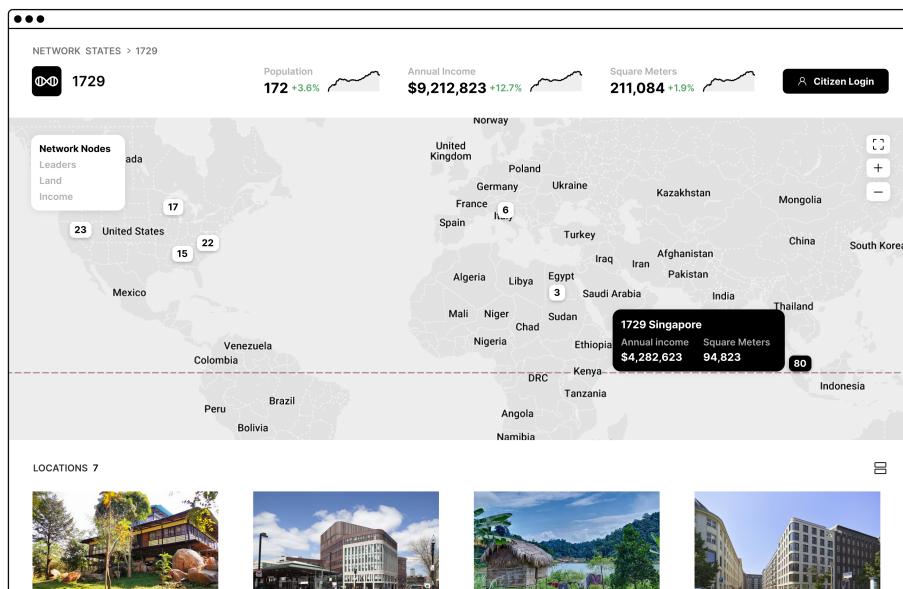


## The Network State

A proposition is not a nation, though it can become one. Here we describe a peaceful, reproducible process for turning an online community premised on a proposition into a physical state with a virtual capital: a *network state*, the sequel to the nation state.

A network state is a social network with a recognized founder, an integrated cryptocurrency, a definite purpose, a sense of national consciousness, and a plan to crowdfund territory. The state formation process begins with a *founding influencer*, who organizes the online community that eventually buys land in the physical world. Crucially, that land is not necessarily **contiguous**. In fact, by default, it's distributed all over the world.

To understand what a network state looks like, and how it differs from a traditional nation state, take a look at Figure 1. As this dashboard shows, a network state is composed of *network nodes*, each of which represents a group of digital netizens who have chosen to live together in the physical world.



**Figure 1:** The Network State, visualized as a dashboard. Each dot represents a network node.

The dashboard also demonstrates a key property of the network state: quantified growth. The series of snapshots in Figures 2–8 shows how the network state formation process can begin with a single founding influencer and scale to a million person physical community. The Network State founder's task is as simple (and as difficult) as recruiting a community online that is capable of crowdfunding and coliving in land around the world.

Essentially, just like a tech company or a social network, the network state provides a smooth path from a single person with a computer and no other resources to a million person



**Figure 2:** The Network State at its founding, with 1 person.

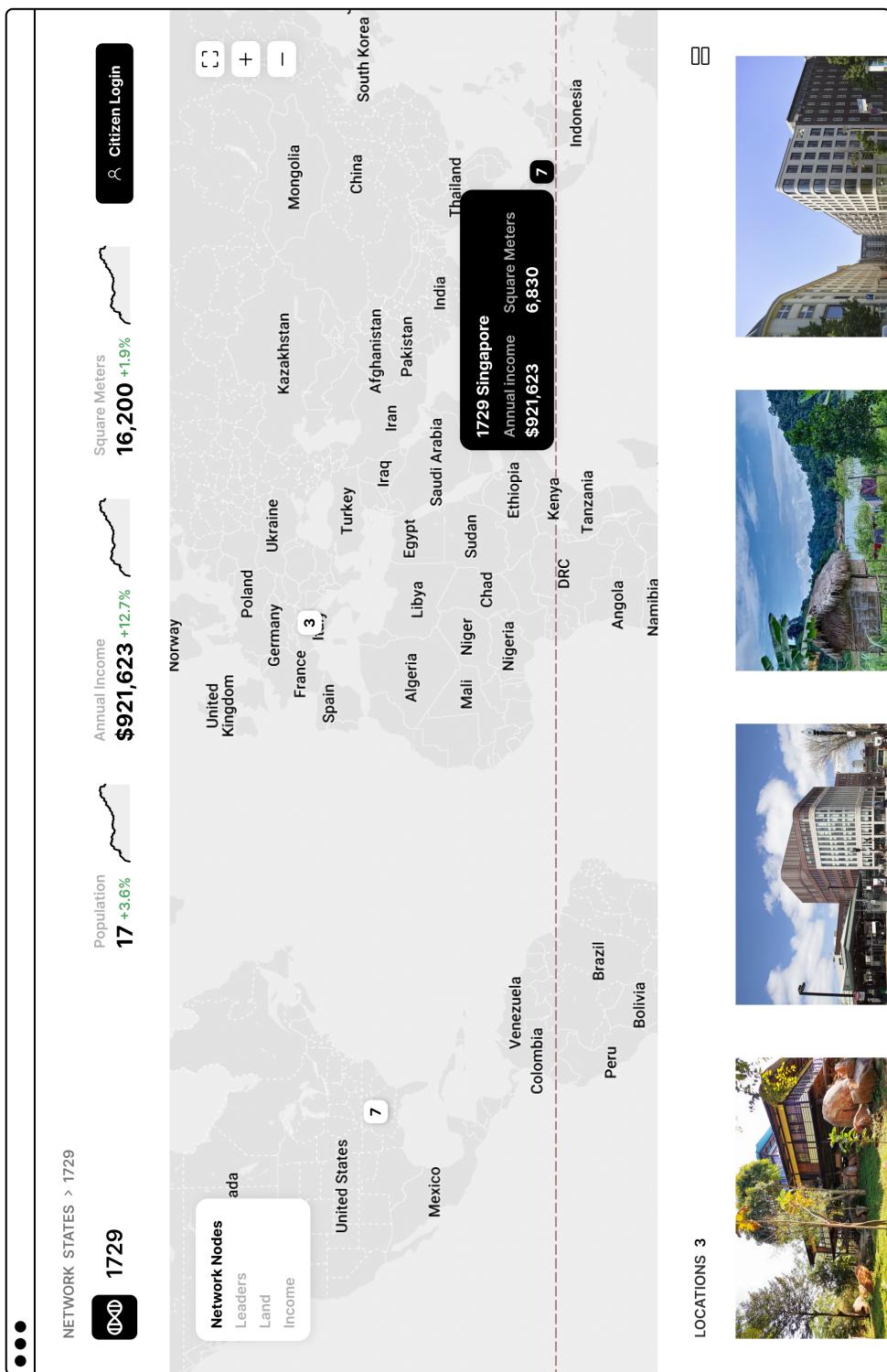
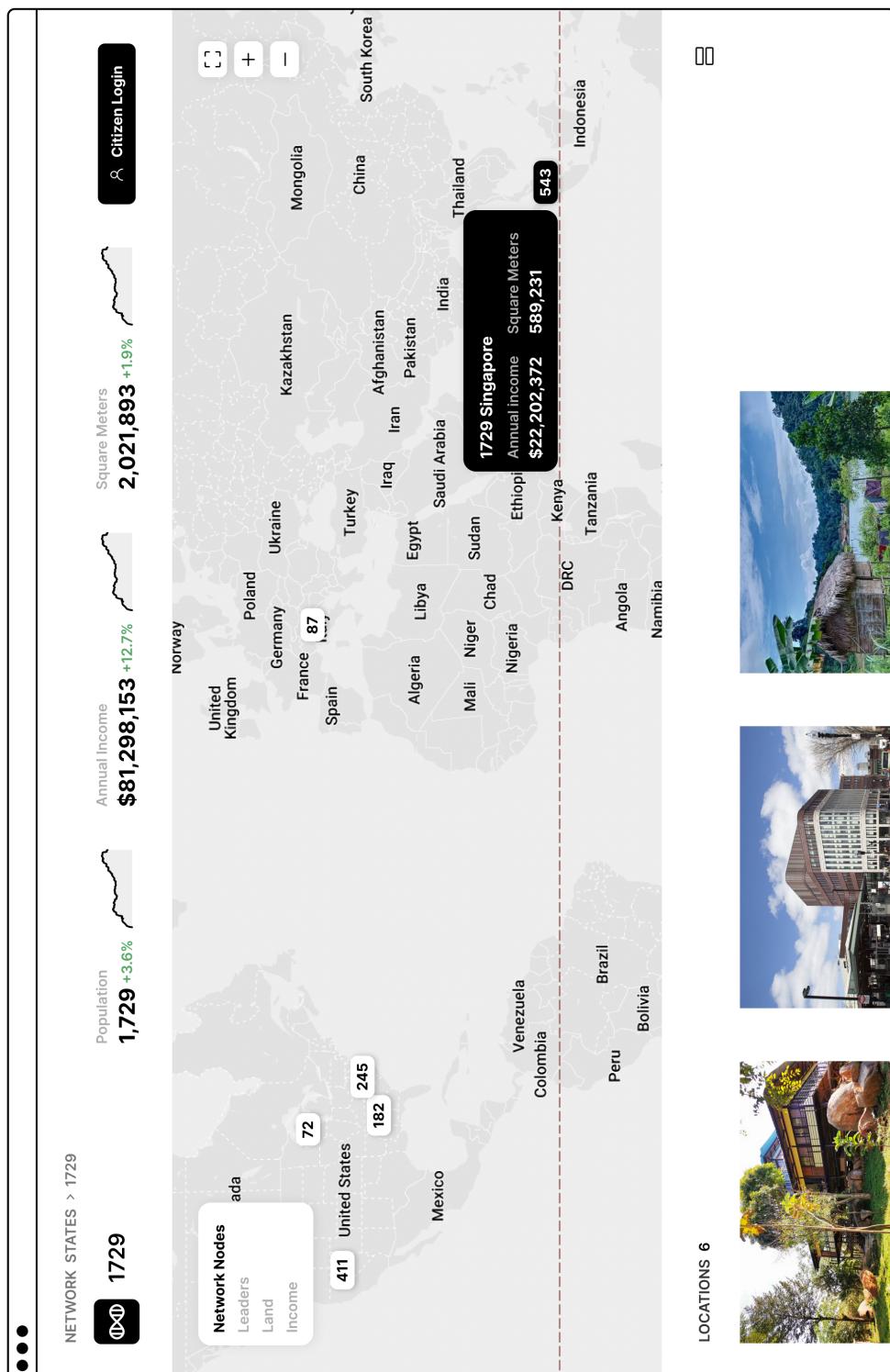


Figure 3: The Network State at  $\sim 10$  people.



