It must be safe. But actually it's not, and the last time they were there was the attempted coup. So is this an example of almost a state which is transitioning into a dictatorship?

**Alex Gladstein - 00:23:37**

Turkey's already a dictatorship.

**Peter McCormack - 00:23:39**

Okay.

**Alex Gladstein - 00:23:39**

It's a fully authoritarian regime, meaning Erdogan has control of everything. Anyone who he views as a threat or he doesn't like has been removed from their position of power, and we're not even talking just politics. We're talking in schools. We're talking in judges, lawyers. Thousands of lawyers have lost their jobs because they've been affiliated with a different religious sect than what Erdogan approves of or they've been overheard to say something unfavourable about him. We're talking one of the largest professional purges in history. Tens and tens of thousands of professionals, teachers, lawyers, judges, have been fired from their posts-

**Peter McCormack - 00:24:22**

Sounds like the Khmer Rouge.

**Alex Gladstein - 00:24:22**

... and a lot of them are in prisons. Well, I mean, there are no death camps, so everything's different and this is not, we have to kind of be careful about how we classify things. But it's

certainly a dictatorship. The thing is, elections do matter in Turkey and he has been losing some elections in big ways, both at the municipal level and in regional areas. He's kind of very much just sort of holding on to his power. The only reason he's still in power now is because he did all this work over the last decade to dismantle all these different checks and balances. So because he was able to remove so many influential people who don't like him or disagree with him from their posts, he's sort of clinging on to power still. But Turkish democracy definitely died in the last decade. Now, will it come back to life? Certainly, at some point, but not under his reign.

**Peter McCormack - 00:25:15**

Is there anything that the international community can do to prevent this happening in places like Turkey? Obviously Russia's a much more difficult case, but is there anything the European Union can do? How can things be different?

**Alex Gladstein - 00:25:29**

Yeah. It all comes down to principles. It all comes down to standing up for principles and defying dictatorships and standing up for human rights over economic interests, which is, to be frank, going to be difficult. One of the reasons why China and Russia and Turkey are able to do what they do to their own people is that the West is too weak and cowardly, essentially, to stand up for the rights and freedoms of people in those countries and they're too willing to just basically take the money and ignore what's happening.

**Peter McCormack - 00:26:09**

Well, I think a perfect example of that is my own country. Arms deals with Saudi Arabia. I mean, after the murder-

Alex Gladstein - 00:26:17

Murder of Khashoggi.

**Peter McCormack - 00:26:17**

Yeah. I mean, after the murder of Khashoggi, we still continued to sell arms-

**Alex Gladstein - 00:26:22**

Well, it's not just, I mean, look. As horrible as the murder of Khashoggi was, we have to take a step back. This is a government in Saudi Arabia that still crucifies people, that still

beheads people, that tortures and rapes female political prisoners who are in jail as you and I are talking right now.

**Peter McCormack - 00:26:37**

I mean, I've read about some 13 year old who was arrested for dissent and now is facing the death penalty.

**Alex Gladstein - 00:26:44**

I mean, there are so many problems with the Saudi government it's hard to list them all, but even just to mention a couple more examples, there are huge numbers of people who live in Saudi Arabia who are not citizens, who are there to work, and they're basically indentured servants. They're treated like crap and they have no rights. And then think about the war that the Saudi government is fighting in Yemen. I mean, we're talking about the massacre of so many civilians and the starvation of millions. So MBS, Mohammed bin Salman's crimes are legion, and yet, your government's totally fine with selling weapons. My government, too.

**Alex Gladstein - 00:27:16**

Now there is starting to become a little bit of a resistance inside the US government. Given that we have something called separation of powers, Trump has not been able to basically delete the legislature and replace the legislature with all of his own people. This is literally what dictatorships do. I mean, in Venezuela, Chavez created his own legislature. His own legislature! This would be like if Trump said one day, "I don't like the Senate and the House. I'm going to create the Trump Assembly and it's going to be filled with all the best people. Like, the best people. My favourite people. And that's who's going to make the laws." This literally has happened in dozens of countries.

**Alex Gladstein - 00:27:55**

So people just need to get a little perspective. The fact that the US government is built on this sort of idea that there should be checks and balances, and there are really young, diverse, defiant people who've been elected by the American electorate, and quite a few of them are like, they've had enough of the Saudi policy. They're standing up for it and they're trying to make a difference and they will, eventually, if they just keep being persistent. We will eventually stop selling weapons to Saudi Arabia. We will eventually cut off our relationship with them. It's just going to be a matter of time.

**Peter McCormack - 00:28:30**

But will that change the behaviour of the Saudi government or will the Saudi government have new arms agreements with China or Russia and nothing actually change?

**Alex Gladstein - 00:28:39**

I think we have to have guarded optimism here.

**Peter McCormack - 00:28:41**

Okay.

**Alex Gladstein - 00:28:41**

It will change. It would be a huge pain in the ass for the Saudi government not to have the total support of the American government. Maybe not so much from an oil point of view, but from a security policy point of view. Saudi Arabia is locked in kind of a cold war with Iran. If you look at the geopolitical context of the Middle East, you have two major actors right now. You have Saudi Arabia and you have Iran, and there's kind of a little cold war going on. It's a proxy war, just like the original Cold War was, meaning the United States and Israel are on the Saudi side and Russia is very much on the Iranian side. And you've got little proxy conflicts. You've got the Iranian government propping up Assad in Syria and sponsoring all kinds of militias there. You see them constantly flying back and forth and supporting each other. You also have the Iranians supporting militias in Yemen. And then you have the Saudis launching a war in Yemen.

**Alex Gladstein - 00:29:36**

So in each of these little theatres, in Yemen and Syria, even in Sudan, you see these different actors playing off each other, and the United Arab Emirates is on the side of the Saudi government. So you look at places like Sudan, where the people just bravely overthrew a dictator who had been in power for decades, Omar al-Bashir, and they were ready to take power and ready to set up a democracy, and the United Arab Emirates basically, this guy MBZ, who's kind of in league with MBS in Saudi Arabia, they came in and they basically provided support to the military, and now the military is trying to prevent an actual democracy from taking place. So there's a ton of regional political manipulation happening in every part of the world today.

**Peter McCormack - 00:30:23**

One of the things I've noticed as well with dictatorships, there seems to be a strong

correlation between whether it's socialism, Marxism, or communism and dictatorships. Why is that? Is there a history behind that? Is it because, for example, if we look at Venezuela, Chavez was a Socialist, he had populist policies. Why does that correlation seem to exist?

**Alex Gladstein - 00:30:44**

Yeah. Look, I think it depends on your perspective. I could also say that there's a lot of democracies that basically are social democracies, that have socialism in different ways, that are quite successful and haven't sent the Jews to Siberia. You could look at Norway as an example. I think it has more to do, in the end, with authoritarianism than it does with trying to set up a welfare state. A lot of libertarians may say the opposite. They may say oh, any sort of government-run program is the road to serfdom. So I don't agree with that. I think you can clearly look at northern Europe and Scandinavia and say that liberal democracies that treasure free speech and press freedom and property rights can also have welfare states. And if you read Adam Smith, even Hayek, they'll hint at this or even say it explicitly, that they believe that free countries and free societies and free markets should support the most vulnerable.

