Kingdom Report

Week of 31 August 2024

The Network State: How To Start a Digital Country

This is a book by Balaji Srinivasan Here in South Africa we are forced to create our own schools, electricity, security, social welfare, private economic system because of a dysfunctional government. Why not create our own parallel Network State? I review a great book on how.

I was very encouraged this week to see in our business media how advanced South Africa's financial technology has become. I lived and worked for years in America and by experience our 5 big banks are way better than America's 4,000 banks. What interested me was the advances we have made in other fintech areas like blockchain, crypto currencies, data centers, fibre networks and AI.

We also have a proliferation of fintech platforms and private equity heavily invested in financial and educational technology.

Which made me decide to review a book I have been very influenced by since last year already. For me it is the practical next step in realizing my dream of Kingdom Communities as parallel virtual communities that serve as a new platform for God's people to network beyond Sunday morning meetings.

We talk about how the wealth of the nations are to flow into the Kingdom of God. It is time to think beyond money wealth and concentrate on the great knowledge and technical wealth the Lord is now making available as tools for Kingdom building.

Have you read in Matthew 25 where Jesus describes "sheep nations" and "goat nations"?

What if there was a way to start our own sheep nation without having to start our own political party to run for Parliament or waging a revolution or a war? **The Network State by Balaji Srinivasan** is a guide on how to do exactly that — how to start a country, first digitally and then in the real world.

With, of course, blockchain technologies and crypto as the backbone of this new country which is what the author emphasizes. Actually I would make far more emphasis on the possibilities of AI for inclusion but I think he wrote his book prior to the ChatGPT revolution

The Network State is an intriguing, daring, new use case for the tech revolution - a network that can grow into a functional virtual nation. It is Dr. Srinivasan's proposal of how crypto and blockchains (but should include more AI) can upend societies and their formation as we know them and bootstrap the formation of entirely new ones.

Dr. Balaji Srinivasan is an angel investor and entrepreneur. He is the former CTO of Coinbase and a former partner at Andreessen Horowitz, with a BS/MS/PhD in Electrical Engineering and an MS in Chemical Engineering from Stanford University.

More importantly, though, he is a thought leader in the blockchain space and one of its most well-respected voices. The Network State is his distilled view of the socioeconomic and political developments in the world and how the evolution of technology allows citizens to react to undesirable changes in the socioeconomic order.

He outlines the steps towards creating such a new Network State which I will summarize and add few of my own ideas:

Organize the Society Into a Group Capable of Collective Action

A network state is initially similar to a union. Its people organize and strive to drive positive change for their group by taking collective action according to the purpose they follow.

This is obvious for Christians. W know how to organize, we know how to motivate, we have a voice, we have a social and economic agenda besides a spiritual agenda. We just have not been able to properly organize ourselves beyond denominational networks

Build Trust Offline and a Crypto Economy Online

A network state is backed by a cryptocurrency that acts as the ledger of truth and the backbone of its economy. However, to develop the startup society into a high-trust society, it needs to build trust offline. Therefore, a network state, while decentralized, has a footprint in the real world. The state may want to organize and record best practices on a blockchain and establish a state economy with its own cryptocurrency as a medium of exchange, even though citizens may live in entirely different parts of the world.

For me I would be happy with a gold or silver backed crypto-token traded by Kingdom Communities world wide for trade parallel to a failing world economy.

Crowdfund Physical Nodes

Eventually, the society manifests its footprint by building physical nodes. This can range from single apartments of its citizens to entire areas of land purchased from its funds.

I would prefer actually to expand his idea for us in Africa to actually crowdfund investments in communities across Africa as a new form of "Monastery" missions linked by Starlink satellites powered by local PV and batteries into minigrids. TYhese communities become self sufficient in food, education, social services and develop discipleship through work and worship.

Digitally Connect Physical Communities

Dr. Srinivasan envisions the capital of a network state to be online — either in some form of an online community or in the metaverse, enhanced by AI and VR. Its members, while physically distant from one another, become thus digital neighbours. Citizens would gather in their digital capital to engage in their civil society.

In our Kingdom Communities I envision that "citizenship" is earned through commitment to discipleship and accountability and carefully screened through local churches or home sell groups.

On-Chain Census Tracking Its Growth

Dr. Srinivasan quotes CoinMarketCap as a ledger tracking existing cryptocurrencies, which records all publicly available information about a cryptocurrency. In similar fashion, a network state has a ledger of its existing members, which allows it to track its metrics and build clout with other organizations.