**Figure 4:** The Network State at  $\sim 100$  people.

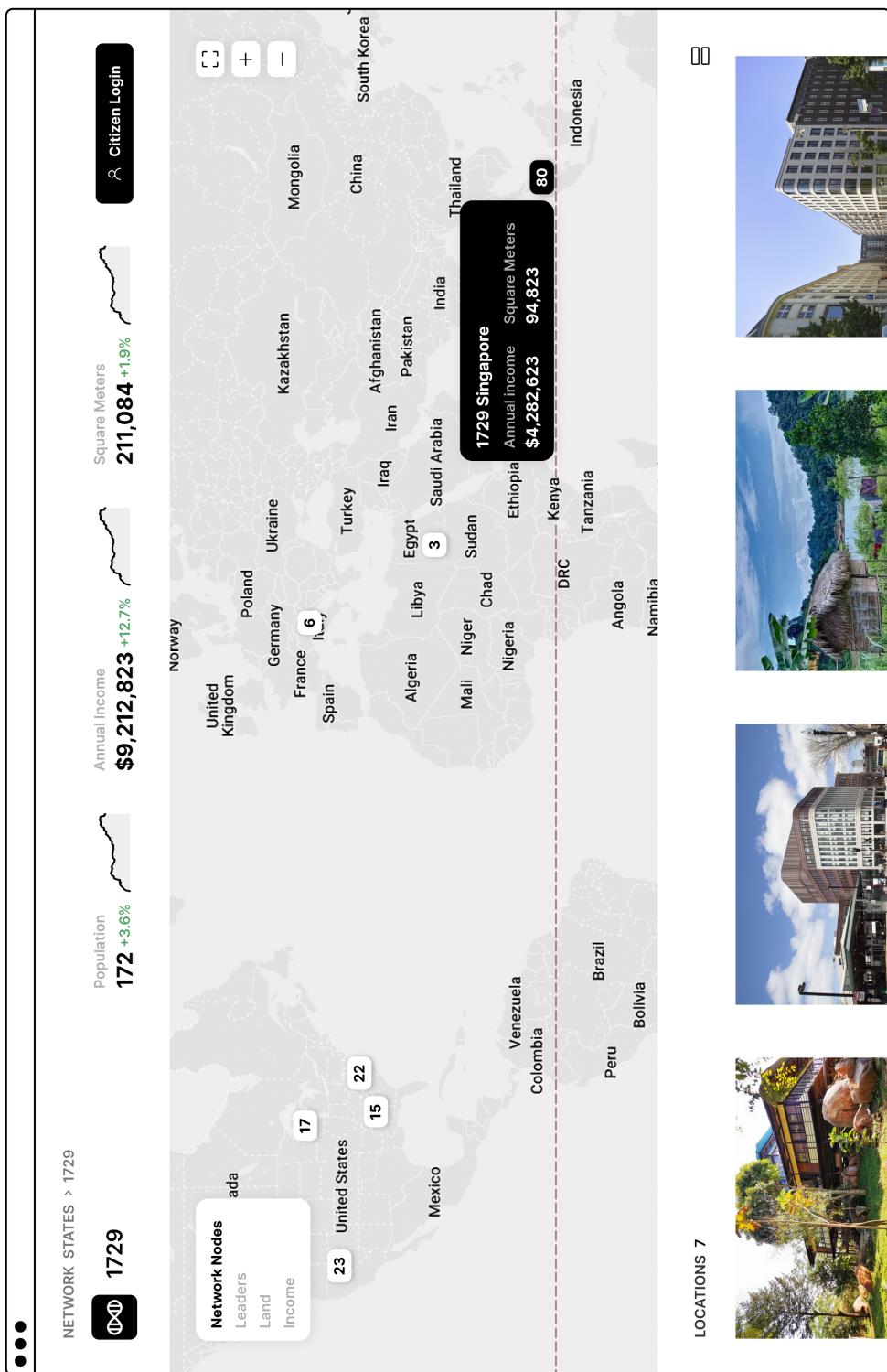


Figure 5: The Network State at ~1,000 people.



**Figure 6:** *The Network State at  $\sim 10,000$  people.*

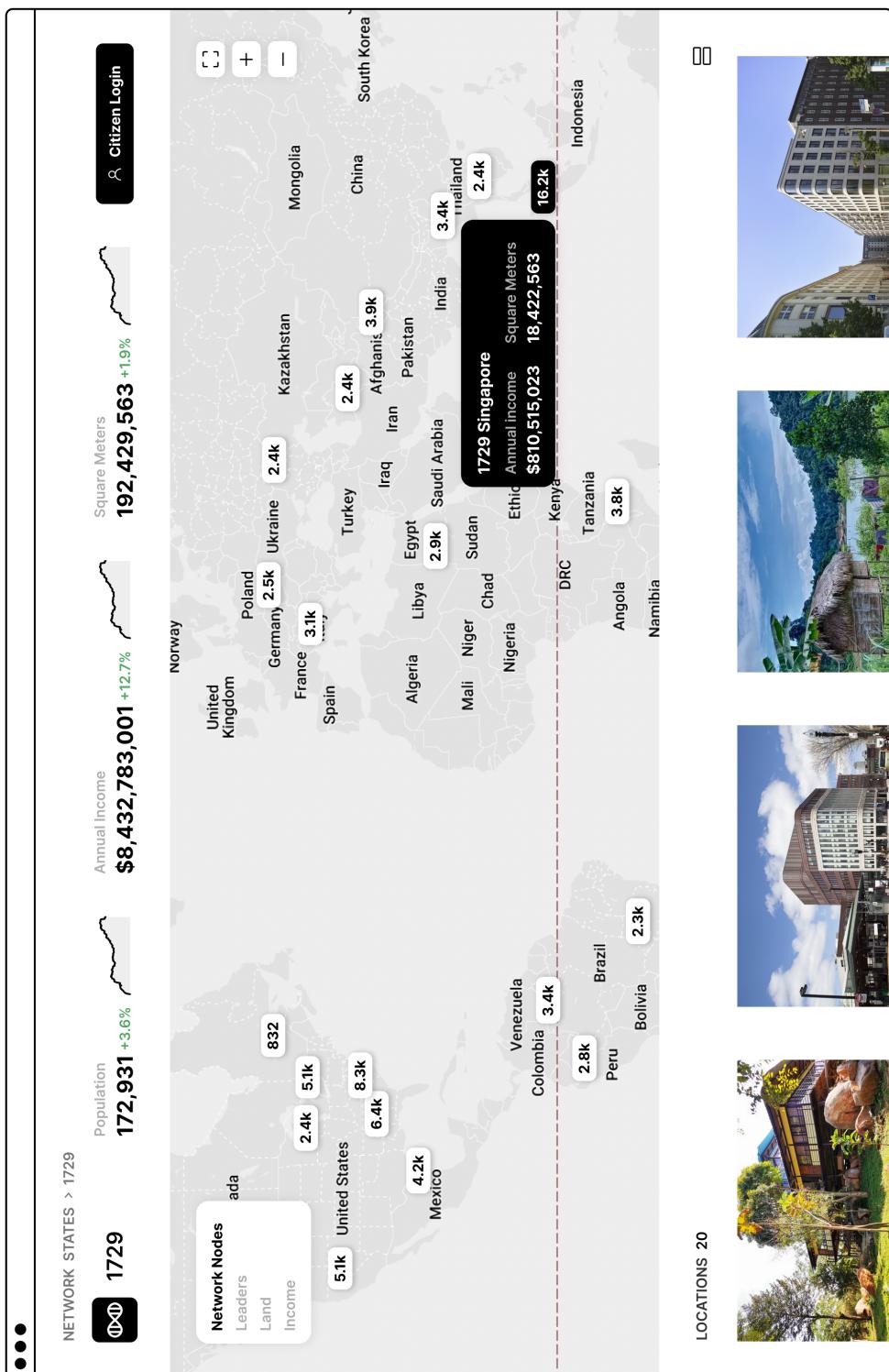
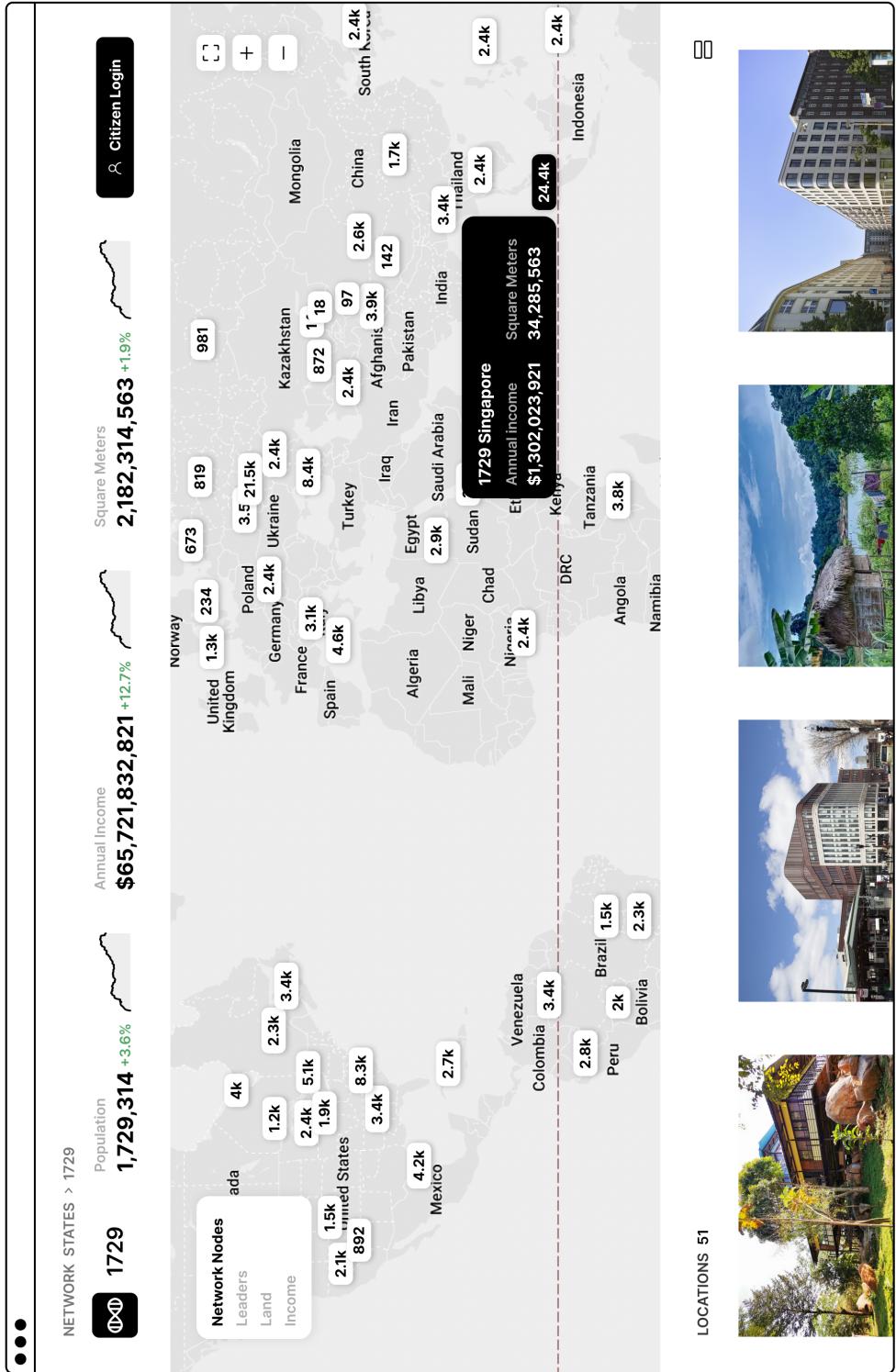


Figure 7: The Network State at  $\sim 100,000$  people.