**Alex Gladstein - 00:31:43**

So I don't necessarily think that there's a contradiction between freedom and democracy and having social welfare. The problem is when you have democratic socialism, and this is what you would use to describe a country like Venezuela. When you have a government that comes in and says look, we're going to seize the means of production and we're going to make the decisions about how the economy is going to work, that always ends in disaster. Always. And it's not because they're following any one particular economic religion or the writings of one particular thinker. It's just generally speaking, when you disable the free market and you seize the means of production and you have a bunch of morons making the decisions about where the economic flows should go, this ruins a country. I mean, you don't have to look any further than Venezuela for proof of this.

**Alex Gladstein - 00:32:33**

Venezuela used to be the richest country in Latin America. This used to be the place where people would flee from dictatorships in Chile and in Argentina in the '70s and '80s. They would go to Venezuela as a place to seek refuge. It was the first country in the hemisphere, I think, to get rid of malaria. It was the first country in the continent to have a constitution. I mean, it was so much more advanced in many ways than even Europe and the United

States in many aspects, and it kind of coasted into this very stagnant kind of corrupt period in the '80s and '90s, just enough so that Chavez was able to come to power in this populist wave, and he started to destroy the country. The sad part is a lot of the world was super excited about Chavez. And I want to talk about this in terms of having an incomplete view of information.

**Peter McCormack - 00:33:27**

Is this because we would see him drive his Volkswagen Beetle, live in his little house and give the impression of this guy who wasn't corrupt?

**Alex Gladstein - 00:33:34**

If you have an incomplete view, then you may have seen Chavez and heard him talk about how he wanted to challenge the United States and how he thought the free market was unfair and that he was going to help the poor and you may have said oh, this sounds pretty cool. Awesome. Fuck yeah. Go Chavez. But if you actually looked at what was happening with the complete information, you would've seen that he was arresting people that disagreed with him, that he was taking away the licenses of media stations of the press, which is the most important thing for a free society, for a functioning society, is journalism. He was attacking reporters. He was having people murdered. He was presiding over a government that, by the end of his life, had at the local level, a homicide rate where I think fewer than 5% of all crimes were even ever solved. So basically, his government could just have police go kill people and no one would ever get in trouble for it. And where Venezuela in general, especially Caracas was more dangerous than Baghdad by the end of his term.

**Alex Gladstein - 00:34:37**

But at the beginning, people were super psyched about him just because he was nationalist and he was promising to nationalise and to basically say fuck George Bush. People kind of projected their desires onto this guy and they were like oh, this is so cool. We can support this upstart leader. It has become such a disaster and people need to realise that they need to have a full, complete picture of information about someone before jumping on the bandwagon. Do your homework. This is like people who wear a Che Guevara shirt. They're wearing a Che Guevara shirt walking around town, they don't realise that this guy was a mass murderer, personally, who murdered a lot of people, who built prison camps in Cuba for gays and Afro-Cubans, basically who put blacks and gays and intellectuals in prison camps and murdered them. And they're walking around with his face on their shirt.



**Peter McCormack - 00:35:31**

They've been told it's a cool t-shirt.

**Alex Gladstein - 00:35:33**

They haven't even been told much. They just think it's cool.

**Peter McCormack - 00:35:35**

Yeah.

**Alex Gladstein - 00:35:35**

Do your homework, folks. Basically, this guy was involved in a plot where he was going to blow up, using like 1200 tons of explosives, huge parts of downtown Manhattan on the day after Thanksgiving, and one of the busiest days of the year. I mean, he was going to try and commit a 9/11, essentially, against civilians. This is very well-known and again, this is someone who's anti-progressive as you can imagine. Totally against gay rights, totally against women's rights, totally racist, etc. But they wear him on their shirt as this symbol of resistance. I mean, come on. People, you can do better.

**Peter McCormack - 00:36:15**

Well, revolutions are cool.

**Alex Gladstein - 00:36:17**

Well, yeah. Again, some revolutions are cool.

**Peter McCormack - 00:36:21**

But the thought of revolution is cool.

**Alex Gladstein - 00:36:23**

The thought of revolution is cool, but it's all about the execution. I work with a lot of people who've participated in the democratic revolution and evolution of their countries and they always say what happens after the revolution is the toughest part. It might be easy enough to overthrow a dictator. The hard part is what happens next. How do you build a society that's actually better than what came before it? Most of the time, this fails. Most of the time, the liberator becomes a dictator. I mean, if you just look at the numbers, most revolutions don't turn into democracies or a better society. They don't break the wheel.

**Peter McCormack - 00:36:59**

Why-

**Alex Gladstein - 00:36:59**

They just recreate it.

**Peter McCormack - 00:37:01**

Why does this happen? Because, I mean, I might be thinking of this in such simplistic terms, but I get confused between wanting, to enjoying the fact that we have certain social policies in the UK. I enjoy having things like the NHS. It gets a lot of criticism. I take a lot of backlash from it because all forms of socialism are terrible. By the by, I can't ever see myself degrading myself to the point where I would want to just put people in prison who disagree with me or instructing death squads to kill people who disagree with me. So how does somebody become like that? Or are they already like that?

**Alex Gladstein - 00:37:35**

I think that's what I'm saying. I think it takes just some nuance. Again, you can have a free country with property rights and press freedom and free speech and have a robust social welfare program. You can, of course, have free basic healthcare. You can have free detailed healthcare. As long as it's done in a way where there's accountability and oversight and transparency from the people, okay. There's a lot of problems, maybe, with the NHS, but I think a lot of people would be very proud of it, right?

**Peter McCormack - 00:38:05**

Yeah.

**Alex Gladstein - 00:38:06**

And this can coexist in a society where people do not get arrested for criticising the government.

**Peter McCormack - 00:38:11**

No, I'm more trying to understand how a person becomes a leader and then becomes so corrupt as an individual that the imprisonment of innocent people and the murder of innocent people becomes okay.

**Alex Gladstein - 00:38:23**

Absolute power corrupts absolutely. I mean, if you look at the cases of someone like Castro,

Fidel Castro, or Robert Mugabe, they were both liberators. They both heroically overthrew a terrible colonialist regime or US-backed dictatorship in Cuba. However, instead of basically setting up the groundwork for a better society for their people, they decided to become kings. They decided to own everything. They decided to set up their own dictatorship. And that's kind of what they'll be judged on in history for. You could say the same thing about, as I was saying before, this window of time that Putin and Erdogan and Chavez had. They could've actually set up the foundation for a prosperous and equal and wealthy country, and instead they decided to basically steal all the money and get rid of everybody that didn't like them. And that is going to set their countries back decades. I mean, Venezuela is looking at, even if the opposition comes to power and they're not corrupt and things work out relatively well politically, we're looking at a two decade healing process to get Venezuela back to where it was before. These decisions can be generational ones.

