# THE NETWORK STATE

## Book by Balaji Srinivasan

**1.** The Internet is to the USA as the Americas were to the UK. Of course, the internet enables the whole thing.

But the manner in which it enables the network state is worth discussing.

Think of the internet as a cloud continent, a sort of digital Atlantis that came down from the heavens sometime around 1991 and has parked itself over the middle of the Pacific Ocean.

Every day, everyone who spends (say) 8 hours online is doing the equivalent of flying up to this cloud from Menlo Park or Tokyo for business or pleasure, and then flying back down.

While there, they see new things, meet new people, and sometimes fight them.

So far, what we've described is much like the settling of the Americas from 1492-1890, but there are at least two key differences.

**2.** Bitcoin constrains legacy states. Bitcoin is the next most important prerequisite for the network state.

As a government of governments, it guarantees the sovereignty of both the individual citizen and the network state itself.

Neither can have their funds stolen by each other, or by a hostile third party.

Bitcoin has also created new fortunes outside the fiat system, demonstrated that institutions as powerful as the Fed can be replaced in a few decades, and pioneered an entirely new way of designing web services in a decentralized manner.

### Excerpts From 5.3.12 What Technological Developments Enable Network States?

**3.** Web3 enables new chains, decentralized identities, and censorship-resistant communities.

With web3, we can set up a blockchain as the backbone of each network state.

This is the community chain that the state-appointed leadership has root over, as a complement to a public chain like Bitcoin or Ethereum that serves as an external check and balance.

We can create decentralized identities similar to ENS and SNS to serve as digital passports for the network state, defining citizenship on the basis of single sign-on access to network state services.

**4.** Remote and Starlink open up the map. The moment something is put on the internet, it becomes remote friendly.

And everything is going on the internet. Moreover, remote doesn't just mean around the corner, it means around the world. Starlink, and satellite broadband more generally, powers up remote further, by making huge swaths of the map newly economically feasible.

Nothing now prevents a sufficiently motivated digital community from setting up their own Burning Man equivalent in the middle of nowhere, except this time for permanent habitation, and with an eye towards incorporating formal towns and and cities.

This complements our earlier point: through the internet, we're reopening the frontier, and making previously godforsaken areas of the map much more attractive.

**5.** Mobile makes us more mobile.

Law is a function of latitude and longitude, so if you can easily change your latitude and longitude, you can change the law under which you live.

That's why the most important long-term consequence of the smartphone is Tiebout sorting.

That is, all of the assumptions in Charles Tiebout's famous paper from the 50s become feasible with sufficiently advanced phones.

With digital nomad search engines like 'teleport.org' and 'nomadlist.com', some people can choose who they want, while others move where they like.

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