**Figure 8:** The Network State at  $\sim 1,000,000$  people.

global network. The difference is that a network state is more ambitious. It's meant to start on the internet and become a peer to sovereign countries, just like Bitcoin started on the internet and became a peer to sovereign currencies.

Something of that scale has many facets. We can variously think of the network state as an archipelago of interconnected enclaves, a country you can start from your computer, a group defined by geodesic over geographic distance, a city-state in the cloud, a territory one can acquire but not conquer, a union of sovereign collectives, a band that defends cloud before land, a community aligned around cryptographic consensus, a state that recruits like a startup, a body based on math above science, a list of citizen journalists, a culture of crypto creators, a civilization that values digital civility, an organization of optimalists, an asymptotically automated administration, a ROC-based realtime regulator, a citizenry centered on single sign-on, a polity that prizes choice alongside voice, a 100% democracy instead of a mere 51% democracy, a society funded by subscription and seigniorage, and a nation built from the internet rather than disrupted by it.

Whew! That's quite a list. Each of these brief definitions illuminates a different aspect of the network state. Let's go through each of them in turn.

## An Archipelago of Interconnected Enclaves

Why might the distributed, discontiguous state shown in Figure 1 even be workable? As motivation, start by looking at the nation states of [Southeast Asia](#) on a map (Figure 9).

Several of these countries are clusters of islands separated by ocean. The obvious mapping of one island per entity doesn't apply. The boundaries aren't even close to clean [convex sets](#). And there are many pieces of Indonesia that are closer to, say, Malaysia than to other pieces of Indonesia.

Still, on top of this messy geography people have nevertheless superimposed the conceptual *abstraction* of nation states. The people within the geographic boundaries of a nation state as delimited on a map are subject to the same laws. If they are citizens, they may have [logins](#) on the same government services. And for the purposes of forming contracts or adjudicating disputes, this jurisdictional proximity takes precedence over mere geographical proximity.

That is, whether two people are citizens of the same *abstract* nation state is often more material than whether two people are just *physically* close to one another. A given Indonesian may be physically closer to a given Malaysian than to another Indonesian 100 miles away, but the Indonesian state binds the two Indonesians together through a common set of laws, a common currency, a common school system, a common military, a common flag, and so on. The abstract - might we say the *virtual*? - dominates the concrete, the physical.

What if we extended this concept? What if those islands were separated not by the ocean, but by the internet — and scattered all around the world? That's a glimpse of what a network state looks like. Contemporary precedents include coworking communities, crypto meetups, and the offices of large tech companies like [Google](#): globally distributed, networked real estate gated by the [common login](#) of a corporate account.

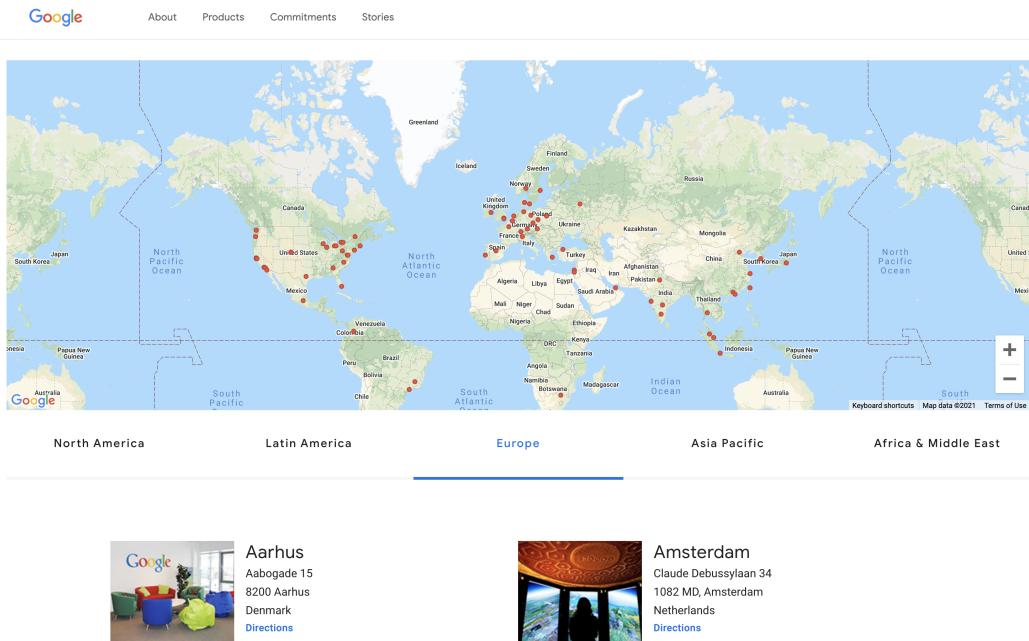
One difference<sup>1</sup> is that while Google's real estate is mainly restricted to office and datacenter space, a network state's footprint includes community-owned residential *and* commercial real estate. Each piece around the world is connected to a community with its center on the internet, forming an archipelago of interconnected enclaves.

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<sup>1</sup>Another difference is that the people of the network state wouldn't have a single employer like Google. There would be as many different sources of income as there were network state citizens.



**Figure 9:** The country of Indonesia is a set of islands separated by the ocean. What if we had a country of islands separated by the internet?



**Figure 10:** Google owns a network of commercial real estate worldwide. What if a community the size of Google owned residential real estate too?

That word - *enclave* - is worth underlining. An enclave is a state that is fully landlocked, surrounded by other states on all sides without access to the ocean. The key observation is that the *internet increases the value of networked enclaves*, of globally distributed pieces of territory that aren't physically contiguous.

Why? When you visualize a map of the nation states of the world, you realize that individual enclaves aren't very common anymore. That's because during the rise of the modern Westphalian nation state, enclaves became far less viable. Once cartography advanced to the point that maps were widely distributed and territory became legible, once it became technologically feasible to first define something as abstract<sup>2</sup> as a national border and then to enforce it, the people within an enclave found themselves at a disadvantage. They needed to gain right of passage from the enclosing state to trade or travel to other locales. Over time, it became easier for enclaves to simply *merge* with their enclosing state, rather than be cut off from the world.

Note that an entity like Portugal with access to the ocean is not considered an enclave, even if it appears otherwise enclosed. Why? *Because the ocean was the first peer-to-peer network.*

<sup>2</sup>Some national borders are more like natural borders, in the sense that they track geographical, religious, or linguistic differences. For example, the nation state of the UK and that of France are divided by the English Channel, a geographical delimiter. The UK also includes Northern Ireland, which roughly maps to the religious boundary of Protestant vs Catholic. The internal divisions of the UK into England, Wales, and Scotland map to historical linguistic boundaries. Finally, the UK itself is responsible for much more artificial boundaries that map to neither geography, nor religion, nor language, such as the vertical and horizontal colonial lines that divide up Africa. This is a classic example of "Seeing Like a State", because those lines are clean on a map but cut right through historical ethnic and linguistic groups, resulting in weak states that don't reflect one historical people at the time of state formation. Of course, over time, these social constructs can start influencing language and genetics; for example, it's usually easier to marry someone within your nation state than outside it. Still, this is a good example of an artificial national boundary.

The modern nation state of Portugal can send ships to Portuguese-speaking regions like Brazil or Macau without going overland through the modern nation state of Spain. Spain cannot prevent Portugal from doing so as interdicting ocean travel is much harder than interdicting overland travel. So in a sense, Portugal was *networked* to other territories by the ocean.

What the internet does is put a port (in the digital sense) on every device, so it can connect to each other just as the ports (in the oceanic sense) of every maritime power connected its territories together. That port-to-port connection opens the door for the network state, increasing the value of an archipelago of interconnected enclaves.

## A Country You Can Start From Your Computer

### The Improbability of Starting a Currency

In 2008, if you'd walked into the office of a conventional investor and said that you wanted to found a new currency from your computer, you'd have gotten stares and guffaws.

What are you going to do, petition the IMF? The World Bank? Oh, and your imaginary internet money is going to be decentralized, and deflationary, huh? You do know that Paul Krugman proved that deflation could never work, that it'd cause liquidity traps, and even if your crazy scheme did it'd be shut down by the government immediately. Take a look at an Econ 101 textbook, and get out of my office.

Of course, Satoshi Nakamoto managed to create Bitcoin without any investment at all<sup>3</sup>. But this is roughly the reaction you'd get today if you expressed a serious interest in starting a new country. And in fairness, while of course new countries *have* been started at various points in history, there have also been many half-baked [attempts](#). So rational skepticism is warranted.

### A Path for Founders, and a Path for Citizens

With that in mind, let's suspend disbelief and start from first principles. An important feature of the modern era is that you can boot up a tech company, an online community, or even a cryptocurrency from a laptop. Can we generalize this process of founding beyond companies, communities, and currencies to cities and even countries?

A key concept is to start cloud first, land last - but not land never. That is, start by founding a *community* online and then work on materializing it in the physical world by crowdfunding territory.

Note that not *everyone* need be a founder of a network state. If we think about the current world, anyone can choose to become a founder of a company, community, or currency at any time, thereby taking on the [immense stress](#) and risk of trying to build something from scratch. Alternatively, they can choose to remain a "citizen" and be gainfully employed by a founder — or by a vehicle that a founder once [created](#), whether that be a tech founder like Larry Page or a founding father like George Washington.

The network state model is similar. There is a path for *founders* of network states and a path for *citizens*. Anyone can switch between these paths at any time, just like you can

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<sup>3</sup>To our best knowledge, of course. But as the saying goes, two men can keep a secret if one man is dead. Given the idiosyncracy of the project and the consistency of the voice, I find it unlikely that Satoshi was venture-backed or a team.

(a) go from being a Google employee to taking on the insanity of founding a company, or (b) transition from founding a company to selling to Google, hanging up the cleats for a time, and enjoying the easy life as an employee.