**Peter McCormack - 00:39:36**

Yeah. I guess what I'm trying to understand myself, are these just greedy, I touched on this earlier. Are these people just greedy, control freaks, narcissist sociopaths who all they care about is control and power and want to retain power because they're elevated by the power they've gained?

**Alex Gladstein - 00:39:55**

I just think humans are imperfect and we need these rules and these frameworks to prevent us from being our worst selves. That's why we need separation of powers. That's why we need a free media to criticise us when we're doing something bad. That's why we need civil society groups to pressure us when we make laws that might hurt the environment or hurt a particular minority. We need all of this sort of check-balance activity to make a healthy society.

**Alex Gladstein - 00:40:25**

There's a guy named Mo Ibrahim and he's a billionaire from Sudan. He set up a foundation, the Mo Ibrahim Foundation. He made all his wealth in telecoms and he decided he wanted to help African nations do better, so he set up a prize called the Mo Ibrahim prize. I think it's the largest cash prize in the world. It offers two million dollars a year to any democratically elected leader in Africa who steps down after their term is over. Meaning they might have two terms and that's it. He can never give the prize away. It's really sad, but I think he's given it away like three times over the last 15 years, because usually leaders in this

particular continent don't step down. And again, they're probably looking at this two million dollars a year and they're like, I steal a billion straight out of the treasury every year or something like that. What's two million?

**Alex Gladstein - 00:41:17**

But it strikes to the heart of how difficult it is and how rare it is to find a ruler who's willing to step down. It's not common. So that's why we really need the infrastructure. So it's good that Mo Ibrahim's trying to encourage democratically elected leaders to do better, but we all need to realise it's pretty rare for that sort of shift from single party politics to multi-party politics to exist.

**Alex Gladstein - 00:41:41**

I got a chance to meet a guy in Taiwan who they call Mr. Democracy and he was part of the ruling party that had been the dictatorship's party for decades, the KMT party, the American-backed party in Taiwan. In the '90s, he was part of that regime and he was actually given a choice to open up real free and fair elections to the people and he did so and he lost. His party lost those elections a little more than 15 years ago. And what's so funny is, and I got to meet him maybe three, four years ago. He's very old at this point. But he is hated by his own party and loved by the opposition, in many ways, because his own party blames him for giving everything up and the opposition loves him because he allowed them to come into power, but he's a very rare person. There aren't that many people around the world who would willingly step down.

**Alex Gladstein - 00:42:37**

You read someone like George Washington constantly talk about this, but this idea of having limits and having laws and having separation of powers and having these restrictions on what we can do, because again, humans are imperfect and we have excesses and no one's ultimately morally good. We're all just different shades of good and bad.

**Peter McCormack - 00:43:01**

Are there many examples of countries which have had many decades of open, fair, free elections, perfectly operating democratic societies that have sunk back into a dictatorship? Now, I know we've talked about Turkey. I don't have enough of an understanding of the history of Turkey to know, pre-Erdogan, what it was like, but-

**Alex Gladstein - 00:43:23**

It wasn't a perfect democracy, but there were more or less free and fair elections over time. Sometimes the military would come in and overrule those. Turkey had this nasty history of the military would come in after a period of democracy and end it by installing their own regime again. Similar things have happened in Pakistan. But as far as your question of is there a country which was pretty much free and fair for a while and then a coup came in or someone was elected who then took power, I think we can look at a couple examples, unfortunately. Thailand is a great one.

**Peter McCormack - 00:43:59**

Okay. Yeah.

**Alex Gladstein - 00:43:59**

Thailand was more or less a free country and then this military came in during a period of instability in 2014 and this guy, Prayut has been the dictator ever since, and he's like a comic dictator. Like a Borat type. Like has his giant poster everywhere in the city and basically has created these absurd songs that people have to sing about him. And this is what the Thai people have to deal with. It's horrible.

**Alex Gladstein - 00:44:23**

Another one would be Hungary, actually, which is in the heart of Europe, which was a free country for many years after the fall of the Soviet Union and recently has come under the rule of Viktor Orban who is trying to regress the country in many ways. He's pushing the country in this sort of nationalist populist narrative. And he's characterised as sort of a right-wing person.

**Alex Gladstein - 00:44:48**

So I think what people need to realise about democracy and dictatorship is it's not a left-right thing. There are left wing dictatorships and there are right wing dictatorships. They're all bad. We need to have as, I think, one thing that I agree with Christopher Hitchens on is that he had this term, consistent anti-totalitarianism. We need to have consistency when it comes to dictatorship. We need to say that the left wing ones are just as bad as the right wing ones. We can't allow our own politics and beliefs to colour the lives and experiences of what other people are going to have to go through. We should just say without a doubt that that's bad and let's try and help them achieve change.

**Peter McCormack - 00:45:27**

See, I guess what I'm trying to understand is that, could this happen anywhere? And I don't see it as binary, that for example, if we look at the US, I don't think it's a binary thing, that the US will suddenly one day become a dictatorship. But are there certain actions that we should be wary of? For example, should we watch Donald Trump constantly referring to press as fake news, is that-

**Alex Gladstein - 00:45:51**

Absolutely.

**Peter McCormack - 00:45:51**

Is this where we start to see encroachments? Is this where we start to see somebody maybe push the limits?

**Alex Gladstein - 00:45:57**

From my observation, I tend to think that our system is much stronger than many other countries. Just it's a lot older. Our freedom of the press is very strong. We have very strong first amendment rights. States have a lot of rights. There's an incredible strength to the Supreme Court and the judiciary system to the point where even people that Trump appoints onto the Supreme Court will often disagree with things that he wants. It's very hard for him to do whatever he wants to do. Now, if you removed Trump from the US system and put him in Egypt or put him in Burma, he would go crazy and he would do whatever he wants, but it's the system that restrains him. Clearly we need to be very vigilant. We need to make sure that we protect the free press, I think, first and foremost.

**Alex Gladstein - 00:46:42**

It's very unfortunate that he's basically kind of using the same terminology as dictators, but I do reject this, people constantly put Trump in the, they're like, "Oh, yeah, look who's ruling the world now. Xi Jinping and Trump." No, you can't equate Trump with Xi Jinping and someone like Sisi in Egypt or someone like Maduro in Venezuela or Kim Jong-un. You just cannot. They're just different. You may not like Trump, but that does not mean he's a dictator. Trump is the leader of a democratic country. I don't like him, but he's not a dictator. And don't let him become one.

**Peter McCormack - 00:47:19**

But are they different or are they leading under different frameworks?

**Alex Gladstein - 00:47:23**

Personally, I'm not a psychologist. He appears to have an authoritarian personality, based on what we can understand. He's very vengeful. He doesn't let anybody forget anything that they've done wrong against him. He still writes these petty letters to people who wronged him years ago. He's clearly very prone to nationalistic, populist rhetoric. He's unapologetically a racist. All these different things. But again, he's not a dictator. You might not like him, but do not go into this moral equivalence thing. The United States is not a dictatorship.