For Kingdom Communities this has applications far beyond tracking growth. We would be able among our various communities to set up blockchain secure ledgers to track ownership, digital contracts, trading, communications, payments etc.

Diplomatic Recognition

The final step — in a way a "stamp of approval" by existing entities — is diplomatic recognition. The end would thus be to become a member of the UN, thus legitimizing this new way of starting a country.

That is his stated goal but I differ. We don't need UN approval as a parallel Network State. We just need protection from our current failed state so we can survive and thrive. The current nations states in any case will shrivel and decompose for all the various reasons I have been writing about. As the meek inherit the earth the UN will have nothing to rule over.

"A network state is a society of people rallying around a common purpose, which populates land first digitally, then physically, and finally gets recognition for this decentralized nation."

That's right. As the Lord told Israel I give you this Promised Land but everywhere your foot treads upon is yours. We need to have a process and a plan for "possessing" our Promised Land of Southern Africa step by step. A Network State is a good start.

Political power is not the way. But starting with Networked Communities that connect our people to Kingdom purpose is a start and from there we step by step posses the physical space of land and farms and factories by building out own.

Why Do We Need a Network State?

Because the current nation state is not working for its citizens. That is why he spends the better part of the book explaining and detailing his view (and grievances) of what is wrong with the current socio-political order and how network states could remedy that. Well I don't need to have him us why we here in Africa need alternative nation state remedies.
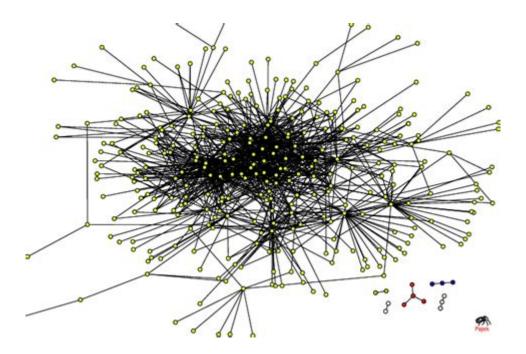
But again let me summarise his views:
 "No, our existing countries are not perfectly fine. Just look at how messed up the U.S. is. And China is actually much worse. Also, starting from a blank slate is easier than fixing an already existing broken state."

- Blockchain innovation allows us to experiment with political, technological and societal innovation like new forms of government and economic collaboration.
- Blockchain and specifically the Bitcoin network can be used as an undisputable record of truth. Bitcoin is the most decentralized and lindy crypto (lindy = the longer it's been around, the higher the chance it will stay around). You can back up information to its blockchain, meaning it beats all centralized ledgers of information.
- Although society is more decentralized than ever (remote work, people moving out of urban areas), power and truth-keeping are also more centralized than ever, both within the U.S. and internationally.
- People need a Leviathan, that is, something to believe in. It used to be religion, then it was the state. In the future, it will be networks.
- U.S. society is divided, China is challenging its hegemony, and people don't want either solution but a "new center."
- Conclusion: since societies are increasingly polarized, the emergence of this new technology makes its application in the envisioned way inevitable.

City-states are already existing in real-world polities; but unlike network states, they are not decentralized and don't strive to be. Dr. Srinivasan views network states as the evolution of city-states.

This is what a Network State would look like on a map. Its boundaries are not defined by physical borders but by relationships:

Think about how a network like Facebook reaches more people than any empire in human history. And then think about your relationships with some of the people on Facebook or other social networks. Even though you are physically distant, some relationships are probably much closer than with people that are physically close to you (like your neighbours). A network state works in a similar fashion.

Network states are a daring vision, so of course, Ethereum founder Vitalik Buterin has a few thoughts on the topic. In a blog post, he respondsed to how he sees some good and some bad in the idea. Vitalik writes:
"I want to see startup societies along these kinds of visions exist. I want to see immersive lifestyle experiments around healthy living. I want to see crazy governance experiments "

Vitalik's feedback is quite in-depth, so here are his main arguments:

- Network states could help organize the funding of public goods around shared values**.**
- They can create new regulatory environments**.** People can experiment with voluntary opt-ins (e.g. new medical treatments), which may be more efficient and innovative but are risky to try at scale.
- Network states could successfully scale good governance**.** In politics, getting elected and governing well are two completely separate skill sets. Successful network states would scale ideas that do well on a small scale and do away with the pressure of getting elected.

This vision of the Network State as a process for building the church and possessing our land to heal the nation forms an important part of my new book: "Ekklesia: The City that Heals the Nation".

I hope to expand in future blogs more ideas around this theme of the Virtual Network State.