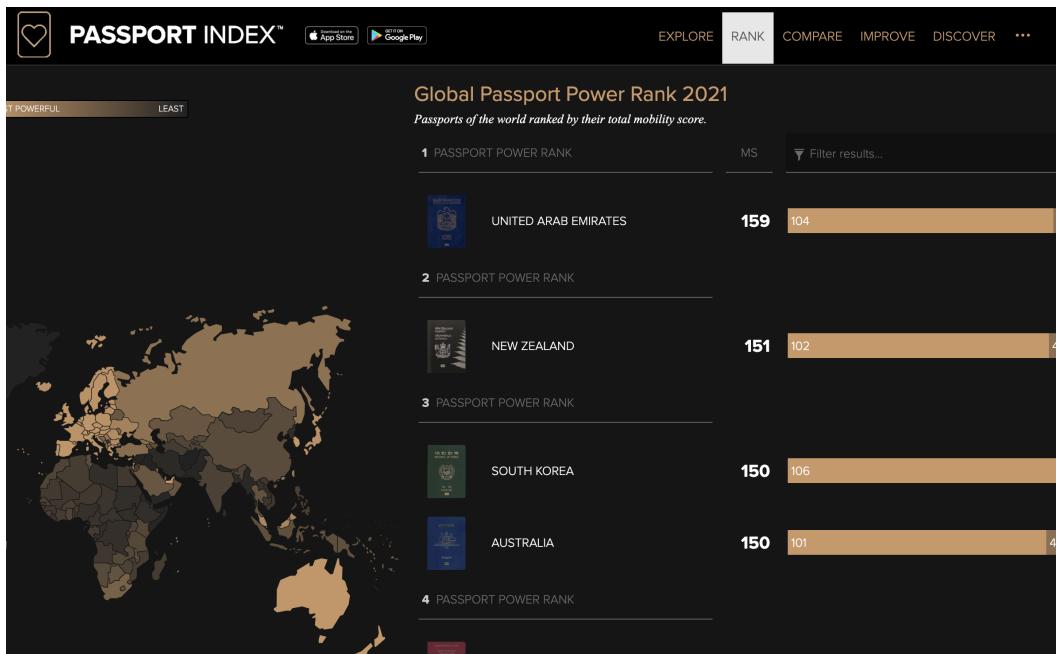
In other words, between any two moments in time, all four of the following [transitions](#) are possible:

1. *Citizen to Founder.* You begin gathering an online community, write up a founding document, create a cryptocurrency, and declare your intent to found a network state. From today's perspective this seems quixotic. But think again about Satoshi Nakamoto's plan to start a new currency in 2009, and how utopian it seemed at the time. If the process of instantiating the first network state meets with success, if this zero-to-one attempt actually works, it will eventually become a template: anyone can start a country from their computer, beginning by building a following.
2. *Founder to Citizen.* You may not want to remain a founder forever. Heavy lies the crown! As we will see, unlike modern nation states, but like [historical ones](#), network states are built for full or partial M&A. So you can actually sell some or all of a network state to another network state, much as a large REIT might sell some of its properties to another REIT. A sale of this kind would transitions the logins of all your citizens to a new system. Or you can shut it down, ideally with some notice, such that your citizens/users have time to switch citizenship over to another network state.
3. *Citizen to Citizen.* You join a network state, and remain a citizen. Or you acquire dual citizenship, or N-th citizenship, in another network state - usually by buying and holding a sufficient amount of that network state's coin, as well as satisfying other requirements like [participation](#) and [civility](#). Different network states may have different reciprocity provisions, just like nation states and social networks do<sup>4</sup>. For example, a US passport allows you to enter some countries, but not others. And Quora allows you to login with Facebook or Google, but not vice versa. Similarly, citizenship in one network state may give partial access to another network state.
4. *Founder to Founder.* You continue running the network state you founded, or you sell or shut it down and start a new one. Perhaps the first such state is focused on quantified self, while the second is on life extension. Just like Evan Williams created Blogger, then Twitter, then Medium - all iterations on a theme, each informed by the previous one - it may be possible for a suitably talented administrator to do the Plymouth Colony, then Boston, then Massachusetts all within one lifetime. It's analogous to an ambitious politician starting as mayor of a city, then governor of a state, and then becoming president of a country. But think of this as the v1, v2, and v3 of communities rather than companies. In this context, the history of mid-1800s American [communes](#) is highly relevant.

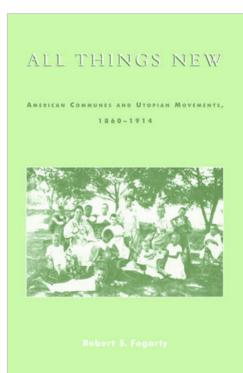
This takes much of the strain off the question of "who will lead a network state"? It's like asking the question of who will be the CEO of a tech company. It could be you. You have the right to try taking on that immense responsibility if you want, when you want, should you want - or to politely demur, as is your wont.

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<sup>4</sup>Think of interoperability between network state citizenship status as being a complex, fruitful ground for innovation -f much like interoperability between blockchains, and based on many of the same concepts given that citizenship is partially predicated on coin possession.



**Figure 11:** *The best passports are those which give maximum access to different countries.*



### All Things New

American Communes and Utopian Movements, 1860-1914  
ROBERT S. FOGARTY

From the seventeenth to the twentieth centuries America has been both a haven for utopian dreamers and a fertile ground for experiments in community. Closely examining the decades from the Civil War to World War I, Robert S. Fogarty provides the first comprehensive study of a neglected chapter in the history of American utopian and communal experiments. Countering the view that utopianism declined dramatically after the 1840s, Fogarty uncovers a wealth of utopian experiments across the United States from 1860 to 1914. He examines some 125 communities and their leaders, ranging from the secular and entrepreneurial to the charismatic and mystical. These engrossing tales of communes gain both authority and vitality from his exhaustive research in primary sources, including newspapers, journals, and letters and from the inclusion of historic photographs of colonists and prophets. Fogarty's arguments reflect recurrent cultural forces in American history, as he defines new territory in the history of utopian and communal movements. This trenchant work, accompanied by its new foreword, offers a fresh perspective on the persistent theme of defining community and self.

Details Author TOC Reviews

**Figure 12:** *Before the communism of the 1900s, many of the American communes of the 1800s were actually profitable and functional.*

## An Abundance of Leaders, Not an Absence Of Them

The concept of empowering *anyone* to transition back and forth from network state founder to citizen as they see fit might seem obvious, but it has a number of important implications.

Among other things, it offers a pragmatic alternative to the three leading ideological positions of the day - Woke Capital (NYT), Communist Capital (CCP), and Crypto Capital (BTC) - as the network state is neither bureaucratic oligarchy nor communist autocracy nor crypto-anarchy.

1. *100% Democracy, not 51% Democracy.* First, when anyone can become a network state founder or switch citizenships, that's not an argument against democracy, it's an argument for *more* of it. It's about more individual input, more consensual government, and more international inclusiveness. Put another way, it's a case for 100% democracy, rather than a mere 51% democracy. Because in the 100% democracy of a network state, all the citizens in a jurisdiction have freely chosen the founder by signing a social smart contract upon entry. By contrast, in the status quo of a 51% democracy we see the barest possible level of democratic assent, and a corresponding grudging reluctance by 49% to bend to coercion by the other 51%. In this sense the network state is an alternative to the bureaucratic oligarchy imposed by NYT in the name of democracy.
2. *Legitimate Leadership, not Communist Dictatorship.* Second, when anyone can become a network state founder, but must attract citizens, that's not an argument against competent leadership. It's an argument for *legitimate* leadership, leadership that citizens have freely chosen, much as they freely work for a CEO or vote for a president. It's leadership without dictatorship: anyone can declare themselves a leader of a network state, and see whether they can build a following, just like they can declare themselves founder of a tech company and see whether they can build a product valuable enough to fund employees. The alternative is the non-consensuality of imposed direction by communist dictatorship, the CCP model, where China's international cities and greatest entrepreneurs are being crushed in the name of making China great on the international stage.
3. *Crypto-Civilization, not Crypto-Anarchy.* Third, when we actively seek founders, rather than reject them on principle, that's not an argument against decentralization, it's an argument for crypto-civilization over crypto-anarchy. It's a recognition that Satoshi was a leader, Washington was a leader, Gandhi was a leader, Lee Kuan Yew was a leader, and Herzl was a leader. And that a stably decentralized world requires an abundance of leaders, not an absence of them, lest a [highly organized](#) centralized empire overwhelm a group of disorganized crypto-anarchists that reject the very concept of leadership.

Thus, at least conceptually, the network state embraces democracy, leadership, and decentralization while avoiding the failure modes of oligarchy, dictatorship, and anarchy. There are no royal titles either; there's no hereditary monarchy, no newspaper nepotists, PRC princelings, or corporate feudalists at the head of things. A leader earns their way to the top, generating enough value for their digital citizens - or seeing them leave for another network state given the ease of exit. And a key to it all is that fluidity of transition: a network state is a country you can start from your computer, so anyone can go from citizen to founder.

## 96% of the World Can't Become President, But 100% Can Found A Network State.

The idea that anyone can become a founder of a network state is a vision of global equality of opportunity. It is the modern version of Jefferson's natural aristocracy. And it's an improvement over America's legitimating myth that "anyone can become president of the United States", which isn't really true, as only ~4% of the world is American and only a subset of those satisfy the age, birth, and residency [requirements](#) to become president.

So long as the US still [rules the world](#), this means that most of the people the US rules cannot themselves rise to rule the US. In fact, once we realize that there have been only 46 US presidents (all of whom are American), but that there are thousands of billionaires (most of whom are now [not American](#), we realize that it is *much more realistic*<sup>5</sup> to become a tech billionaire than to become US president.

### List of countries by number of billionaires

From Wikipedia, the free encyclopedia

This is a [list of countries by their number of billionaire residents](#), based on annual assessments of the [net worth](#) in [United States Dollars](#) of wealthy individuals worldwide.

Contents [hide]	
1	<a href="#">Forbes</a>
2	<a href="#">Knight Frank's Wealth Report</a>
3	<a href="#">Hurun Global Rich List</a>
4	<a href="#">See also</a>
5	<a href="#">References</a>

### Forbes

Further information: [The World's Billionaires](#)

Per [Forbes](#) (March 2021)<sup>[1]</sup>

Rank	Country/Territory	Number of billionaires	Number of billionaires per million people
	World	2755	0.35
1	United States	724	1.853
2	China	698	0.276
3	India	237	0.171
4	Germany	136	1.553

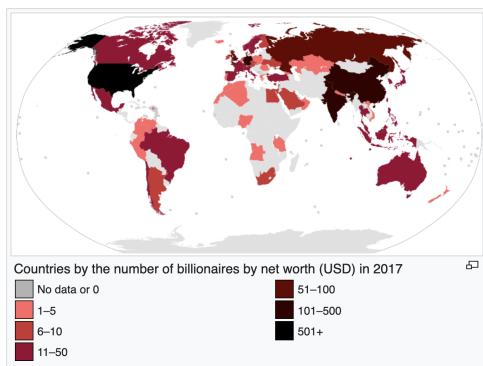


Figure 13

Similarly, now that Satoshi made it possible to start a new digital currency, it is much easier to found a new cryptocurrency than to become head of the Federal Reserve. The American establishment would never have picked Vitalik Buterin over Jerome Powell, but the young Canadian is on key dimensions a far more accomplished macroeconomist than the American sexagenarian. Buterin founded an economy, while Powell simply [inherited one](#).

So, instead of the false hope of getting elected US president, a role available only to 46 people in history, or the even more difficult path of becoming Fed Chair, an opportunity for only 16 appointees, one can much more realistically found a billion dollar company or coin from one's computer.

<sup>5</sup>This observation inverts the concept of the "temporarily embarrassed millionaire"; it is, in fact, much easier to become a millionaire, or even a billionaire, than it is to become a president. The opposite phenomenon of someone who believes that change is best sought through the legacy political system is best characterized as a temporarily embarrassed politician.

By extending this concept, we allow anyone in the world with an internet connection (which will soon be everyone) to become not just a tech founder, or a protocol founder, but a network state founder. Whether the next Washington is Brazilian, Indian, Nigerian, or Eastern European, this mechanism lets them rise to global leadership. It permits a positive-sum avenue for the politically ambitious. But, again, it also allows anyone who doesn't desire the stress of leadership, or just doesn't desire it at this point in time, to simply remain a citizen and pick from their available nation and network state jurisdictions.