**Alex Gladstein - 00:47:57**

Now, could it become one? Absolutely. I'm less concerned about the political system breaking down and more concerned about how technology is going to change society and how we may, over time, like the frog being boiled in water, give up our rights. And I'm very concerned about this happening in both Britain and the United States. I think we're becoming surveillance societies. I think that people are giving up control over their data too much. I think that people have already given up control over their money, and I think we're at risk of some sort of corporate government kind of takeover over time that's gradual, where in 40 years, we sit around and we realise, shit, we don't have any rights any more. That, I think, could totally happen.

**Peter McCormack - 00:48:36**

Well, this is where it's happening in both democracies and dictatorships. I mean-

**Alex Gladstein - 00:48:42**

Totally, but in dictatorships, it's happening way faster.

**Peter McCormack - 00:48:44**

Yeah. I mean, you've pointed me in the direction of what's happening in China with the social credit score, which is itself scary, but we at the same time, I'm recognising what's happening in the UK, in London, at the most surveilled country in the world, or the most surveilled city, we are both personally aware of what's happening with financial surveillance because of our involvement in Bitcoin. These are encroachments on freedoms which-

**Alex Gladstein - 00:49:09**

Absolutely.

**Peter McCormack - 00:49:09**

... I guess kind of happened under the radar whilst we live in a democracy.

**Alex Gladstein - 00:49:13**

Yeah, and look, while we still have that ability to live in a country that has separation of powers, there's things that you and I can do. We can fund nonprofits. In America, I can donate to the Electronic Frontier Foundation and they can sue the US government for overreach. We can support whether it's the Guardian or the New York Times or whatever newspaper we want and they can investigate the government and they can expose scandals. There are tons of nonprofits in Britain and the United States. I think in the United States there's more than 80,000 nonprofits that exist to check the government's power. So there are things that we can do in our countries to prevent the rise of dictatorship.

**Peter McCormack - 00:49:46**

Where does Wikileaks fit in this example you've given here? Because that was an example, and the reason I raise it is that our ability to donate to it was taken away by MasterCard and Visa-

**Alex Gladstein - 00:49:57**

Right.

**Peter McCormack - 00:49:57**

... and we actually had to go to Bitcoin. So where does that fit in to that?

**Alex Gladstein - 00:50:02**

Look, I think some people will say that Wikileaks is a media outlet. Some people will say it's an activist group. I don't know if there's a straight answer to that. I think whistle-blowing is unquestionably important. Super important. I think that there's an art to it and probably an ethics to it and I think that generally speaking, major newspapers like The Washington Post and The Guardian have a certain understanding of how to properly whistle-blow to both protect the whistle-blower, but also the people who are going to get exposed by that new information. I think it's a little bit of a balancing act.

**Peter McCormack - 00:50:44**

Whereas Wikileaks blanket-releases files and-



**Alex Gladstein - 00:50:47**

Yeah. Look, you can say that that changed the course of history in some ways, but I think the way that Snowden did it probably changed history more, in a larger way, and I think it was partly because he was kind of more careful about the way he was doing things. So I think whistle-blowing is something we need to protect in democratic societies, but there's certainly an art to it and there's certainly a responsibility of journalists to try and protect people who might get hurt by that information. I don't think there's a straight answer on it, but it's certainly something people need to be considerate about when they're doing these things.

**Peter McCormack - 00:51:28**

Back to financial surveillance. Why should we be concerned? I've got nothing to hide. This would be the standard answer I would have from friends. Why should we care about financial surveillance?

**Alex Gladstein - 00:51:38**

Yeah. I think it's linked to surveillance more generally.

**Alex Gladstein - 00:51:41**

I've got nothing to hide. What do I have to hide is the slippery slope. Now, in China that's manifested itself, so much so that people, generally speaking, are very supportive of surveillance. There's advertisements on WeChat and other mobile media where companies are advertising their surveillance technology. There's a really popular one that came out a couple months ago and it's basically police wearing these facial recognition sunglasses to chase somebody who stole a bike and they're running after him on the street and then the guy hops a fence and he puts on a different wig and everything, and he seems to get away, but then the facial recognition gets him, even though he put on a different hat. This is part of where the average Chinese person's like oh, this is cool. Like I totally want to buy that phone or whatever.

**Alex Gladstein - 00:52:34**

So the Chinese government has been able to pitch facial recognition and your loss of freedoms as a good thing. As a good thing for stability, nationalism, national security. And that's been a big victory for them which is going to be hard to reverse. But for us, I think we need to think about not just what we would lose, but what the most vulnerable would lose. I think what we're going to start seeing is that potentially, unless we take the right steps,

privacy is going to be something for the elite, potentially, and only for the wealthy. Especially as we go into the area of potentially people being able to sell their own data.

**Alex Gladstein - 00:53:12**

I mean, right now, no one owns their own data, which is the worst-case scenario, but we might start getting into this area of like, okay, fine, you have some rights over your data. Well, if we do it the wrong way, poor people are probably just going to sell all their own data and wealthy people won't, and then there's going to be like one half of the society that's very surveilled and one half that's not or 98% that's surveilled and 2% that's not. So I think we need to be really careful about setting up these systems. But at the end of the day, when it comes to financial surveillance, I think we need to be quite cognisant about the fact that your spend says more about you than your words. Your payments say more about you than your words.

**Alex Gladstein - 00:53:53**

There's a story I'll share the other day which might drive the point home for some of your viewers that's got two parts to it, and I've used this in an essay that I have coming out on Medium tomorrow about why we need to think carefully about supporting the Lightning Network and what it could be and what it could mean for the rest of the world. But essentially, I went to the store down the street to buy some dog food for my dog. I walked down the street and I went into the dog food store and I bought a bag of food for the dog and then I bought a bag of treats for the dog that were shaped like toothbrushes. I went to the register and I checked out and I paid with my Visa card and I walked out of the store.

**Alex Gladstein - 00:54:35**

A couple of minutes later, I happened to check Twitter and I was hit with an advertisement for toothbrush-shaped dog treats. And I was thinking to myself, "How is this possible? This wasn't an online purchase. This was in-store. And even if it was the geolocation on my phone that betrayed me to the data markets, how would it know about the toothbrush-shaped dog treats? I might've bought bird food or I might've bought cat food. So it had to have been the payment provider." And this led me to do some research and it looks like Chase, when you ask them, when you actually go and reach out to them, they will admit that they share your payment data with third parties.

**Alex Gladstein - 00:55:11**

So we live in a world where we are buying things and then getting hit immediately with

advertisements. Our purchases are not private. And the even crazier part, which I still don't know exactly how this happened, I told this story to a friend of mine and she was telling it to her sister separately a day later, well away from me. Like in a different town. She told this story to her sister and her sister, I guess, was checking Instagram a few hours later and then she saw the advertisement for the dog treats. So we're trying to think about how is this possible. I mean, maybe it's a coincidence. Maybe Greenies is doing an intense operation to promote its product. But this woman doesn't have a dog. She's never bought any dog food. One Occam's razor idea is that the iPhone microphone had picked up them discussing this. It's a possibility. We know it happens in China.

