



Return of the city-state

Nation-states came late to history, and there's plenty of evidence to suggest they won't make it to the end of the century

Jamie Bartlett

If you'd been born 1,500 years ago in southern Europe, you'd have been convinced that the Roman empire would last forever. It had, after all, been around for 1,000 years. And yet, following a period of economic and military decline, it fell apart. By 476 CE it was gone. To the people living under the mighty empire, these events must have been unthinkable. Just as they must have been for those living through the collapse of the Pharaoh's rule or Christendom or the Ancien Régime.

We are just as deluded that our model of living in 'countries' is inevitable and eternal. Yes, there are dictatorships and democracies, but the whole world is made up of nation-states. This means a blend of 'nation' (people with common attributes and characteristics) and 'state' (an organised political system with sovereignty over a

defined space, with borders agreed by other nation-states). Try to imagine a world without countries – you can't. Our sense of who we are, our loyalties, our rights and obligations, are bound up in them.

Which is all rather odd, since they're not really that old. Until the mid-19th century, most of the world was a sprawl of empires, unclaimed land, city-states and principalities, which travellers crossed without checks or passports. As industrialisation made societies more complex, large centralised bureaucracies grew up to manage them. Those governments best able to unify their regions, store records, and coordinate action (especially war) grew more powerful vis-à-vis their neighbours. Revolutions – especially in the United States (1776) and France (1789) – helped to create the idea of a commonly defined 'national interest', while improved communications unified language, culture and identity. Imperialistic expansion spread the nation-state model worldwide, and by the middle of the 20th century it was the only game in town. There are now 193 nation-states ruling the world.

But the nation-state with its borders, centralised governments, common people and sovereign authority is increasingly out of step with the world. And as Karl Marx observed, if you change the dominant mode of production that underpins a society, the social and political structure will change too.

The case against the nation-state is hardly new. Twenty years ago, many were prophesising its imminent demise. Globalisation, said the futurists, was chipping away at nation-states' power to enforce change. Businesses, finance and people could up sticks and leave. The exciting, new internet seemed to herald a borderless, free, identity-less future. And climate change, internet governance and international crime all seemed beyond the nation-state's abilities. It seemed too small to handle international challenges; and too lumbering to tinker with local problems. Voters were quick to spot all this and stopped bothering to vote, making matters worse. In 1995, two books both titled *The End of the Nation State* – one by the former French diplomat Jean-Marie Guéhenno, the other by the Japanese organisational theorist Kenichi Ohmae – prophesised that power would head up to multinational bodies such as the European Union or the United Nations, or down to regions and cities.

Reports of its death were greatly exaggerated, and the end-of-the-nation-state theory itself died at the turn of the millennium. But now it's back, and this time it might be right.

There were only tens of millions of people online in 1995 when the nation-state was last declared dead. In 2015, that number had grown to around 3 billion; by 2020, it will be more than 4 billion. (And more than 20 billion internet-connected devices.) Digital technology doesn't really like the nation-state. John Perry Barlow's 'Declaration of the Independence of Cyberspace' (1996) sums

<https://www.eff.org/cyberspace-independence> it up well: the internet is a technology built on libertarian principles. Censorship-free, decentralised and borderless. And now ubiquitous.

This is an enormous pain for the nation-state in all sorts of ways. It's now possible for the British National Health Service to be targeted by ransomware launched in North Korea, and there are few ways to stop it or bring perpetrators to justice. App technology such as Uber and Deliveroo has helped to produce a sudden surge in the gig economy, which is reckoned to cost the government £3.5 billion a year by 2020-1. There are already millions of people using bitcoin and blockchain technologies, explicitly designed to wrestle control of the money supply from central banks and governments, and their number will continue to grow. It's also infusing us with new values, ones that are not always national in nature: a growing number of people see themselves as 'global' citizens.

