

## From Virtual Society to Virtual Nations: A Case for Practical Political Innovation

Through the human history, from cultivation of plants to the invention of internal combustion engine, technological innovation brought economic and social change. Existing governance systems either successfully adapted themselves or lost touch and gradually became obsolete. Democracy's embellishment by enfranchising millions of voters in the age of mass production is a case in point.

Today, we are at a similar juncture. While we live in a dramatically different world than in, say 1950s, our national governments, political parties, international institutions and NGOs operate essentially in the same way. Therefore, disconnect and trust gap between the people and the governing framework is only natural. How shall we address this problem? As Albert Einstein famously said, "we cannot solve our problems with the same thinking we used when we created them".

The answer is right before our eyes. If our online lives are now almost as important as our physical world experiences, why is our governing framework exclusively tied to our geographic location? If we have already become members of a virtual society, why don't we have virtual institutions? If we share values and vision or create mutually beneficial networks with people from other places, why can't we become citizens of the same virtual nation? A century ago, the world was debating self-determination rights of nations—why not the self-determination rights of like-minded individuals, at least on cyberspace?

We believe virtual nations could enhance access, expand choice, improve representation and enable individuals to directly make a positive impact. A holistic approach, including tangible political, economic and social benefits, is needed to make virtual nations a reality. Recent technological capabilities (such as distributed ledger and smart contracts), our rapidly changing social habits, and ubiquitous internet connectivity certainly make virtual nations more possible than ever.

Unlike nation states, virtual nations would be fully voluntary, open source systems with a focus on future. Unlike NGOs, they would seek full political representation in international bodies to advocate the causes important to its citizens. Unlike social media networks, they would aim to create tangible benefits in political, economic and social spheres.

Just like our virtual identities are not substitutes of, but complementary to our physical self, virtual nations could be additional layers to our existing governing framework. Rather than being mere anarchist utopias, they could serve as institutional anchors for under developed countries, experiment beds for political innovation and push existing governing bodies to become more efficient, effective and inclusive.

Let's outline our proposed virtual nation of Nubia (the "cloud country") as an illustrative example (naturally, there could be numerous other approaches). As implied by its name, Nubia would be a global sphere without barriers, layered over our physical world. It would be open to citizens globally, regardless of race, nationality, religion, gender orientation, etc. Nubians would retain their existing citizenships in the physical world, but would enrich their political, economic and social experience through their virtual nation.

Nubia's core pillars would be progressive causes, interconnection, empowerment and mobilization for good. In line with these, Nubia's value proposition would include (i) political (direct representation and advocacy in international bodies, e-residence or an additional citizenship through an alliance with a physical state, active participation in Nubia governance); (ii) economic

(blockchain based contracts and notarial services, virtual invoicing and payments particularly for online only services, access to opportunities and know how across the nation); and (iii) social aspects (pledging resources as donations, disintermediation of NGOs to support causes, creation of colonies).

While Nubia would be open to everyone, early adopters are anticipated to be the “urban elites” of the developed world; educated classes in developing countries; entrepreneurs, freelancers and NGO employees/ volunteers across the globe; and refugees desperate to develop new identities.

Nubia would issue tokens to promote its core values (interconnectedness, force for good) and facilitate governance. Individuals would earn tokens by interacting with fellow citizens, including doing business together or donating resources for others’ use (from a few hours of advisory time to use of summer home). Nubia’s governance should naturally be an interactive and dynamic exercise; however, any change in core values or the constitution would require a super majority.

We hope many virtual nations with different characteristics (scope, core values, and governing principles) emerge. Perhaps one day they even establish their United Virtual Nations. It won’t be surprising to see some international institutions, political parties or NGOs morphing into virtual nations or becoming hybrid organizations. With this paper, we aim to help structure the debate and leverage technology for a long overdue political innovation. To share your thoughts and contribute to the discussion, please visit [bcitizenlab.org](http://bcitizenlab.org)

### **Everything changes so everything stays the same?**

While we are living through a period of disruptive technological change with significant social and economic implications, the political framework remains unchanged. How we occupy our time, communicate with each other or spend our money is dramatically different than, say in 1950s. Social media takes more time than eating and drinking, socializing, and grooming—it is second only to watching TV but catching up quickly<sup>1</sup>. Facebook and YouTube have more “citizens” than China or India; Instagram and Twitter more than the USA. Amazon, Uber and Spotify have disrupted large, traditional industries; others such as financial services, education, and healthcare are next. No one fully knows the implications of proliferation of artificial intelligence, AR/ VR or robotic technologies. However, our national governments, political parties, international institutions and NGOs continue operating essentially in the same way as in 1950s. No wonder there is a disconnect between the traditional governing framework and the people, half of whom were born after the launch of the “world wide web”. As happened quite a few times in human history, past is gone, present is confused, and future is unclear but also exciting...

### **Four key pillars: access, choice, representation and positive impact**

Globally, the dissatisfied population is quite diverse: from urban elites of London and New York to white collar professionals of Istanbul and Hong Kong, from entrepreneurs of Mumbai and Sao Paolo to refugees from Syria and Myanmar. While all have their own reasons, four common themes emerge: (i) access; (ii) choice; (iii) political representation; and (iv) positive impact.

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<sup>1</sup> <http://www.socialmediatoday.com/news/how-much-time-do-people-spend-on-social-media-infographic/450443/>

*Access.* Overcoming barriers, especially to realize economic opportunities and network with the right set of contacts, is a key issue, particularly for the six billion people living outside of rich countries. Imagine an Indian software developer's ability to secure funding from a Silicon Valley venture capital fund or a Brazilian translator's chances in landing a contract with a London printing house. The issue is much more acute for over 20 million refugees practically with no status.