## A Group Defined By Geodesic Over Geographic Distance

Snapchat lies on a straight line with the dissolution of the nation state. Why? Because people are sharing intimate moments with others 3000 miles away, while they often don't know the names of the people next door in their anonymous urban apartment complex.

This undermines the underlying assumption of the Westphalian nation state: namely, that people who live near each other will share the same values and therefore agree upon laws, such that the geographically-premised mechanism of the nation state is the right entity to govern them. Instead, what we find is that people share values with people who are close to them in their social network... not in their physical vicinity. We cannot be a good neighbor if we do not even know the neighbors.

We can quantify this with a little math. First, take a look at the definitions for the [great circle distance](#) and the [geodesic distance](#).

The great circle distance is the the distance between two points on the surface of the earth. It's the distance as the crow flies. You can do a modified version of this based on practical travel constraints, but to a first approximation this is how far apart people are in the physical world.

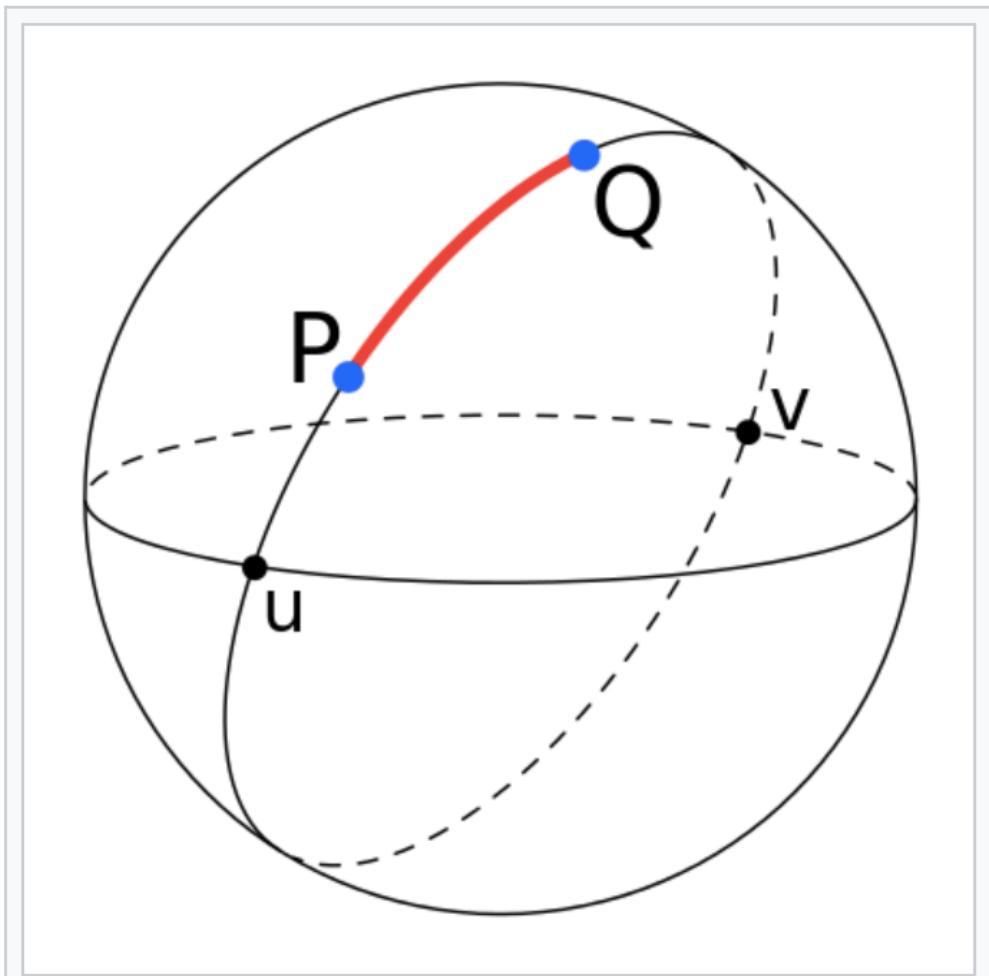
The geodesic distance, by contrast, is a completely different metric. It's the number of degrees of separation between two nodes in a social network along the shortest path.

Importantly, the geodesic distance is just as valid a [mathematical metric](#) as the great-circle distance. That means one can generate [distance matrices](#), and hence maps, via techniques like [multidimensional scaling](#). In fact, there are entire [conferences](#) devoted to cloud cartography, in which [research groups](#) present maps of online social networks - mapping not nation states but states of mind.

Why is the geodesic distance important? Because the network state is enabled in nontrivial part by the fact that we are transitioning from a primarily great-circle-driven world to a graph-geodesic-driven world. And that means the fundamental division is less the visible geographic borders of the nation state, than the invisible geodesic borders of the social network. This in turn means that we need to reconceptualize the state as a primarily digital entity, a *network state*.

Think about the difference between Russia vs Ethereum. Russia was a geographical entity that switched its ideology in 1991, from communism to nationalism. The geography was primary, the ideology was secondary. Conversely, Ethereum is an ideological entity whose primary existence is in a network. The Ethereum community holds meetups in places like Cancun or Shenzhen, but the physical materialization is evanescent while the digital community is persistent.

Or think about the fact that Russia's borders are (mostly) fixed, while Ethereum's borders are highly fluid. It's true that Russia's borders have changed since 1991; its predecessor state, the USSR, extended farther out into Eastern Europe and Central Asia. But the Russian



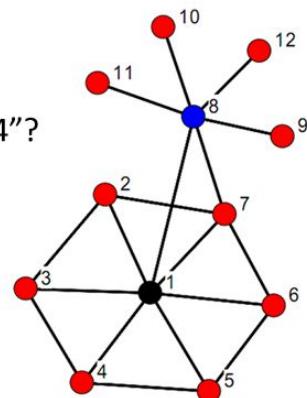
A diagram illustrating great-circle distance (drawn in red) between two points on a sphere, P and Q. Two antipodal points, u and v are also shown.

**Figure 14:** The great circle distance is the number of kilometers apart on a globe, as the crow flies.

# Geodesic

- Several paths may exist between two nodes, but the shortest path between them is the geodesic

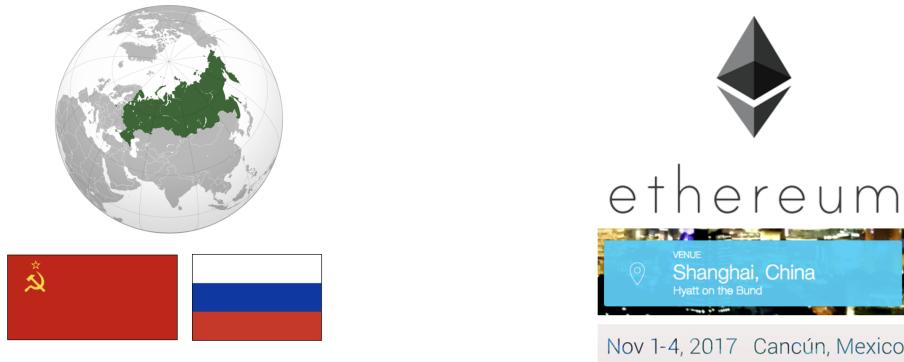
The geodesic distance between “10” and “4”?



**Figure 15:** The geodesic distance is the number of degrees of separation in a social network.



**Figure 16:** A map of a social network based on the geodesic distance.



#### The Nation State

A large group of people organized by a shared geography.  
Geography is primary, belief is secondary.

#### The Network State

A large group of people organized by a shared belief.  
Belief is primary, geography is secondary.

**Figure 17:** *With Russia, the land is fixed and the ideology is variable. With Ethereum it's the reverse.*

people have been near the Baltics, the Turks, the Eastern Europeans, and so on for quite a long time. Geopolitics doesn't vary that much; Russia's "competitors" for citizens have mostly stayed the same.

By contrast, the Ethereum-to-XYZ exchange rate *does* vary quite a bit, for different values of XYZ. Solana is a new digital currency that has popped up on Ethereum's boundary and taken a good chunk of "citizens" from it, just as Ethereum itself rose in BTC terms since its inception.

This is similar to how early Facebook arose out of nowhere and took many "citizens" from Gmail, before Google "closed the borders". Of course, unlike territorial disputes, competitions over digital citizens are not strictly zero-sum. For at least a while, the space of cryptocurrency and internet users will keep expanding; even after that point, a rival still needs to build better services to attract a competitor's digital citizens.

It is the geodesic distance that enables fluid switching between network states<sup>6</sup>. The great-circle-distance-driven physical world requires individuals to actually move around the map to enter a new territory, while the geodesic-distance-driven digital world just requires a user to hit a new key. This becomes more obvious when you have a VR headset on; hit a button and you are transported between worlds. Another button, another world.

And this applies not just to individuals, but to whole groups, to entire networks, which are expensive to move in the physical world but much easier to relocate near another network in digital space. Just do an Oauth-style integration and voila, your citizens can cross the border into another network state.

Legacy nation states cannot do this. They cannot just move around the map at will. As we noted, the Russian state is mostly stuck with its neighbors like Japan and Turkey in a way that individual Russians, or the Telegram and Ethereum networks (both founded by people of Russian descent), are not.

We can term this concept *digital dynamic geography*, after a term Patri Friedman introduced. He used it in the context of seasteading, to argue for homes like cruise ships that could

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<sup>6</sup>This is different from, but complementary to, the fluidity of transitioning from citizen to founder, and back.

dock and undock in congenial states at will, but it's arguably easier to accomplish first in the digital world. For a group organized by geodesic distance, collective digital exit is as easy as pressing a key.

### A Territory One Can Acquire but Not Conquer

Once we visualize a network state as a combination of (a) a digital social network with an integrated cryptocurrency and (b) a physical network of distributed enclaves, we realize that it is much easier to acquire than to conquer.

