

## RALPH NADER RADIO HOUR EP 249 TRANSCRIPT

**Steve Skrovan:** Welcome to the Ralph Nader radio hour. My name is Steve Skrovan, David Feldman is out today but will be back next week. But we still have the man of the hour, Ralph Nader. Hello, Ralph.

**Ralph Nader:** Hello, Steve.

**Steve Skrovan:** We have a great show again today. I know I say that every week, but I don't know; we keep topping ourselves, and even though we call attention to a lot of problems on this program we also like to couple that with solutions. For instance, last week we spoke to environmentalist Paul Hawken about how to reverse global warming, not mitigate it, but reverse it, and today we continue in that vein. This time, we venture back into the digital realm and its overwhelming influence in our day-to-day lives. Our first guest today is one of the leading thinkers on the subject of the digital revolution. His name is Andrew Keen, and he has written a book called How to Fix the Future. The Industrial Revolution went through a reformation in the 20th century in terms of trying to get a handle on things like air and water pollution, and working conditions, and all the harms to the human body and the planet that our industrial society was causing. Obviously that fight is ongoing, especially in the wake of the deregulation of the Trump area. And Ralph's work was a big part of that reformation. Mr. Keen argues that we need a similar reformation to get a handle on the Digital Revolution, and he has ideas on how to go about that. That will be the bulk of the program, but we are also going to take a little time at the end to celebrate the 30th anniversary of a solution that has saved California consumers \$154 billion. It's the 30th anniversary of the passing of Prop 103 in California, which was a tremendous victory for a grassroots movement over the power of the insurance industry. The result is that the California drivers used to pay 36% more in auto insurance than the national average, now pay 5% less. We will be celebrating that story with Robert Hunter and talking about a few other things with him also. He is the Director of Insurance at the Consumer Federation of America. And it wouldn't be a show if we didn't step out for a minute to check in with our Corporate Crime Reporter Russell Mokhiber. Big ambitious program today, and let's start by fixing the future. Andrew Keen is one of the world's best known and controversial commentators on the digital revolution. He's the author of four books, [The] Cult of the Amateur, Digital Vertigo, The Internet Is Not the Answer, and his latest book How to Fix the Future. Mr. Keen is Executive Director of the Silicon Valley innovation salon FutureCast, and the host of "Keen On" a popular TechCrunch chat show and in 2015 he was named one of the 100 most connected men by GQ Magazine. Welcome to the Ralph Nader Radio Hour, Andrew Keen.

**Andrew Keen:** Thank you so much.

**Ralph Nader:** Thank you indeed Andrew. Before we get into your book, and talk about things that people really are interested in about how to fix things, you wrote this book in 2015 The Internet Is Not the Answer where you outlined the damaging economic social, political, and cultural effects the digital revolution has had over the last 20 years, saying that it's making our world more unequal and more unstable, which is opposite of what Mark Zuckerberg and others are saying, in Silicon Valley. Do you still believe that three years later?

**Andrew Keen:** Absolutely. I think when I wrote the book, I was probably in a minority of people making that kind of observation, but today I think most people would agree with me that it's becoming

increasingly self-evident. I mean in 2012 I wrote a book called *Digital Vertigo*, which argued that Facebook wasn't a social network; it was actually an anti-social network. And again these things are now, I think, universally accepted.

**Ralph Nader:** Well your book *How to Fix the Future* covers such a massive amount of territory that I'm sorry I have to pick and choose what we're going to discuss. But I do want to give you a chance to go over about five categories of how to fix it. And you say you call them "five key tools." One is competitive innovation, second is consumer choice, third is regulation, fourth is social responsibility, and fifth is education. And let's go for regulation. You have stated outright what might be a real taboo in Silicon Valley, and you said there can be no innovation without regulation. Can you explain that?

**Andrew Keen:** Let me begin with a caveat: that I don't think regulation alone works. So, I think whilst I am strongly in favor of regulation, it can only work with the other four categories. But certainly the best kind of regulation stimulates innovation. The purpose of government regulation is to make a more level playing field. The problem in our digital economy at the moment is the playing field is anything but level. We have a handful of companies, four or five companies now, that are the most powerful, the most highly capitalized companies in the world, and they control everything. And so, if you're a start-up entrepreneur in Silicon Valley, and you want to start a new social network, or a search engine, or an online store, there's no way you're going to have any success because those spaces are dominated by these multibillion dollar, trillion-dollar leviathans who use every means--legal and sometimes illegal--to crush their opposition.

**Ralph Nader:** Name the companies Andrew. Name the companies.

**Andrew Keen:** Well you know who they are Ralph, it's obvious. Google is the dominant search company. Amazon is the dominant online commerce company as well as the sort of infrastructure provider. Facebook is the dominant social network. Apple is increasingly powerful, again another trillion-dollar company. Microsoft has experienced this kind of interesting renaissance over the last few years. But Apple and Amazon--I don't think they're trillion-dollar companies quite at the moment, because of the stock market situation--but they were earlier this year the first trillion-dollar companies. There's nothing wrong with having trillion-dollar companies in itself. I'm certainly not against the market, and I'm not against ... these companies are in some ways innovative as some people would argue. They've sort of innovated at scale. And what Apple has done is remarkable. What Amazon and Google has done is also remarkable. The problem is that when they use their monopolistic power to illegally strengthen other markets, they're crushing real innovation. So, the purpose of real regulation, whether it's coming from Europe, which it mostly is from someone like Margaret Vestager at the EU, is to provide the conditions for fair competition. And that's what she's doing, for example, in investigating Google on three antitrust fronts. That's what she's doing when she fines Apple \$12 billion for not paying its taxes. That's what she's doing when she fines Facebook for not being accountable for the kind of garbage and racism and lies that get published on its platform. So, she's not picking on these companies; she's not picking on capitalism or the free market. She's simply trying to establish a fairer playing field. And for my book I actually interviewed Vestager, who I think is the great hero, or perhaps I should say heroine in this situation. She's told me repeatedly her goal is not crushing American companies, or crushing innovation, or the digital economy. What she wants to do is provide the kind of level playing field to enable start-up entrepreneurs, particularly in Europe, to compete with these countries.