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That's not even the worst of it. On 17 September 2016, the then presidential candidate Donald Trump tweeted: 'A nation without borders is not a nation at all. We WILL Make America Safe Again!' The outcry obscured the fact that Trump was right

(in the first half, anyway). Borders determine who's in and who's out, who's a citizen and who's not, who puts in and who takes from the common pot. If a nation cannot defend its border, it ceases to exist in any meaningful way, both as a going concern and as the agreed-upon myth that it is.

Trump's tweet was set against the German chancellor Angela Merkel's offer, one year earlier, of asylum for Syrians. The subsequent movement of people across Europe – EU member states received 1.2 million first-time asylum applications in 2015 – sparked a political and humanitarian crisis, the ramifications of which are still unfolding. It certainly contributed to the United Kingdom's decision to leave the EU. But 1.2 million people is a trickle compared to what's coming. Exact numbers are hard to come by, and notoriously broad, but according to some estimates as many as 200 million people could be climate-change refugees by the middle of the century. If the EU struggles to control its borders when 1.2 million people move, what would happen if 200 million do? The lesson of history – real, long-lens human history – is that people move, and when they do, it's hard to stop.

This is the crux of the problem: nation-states rely on control. If they can't control information, crime, businesses, borders or the money supply, then they will cease to deliver what citizens demand of them. In the end, nation-states are nothing but agreed-upon myths: we give up certain freedoms in order to secure others. But if that

transaction no longer works, and we stop agreeing on the myth, it ceases to have power over us.

So what might replace it?

The city-state increasingly looks like the best contender. These are cities with the same independent sovereign authority as nations, places such as Monaco or Singapore. The city-state has recently been feted by *Forbes* magazine ('A New Era For The City-State?' 2010), Quartz ('Nations Are No Longer Driving Globalisation – Cities Are', 2013), *The Boston Globe* ('The City-State Returns', 2015) and the Gates Foundation-funded How We Get to Next ('The Rebirth of the City-State', 2016).

The trends that are pinching the nation-state are helping the city-state. In a highly connected, quasi-borderless world, cities are centres of commerce, growth, innovation, technology and finance. According to Bruce Katz, Centennial Scholar at the Brookings Institution in Washington, DC, and co-author (with Jeremy Nowak) of the forthcoming book *The New Localism: How Cities Can Thrive in the Age of Populism*, the hub-like quality of large cities is especially valuable in the modern economy: 'Innovation happens because of collaboration, and that needs proximity. You need a dense eco-system, and so hyper-connectivity is reinforcing concentration.' Cities also have demographic weight on their side: for the first time in history, in 2014

<http://www.un.org/en/development/desa/news/population/world-urbanization-prospects-2014.html> the majority of humans live in cities.

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This is giving cities more political muscle than ever, which they are increasingly keen to flex. On the issue of climate change, for example – something at which nation-states have failed abysmally – cities are pushing ahead. Since 2006, the C40 initiative has brought together more than 60 cities to promote partnerships and technology to reduce carbon emissions, often going significantly beyond international agreements. In the US, where the federal government appears to have given up on climate change, leadership has fallen to cities.

This shift in power is visible in the way that the mayors of major cities are political heavyweights in their own right: think of Bill de Blasio in New York, Sadiq Khan in London, Virginia Raggi in Rome, Ada Colau in Barcelona. Cities as diverse as Indianapolis and Copenhagen are experimenting with ways of using their own physical, economic and social assets to self-finance city-level investment.

According to Katz, the world is moving beyond a nation-state world. ‘We’re entering a period where cities have new kinds of power. They have enormous chances to leverage their economic and financial advantages to augment their position and effect change,’ he told me. I’m used to thinking about power in binary terms: you either have it or you don’t. But according to Katz, we need to re-think because there is something in between, where cities are not fully independent of their nation-states, but not supplicant to them either: ‘Cities are not subordinate to nation-states, they are powerful networks of institutions and actors that co-produce the economy. Power in the 21st century belongs to the problem-solvers. National governments debate and mostly dither. Cities act, cities do. Power increasingly comes from the cities up, not handed down from the nation-state.’