#### Easy to Acquire

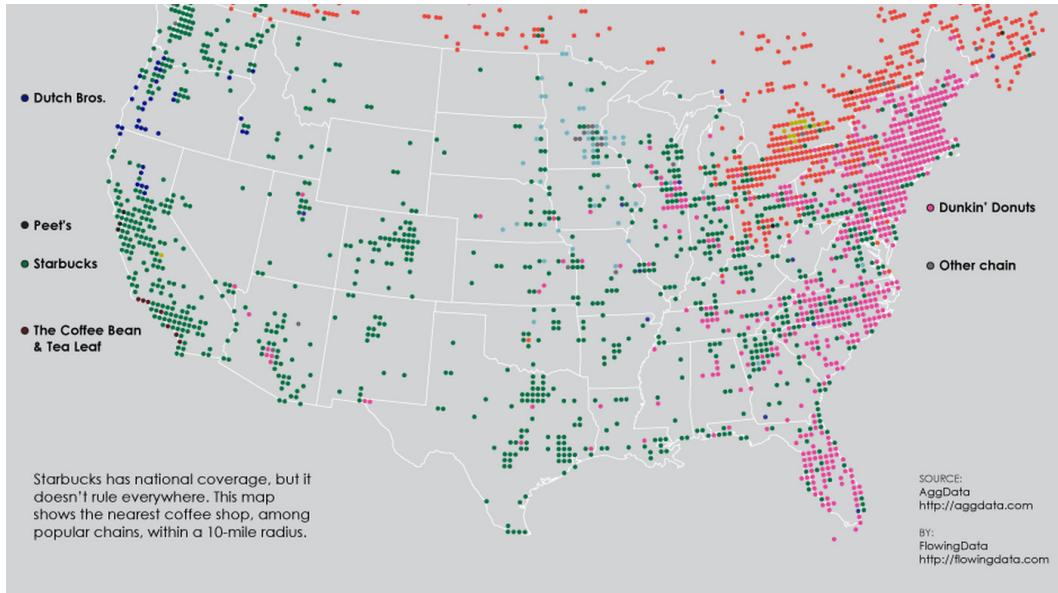
First, why is it easy to acquire? For the digital portion of a network state, when the founder sells it to an acquirer, it's like selling Instagram to Facebook. The digital logins of the two services are integrated and citizens in each network state now have access to the other's apps and physical territory. This is a modern analog to the Louisiana Purchase or the purchase of Alaska. It's also feasible to sell not the entire network, but simply a subnetwork - perhaps all those in a defined geographical location, or all those who have expressed a collective interest in changing citizenship. This is similar to Singapore becoming independent from Malaysia. Finally, it is also feasible to spin off a subnetwork into its own network, like the UK exiting from the EU.



**Figure 18**

If we visualize the physical portion of a network state as like a network of Google offices, or a string of restaurant chains, or the real estate footprint of a REIT, we see how we can handle the physical component of network state M&A as well. In the simplest version, after one network state consummates the acquisition of the other, all citizens from one network state can enter the territory of the other. The smart locks just get a software update and now

open all the doors and gates. The branding changes too, to be consistent with the new unified entity, much like a large hotel chain putting up new signage when it acquires a small one. Various kinds of reciprocity relationships with other network states and third parties may need to be renegotiated, just like many corporate contracts have change-of-control provisions, but this is straightforward so long as it is anticipated.



**Figure 19**

In theory, all of this can be done with current technical and legal infrastructure. It's just like one multinational acquiring the digital, physical, and human resources of another, except it extends to people's residences rather than simply their offices, and except that the acquired people become not just remote employees of the combined entity but digital citizens - though they can always leave for any new network state that admits them.

Over time, however, the technolegal infrastructure for each network state should live on a blockchain rather than a melange of paper contracts and cloud services. The reason is that a blockchain gives citizen accounts and balances, allows the recording of all real estate transactions, the maintenance of all citizen records, and the management of private keys in a globally consistent way across legacy nation state jurisdictions. The problem of post-acquisition integration then reduces to porting over the records from one chain to another.

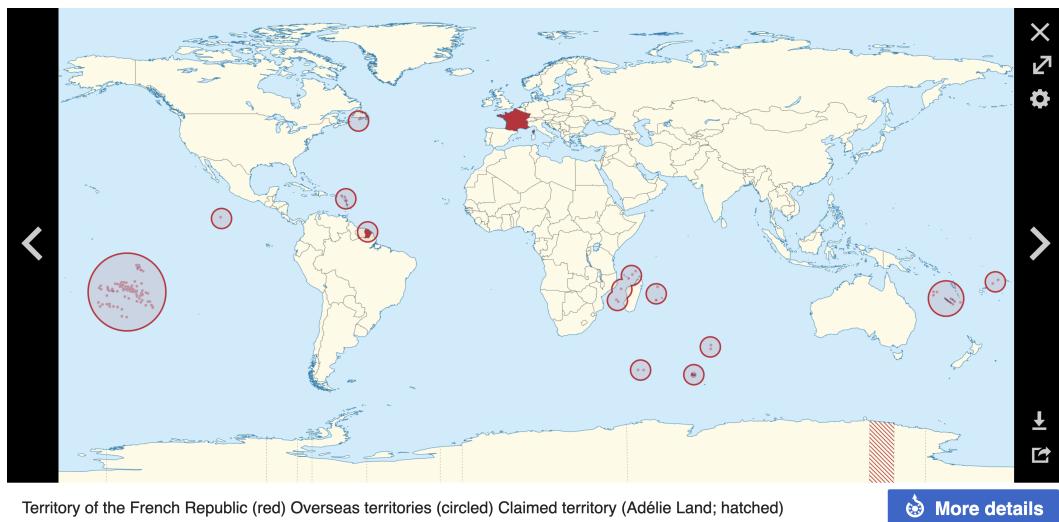
In summary, this is a way to extend the corporate concept of change-of-control to polities. It's a recipe for nonviolent competition between countries, where peace treaties between would-be rebels and current incumbents are turned into M&A deals.

## Hard to Conquer

The network state reduces violence on another dimension: thanks to their geographical decentralization and physical invisibility, network states are hard to conquer.

**Network States are Geographically Decentralized** First, geographical decentralization. If you look at a map of France that includes its [islands](#) in the South Pacific, you realize that it's difficult to nuke or attack the whole thing at once. It's too globally distributed. So

the geographical distribution of the network state itself is a deterrent to physical force. Just like cryptocurrency, the decentralization deters violence.



**Figure 20:** France is concentrated in Western Europe. But it has about a million citizens around the globe.

Put another way, invading a network state is like invading every Bitcoin mine or Ethereum node in the world at once. Are you really going to be able to get right-of-way for your troops from every surrounding territory? Won't the collateral damage piss off the neighbors? And how will you even locate all the nodes in the first place? Because the list isn't public.

**Network States are Physically Invisible** This brings us to the second way that network states deter violence: physical invisibility. It's a bit more subtle. Right now, you can see the physical border between France & Germany on a map. But you can't visualize the border between Twitter & Facebook. That is, which people are on the "border" of Twitter and Facebook, in the sense that they have accounts on both sites?

This might seem like a trivial concept, but isn't. The Twitter and Facebook networks are each bigger than France or Germany - combined. However, social network membership is invisible to all but the network operators. There's no public list of all Facebook and Twitter members. Only Facebook can generate a [map like this](#).

The invisibility of network membership has immense implications. You couldn't have nationalism itself without maps of physical space. For example, think about 54° 40' or Fight, which made literal reference to latitude. You couldn't have that kind of border dispute without being able to visualize a border. People had to see the map to be able to fight over it.

So, because citizenship in a network state is invisible to a satellite, at least without the consent of the network state operator, these [imagined communities](#) are [invisible countries](#). It's the return of secret societies, at scale, as *secret states*. Network states thus reduce violence by encrypting the map itself; you can't hit what you can't see.

This is particularly interesting when it comes to the threat of invasions, and the use of nuclear weapons. If a network state of ten million people was spread around the globe, with a partially private user list (like Twitter and Facebook) and a physically decentralized footprint (like Bitcoin miners and Google offices), it'd be difficult to nuke it, or invade it, even if you



**Figure 21:** A map of Facebook's 'citizens' from the early 2010s.

could find it. You'd impose a lot of collateral damage on the people nearby in unaffiliated network states, you'd spend a lot of money, and the remaining 90-95% of citizens of the network state would likely seek some form of retaliation.

That's not to say that network states are invulnerable. The types of attacks that could hit the entirety of a rival network state would be a cyberattack of some kind on their blockchain backbone, or perhaps a drone swarm (or perhaps SEAL team) that could be coordinated around the world given the GPS coordinates of every citizen.

But that's a different battlefield than the one today's militaries are prepared for. Special forces and cyber notwithstanding, they are still for the most part organized around tanks, planes, and aircraft carriers. But if the map goes dark, the network state itself becomes invisible, the nuclear weapons and invasions of the 20th century are less applicable, and cyberwar and drone strikes become fundamental, then the cloud becomes the primary theater of war - not air, sea, or land.

## A Community Aligned Around Cryptographic Consensus

Today's nation states are typically either internally disaligned, like the US, or forcibly internally aligned, like China. In the first case, the citizens are arguably free, but strongly disagree. In the second case, the citizens are in key respects less free, and thus do not openly disagree.

The ideal is a third way, to build a community which is consensually internally aligned, where the citizens have made a free choice to agree, and have working mechanisms to come to consensus in the event they disagree<sup>7</sup>.

That last bit is the hard part. In the US, polarization (or decentralization) has been increasing since the mid-century peak centralization, and was accelerated by social media. The establishment attempted a counter-decentralization to try to censor and deplatform people from social media, but this is unsystematic and, after an initial surge, halfhearted. It's an amateurish retrofit of speech and thought controls upon a previously free society, and

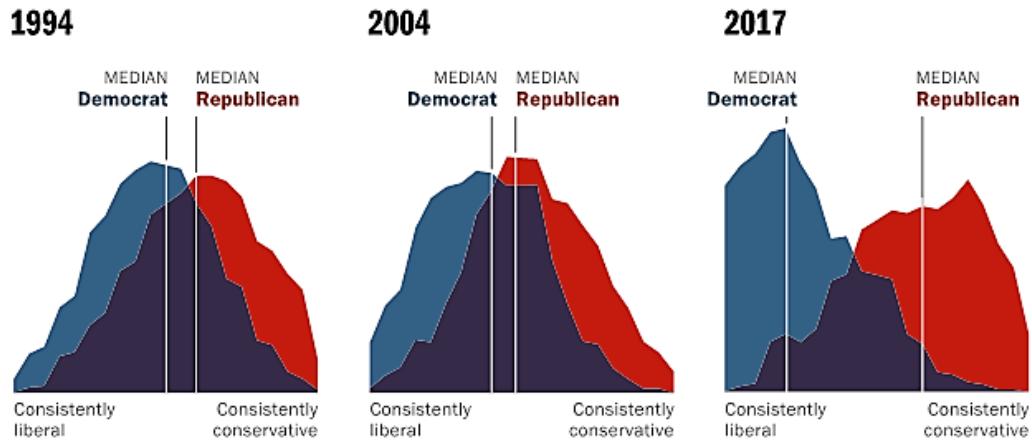
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<sup>7</sup>Or to exit if they truly cannot come to agreement. While this is much more salient in the network state environment, it's still a last resort.

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### **Democrats and Republicans more ideologically divided than in the past**

*Distribution of Democrats and Republicans on a 10-item scale of political values*



**Figure 22:** *The US is internally disaligned.*

it increasingly seems like it's not going to stick, particularly with the emergence of semi-decentralized platforms like Substack, fully decentralized tools like Bitcoin, and censorship-resistant web3 tools like Mirror, IPFS, and the like. America's model is no consensus and constant dissent.

In China, unification (or centralization) has arguably been increasing since mid-century, when there was the nadir of the Chinese Civil War, when many of the most talented Chinese people sought their fortunes abroad, and when the most successful ethnically Chinese states were the islands outside mainland China: Hong Kong, Taiwan, and Singapore. Over the last several decades, like an ultra-aggressive sheepdog, the Chinese government has ensured that any burgeoning dissent is stifled, whether that be Tiananmen Square, the Great Firewall, Falun Gong, Bo Xilai, the Hong Kong National Security Law, the Xinjiang crackdown, US-supported democracy activists, Chinese tech founders, or Bitcoin miners. China's model is to attain consensus by suppressing dissent.