**Ralph Nader:** You know, our country used to be number one in antitrust enforcement, and we pioneered antitrust. The European Union is a latecomer. Why isn't Washington picking it up? After all, these are US companies.

**Andrew Keen:** Well, Ralph, you know the answer to that question better than I do. I think there's a bigger - a meta-explanation - which reflects this dysfunctionality of American politics, and government particularly in the context of lobbying, and the kind of money being spent in Washington by these digital superpowers. They now, companies like Google and Apple outspend General Electric. They outspend Exxon; they outspend any of the other corporate monoliths. So, the system is broken. Clearly, when you have huge amount of profitability as these digital companies do, they can buy congressmen and they can buy Congress, and I think there's another problem as well. There's still this kind of illusion, particularly unfortunately amongst progressives, that somehow the digital economy is better than the analogue economy. Somehow these companies can be rich and good at the same time. That was the delusion, the lie essentially, that I think many founders in Silicon Valley told perhaps themselves, or certainly the world, that they could be different. That's why their IPOs [initial public offerings] were different. That's why their marketing is so different from traditional corporate companies, but these are still for-profit companies whose bottom line is focused on making themselves more profitable. And I think one of the things that happened--particularly it's easy to blame Trump, but we can't blame Trump for everything. I think one of the things that happened under the Obama administration is that Obama himself was seduced by the promise of Silicon Valley, by the supposed new business models of Silicon Valley. When you look at the White House logs, the person who visited Obama outside his family and small group of advisors, more than anyone else, was Eric Schmidt, who at the time was the CEO and then the Executive Chairman of Google. So, I think Obama fell under the gaze--that he was seduced by the promise of Silicon Valley, by the money, by the kind of liberal ideology of the valley, and so in many ways he turned a blind eye, and he filled his administration with ex-Google people. So, I think Obama, whilst I'm a big admirer of him in many ways, has much to answer for in his failure to address the antitrust issue, and to seriously question why these companies were so powerful, and why they were crushing real innovation.

**Ralph Nader:** We're talking with Andrew Keen, the author of *How to Fix the Future*. Andrew, in the last few months, the congressional committees have interrogated the CEO of Facebook and the CEO of Google who reluctantly came to Congress. They resisted and delayed for months, and some of the questioning was pretty sharp and pretty tough. Google by the way, to fortify your point, has reached 200 full-time lobbyists swarming over Capitol Hill mostly--two hundred! What do you think of the quality of the questions? How much of the genesis of these questions comes from just lack of knowledge, and awe, and how much comes from fear of the power of these companies?

**Andrew Keen:** Well I think it's easy to criticize politicians for being out of touch, and that's something that people in Silicon Valley do all the time. These politicians don't get digital; they're out of touch; they don't understand the way the new economy works. There's probably some truth to that, but there are people in Congress who get it, and I think that these questions are beginning to address the core issue at the heart of the digital economy, or at least the heart of a digital economy dominated by companies like Google and Facebook, which relates to their business model. I think their business model is profoundly structurally flawed. When you give your product away for free, and when you're a data company, and when you can learn more and more about your users from where they search, or what they post then in this so-called "free" model, we're essentially trading our privacy in ourselves for free search or free

social networking. And I think that this reality is beginning to become self-evident in and outside Washington DC, that the business model doesn't work. You have to pay for your products, and if you pay for your products then you can guarantee security. You can't have it both ways. You can't have free products, and then get everything you want. So, again, I think it's easy to bash these companies. It's easy to bash digitally illiterate politicians, but I think consumers or citizens have something to answer for too. We're all in it together.

**Ralph Nader:** Well speaking of consumers, one of your tools in terms of *How to Fix the Future* is what you call consumer choice, and then another one is social responsibility, and listeners should know that Andrew Keen traveled all over the world here to write this book. He met with innovators, experts, entrepreneurs, people who were doing things in other countries that we should consider emulating. So, let's take consumer choice and the other category, social responsibility.