**Alex Gladstein - 00:56:07**

In China, the recognition software is such that it's not just when you type a sentence about something politically sensitive like Tiananmen, it's when you speak about it. They have software that can analyse the voice just as fast as images or text today. So there's no reason why Western advertisers wouldn't have similar technology. But this really underlines the fact that we're already totally surveilled and we need to start fighting for our rights now, and it starts with money.

**Peter McCormack - 00:56:34**

Because the problem isn't so much with you being shown dog food again, but it's perhaps some of your purchases might identify you as a certain political leaning, certain charities you support, certain taboo purchases you might. You deserve the right not to have people know that.

**Alex Gladstein - 00:56:51**

Right. What if you want to make a donation to the Electronic Frontier Foundation? Or to something very provocative, like you want to make a donation to a free speech group or a pro-gun rights group or you want to pay for an abortion? Do you really want to get punished for those things? Those things should be private to you.

**Peter McCormack - 00:57:07**

Or in the case of Facebook where we have the scandal with Cambridge Analytica with Brittany Kaiser who exposed that, the potential is actually that you are either somebody they want to manipulate or know can manipulate other people. So what we're trying to do is prevent the things two steps ahead, the real sinister acts, because showing you another toothbrush-shaped dog treat isn't itself dangerous.

**Alex Gladstein - 00:57:33**

Right. The problem is not the advertisements for harmless dog treats. The real problem is the slippery slope which leads to prison camps, essentially, which leads to a corporate government complex that can control you and start to change your behaviour. That's what we need to be on guard against, and I think what's kind of staggering is we're seeing it play out live in China today. This isn't some Black Mirror episode. This is actually what's happening. People's behaviour is getting steered that they are patriotic, and if they do anything, if they even borderline think of anything unpatriotic, they get punished for that. So this is something that I think we need to be careful about, and I do think the solution is, in many ways, creating a private payment network for the world so that we can transact and interact with each other without exposing all of our identity. I think that's one of the key ways we can prevent the rise of the global surveillance state and preserve our democracies in line with our conversation so far.

**Peter McCormack - 00:58:31**

And is this all come back to the same thing? Does it all come back to control? Maintaining control? So what's happening now in China with the social credit scores, that you can't criticise, that you are conditioned to behaviour in a certain way, almost like training a pet. Is this all come back to retaining control? You're creating an obedient society?

**Alex Gladstein - 00:58:54**

Let me just add some colour to that and take 30 seconds for your listeners. I have a friend who just got back from a year in China. He's getting married to a Chinese person and the agreement was, he's an American, he had to go live in China for a year. So he was in a lot of these classes about education. He worked there, he got to meet a lot of Chinese people, he made a lot of Chinese friends. One of his Chinese friends was in a WeChat group. WeChat's the dominant social media platform there that's highly surveilled and censored. And she was connected to someone who was selling pot. Marijuana's very illegal there.

**Alex Gladstein - 00:59:29**

So one day, she was literally, she worked at his office. Some plain-clothes policeman came to the office where he was at and they went to her desk. They came upstairs, they went to her desk and they said that she needed to leave now. She was given like two minutes to gather her things and then she left and she disappeared for weeks. They didn't know where she went. And she was imprisoned. She was imprisoned because her friend, somebody she

was connected to on social media, the government realised was dealing drugs and she was connected to him. They interrogated her and they eventually released her, but they basically cut off her financial abilities. She can no longer buy train tickets or leave the country or buy plane tickets or get a good rate on loans or mortgages. Her credit score has become destroyed because-

**Peter McCormack - 01:00:25**

Through association.

**Alex Gladstein - 01:00:26**

Yeah, through association with someone who was dealing pot. This is to give an example of something that's like, oh, what do I have to hide? Well, what if you enjoy smoking marijuana in society? What if you enjoy doing something that's a little risky? Well, what if it could ruin your entire life in this way? This is happening all over China, and what I'm most scared about is not the person who's smoking pot but the person who says, "Hey, I don't like the government."

**Alex Gladstein - 01:00:52**

When Peter mentions social credit, it's this idea that you can take credit score and your ability to get a loan or get a credit card or have financial benefits to society is tied reasonably to how well you've performed there in the past. That seems fine. What's not reasonable is to start tying your identity, your religion, your gender, your sexuality and your political beliefs and your friends to that credit score. And that's what's happening in China today, over time, in different experiments across the country, and it's certainly coming to other countries too, unless we stop it. And this is why I really think it's important to separate our payments from our identities. This is key.

**Alex Gladstein - 01:01:29**

So if I can pay for things, if I can subscribe to Peter's podcast and buy something on Amazon, subscribe to a political magazine and buy a public transit ticket without exposing my whole identity, then we really help fight the surveillance state. So if we want to fight Big Brother, we have to reduce our digital footprints. This is why I'm very excited about Lightning. I'm trying to follow Lightning as closely as possible because I believe in this idea of a global private payment network where at least below a certain amount of money, maybe a few thousand dollars, we can have small anonymous payments and we can keep the values of cash alive in a digital society. This is very important to me.

**Alex Gladstein - 01:02:10**

And if I'm using Lightning to pay for dog food, I'm not going to get hit with a dog food advertisement 20 seconds later because the company is not going to be able to see that I've bought dog food. It won't be like, "Alex Gladstein, who lives at this address in California, who has this Facebook profile, who has this Google search profile," none of those things will be connected if I start using these basically anonymous payments to make the transactions in my daily routine. I will be, instead of this centralised, easily predictable data narrative that I am now, where I'm this walking freaking target for advertisement, I will be this obscure set of distributed sets of data that are just harder to predict and harder for advertisers to target and harder for governments to control and harder for corporations to manipulate. And I think that's kind of the dream of a lot of people right now and they may not realize that we have the roadmap for that now, potentially with Bitcoin and Lightning. It's something that I'm excited to explore and something that I think has massive implications for the future of democracies, basically.

**Peter McCormack - 01:03:21**

Well, that's what brought you and I together. Bitcoin. That was the middle ground. I guess what we're saying here is Bitcoin is one of the few tools we have out there which nobody can control, which in using is itself an act of defiance. It is saying this is my money that you can't touch, you can't take from me. This is a chance for us to, I guess, could using Bitcoin, like it's an act of defiance, but it's also an expression that I'm going to do something outside of the government. This is me. This is something you can't control. I kind of like it like that.

**Alex Gladstein - 01:03:57**

Yeah. And I think that sometimes we need to be a little optimistic. We have so many dark, dark dystopian dreams of the future, so I want to read a little something. It's my prediction of a positive future that we can achieve with technology like encryption and with Bitcoin.

**Alex Gladstein - 01:04:16**

The year is 2030. It is now 10 years past today. Due to industry demand and massive popularity, the last restrictions in democracies like yours and mine are lifted on Lightning payments. The scalable off-chain instant Bitcoin payment network first outlined in a 2016 white paper has come a long way. With legal clarity, it's now possible to send Bitcoin unlinked to your identity to an open-source noncustodial Lightning wallet and buy just about anything immediately, all while maximally protecting your privacy. Small daily

payments are essentially anonymous again. Catching the bad guys is just as easy or as hard as it was a few decades ago, as merchants must inform the government about Lightning transactions over \$2,500 and users must disclose some aspect of their identity for those purchases in order to get the payment to go through. So very large payments, like tuition, real estate, cars, loans, goods, are still done through maybe base layer Bitcoin or through fiat money and remain traceable. But again, small payments are anonymous, and that helps protect our privacy.