What's the better model? A combination of old-fashioned ideas like trust and communication, plus newer ideas like the cryptographic consensus that the blockchain permits.

After all, we should recognize that an Israeli and a Palestinian, a Chinese person and a Japanese person, a Democrat and a Republican, all agree on the state of the Bitcoin blockchain. Regardless of their political views, or geography, people agree on how much Bitcoin someone has globally. This is an incredible triumph, because a trillion dollars is the kind of thing people will fight over. For wealth on the scale of a trillion dollars, people will invade countries, forge histories, do crazy things. Indeed, a "mere" million dollars is the kind of thing people will fight over. Yet there's essentially no dispute on who owns what BTC.

The same consensus algorithms that can get people to agree on what Bitcoin someone had at what time can be extended to get people to agree on what digital property somebody had at what time. That's stocks and bonds, but also things like art and video game items, and the digital keys to real world homes and vehicles.

Finally, and less obviously, these consensus algorithms can be extended not simply to

recording property, but to arbitrary kinds of timestamped information. What device recorded this temperature in Kansas on this date? What hospital uploaded this medical record to the blockchain at this time? What was the price of this house that was sold in this area? What crime was reported by this victim or this police officer in this area?

All of these feeds of data did not really exist two decades ago. They mostly do exist today, but in corporate silos. The next step is to put them on-chain and integrate them into what we call the *ledger of record*, which is a global feed of cryptographically timestamped, undeletable history.

If you think about how people use Twitter, they use it as a reference to prove that something happened, that someone said something at a given time. Twitter is in this sense a timestamped feed of events, one where we trust Twitter to tell us what happened. But this is imperfect for many reasons, not least of which that Twitter deplatforms many people, and has been hacked in ways that allow impersonation of users.

If a Twitter-style feed was on-chain, no one can man-in-the-middle attack or deplatform the users. They could steal the keys, but that would mean stealing property too. So it becomes harder to falsify history. The feed of what happened becomes harder to corrupt. And this is the transition from centralized truth, from the corporate "truth" of the American press and the official "truth" of the Chinese state to decentralized cryptographic truth, on-chain truth, truth you can verify for yourself.

This kind of truth is already used by crypto oracles like Chainlink to manage feeds of information that are the input to smart contracts handling billions of dollars. While price feeds may seem like a highly specific area to begin, they are ideal from one vantage point: if you can corrupt even one byte, you can hack a lot of money. So if you can create a defensible, hack-proof history there, you can extend it to protect many other kinds of history.

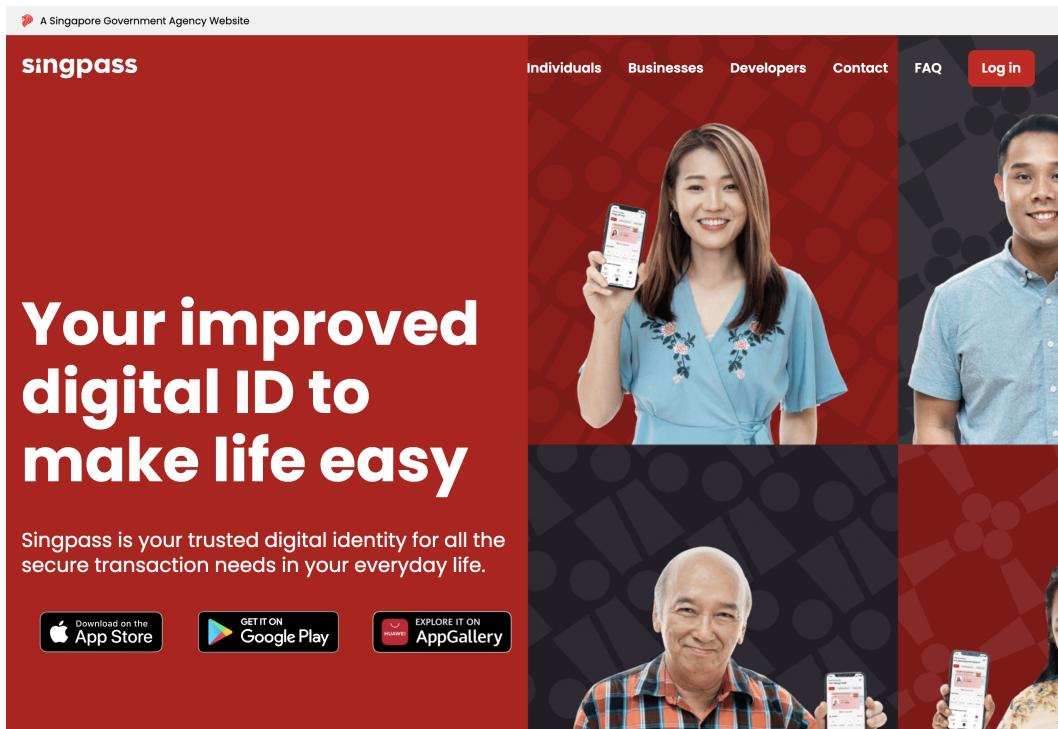
This is how we get to a community aligned around cryptographic consensus.

## A Citizenry Centered On Single Sign-On

In many ways, we can think of modern citizenship as being *defined* by access to a single sign-on service like Singpass, as opposed to physical proximity to another person per se.

As we've mentioned, the backbone of the network state is likely a blockchain, whether that be permissionless, permissioned, or some variant thereof. Why? Because it can be used to replace the following services of a legacy nation state.

- *Identity card*: Your private keys give your user account and login to the digital services of the network state. It all starts here, with the new single sign-on for citizens. Like ENS's satoshi.eth, you'd have an official name like yourname.countrychain.
- *The Social Contract*: The metaphorical social contract becomes a literal social smart contract that you sign every time you want to re-up your subscription to the network state. There are explicit contract terms, multiple choice questions to ensure that you understand those contract terms, reviews of the contract terms by other competing network states, and so on.
- *Passport*: Your private keys, the network state's foreign relations, and the technological state of chain interoperability determine what other network states you can access.
- *Voting*: Every vote, shareholder vote, poll, or survey is done via digital signature using your private keys. Sophisticated kinds of privacy-preserving votes can be done with this



**Figure 23:** The Singpass gives every Singaporean citizen a login to all services.

infrastructure.

- *Governance:* Should you be elected or appointed to office, your private keys determine your permission level, in terms of what budget you have as governor of a subgraph of the network state, or what actions you can take towards untoward citizens, such as deplatforming for 10 days after a first warning.
- *Crime and Punishment:* On this topic, different network states will make different decisions here, but unlike the lawless deplatforming of today's social media platforms, digital punishments *could* be more humane and acceptable than physical punishments so long as there are *clear and pre-agreed rules* that all members of the network state abide by at the time of joining.
- *Driver's License, Pilot's License:* Your private keys determine which smart vehicles you can operate, either in person (eg a Tesla) or remotely (eg a drone).
- *Security Clearance:* Your private keys determine whether you have Top Secret clearance, and in general whether you have permission to view any given document, enter a facility, or interact with any digital object.
- *Postal Service:* Your private keys give encrypted p2p and group messaging. Note that the Postal Service was in the US Constitution!
- *Fund Recovery and Lawful Intercept:* This is a controversial area, and different network states will make different decisions here. But if the network state founder has admin keys, it may be able to do *lawful intercept* of some messages or reversal of fund transfers

after a pre-agreed social process, which proceeds on-chain and thus more transparently than the status quo of star chambers and civil forfeitures.

Why even mention this? Because it's an open question as to how to deal with crime in a network state. The fact that the United States and other governments have abused their police powers and are likely beyond reform does not mean that the complete absence of lawful authority is the right answer; that path leads to crypto-anarchy and criminal gangs. The right answer is a new network state where you can choose to trust it and revoke that trust and exit to a new network state should it abuse it.

Here's another way to think about it: as a user of a crypto exchange, you want complete privacy. But as the CEO of a crypto exchange, you want complete analytics on every user. Why? Because some users *are* genuinely seeking to harm or defraud other users, and you may need tools like Sift Science to determine who they are, and to ban them from the platform.

- *Defensive Border Walls:* So long as your chain is sufficiently sovereign resistant, no other entity besides the network state itself can penetrate the cryptography protecting your citizens' messages and possessions.
- *Name Change:* Seemingly trivial, but less so in the pseudonymous economy. Your private keys let you do this as well.
- *Signatures and Notarization:* Your private keys allow digital signatures and, via multisig, notarization of others' signatures.
- *Community Trust:* A web-of-trust network of on-chain endorsements serves as a computable measure of community trust, like a higher stakes form of friending or following.
- *Corporate Law:* Most corporate law can go on-chain. See this post mirrortables for details: [balajis.com/mirrortables](http://balajis.com/mirrortables).
- *Dispute Resolution:* Smart contracts give more predictable dispute resolution.
- *Land Registry:* Cadastre and land registries can be put on chain. Even more interestingly, any land use permits can be put on chain, as can community ownership of land through a REIT, in a sort of neo-Georgist configuration.
- *Crowdfunding for public goods:* All of this can be organized on chain, potentially with traditional crowdfunding and possibly with commemorative NFTs where the largest bidders get their names on a digital plaque.
- *Currency:* The internal currency or currencies of the network state are of course on-chain, as are any bonds or other securities it issues to finance its operations.
- *Taxes:* these turn into (a) subscription fees paid on chain and (b) Bitcoin-checked inflation of the network state's native currency. The subscription concept is intuitive; it's the annual payment for being a member of the network state. The inflation component is less obvious. Isn't the whole point to get away from inflation? The idea here is that this "inflation" is highly visible, and more like a fundraising round where new shares are issued and closely scrutinized than the current hijinks the Federal Reserve prints trillions of dollars and then hides the scoreboard. In the event any network state tries

to inflate its currency too much, the citizens cash out to Bitcoin, which thus acts as a kind of pro-freedom global government.

- *Birth, Marriage, and Death Certificates*: All of these go on chain too. Everything that the city is asserting is true as an oracle.
- *Property Rights*: user balances for all assets where the network state mediates disputes go on the network state's blockchain. Notably, BTC is *not* included in that list, as Bitcoin stands above the network state on its own blockchain as a check on every state.

This gives you a sense of where city coins can go. They eventually become city-state coins, and network state coins.

## A Society Funded by Subscription and Seignorage

Just to preface this section: to be clear, the network state starts as a non-sovereign entity, an imaginary construct, a LARP. Each netizen of the network state, and each network node, is expected to comply with the laws of its surrounding host state for the indefinite future.

But suspend disbelief and assume we can wave a magic wand. Assume we can eventually gain a degree of *legal* sovereignty for the network state by collective bargaining with a host state, perhaps by paying them a fee or otherwise working with them.

For example, a set of network nodes in the vicinity of Tuvalu might do a deal with Tuvalu similar to the purchase of the .tv domain. They might pay the Tuvaluan (say) \$X million annually for the privilege of being considered a Tuvaluan special economic zone and setting their own revenue policy.

What could that revenue policy look like?

As context, current nation states are based on (a) coercive revenue collection, (b) financial surveillance, (c) bond-fueled debt, and (d) hidden inflation. The network state is set up to be financially solvent and ethically strong from the beginning by avoiding each of these pitfalls.