**Andrew Keen:** Well I was actually rather inspired by your book, and your work on the car industry, because I think where history may not repeat itself, but as Mark Twain said it rhymes. Back in the middle of the '60s of course, the American car industry was dominant. There was no really Japanese, or German car industry, at least globally. And the American car industry became arrogant and indifferent to the needs of their consumers. So, as you pointed out in your book, *Unsafe at Any Speed*, they produced death traps on wheels. And, it took you, as a sort of socially responsible journalist and lawyer, to reveal this. So, I think you are an example of what needs to be done in terms of the digital economy from the point of view of journalists and lawyers. But it also took consumers to wake up to this, and they did, and they read your book; it was a best seller. And that enabled the rise of Japanese and German car industries, which focused much more on security, much more on safety. We're seeing this now, I think. Consumers are beginning to wake up to the reality of Facebook--to the way in which Facebook is corroding our democracy; the way in which Facebook has become essentially Big Brother and is watching everything we do. And we're seeing, particularly with younger people, a movement to leave Facebook--to emancipate ourselves from it. Consumers need to be more aggressive in the way in which they understand their use of these products. They need to read the terms of service, and they need to understand that if something is for free, and they're not paying for it, then ultimately probably they're the ones who are paying, particular in the data economy. So, I think we can look at history, whether it's in the car industry, or another example I use is the food industry, where consumers need to be more demanding, and they have to be willing to pay as well. They can't have everything. The problem I think, in a kind of wannabe magical capitalist system, is consumers want to have everything—that they can have stuff for free, and that stuff should be really good. We pay for our cars. We pay for our rent. We pay for our clothing. And we should pay for our online services. And I think one of the interesting ways to regulate this economy is to pass laws suggesting that these products shouldn't be free. It's a rather surreal idea. The companies should be forced to get consumers to pay for their products, because in our incredibly complex digital economy, it's the only way to clarify the relationship between consumer and producer.

**Ralph Nader:** Well should these companies pay for the personal data that the people in this country, and around the world, are giving them free, so they can sell it to advertisers? Should it be two-way there--that they charge for their services to us, but we charge them for their data?

**Andrew Keen:** That's the kind of—not that you're a libertarian, but I think that's the libertarian Silicon Valley model: is that we can all sell our data, so we can charge Google every time they know something

about us. I prefer the European model. What the Europeans are pioneering is something called the General Data Protection Regulation [GDPR], which is a fairly complex body of regulation that came out earlier this year that enables consumers to sort of carry their data around with them. The question is not so much the commercial exchange of data, but who has access to it--who owns it. The problem when I use Google or Facebook is when they know something about me, I can never get that knowledge back. That knowledge should be limited. So okay, so maybe I'll use Google for a few months, and then they'll know something about me. But after, say three to six months, that data should go away. Why do they have, it seems at least, eternal rights to my data and my online behavior? So, I think we need to re-architect the equation between companies and individuals in terms of the ownership of data. And once again, that only comes through government, because when you listen to a Facebook or a Google [or] if you have someone like from one of these companies on your show, they'll say. "Oh, we don't really own your data; we don't really sell your data." But if you say, "Well, what do you really do?" you would be mystified. They do sell our data, and they do unfortunately own that data. So, we need regulation, particularly something like the GDPR, which interestingly enough now is inspiring some people in Washington to say, "Well, we need a general data protection regulation in the US as well." So, the old idea is Europe always lags behind; the US is always advanced. But Ralph, as you know that's certainly not the case when it comes to real innovation or regulation. And I think it's Europe on the digital front leading the US; US catching up, learning from what's happening in Europe.

**Ralph Nader:** There's little doubt of that. You know, I was intrigued on page 257 in your book you talk about technological unemployment, and how Uber is driving; you know once they get where they want, they're going to be unemploying a lot of people, and right across the board--I mean all this technology, robotics, automation. But then a critic of your statement would say, "Wait a minute Andrew Keen, the latest unemployment data shows that we're down to 3.5% unemployment. And there's never been more technology and never been more automation." Beyond that, we just heard that there's seven and a half million job offerings for the six and a half million unemployed people, although they don't talk about the workers who have dropped out and are not considered unemployed. And the critic may say, "It's just not happening; they keep warning every decade, the robots, the automated supply chains, all this is going to unemploy all kinds of people. There's a huge demand for truck drivers that is not being met now, according to the trucking industry. They can't find enough truck drivers." What do you say about all that?

**Andrew Keen:** It's really an important question. It's probably the most important question of the 21st-century. I would respond in two ways. Firstly, that criticism is in some ways fair. I mean - let's face it - unemployment rates are down. And if you want a job, or at least you want a part time job, you can find - it as long as presumably you don't have the criminal record, which is another subject. What I would say in terms of today's architecture of the digital economy, and this is something I dealt with in *The Internet Is Not the Answer*, is we're creating a new class--the precariat--people who are precariously employed. So, the problem with companies like Uber is that they're not willing to make the commitment--the Social Security commitment, the emotional commitment to employment that traditional industrial companies gave. So, you can drive for Uber, and anyone can drive for Uber, but you have no security, you have no pension, you have no health care or insurance in case you crash your car. And the reality of the Uber employment situation of this new precariat - whether you're driving for Uber, or you're renting your spare room out on Airbnb - is it's creating this new underclass, a precariat that according to much research, that the typical Uber driving, when you add up the cost of the car, and the insurance, and gas,

they're actually earning less than the minimum wage. And we know what Airbnb is doing to our cities. It's compounding the gentrification and the profound inequalities. Indeed, in some European cities like Barcelona, Airbnb rentals are banned from the city because of the social damage it's doing. So, that's the first problem. The question isn't so much employment, but the kind of employment in this new architecture of this precariat economy that's emerging that again, is compounding the inequalities of our early 21st-century to make it very much like the mid-19th -century in the early age of the Industrial Revolution. So, that's my first point. The second point is a longer-term observation. Now, as the economists will remind us, in the long term we're all dead. But the AI revolution will be profound. I think that's...