### **Alex Gladstein - 01:05:21**

Social media companies 10 years from now, of course, ending up following Facebook's lead and launched their own currencies. Some still exist and are used heavily, but none turned out to be as fast or as easy to use and certainly not as globally compatible or permissionless as Lightning. Some of the biggest social media companies end up ditching their own mobile payment currencies for Lightning-based solutions. The borderless nature of Lightning creates a financial revolution and as much as individuals can buy and sell things around the world instantly with extremely few restrictions and without needing to prove their identity. Old obstacles of currency conversion and bank account delays and freezes are left behind. Banking the unbanked becomes an anachronism as the disenfranchised seize this new tool to connect and transact without permission from elites. Lightning is still technically illegal in many countries, including China, but black markets are popular, and in most democracies, Lightning has become the evolutionary successor to paper and metal money, which has become the curiosity of an older age.

### **Alex Gladstein - 01:06:16**

In this new world, we only give merchants what they need. Merchants only take from us what they want. Advertisers have been forced to change their strategies. Tech visionaries like Jaron Lanier once spoke of a new internet where we could interact with each other in a peer-to-peer way without being exploited and spied on. Lightning has brought us one step closer to that reality. In the late 2010s, there was a lot of talk about decentralized identity, but this doesn't matter as much any more. Now that you control your micropayments and your interactions with your voice-controlled devices and the ever-increasing internet of things, you don't have a single clustered digital identity any more. Companies don't see you as they once did, as an easy and coherent data narrative to leak to advertisers, but only as obscured pieces of data, difficult to link together.

**Alex Gladstein - 01:06:58**

You, of course, still have a physical address and a phone number, but they aren't meaningfully connected to your day-to-day payments. Few people have goods shipped directly to their homes, as this is a major privacy concern. Rather, they pick them up at community lockboxes, similar to Amazon's lockers today. Wearables and voice assistance and implants have exploded in popularity, but zero-knowledge encryption has made it possible for people to begin to store private data locally on their devices and individuals share only what they choose to share with the data markets. Of course, most people sell quite a bit to the data markets, but they can conduct that business over Lightning and they don't have to disclose their full spectrum of personal information like they once did without even thinking.

**Alex Gladstein - 01:07:38**

Lightning has revolutionised gaming and social media. Individuals are able to use the network to make streaming micropayments to each other. The best video game players in the world make money in a flow over time, as do the best podcasters and musicians. We consume media and articles on an a la carte basis, paying tiny amounts via our Lightning accounts. Government agencies and corporate HR departments eventually catch on and they offer an option for you to receive your salary or welfare in small increments every minute rather than one big chunk every two weeks, reducing the stress on the average blue collar worker or unemployed citizen. In-person shopping is even more convenient than it was in the cash era as payments are made with a quick tap or scan and the merchants get the funds immediately. Fraud and refunds are still retail problems as they are today, but insurance companies have changed their business model to accommodate the new system.

**Alex Gladstein - 01:08:25**

From a human rights perspective, protest has gotten a little bit easier, especially in democracies where it's possible to use Lightning combined with facial recognition deterring masks to buy public transit tickets and SIM cards so that citizens can organise and protest without being easily spied on. The tactics that cash once made possible in places like Hong Kong are still usable even in a more digital world. Crime rates are similar to historic rates from earlier decades, when everyday transactions were strictly cash. Despite what governments once said, there isn't all of a sudden more child porn and more human trafficking and more terrorism, as these activities are still illegal and law enforcement



remains effective. The idea that you have to give up your rights and privacy for security turns out to be a lie and a myth.

**Alex Gladstein - 01:09:09**

So that's the world that I'd love us to live in.

**Peter McCormack - 01:09:12**

All right, so listen, look, of course, and that's amazing, and I'll need to listen to that a couple times and digest it and take that in. But it seems to me that you are aligning freedom and the core and back of freedom and it's how much Bitcoin can do to this. By taking control of financial privacy, then we'll be able to retain a lot of control over our freedoms. I've really articulated that terribly.

**Alex Gladstein - 01:09:42**

It's so much similar to the way we open this podcast in terms of how better political constructs, better governments for humans have checks and balances. We need to be able to check the power of the authorities. We need to be able to check the power of monopolies and democracy is our tool to do that in politics. Democracy is our way to hold governments accountable, create space for civil society, create space for free expression. In the same way that the internet has made that possible for information, whereas it once was totally controlled by the ivory tower and the elite's governments, now everybody can have information. Everybody can have a voice. The last frontier here is money and payments. What we need to do is start creating checks and balances so that corporations and governments do not control everything about money and finance, and that is going to lead to a healthier society, one where we have a little more control.

**Alex Gladstein - 01:10:43**

This does not lead to anarchy. This does not lead to a society where there is no government or there are no companies. That doesn't make any sense. But it leads to a society where humans and individuals have just a little more control and a little more say over their own lives, just like people in a democracy have a little more say over their own life than a person in a dictatorship, and just like people in the information age with the internet are a little more empowered than someone was three, four hundred years ago. I think it's just quite evolutionary and it makes a lot of sense. And I'm not wedded to the idea of oh, it's got to be Bitcoin or it has to be Lightning network. I just see them at the moment as the most feasible, reasonable ways to get there, but if you introduce a new technology

that's going to give me a way to do private payments in a permissionless way with anyone else around the world in a relatively quick and easy manner, I'm on board. I'm there.

**Alex Gladstein - 01:11:37**

I'm just trying to observe what's out there right now and see if we can build on that and work on that so our future generations have the same rights and freedoms we do, and the big mistake I see people making in the human rights space and, let's say, in the humanitarian space and the think-tank space is they're not considering the role that payments and money are going to play in this. If you ignore payments and money and you ignore what's happening with Bitcoin or with Libra or with WeChat or with all these innovations in the money area, you're going to get hit like a freight train in 10 years when you see what's happened. If you're only looking at the traditional human rights topics, you're going to miss out.

**Alex Gladstein - 01:12:15**

And it's all been there from the beginning. If you think about it, what does Mr. Putin do when he wants to shut down a human rights organisation? He closes their bank account. In Venezuela, the same thing was done. There were restrictions applied to dissident accounts. People were shut down. It's always been there, but we haven't really seen it in that way, and I think people in the political classes, people in the mainstream media classes, the folks who read the Economist and the Financial Times, they need to start paying attention to the technology of money and payments because it's really going to be the deciding factor in whether or not we keep free societies.

**Peter McCormack - 01:12:52**

Which is why decentralisation is so important, because everything that you have talked about today, every problem, every dictatorship, everything comes down to some kind of centralisation of power. An individual or a group of people who can make decisions based on their own personal desires, needs, wants, goals. The thing about Bitcoin is you cannot do that. No individual has that control, which is the power behind Bitcoin, and really is kind of like a nice contradiction to all the problems you've talked about.