For a very long time, power was always found at the city-level. For thousands of years, urban settlements with self-government and city walls provided protection, services in exchange for tithes and taxes, and a set of rules by which to live and trade.

The Hanseatic cities for example – with their own armies and laws – pooled their economic weight to improve their bargaining power with other nations in the early 13th century, and became an economic powerhouse in the Baltic trade route. These cities – which included Bremen and Hamburg – realised they shared much in common, and that their mutual interests might be best served by working together. As today’s centres of urban global capitalism, major cities are more similar to each

other than the provinces of their own nation-states. They are all hubs of finance, tech innovation, culture, and characterised by high levels of diversity and inward migration. While the UK voted to leave the EU 52/48, London voted to remain 60/40. (Following this vote, there was a short-lived movement for London to declare independence from the rest of the UK.) London, as is often remarked by visitors, is nothing like the rest of the country. The same can certainly be said of the US east- and west-coast behemoths.

Fleeting around from one city to the next, as I sometimes do, feels more Hanseatic League than League of Nations: a system of powerful, trading, networked cities. And the Hanseatic League itself was hardly an oddity. Before that there was Venice of course, and that was merely the most well-known of many independent city-states dotted across what is now Italy in the 10th to 16th centuries, including Florence, Bologna and Turin. But even this is ‘recent’ in the lifetime of the ancient city-state, which reaches back to Jerusalem, before that Athens, before that Babylon, and all the way back to Ur. Only a few formal city-states still exist today (Monaco, Singapore and the Vatican are the completely sovereign city-states; others, such as Hong Kong, act like one but do not have full sovereignty). It is in fact a historical anomaly that so few of us live in city-states.

Clearly, nation-states won’t go down tamely. Carving out a new form of sovereign authority from an existing one is extremely difficult, and is generally frowned upon by

the UN. There's a more prosaic reason too. In 2015, 2.1 million residents of Venice in Italy (89 per cent of those who voted) voted for independence in a non-binding referendum. Residents were annoyed that the city pays \$20 billion more in tax than it gets back. But Italy will certainly not let Venice and its \$20 billion tax go easily.

This is why some of the more exciting endeavours are about creating new cities entirely. Paul Romer, the chief economist at the World Bank, has long been an advocate of creating more chartered cities, essentially city-scale administrative zones that operate, to some extent, independently. Cities are the right size, he argues. Large enough to try something new, but not too big that all your eggs are in one basket. 'A rule to create new rules,' Romer said in a TED talk on the subject in 2009. A chartered city, built on uninhabited land would allow experimentation with new rules and systems to attract investment and people. His particular idea is for nations to work together, like China and the UK over Hong Kong. (Special Economic Zones, which have been around for several years, are similar: essentially geographic areas that are physically secure, and operate different economic laws to the host country, usually to encourage foreign direct investment.)

But even this is not easy, since it would require other countries leasing land, which wouldn't even be full autonomy. There are some models, though, that don't even need that.

Out on the swampy Croatian-Serbian border lies the 7 square kilometres of Gornja Siga. Although currently under Croatian control, this small patch of land is technically unclaimed since Croatia and Serbia both believe it belongs to the other. Due to its unusual legal status – *terra nullius* – this is where Vít Jedlicka, a 32-year-old libertarian from the Czech Republic, is at work trying to create a libertarian city-sized paradise of freedom, trade and prosperity called ‘Liberland’.

Liberland, which is uninhabited but has more than 100,000 online citizens ready to move if Croatia stops blocking inward access, already has the trappings of a city-state. A currency, a constitution, a president and even a football team. Everything has been designed to maximise individual liberty. For a start, anyone can join and leave as they wish. It would be the first state in the world where nothing would be compulsory, where you can do whatever the hell you like, as long as it doesn’t physically harm someone else. ‘It’s a tax heaven, not a tax haven,’ Jedlicka told me recently when I interviewed him for my book *Radicals Chasing Utopia* (2017). Schools, hospitals, pensions, roads, sewage works, rubbish collection and the rest will be provided by the market, if people decide that’s what they want and stump up the money.