**Ralph Nader:** Artificial intelligence?

**Andrew Keen:** Yeah, so the situation say with driving is you're right, at the moment truck driver companies or Uber and Lyft are all crying out for drivers. But in the next 20, 25 years driving will be automated. It will mean that most trucks and drivers will be driven by robots, by algorithms. And much of the menial labor of our age, whether it's fast food restaurants or driving, will be replaced by the algorithm. Interestingly enough, the same is true of the sort of typical bourgeois professions of law and engineering, and accounting, and medicine. Many of those professions are also going to be replaced by the algorithm. So, in the long term this threat is real. In the long term we have to address what we're going to do in an age where we've created an algorithm that does what we have historically done and done much more efficiently and cheaply. The question is of course really profound on two levels, firstly because of the implications for employment, and secondly if this is indeed the case, and the economy remains oligarchic, and you have a tiny handful of companies controlling it, then the world will be even be more nightmarish than it exists today. This is a huge question. Most economists, or almost all economists agree, that traditional employment is going to be radically disrupted, perhaps even decimated ultimately by the artificial intelligence revolution. And I talked to a number in my book. So, in the long term this is a real threat; in the short term we need to address the inequalities, and injustices of the precariat economy. And in this sense, I have an example, Ralph you'll get this, of a lawyer in Boston who is fighting Uber, who is using the law to make sure that these companies actually look after their employees, because not only is it a moral but a legal responsibility.

**Ralph Nader:** Well you talk about the Universal Basic Income as one of the great solutions. You talk about Rutger Bregman who is one of Europe's leading champions of the Basic Minimum Income, and you also talk about Daniel Straub, who actually put the essence of a Universal Basic Income as a referendum in Switzerland. Do you want to discuss that, because there are a lot of economists now, even conservative economists, including the late Milton Friedman, who said we've got to have a basic income, and never mind parceling out income or welfare here and there, but everybody has got to have a Basic Minimum Income.

**Andrew Keen:** Yeah, this is a really interesting question, Ralph. And I have to admit I'm a tiny bit ambivalent about it. The Universal Basic Income [UBI], as I'm sure your listeners know, is an arrangement where everyone is guaranteed a certain amount of money whether or not they work, whether or not they even look for work. Now in Silicon Valley this idea is increasingly becoming popular because I think most people realize that AI is going to decimate employment. And if people aren't going to be given sort of a minimum amount of money to pay the rent and feed themselves and clothe their families, then they're going to be starving to death, they're going to be homeless, or they're going to be

revolting on the streets. So, there is some persuasiveness in that argument. What I fear though about this UBI arrangement, and I think one of the reasons why it's popular in Silicon Valley, is because it does kind of concretize it, formalizes inequality. The problem in the digital future is that there are going to be some people who are going to be making fortunes as they have been doing, and are we going to allow or sort of institutionalize the emergence of a kind of an underclass that lives on a thousand dollars a month because they're not going to be able to work, and they have no hope of work. So, the Universal Basic Income, I think, is a really interesting question, and I understand the arguments in favor of it. In overall terms though, what I would like to see is a really radical UBI, not \$1,000 a month, but three or four thousand dollars a month that would guarantee a decent quality of life. And in today's political atmosphere, particularly in the US, I'm not sure how realistic that is. The reality is that we're looking still at fairly traditional political solutions to economic disruption, which is really radical, and perhaps in human history, unheard of. The other question of course, or the other challenge in opportunity, is to create work, value, jobs in the digital future, and as I argue particularly in my section on education, we need to focus on the things that the algorithm can't do. So, sure the algorithm may be able to read x-rays, it can add stuff up, it can beat us in chess, and Go. It can drive vehicles, but it can't be empathetic, it can't do these kinds of conversations, it can't be creative. So, the focus in education needs to be not on trying to train our kids to compete with the algorithm but to do stuff that the algorithm can't do.

**Ralph Nader:** You know, you mentioned in your book, the Utopians, Thomas More, and others who basically go right to the core and they say what is life all about. I mean is it about drudgery, and work, regardless of the pay, or is it a broader definition of happiness? It was our second president, John Adams, who once said, - and he's not known for his eloquence - he once said our generation is made up of statesmen and politicians, so our children can become physicians, and scientists so their children can become musicians and artists. Well that has not happened, but you make an important point in your pages on education. We really have to develop creative stimulus for the youngsters, and you talk about 20,000 Montessori Schools all over the world. They happen to be popular among Silicon Valley executives who are parents, and also you talk about the Waldorf School where your own child attended. I know a lot of people have heard of Montessori and Waldorf. Why don't you describe why they are so distinctive especially in a period of technological convulsions.

**Andrew Keen:** Yeah, quick note on Utopia, as you say, I bring up Thomas More's Utopia a book written at the beginning of the 16th century. Many of the issues in More's Utopia of are about employment of meaningful social relations, the political authority, and inequality, and even relations between the sexes is dealt within More's Utopia. So, these aren't new subjects. Sure, the technology is new, but the issues, particularly as they pertain to politics and justice, aren't new as you know. Yeah, the Waldorf education is interesting, and it's particularly ironic that these schools are so popular in Silicon Valley. The old assumption was that to succeed in this new digital economy, you needed to become computer literate. So, the more devices that exist in classrooms, the more kids could get their hands on iPhones and iPads the better. But the Waldorf education is really focused on bringing out the creativity in children. Ironically, early Waldorf education doesn't allow, not only devices in the classrooms, but actually actively discourages kids from using phones and smart pads and computers at home. And it's no coincidence these schools are particular popular in Silicon Valley. Steve Jobs, the genius who invented the iPhone and the iPad, he never allowed those devices in his homes, because he knew the kind of impact it would have on his kids. So, the irony of the future is that the people who will be most empowered will be the analog--those sort of empowered with analog education, those who are