**Alex Gladstein - 01:13:25**

Yeah. I mean, decentralisation is a beautiful force. It's a powerful idea. It's something that, again, I think leads to a better and a fairer society, both from the political point of view with democratic systems and the money view with regard to what we can start to build with

Bitcoin. And I think when we talk about defiance and we talk about defying the powers that be and the establishment, what I'm most concerned about is not any particular religious dictatorship taking over the world or I'm not particularly concerned for various reasons with an AI taking over the world.

**Alex Gladstein - 01:14:05**

I'm most concerned with the model that China has built being exported and kind of taking over the world. Not necessarily run by the Chinese, but run by your own government, where you no longer want to have freedom, where you no longer would even think of questioning your government, because it would ruin your conveniences of your day to day life. It would ruin your ability to talk with your friends. It would ruin your ability to travel abroad, your ability to send your kids to a private school. So I'm most concerned about this sort of social credit system, I guess, is the easy way to say it, coming to country near you, coming to your society, and you no longer being willing or able to criticise your government. And the only solution to that is decentralisation, is getting away from that top-down model where the government is totally centralising everything.

**Alex Gladstein - 01:14:51**

So to defy that model that I'm afraid of, we need to start thinking about how we can kind of pry away control over our personal information and our money and our payments from centralised services. And this is why, and I mentioned earlier, zero-knowledge encryption is still sort of very nascent, but we need to support that just as much as we do Bitcoin, Lightning, and other private payment ideas. We need to have an ability to have both happening at the same time if we want to properly defy what might be coming next.

**Peter McCormack - 01:15:24**

So previously you talked to me before about the Belt and Road. This was the export of Chinese technology to other countries that kind of follows up from what you've just said, the export of ideas or technology. Remind me what this was about.

**Alex Gladstein - 01:15:38**

Sure. The Belt and Road is the largest infrastructure project in history. The Marshall Plan, which rebuilt Europe after World War II, in real terms today, in real dollars would be about 130 billion US dollars. The Belt and Road, which is a Chinese government infrastructure project, globally has already given out 400 billion dollars of loans and investment, and the total estimate is that it's going to be about a trillion dollars when all is said and done. The

idea is that the Chinese government gives out very cheap loans or invests favourably in infrastructure, public infrastructure in the developing world, everywhere from South Asia to Southeast Asia to Africa to Latin America.

**Peter McCormack - 01:16:18**

This is like the train track I saw the other day being built in Kenya.

**Alex Gladstein - 01:16:21**

Yes, exactly. So they bring in their own workers and again, this is all done very favourably, but there's a lot of debt enslavement that happens. So the Chinese government will come in and say to a country like Panama, for example, which is one of the countries where this has happened, and they'll say hey, through our subsidiary companies, we'll install facial recognition software on your streets to give you really smart cities that can reduce crime. And of course I'm sitting there thinking, oh my God, they're going to basically steal everybody's privacy and rights, but the municipal government says oh, cool. This is a way we can reduce crime, by having facial recognition at the street level everywhere in our cities. So they're like, that sounds great. Let's do a pilot in these two cities here. And they buy this insanely expensive project from the Chinese government with a really cheap loan and they become indebted.

**Alex Gladstein - 01:17:13**

So you've got dozens and dozens of countries around the world who've agreed to buy this technology or accept investment from the Chinese government and have basically become sort of slaves to them, and this is one of the reasons why so few countries around the world are criticising the Chinese government's imprisonment of millions of Muslims in prison camps, because they can't really say much because they're totally in debt to the Chinese. And this is a brilliant tactical move by the Chinese government. If you look at the UN, there was this unprecedented call for China to end the prison camps, end the persecutions of Muslims in Xinjiang province. And if you look at the list of countries that opposed the reform, it's a whole bunch of countries that are signed on to the Belt and Road. So China's basically built an alternative system to the UN where governments are going to be allied with them. And the scary part is that they're building the telecommunications even in Europe. So putting aside the Belt and Road countries...

**Alex Gladstein - 01:18:13**

... developing world, I mean, the United Kingdom is hiring Huawei to build some of its

telecommunications networks. Monaco, Italy, Switzerland, Greece. There are countries in the heart of Europe. If you look at the Czech Republic, the president of the Czech Republic, all of his personal communications are done by Huawei. Even in the heart of Europe, you've got the Chinese government installing a whole bunch of 5G technology and new telecommunications stuff.

**Alex Gladstein - 01:18:41**

And that's where all this new data is going to live, and the Chinese government has this national security law whereby they can just ask for any data that runs on Chinese company networks and ask for a copy to come to Beijing. It's kind of crazy to me. When I was in Prague earlier this year and I realised that the president of that country, his personal communications probably had a copy in Beijing. And you start to see this as a very genius thing the Chinese government's doing, but they've zeroed in on telecommunications as the way that they can spy on folks.

**Alex Gladstein - 01:19:15**

This is one of the reasons why if we want to defy the system, we have to invest in encryption and we have to invest in what we call defensive technology. What are they going to do with a bunch of encrypted tech? Or rather, what are they going to do with a bunch of encrypted data? I mean, not much.

**Peter McCormack - 01:19:28**

I read today, I think today was the first time or yesterday that more companies in the Fortune 500 were Chinese than American.

**Alex Gladstein - 01:19:39**

Yeah. The Chinese plan is working and I think you'd be naïve to think that in 20, 30 years that America would still be the lone world power. It seems quite clearly that it'll be a bipolar if not the Chinese world. So we need to think very carefully about what kind of technology infrastructure we set up in our countries. And just as we're guarding our political rights and protecting free speech and protecting our right to assemble and protecting our right to have NGOs and nonprofits and protecting our right to hold our government accountable and protecting our right to sue our government, we need to at the same time be equally invested in looking at how we can preserve digital freedoms and privacy on the internet and in our payments.

**Alex Gladstein - 01:20:23**

These are equally important. If we don't do both at the same time, we will fall victim to massive violations of our civil liberties. So we need to uphold old school civil rights and civil liberties, campaigning and we need to invest in activists and human rights causes, and we need to be hardcore about that, and at the same time, we need to be exploring new technology and working with a lot of the folks that you interview on your other show to talk about, well, how can we make ownership and control over data and money and payments more robust and how can we more meaningfully protect and get investment in and get excitement around encrypted communications and encrypted payments? It's really the only way to stop the global surveillance state from totally manifesting.

**Peter McCormack - 01:21:12**

I think I asked you this question on my other podcast when I interviewed you back in December '18. Are you becoming more or less optimistic about the future of the world in terms of freedom and rights, because, I don't know, even during this interview I'm connecting the dots. I'm listening to you talk to me about dictatorship in China, in Russia. We've talked about the expansion of Chinese technologies. We've talked about the Belt and Road. I read this morning about China having more companies in the Fortune 500 than America. I also read about Russian planes encroaching in on South Korean airspace alongside Chinese jets.