### Subscription > Coercion

The primary source of revenue for a network state is subscriptions<sup>8</sup>. Each netizen pays for the citizenship-as-a-service single sign on.

If they do not renew their subscription, their single sign-on is turned off, and they end up being unable to enter buildings or log in. This is enough incentive for them to remain compliant with the terms of the social smart contract they signed upon entering. The blockchain handles the various details of nonviolent contract enforcement.

Importantly, as the cost of coercion rises, these types of subscriptions will end up being more profitable than traditional means of coercive revenue collection.

Why? Because if an illegitimate state like Venezuela tries to implement something like civil forfeiture on a national scale, if they tried to do Lenin's Hanging Order in the age of Bitcoin, they will need to ensure that each act of seizure must pay for itself. That is, they need to deanonymize each 'kulak', geolocate them, ensure they have jurisdiction, send in the SWAT team, successfully execute the wrench attack, collect the Bitcoin, and then repeat this over and over again in many places while managing the PR fallout.

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<sup>8</sup>See the Sovereign Individual, David Sacks' tweet, and Lakoff's concept of subscription fees as the price one pays for being a citizen - though the latter may balk at taking the concept seriously rather than merely rhetorically!

The key concept is that each such act by a Venezuela-style gangster state must generate more Bitcoin than it costs. It is not obvious that this will be the case as physical attacks are far less reproducible than the practice of simply hitting a key and printing money. And they are also less profitable than the new proposed practice of simply rendering a valuable enough citizenship service that people will consensually renew their subscription.

### **Privacy > Surveillance**

There's a second reason why subscriptions will be preferred over the current mechanism of invasive data collection and financial surveillance: namely, privacy.

You don't need to fill out endless numbers of forms to pay Dropbox. You certainly don't need to spend hours giving them a snapshot of your entire corporate and/or personal financial picture in order to pay them a percentage of your income, thereby risking your privacy further should Dropbox get hacked. You just pay Dropbox a flat monthly fee for services rendered, and cancel it if you don't like it.

Compare this to the state of affairs for states. Major government agencies are routinely hacked to an unbelievable degree. The OPM Hack, the Texas state hack, and the Solarwinds hack are just a few that have been publicly reported. If it has not already happened, it will likely soon occur that your personal financial information is sprayed over the internet by a hack of an incompetent government agency. The cloud may burst, with all this information raining down upon the internet. Add to this the surveillance state that one cannot opt out of, and the potential for abuse becomes clear.

So the network state starts with an alternative principle: minimal necessary data collection. Governments should not collect what they cannot secure. The subscription state protects financial privacy relative to the existing system.

### **Sovereign Equity > Sovereign Debt**

While subscriptions are expected to be the main source of funds, another mechanism network states can use to raise capital is *seignorage*. Specifically, much like a company issues new stock, the network state issues new units of its digital asset on its main blockchain.

Unlike the current process of secretive and random inflation, this is more akin to the highly ritualized ceremony around stock issuance that occurs when a company raises a new funding round. In such a ritual, the exact number of new shares is specified to the unit, the exact purchasers are known, the terms of those shares are detailed, the new liquidation waterfall is updated, and so on. If these terms are not agreeable to the purchasers of equity, then they walk, and the round is not completed.

Compare this to the current practice of lawlessly printing trillions, watching M2 ramp, then complaining that it doesn't measure anything, thereby acknowledging that there are zero dashboards to monitor the flow of trillions into the economy. Or the practice of encouraging many entities to buy "debt" in the form of negative interest rate yielding US bonds, even as it becomes obvious that the long term strategy is to monetize the debt by printing so much money that the bonds become worthless.

### **Bitcoin > Inflation**

The third governor of the network state's financial solvency is Bitcoin. This works in several ways.

First, because the Bitcoin blockchain is so difficult to interfere with, we can think of it as a form of property that even the world's most powerful legacy states can't stop. In this sense, Bitcoin is a global government that checks all other states, network and nation state alike.

So, any investor who doesn't like a network state's seignorage practices can cash out to BTC, which cannot be issued by any network state. Any citizen can do the same. This is similar to how an investor who doesn't like a company's practices can cash out to USD.

Moreover, each network state itself holds Bitcoin as a strategic reserve, which cannot be seized by any other state. Having funds on-chain also allows a network state to demonstrate proof-of-reserve.

Of course, a network state will hold more than Bitcoin, just as traditional states held more than just gold. Each network state decides what digital assets are held in its portfolio, and which are approved for its medium of exchange, unit of account, and store of value.

## Summary and FAQ

As you can see, we've put some thought into how to make the network state feasible. The concept has been defined to address many of the immediate questions - and emotional interjections - that arise when you discuss the concept of starting a new country.

1. *What is a network state, anyway?*. We defined the network state as a social network with a recognized founder, an integrated cryptocurrency, a definite purpose, a sense of national consciousness, and a plan to crowdfund territory. It's a country you can start from your computer. There is a path for founders, and a path for citizens, as anyone can declare themselves founder or citizen of a network state at any time, and also switch between these roles.
2. *How should we think about nation states?* The root word of nation is related to the word natality, which refers to birth. That is, a nation is considered to be an ethnic group with common culture, inheritance, language, traditions, etc. The state by contrast is the government. So in the classic nation state, an ethnic group like the Japanese (the nation) names leaders (the state) to manage disputes, collective defense, and the like. The Jewish community by contrast was for a long time a nation without a territory or a formal state, until the establishment of Israel. And today we have multiethnic nation states like Singapore, Luxembourg, and the USA, which generalize the concept beyond the historical ethnstate, and where the state becomes more primary. In the latter case the defining principle is really a *proposition*, rather than a *nation*, but this is a retrofit on what was previously an ethnstate. A major issue today is that the internet is accelerating the decay of the Western nation state by making long-distance bonds over networks more salient than geographical ties between neighbors.
3. *Why is a network now a better basis for a state than a nation?* If we're going to build a proposition nation, we should be honest about it and recruit on the basis of that proposition from the beginning. Many Western countries today demonstrate the level of dissatisfaction that occurs on both sides when what was arguably implicitly an ethnstate is converted to a proposition nation with less than 100% assent. By instead *starting* with a group of people defined by geodesic rather over geographic distance, we have a base population which is close together in an ideological sense and thereby much more likely to agree on what the state should do. By also articulating the proposition

explicitly, we have a defined purpose, an objective that we are literally quantitatively optimizing as a society of optimists. All recruiting is then for that purpose.

4. *Why don't you just reform existing institutions?* We want to be able to start new countries for the same reason people want a clean sheet of paper, an empty text buffer, a bare piece of land, or a fresh cap table. It's a clean start without legacy baggage. Think of the network state as a way to build replacements to reform-resistant legacy institutions that can't be easily disrupted by tech companies, open source projects, or crypto protocols. If those replacements actually succeed, then our exit actually enhances voice. That is, if we are successful in what we're doing, that gives ammo for people to reform existing institutions, much as many practices were pioneered in America and imported back to the old world.
5. *Why do you consider this an ethical imperative?* Suppose you're interested in improving longevity and thereby life expectancy. It takes 12 years and billions of dollars to get a drug through the FDA. And it might literally be faster and cheaper to start a new country than to reform such a sclerotic bureaucracy. This is the concept behind building a ROC-based realtime regulator, a regulator that quantifies approval decisions like a binary classifier and tries to minimize type I and II errors.
6. *How will you get land, if it's all spoken for?*. The short version is that we crowdfund discontiguous territory around the world and network it together into an archipelago of interconnected enclaves. A network state can thus be visualized in a dashboard, and you can watch it grow over time.
7. *Why is this not cosplaying like all the other failed micronations?*. The key difference is that we start by building functional communities online. We aren't just starting with a patch of territory, we're starting with the network as the equivalent of the nation, and then building a state in the cloud before it materializes on the land. As for the LARPing part, (a) we just LARPed cryptocurrency to a trillion and (b) all countries start as imagined countries. For example, Herzl wrote *Der Judenstaadt* in the 1890s, five decades before the formation of Israel.
8. *You do know we'll invade you if you do it, and we'll also denounce you if you have any plan for defense?*. As noted above, the network state has nonviolent defense in depth. It's a city-state with its capital in the cloud, and its territory is globally decentralized so it can't easily be invaded. It might even be a secret state, with an encrypted membership list and set of network nodes, so it can't even be easily found. It can however be bought and sold, with the consent of a sufficient number of coinholders, so it is a territory one can acquire but not conquer.
9. *What about humanities and culture, techbro?!?* Glad you asked so politely. Of course, when we think of France, we don't think of the French Stock Exchange. We think of the Louvre and the Eiffel Tower, we think of the Mona Lisa and baguettes, we think of their art, culture, and food. So too will every network state need its own artists, writers, bards, and chefs. In the modern era we'll think of these as *crypto creators*, who own their art and audience via private keys unlike mere internet influencers. These crypto creators help attract new citizens to each network state and define its culture and value proposition. Phrased humorously, you can fund the Eiffel Tower with affiliate revenue from citizen referrals. This gives a sustainable business model for the arts.

10. *How do you think about legitimacy and consent?* The network state is a 100% democracy rather than a mere 51% democracy. That means that every netizen signs a social smart contract upon entering the digital (and eventually physical) environment, kind of like Envoy. They then periodically re-evaluate the terms at the time of subscription renewal, or reject them in order to leave for a new network state.
11. *What about loyalty if everyone is switching all the time?*. There are many mechanism to rebuild loyalty on the basis of conscious, affirmative consent. For example, at the time of signing the social smart contract, incentives may be offered for longer-term contracts and coinholding periods. Attractive cultures may also serve as network effects that keep people from leaving a network state at the drop of a hat. There is always a balance; the point is to amplify the possibility of choice, not to build a mercenary society. But there will be several possible solutions here, so different network states will do this differently.
12. *How does the network state resolve significant disputes?* First off, part of the goal is to build a civilization that values digital civility. So many disputes are really about disrespect rather than substantive differences. But with respect to substantive issues, one way of thinking about the network state is as a union of sovereign collectives. Each sufficiently large network node has a CEO that folds into the CEO of the overall network state, which owns a stake in that node. If that CEO so chooses, they can spin out their network node into their own network state, or detach and join another network state. The signage of network state 1 goes down, and network state 2 goes up. This is a new mechanism for dynamic geography.
13. *How does a network state come to consensus?*. The network state is based on the ledger of record, which is a feed of cryptographically signed events. The metadata on these events can be validated (such as proof-of-who, proof-of-when, and proof-of-what via hash) and in this sense what is true is now based on math even more than "science". This ledger of record turns every information source into an oracle or an advocate. The former is a dispassionate stream of data, the latter is interpretation on top of it. Just as every citizen posts on social media today, every citizen will be considered a citizen journalist tomorrow. Some will raw report information via oracles that gets recorded in that network state's ledger of record, while most others will provide commentary. Everything will be signed with their digital signature, and there will be a web of trust and many interlocking levels of automated rating and peer review. A key concept is prioritizing truly independent replication over "peer review" or mere retweeting. The goal is a community aligned around cryptographic consensus.

That wraps up our high level overview of the network state, and the initial FAQ. As a next step, you can make proposed edits to this PDF, fix typos, and add comments at [github.com/1729/content/issues](https://github.com/1729/content/issues). We'd appreciate it if you did this!