creative, those who have been to alternative schools like the Waldorf school, because their focus, as one of the teachers told me in the book, they're focused on creating the muscle of creativity, and it's that muscle of creativity that can't be replicated by the algorithm. Now in political terms, the challenge is to universalize this kind of education. So, it's all very well of having these private Waldorf schools in Silicon Valley, where the executives of Facebook or Google can send their kids and spend \$25,000 or \$50,000 a year. That only compounds inequality. The challenge is to universalize alternative education systems. My daughter, my 17-year-old, goes to a Waldorf school in Rohnert Park in Northern California. It's an hour north of San Francisco. It's the largest public Waldorf school in the country. It's publicly funded. So, the issue is not just alternative education systems, but making that alternative education system universal and allowing the less privileged access to it. The problem in the digital future is that the privileged understand the problems with this kind of immersion in computer technology. And they're the ones who will pay for their children to be liberated from it. We need to universalize this, and that's why this Waldorf in Rohnert Park, which is called Credo, is such an interesting model.

**Ralph Nader:** What about Montessori? What's the difference? Obviously, there's more Montessori schools in more countries around the world and it was started by Miss Montessori back in more than 100 years ago.

**Andrew Keen:** Yeah, it's interesting. Both were found at the beginning of the 20th century, the Waldorf by a guy called Rudolf Steiner, after the first world war. He was a Viennese philosopher and the Montessori by Maria Montessori, an Italian social reformer. It's not always clear what the difference between Montessori, and Waldorf is, but I think Waldorf focuses most of all on developing the creative talents of children. So, in a Waldorf school, music and singing and drawing are really prioritized, whereas in Montessori schools, problem solving is prioritized. Interestingly enough, the two founders of Google, both brilliant men, Larry Page and Sergey Brin, they both went to Montessori schools independently. They grew up in different parts of the country. I'm not necessarily against Montessori. I think it's an interesting model, but I think the Waldorf model of focusing on creativity, given the nature of our digital economy, is probably the more interesting one.

**Ralph Nader:** I've noted this before, Andrew Keen - we're talking to Andrew Keen, the author of the book *How to Fix the Future*. There's something adverse in American culture, maybe other cultures, when after you talk about the problems, the injustices, the destructive trends, you start talking about solutions, both the media and the public tends to get bored. We have all kinds of problems in this country about voter suppression and we don't talk about other countries that don't have voter suppression. They've got solutions to accurately counting the votes and encouraging people to vote. We've got all kinds of disasters, financial, personal, preventable deaths [and] injuries because of our corrupt, so-called healthcare corporate system, and we don't look to Canada and western Europe that saves a lot of lives, and are much more efficient, and cover everybody where we're still without health insurance for 29 million people and underinsured for even larger numbers of people. What has been the reaction to your solution book? I mean you go right out, right from the beginning, *How to Fix the Future*. Are you getting one-hour studios interviews on NPR, PBS; are you getting other than short reviews, and snippets, and short comments on various programs? What's been the media reaction?

**Andrew Keen:** That's a good question. I think the reaction is very different in Europe to the US. As you know I live in California, although I think many Americans actually think I live in Europe. I spent a lot of my life in Europe, in fact, over the last few months I probably have been in Europe more than the US. In



Germany in particular and in Holland there's very sort of sympathetic take on my book, and the arguments laid out in my book, and the American people are more ambivalent. I don't think we can blame the internet on this, and certainly the internet plays a role in Europe's observation that people aren't interested in solutions. All they want to do is complain and moan about politicians or large companies, but people don't have the patience, the intellectual focus to really say okay, well what are we going to do about it? And that may be the case in our kind of techno-saturated culture. The problem is people always want easy solutions. So, today you will find people who will argue well, the problem with the internet is that it wasn't decentralized; so, we need to re-decentralize it, as if technology is the solution. Some people will say well the solution is transparency. So, it's blockchain, and new technologies like blockchain that guarantee transparency. Other people will say well AI will fix all this. But ultimately these solutions need to be humancentric, and they take time, and I think the problem, particularly America, is people are so impatient, and they're so infatuated with simple, vulgar fixes, which never of course work. We know the way in which Trump plays on this, and as any good student of history realizes is, and I stress this in the book, it takes a generation or two to fix these issues. The Industrial Revolution in the middle of the 19th-century many of the worst consequences weren't fixed for generations when it came to labor issues, the rights of unions, unemployment, social security, and even today with global warming the environmental consequences of the Industrial Revolution have never really been properly addressed. The same is true of the digital revolution. So, we need to be more patient. I think again, the Waldorf kind of education perhaps will create more patience, and certainly in our Google and Facebook culture where we're guaranteed the immediate answers within a millisecond, and we can post and unpost, and tweet and all the rest of it. We are, I think, way too impatient and simplistic in our analysis of the world. I do think it's also important--we need to be a little careful about bashing--I'm always a little bit worried about bashing Americans... well the Americans don't get it, and the Europeans do. To be fair to the Americans, they are the ones with these incredible innovative companies. The problem with Europe is they're very good at regulation, but much less good at innovation.

Ralph Nader: On that note before we conclude, Steve, do you have a comment or question about what Andrew has been talking and writing about around the country and the world?

**Steve Skrovan:** Yes, well I'm curious about, we all know Ralph, you are not in the credit economy and you're not really in the digital economy. You have people who do that kind of thing. Mr. Keen, I was wondering about your own personal relationship to the digital economy. How do you deal with that? How do you protect yourself? What protocols do you put in place for yourself?