**Alex Gladstein - 01:21:59**

Yeah. And you have not much resistance coming from the West.

**Peter McCormack - 01:22:03**

I'm just starting to connect these dots.

**Alex Gladstein - 01:22:03**

Not even that much resistance, but certain times, collaboration. Open collaboration in some cases. So there are reasons to be pessimistic and we need to be guarding our civil liberties and be vigilant, but I think that technology and the bold human spirit give us some optimism. If you look at some of the people that I get the pleasure of working with through the Human Rights Foundation, they are against all odds. They are up against horrible dictatorships, and yet they persist. And they persist because they believe in a better world. They're already where we think we may be if we fuck up. Someone who's escaped North Korea has seen what happens if we fuck up completely. They've seen the actual horrible

dystopia that humans can create. They've seen the worst possible outcome. And they're here to say not only did I escape, not only did I risk my life and make it happen and escape, but I believe in my ability to bring freedom back to my country.

**Alex Gladstein - 01:23:05**

So I think one of the key things we have to consider is that a mixture of that inspiration from people who were on the edge mixed with new tools that can help them give me some optimism. I mean, I won't lie, it's a little weird to say for most people especially, but if Bitcoin didn't exist, I'd be considerably less optimistic about our ability to challenge the techno-dystopian dictatorship that is certainly being built by many people right now. It just gives us a kind of a way out of that and it gives us a tool to fight that and it's pretty exciting. So that's one of the main sources of my optimism, is that there's this incredible new tool and social construct that was just freaking airdropped on us by who knows. We don't know who they are. But it does give me some optimism.

**Peter McCormack - 01:23:54**

And not just because of inherently what Bitcoin itself can do, but the fact it's a proven case of defiance.

**Alex Gladstein - 01:24:03**

Exactly.

**Peter McCormack - 01:24:04**

You wrote the manifesto for the podcast. You wrote-

**Alex Gladstein - 01:24:08**

Satoshi Nakamoto.

**Peter McCormack - 01:24:08**

Yeah. You wrote a number of different acts of defiance. It is an act of defiance, the creation is an act of defiance, the usage is an act of defiance, but also it just proves that we can challenge the status quo, that a global financial system can be created that is outside of government control. I mean, it's-

**Alex Gladstein - 01:24:28**

I mean, in some ways, Satoshi Nakamoto releasing the Bitcoin white paper and launching Bitcoin is a very similar act to Malala refusing to stop her education as a woman in Central

Asia. It's very similar to Ai Weiwei refusing to stop using his art to criticise the political system in China. It is very similar to Tim Berners-Lee saying hey, we should revolutionise the way that we interact with each other. It is very similar to Nelson Mandela saying hey, we should have a different kind of government here that treats everybody equally. It is very similar to someone like Gandhi or Rosa Parks who rose up against colonialism or racism and said this isn't the right way to do things. It is very similar to Alan Turing. It is very similar to Anne Frank. It is really similar to Jane Austen. It is very similar to Martin Luther, who nailed the These to the door of the church. Very similar to Gutenberg who came up with the printing press. There's a lot of similarities between these historical figures who defied the establishment to try and create a better world and I think Satoshi Nakamoto is right in line with that and we need to take the technical and social, political, economic gift that he or she gave to us and do what we can with it.

**Peter McCormack - 01:25:41**

All right. So listen, some people listening to this will be Bitcoiners. They'll be fully onboard. They will know who you are. They will support what you're doing. They will have a deep interest in a number of the topics we've talked about. But there are going to be people who are going to listen to this for the first time who are going to be woken up a little bit to what's going on. I'm not saying these people are idiots and morons and are not aware of what's going on in China, but just maybe not to the extent that you've talked about today. They might not be aware of the Belt and Road. They might not be aware of the lack of real democracy in Russia. What can people do? What are the ways that people can find out more, to understand more, can contribute? How can people get involved? What are the things that you would want people to do?

**Alex Gladstein - 01:26:25**

Yeah. How do you get globally woke, I guess is the idea.

**Peter McCormack - 01:26:28**

Yeah. You start with the podcast.

**Alex Gladstein - 01:26:30**

Yeah. Start by following the podcast. I think you're going to have some great guests on here. Through what I'm doing with the Human Rights Foundation, one of the most interesting things you can do that obviously sparked Peter's interest is attend one of our Oslo Freedom Forum events. And you get to hear some of these stories firsthand from



people all around the world and you get to talk to them and you get to have beers with them and have dinner with them and hang out with them. It really starts to change your complexion of how you believe the world works and what your assumptions are and it helps you address where your bubbles are. I think everybody, hopefully, after listening to this podcast has a couple assumptions they've had about the world or things they've thought about a certain person that they're now questioning. You should question a little more and certainly get involved with our work if you want at the Human Rights Foundation and the Oslo Freedom Forum if you want to meet some of these folks firsthand, but if not, keep listening to Peter's podcast, keep reading, keep looking at independent media, keep investing in independent media. At the end of the day, I think that journalism and free speech is the thing that'll keep us alive in the future.

**Peter McCormack - 01:27:37**

Are there any wrong ways to react to this? Are there any ways that people go down the wrong path, wrong reactions, miss or red herrings they could follow? Are there any ways that people react to hearing this, which is that you've had experience like-

**Alex Gladstein - 01:27:52**

Yeah, I mean, look, I think that probably a lot of your listeners will listen to this and say oh, well, he's too pro-American or too pro-Western and I think that's probably misunderstanding me. I'm quite critical of governments in the West and what especially my government's foreign policy has done to destroy parts of the world. What I'm saying is not to excuse the behaviour of Western democracies, but what I'm trying to point to is that the system is worth preserving and as much as it's better to have a society where people have accountability over their leaders and can question and can push for reform than not, it doesn't mean that that government that has been created by the people will be a good one. It doesn't mean that it's going to be perfect. It won't be. But it will be better than a government that's created by one person arbitrarily, and I think that's a difficult thing to accept and to understand and something I always struggle with, but at the end of the day, I just believe that it's better for there to be checks and balances and ways that we can push our governments and that's going to lead to a better system for all of us, but in no means am I trying to make any apologies or excuses for the behaviour of Western governments.

**Peter McCormack - 01:29:10**

And lastly, how do people follow the HRF and how do they follow you and-

**Alex Gladstein - 01:29:14**

Sure. I think the easiest way is on Twitter for most of your listeners. HRF's H-R-F. I'm Gladstein, my last name, on Twitter. G-L-A-D-S-T-E-I-N. And just a total honour and pleasure to be on here, Peter.

**Peter McCormack - 01:29:26**

Well, thank you. I wouldn't done this without you. As you know, this relationship we've built since December last year, you've piqued my interest. I've got a lot to learn. There's so much I am unaware of, but I'm ready to dive in. I'm ready to learn as much as I can about these important subjects and hopefully bring them to a new audience, but without you I wouldn't have done this, so thank you so much.

**Alex Gladstein - 01:29:45**

And I hope to bring you around the world over the next couple of years and we're going to meet some amazing people.

**Peter McCormack - 01:29:50**

All right, man. Thank you.

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