Like most libertarians, Jedlicka loves modern digital technology, seeing it as extremely helpful to the libertarian cause, weakening the nation-states and helping new models such as his. It might seem like a pipe-dream – no other country has recognised this patch of swampland – were it not for the fact that several influential

Silicon Valley-type investors share Jedlicka's libertarian outlook, and are donating to his cause. 'A completely novel situation,' wrote [the esteemed *Chicago Journal of International Law*](http://chicagounbound.uchicago.edu/cjil/vol17/iss1/10/) in a detailed examination of Liberland in July 2016, suggesting it had 'a shot' at statehood.

In a world of seasteads, if you don't like your system of government, simply sail off to another one you do like

The problem for Liberland is that the Croatian police could roll in any time they want, which is precisely what they did when I tried to reach the land while writing my book. This is why, as the American libertarian activist Patri Friedman told me recently when we met in Silicon Valley, the next new cities won't be built on land at all. They will be floating in international waters, beyond the reach of the nation-state and its armies.

In 2008, Patri founded the Seasteading Institute, armed with half a million dollars donated by Peter Thiel, the libertarian billionaire who co-founded PayPal, and a plan to build island cities at sea in an experiment with how to live. '[Seasteading] is the market for countries,' he told me. 'You can only get so far patching and hacking the old system.' And in a flourish worthy of his grandfather Milton, he told me that: 'When you don't have a start-up sector, existing countries suck ... they give you crappy

services and no change. You need a start-up sector to threaten them.' In a world of seasteads, if you don't like your system of government, it's simply a matter of sailing off to another one you do like. Just as easy as switching series on Netflix, ordering an Uber, or meeting someone new on Tinder.

Patri thinks every seastead will be different and this will create a market in different types of systems of living that will force everyone to improve performance. Especially if the nation-state starts to crumble. ('We don't care if sea levels rise,' he told me.)

Once again, technology is key: Patri is taking the Silicon Valley mindset and applying it to the nation-state. There are all these things you could now do that didn't exist when our current system of government was invented, he told me. Constant online direct-democracy voting, building smart-cities, using crypto-currencies. And yet we still use a 19th-century model.

Google 'Seastead' and you'll find fantastical designs of floating metropolises, fantasy worlds designed on laptops. It's a pipe-dream. Even the Seasteading Institute's modest target of 150 seasteaders by 2015 was missed.

And yet. This year, Patri together with his institute's communications director Joe Quirk released an exhaustive book on seasteading, and signed a memorandum of understanding with French Polynesia to create the first semi-autonomous seazone in

shallow waters off their coast for the first prototype city at sea. Patri told me that they're starting to build very soon, and within a couple of years expect to have a few hundred people living on this floating metropolis just off the coast of Tahiti. I asked him if that was a realistic prospect. Of course! he replied. Look at the property prices in San Francisco. If you could live in a completely new country for less, lots of people would. He told me that he has a waiting list 'of thousands', and plenty of backers – mostly technology entrepreneurs – who see it as an investment opportunity. 'These are people who look at a broken system and say: "What if we designed something better?"'

Nation-states are unlikely to collapse overnight. There are no barbarians at the gate. Even Rome did not collapse in a day. But it evolved during a time of industrialisation, centralised 'command and control' bureaucracies and national loyalty. Modern technology tends in the opposite direction: it's distributed, decentralised and uncontrollable. If our political arrangements are a mirror of the modes of production and assumptions of the time, the future doesn't look rosy for this 19th-century relic. It looks far brighter for the modern, connected, agile city, whether that's on land, on borders, or out in the ocean. And anyway: doesn't it pay to have some experiments going on, just in case?

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