**Andrew Keen:** Ah, that's a good question. I'm not like Ralph, actually.

**Steve Skrovan:** Underwood typewriter; that's the two words, all you need to know.

**Andrew Keen:** Yeah. I mostly don't protect myself, but again it comes back to one of the big themes in my book is I'm very wary of free products, so for example, I don't use Gmail. I'm an Apple user and Apple isn't a perfect company either. None of these companies are perfect, but I prefer Apple to Google, because at least I know with Apple I'm paying for the products and they're probably charging ridiculous margins, but they're not taking my data. So, I don't use Gmail. I try to avoid the whole kind of Google, android, Gmail ecosystem. I'm not paranoid about my own privacy. The reality is that I certainly don't do anything illegal, and I don't do anything particularly embarrassing either online, so I'm not particularly worried if people are watching me. I also think we need to depersonalize this. I've written some critical

things, as you've mentioned, my books have been quite critical of the internet. And people say whoa! you use email or you use Amazon or you use Google. And I do, and I think we've got to get beyond this kind of bifurcated atmosphere where either you embrace technology, or you give it up completely and live in a cave.

**Ralph Nader:** Also, the fact that a lot of people feel trapped in this technology doesn't mean that they don't want to get out of the trap, isn't that right?

**Andrew Keen:** Yeah, I mean you need to pick and choose. If there is an overall theme in the book, and this is perhaps a good way of ending this conversation, it's with the theme of human agency. So, you talked, Ralph, about the five tools, which are important in the book, but there's a kind of uber-tool, which connects all the dots in the book, and it's about human agency, and that's why I go back to Moore's Utopia. In fact, I even create a concept around agency that I call Moore's law, not Gordon Moore of Intel, but Thomas Moore. The great challenge of today is arming us with agency--giving us the power to determine our own lives in the face of these massive companies and of these seemingly inevitable technologies. That's the great question of the 21st-century--how to be human and being human means making one's own history. Marx made that point 150 years ago in the Industrial Age. And, it's even more true today because we've invented technology that might indeed even one day think for itself--that might have consciousness. So, what we need to carve out is a place for us where we shape our worlds, whether it's in the choice of technologies we use or the kind of education we have, or how we distribute or don't distribute our data. To me the great question of the age is human agency.

**Ralph Nader:** In fact, you just took the words out of my mouth, different words, which is we need more education for tens of millions of students in the humanities and social studies, history, philosophy, art--the kind of ethical inheritance that we come from, the wisdom of the ancients. People think today they're all irrelevant, but a lot of people hiring in Silicon Valley are saying give me an English major, give me somebody who can think, who can write, who can critique; we don't just want cogs in the wheel. So, on that note, the human agency, thank you very much. We've been talking with Andrew Keen, author of *How to Fix the Future*, a book that you can mull over, read in its entirety, or read chapter by chapter, and start discussing it. Start changing some of the millions of book clubs who focus entirely on fiction to pick up a book like this, because if we don't address the nonfiction Andrew Keen is talking and writing about, we may very well find ourselves in a world of fictional madness. Thank you very much Andrew.

**Andrew Keen:** Thank you Ralph, that was a load of fun. I appreciate it.

**Steve Skrovan:** We've been speaking to Andrew Keen, author of *How to Fix the Future*. We will link to that and more of Mr. Keen's work at [Ralphnaderradiohour.com](http://Ralphnaderradiohour.com). When we come back, we are going to celebrate the 30th anniversary of a proposition that has saved consumers in California over \$154 billion. You're listening to the Ralph Nader Radio Hour; back after this.

**Russell Mokhiber:** From the National Press Building in Washington DC this is your Corporate Crime Reporter "Morning Minute" for Friday December 14, 2018. I'm Russell Mokhiber. Nicholas Kachman worked as an engineer at General Motors for 35 years. During that time, he witnessed what he calls a culture of resistance and failure—resistance to life-saving auto safety and pollution-control regulations that caused the automaker to fail in the marketplace. Kachman is the author of *GM Paint it Red: Inside General Motors' Culture of Failure*. "When I look at the failure of GM, I look at all those great engineers they had", Kachman told Corporate Crime Reporter last week. "You go to school to learn all the

disciplines, and it is all with the goal of solving problems, making things better, improving humanity. GM was paying billions of dollars over the years for those PhDs in math degrees and regular engineers. And GM was telling them [to] develop reasons not to do something. That was one of the greatest reasons why GM went bankrupt. It was a terrible loss of talent and a waste of money.” For the Corporate Crime Reporter, I’m Russell Mokhiber.

**Steve Skrovan:** Thank you Russell, back in 1988 Ralph was part of a grassroots drive, and it was literally a drive--up and down Interstate 5 in California. A small group of citizens faced off against what seemed to be an all-powerful insurance industry and they won, and guess what it didn’t kill the insurance industry either. In fact, I think they’re making more money. Robert Hunter is the Director of Insurance at the Consumer Federation of America. Over the years, Mr. Hunter has held many positions in the field, both public and private, including being the Insurance Commissioner for the State of Texas, being the President and Founder of the National Insurance Consumer Organization, and as an underwriter for Atlantic Mutual and Centennial Insurance companies. Welcome back to the Ralph Nader Radio Hour, Robert Hunter.

**Robert Hunter:** Thank you, nice to be here.

**Ralph Nader:** Yes, indeed and you were also the Federal Insurance Commissioner under President Jerry Ford and President Jimmy Carter.

**Robert Hunter:** Correct.

**Ralph Nader:** So, you’re also a property casualty actuary, and the greatest advocate for consumers who have to buy insurance and spend maybe 12 to 14% of their consumer budget on insurance in the history of the United States. So, this is celebration time. Something happened 30 years ago, Robert Hunter, in California that was called Proposition 103 to be voted on by the voters of California, and you looking back on it said quote, “We have been studying America’s auto insurance markets for years, and California has set the standard for savings, fairness and real competition.” Well, what happened?

**Robert Hunter:** Well, the people voted for the proposition; it became law. We were able to write very tough regulations. The Proposition 103 did two terrific things. It put in a very rigorous regulatory regime where everything was transparent and people could know what was going on and consumers could intervene in rate cases and in other matters and even be funded for that. So, it had a regulatory component, but it also had a very strong pro-consumer component. People have to buy auto insurance, but in every state except California, insurance companies don’t have to sell it. In California, Prop 103 said if a driver is a good driver with a good driving record, you must sell to that driver, and not only that but you must sell at the lowest price of all your companies. If you’re a conglomerate, like Progressive with 20 companies, and in California someone applies, you have to offer the lowest price of those 20 companies to that driver whereas in the rest of the country of course they can be placed anywhere.

**Ralph Nader:** And before Proposition 103, which included installing an elected, not appointed, insurance commissioner in Sacramento, before Proposition 103, California was one of the highest auto insurance priced states in the country—fourth highest. And what is it now?

**Robert Hunter:** Now it’s below the average of the country. We’re in the middle of finishing a report; we’ve released some of the early results. We’ve shown that compared to the trajectory of where the country went with their rates, California drivers have saved \$154 billion over the 30 years by the impact

of Prop 103 in the state. Not only that, but the drivers are getting fairer rates; they have more information. It's been a wonderful result.

**Ralph Nader:** But that isn't what the insurance companies were saying while I and Harvey Rosenfield, and you, and others were campaigning up and down the state of California to get voters to enact Proposition 103. I know our motto was "Proposition 103 is for me", and the insurance companies were threatening to leave California, not sell insurance, quit the state. They poured \$70 million in massive television and radio advertising campaigns predicting chaos, predicting higher insurance rates--all false.

**Robert Hunter:** Right.

**Ralph Nader:** And just because a certain majority of California voters decided to find out what this Prop 103 was all about—who was supporting it, who was opposing it—they went to the polls, they didn't stay home, they voted, and this tiny exertion of political energy by millions of California consumers resulted, in the last 30 years, \$154 billion, with a B, of savings.

**Robert Hunter:** Think of this Ralph. There's one other statistic that we just uncovered. For the minimum required liability insurance in the state, which is what everybody has to buy, so poor people who are particularly hard hit by auto insurance, California's liability insurance premium is more than 5% below what it was in 1989 today. In other words, it's gone down, and I'm not talking about inflation adjusted. I'm talking about if you paid \$ 100 in 1989 you paid about \$94 now.

**Ralph Nader:** Remarkable. Why didn't this record in California spread to other states? I mean 20 other states had the referendum or initial form of government.

**Robert Hunter:** Twenty-six states could do an initiative. It didn't spread right away because first of all the insurance industry filed a bunch of lawsuits to try to kill Prop 103 after it passed. You know, they challenged its constitutionality and it had to go all the way to the Supreme Court of the state, and they had a whole bunch of other lawsuits, and ran around the country telling every state look at those massive lawsuits out there, of course they filed them, and they held off the other states from doing it. But we're beginning to see a change, I think, in the American voting. In this last election there were some populist issues that passed on initiatives, as you know, around the country.

**Ralph Nader:** Well before we get into what kind of insurance investigations the House of Representatives under the Democrats should be engaging in come January, why don't you tell our listeners something about a Christmas gift or a holiday gift they may be getting in terms of a rebate on their electronic, telephone, gas and insurance bills.

**Robert Hunter:** Sure, well I calculated that roughly, auto insurance rates for example, should drop two to five percent because of the tax cut. Auto insurance rates include a provision for what insurance companies have to pay in federal taxes, and that increases the rate that they charge based upon the tax rate before. Now they have had a sudden windfall for profits that Warren Buffet is bragging about how many billions of dollars he's gotten out of the tax breaks. We filed with every state in the union a letter saying you got to immediately start calculating the savings for the people. California did it almost immediately in part because of Prop 103.

**Ralph Nader:** Explain this to our listeners. This is the Trump-driven tax cut that went through Congress last year, and it was heavily geared to cutting taxes on major corporations and the wealthy. So, these

major corporations included your major telephone, electronic, gas and insurance companies, and they have to pass on savings under state regulation, is that correct?

**Robert Hunter:** In my view they have to because the rates on file were calculated using the old tax rate, and so certainly they should go in and adjust for that, and as I said, that could be a few percent at least for auto insurance and more for other kinds of insurance.

**Ralph Nader:** Has this happened yet for any state?

**Robert Hunter:** California did it. That's the only one that I know about. A couple of others have said that they're looking at it, but no one has actually forced companies to make rate filings except California. I believe in some of the other businesses--I don't study them like I do insurance--there have been some. Already quite a few cuts have happened around the country, but insurance the only place where it's certainly happened, is California.

**Ralph Nader:** Well in Connecticut, and we have listeners on the WPKN in Bridgeport, here's the situation. There's been an agreement between the state regulatory agency and the electronic, gas, and telephone companies, I'm told by the community advocate, Charlene Lavoie, that starting next year they're going to start passing on the money. Of course, there's always a dispute how much money they have to pass on based on the tax cut, but the insurance consumer hasn't yet gotten the insurance companies to make a move, and this has been about a year hasn't it?

**Robert Hunter:** It's been months. It's almost a year. Yeah, and I think the only way a commissioner can make it happen is do what California did. Order that they make rate filings to adjust the current rates for that adjustment and of course obviously new rate filings have to include the lower tax rate too.

**Ralph Nader:** Well all the radio stations listening, listeners today, just go to your insurance commissioner, go to your utility regulator, and say okay, what's going on here? California has done it; the Consumer Federation of America's Mark Cooper, can provide you with information listeners on state by state. He's a public interest economist of long standing.

Let's go to the federal level. You opposed the McCarran Ferguson Act that was enacted in the 1940s, which in effect barred the federal government from regulating insurance leaving it to the states. What kind of hearings do you think should be heard on a variety of subjects including the McCarran/Ferguson Act by the new Democratic Party-controlled House of Representatives? They got all kinds of committees, sub-committees, eager staff, budgets, what kind of investigations, category by category, do you think are long overdue?

**Robert Hunter:** Well you mentioned one--the antitrust exemption of the McCarran Ferguson Act. Insurance companies are exempt from federal antitrust law. That's huge, and they still get together, and have their rating bureaus, and have, you know, at least significant parts of the rate, established by rating bureaus, jointly, and all that kind of stuff needs to be exposed. We have Maxine Waters now, will be the Chair of the Financial Services Committee. That's important, because she could hold hearings on Prop 103. She knows Prop 103; she was involved at the time it passed, and she knows how wonderful it's been, and she's been very outspoken. Why doesn't the whole country have a Prop 103 type of system? At least why shouldn't they call the states in, and the insurers in, and ask them why not move in that direction? Why sit back and watch while California has this great success and do nothing?

**Ralph Nader:** What about flood insurance, given global warming, rising seas?

**Robert Hunter:** Yeah, flood insurance, I used to run the flood insurance program, and I had even gotten to the point where I wrote in the New York Times maybe we have to consider getting rid of the flood insurance program because the flood insurance program, in its original design, would have required safe construction once maps were in place, and in effect, but a lot of communities aren't enforcing their maps. Maps are old, and way out of date. FEMA [Federal Emergency Management Agency] has dropped the ball significantly over the decades, and when Hurricane Katrina hit in Mississippi, it hit in Jackson County Mississippi, there were 76 flood insurance maps in place, and people made decisions based upon those--where to build and whether they needed to buy insurance or not. Shortly after the hurricane hit new maps came out. The average map was about 20 years old. The new maps were about 9 feet higher elevations. So, people were building what they thought were safe houses, but they were actually 9 feet too low. And people who felt like they were outside the floodplain--look, I'm 5 feet above the floodplain--were really four feet below the floodplain.

**Ralph Nader:** What would you replace the flood insurance program with?

**Robert Hunter:** Well you'd have to have a long-term process where you either have it go towards the private sector or put it into my view, ultimately what the goal should be is have homeowner insurance policies cover everything, and not have these exceptions for flood, and all these other exceptions that are in home owners' policies. Have all-risk home owner policies so when someone buys a home-owner policy they get covered no matter how the house is hurt. People think they have that when they buy home owners' insurance. They should have that, and the government would still have to enforce the land use, and so on. But the private sector would not do what Congress has done, which is another thing that spoiled the program is Congress came in and said you grandfather everybody into their current rate. So, a new map comes in, and a rate should go up, they don't have to raise the rate. So, that means people are paying way too little; the program is going to lose more and more money. You got to get the program financially fixed so that people are warned. It doesn't do a consumer a lot of good to say look, I get real cheap flood insurance and then have your house destroyed and maybe somebody killed in a flash flood, because you got low rates because the map was wrong or you got low rates because Congress said you can have low rates; we're not going to make people pay the real rates.

**Ralph Nader:** Again, listeners, if you want more information go to the Consumer Federation of America. What's the website on that before we conclude?

**Robert Hunter:** [Consumerfed.org](http://Consumerfed.org).

**Ralph Nader:** [Consumerfed.org](http://Consumerfed.org). Well thank you very much Robert Hunter. Again, your work is spectacular. You showed the power of sheer knowledge and a sense of justice as you campaigned all over the country. You beat me once. You campaigned in 50 states in the 1980s to save the civil justice system and I only got to 48 so I'm in awe.

**Robert Hunter:** I crushed you.

**Ralph Nader:** Thanks very much Bob Hunter. May you have a productive New Year.

**Robert Hunter:** Thank you, you too. Bye.

**Steve Skrovan:** We have been speaking with Robert Hunter who directs the insurance program at the Consumer Federation of America. We will link to the article that lays out the benefits that Prop 103 has bestowed on the consumers of California at [ralphnaderradiohour.com](http://ralphnaderradiohour.com). For those of you listening on the radio we're going to check out here. For you podcast listeners stay tuned with some bonus material we call the "Wrap-Up". Join us next week on the Ralph Nader Radio Hour when we talk about yet another aspect of the healthcare system with clinical professor at Columbia University Fred Hyde. Thank you, Ralph.

**Ralph Nader:** Thank you Steve, thank you Jimmy. Remember listeners, readers think, thinkers read, and then they organize for a functioning democratic society.