The quick technical solution would be immigration. However, liberalization of flow of goods and money has not been extended to people, yet (so much for talent or information being the most important commodity for 21<sup>st</sup> century!). Given the political backlash, it is highly unlikely to happen any time soon. Even when moving elsewhere is possible, most people may choose to stay in their home countries. Since the economic crisis, only 1.5% of Greek population moved to Germany, where wages are twice as high<sup>2</sup>!

Nevertheless, people should not be confined to the physical borders, institutional frameworks and thus, the opportunity sets of their original countries. This would be particularly absurd in era billions of dollars of economic activity is conducted without touching physical world at all. For example, fashion designers, software coders, management consultants or call center operators are much more connected to their fellow practitioners and clients than to people in their immediate surroundings.

Finding a feasible way to improve access would expand the sphere of freedom and unlock a substantial economic potential, which may be up to \$78 trillion (as much as the current world economy), according to Michael Clemens from Centre for Global Development. Substantially faster growth of cross-border data and communication flows than services flows (by 5x) or people flows (by 25x)<sup>3</sup> shows the way to the solution space.

*Choice.* Many forms of identity, including nationality, are automatic (i.e. not necessarily voluntary). However, people also choose to develop additional layers of identity and engage in new communities, particularly after the dissemination of social media. As a result, some individuals have more shared values, common visions or fruitful relationships with people living far from them or out of their formal nationalities. For a smaller group, this may even reach to the level of oikophobia (an aversion to home surroundings/ own people), a term coined by Roger Scruton. Offering individuals an ability to "caucus" with communities of their choosing, especially to achieve tangible political or economic benefits, could meaningfully empower them and unleash their creative energy.

*Political representation.* Globally, democracy has been in stagnation, if not retreat, over the past decade. In developed countries, many people can no longer digest the election outcomes, either because dramatic changes are introduced by razor thin margins (Brexit) or the victorious candidate is the one with fewer votes (Trump vs. Clinton). If political representation is an issue for the one billion people living in the developed world, imagine the situation for the other six billion! In middle-level democracies, "winner takes all" elections disenfranchise significant minorities. Autocracies are not even pretend to play this game. For millions of refugees, this is not even a question! Political representation cannot be introduced top down, as demonstrated again and again, particularly over the past two decades. However, new technology might be leveraged to build and improve it from a bottom up perspective, at a global scale. A century ago, the world was debating self-determination rights of nations. Despite the good original intentions, the exclusive

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<sup>2</sup> The Economist, July 13<sup>th</sup> 2017 issue

<sup>3</sup> 2002-2012 growth rates, McKinsey Global Institute, Global flows in a digital age, April 2014

nature of that promise left millions of people dead. Today, we should be discussing self-determination rights of like-minded individuals, at least on cyberspace.

*Positive impact.* An important frustration, especially for educated classes across the world, is their surprisingly limited ability to affect change. Despite good educations, decent jobs, and thus, a meaningful grip on monetary and cultural resources, they are excluded from political and -to some extent- social decision making. For most people, the political and social impact does not go far beyond voting in elections, buying fair trade coffee or making donations to their favorite charity. Even then, how much of their concerns are heard (let alone advocated) by their politicians or international bodies or what percent of their donations are used for the ultimate noble goal (rather than in overheads) remain questionable. A mobilization instrument for like-minded people could dramatically change this inaction. At macro level, they would be able to share ideas freely, advocate causes more effectively and force institutions become more transparent and accountable. At micro level, they could assemble with like-minded individuals and act directly for their favorite causes by disintermediating dysfunctional NGOs. If we can use the benefits of the network effect in various aspects of life, why not use it for dissemination of ideas or concentration of will as a force for good?

### **How would a virtual nation look like: Welcome to Nubia**

The Oxford Dictionary defines a nation as “a large aggregate of people united by common descent, history, culture, or language, inhabiting a particular country or territory”. What if we update (if not upgrade?) that definition and call a virtual nation as “an aggregate of people united by shared values and common future vision, mutually beneficial value creation potential or common life perspective, from all over the world”?

Access, rather than territorial boundaries... Choice, rather than “default option”... Common future, rather than common history... Enter Nubia—a virtual nation taking its name from the clouds.

As implied by its name, Nubia would be an additional layer over our physical world and form a global sphere without barriers. It would be open to citizens globally, regardless of race, nationality, religion, gender orientation or alike. Nubians would retain their citizenships of their countries in physical world, but would seek to enrich their political, economic and social experience through their virtual country.

Nubia’s core pillars would be progressive causes, interconnection, empowerment of individuals and mobilization for good deeds. In line with these, Nubia’s value proposition could include the following (naturally, this is an initial list, which should be revised and improved on a dynamic basis):

#### *Politically.*

- Advocate a progressive agenda on a global level particularly given that many problems can only be solved only at that level (e.g., single tax for “only online” services, environmental standards, access to health and education)
- Create an idea lab to propose solutions and ensure representation/ advocacy in international bodies (e.g., additional “virtual citizenship” right to all, UN representation to virtual nations)
- Obtain e-residence (immediately, particularly for entrepreneurs and refugees), potentially additional citizenship through alliance with physical states
- Participate in Nubia governance (voting, forming of own “colonies”)

### *Economically.*

- Simplify doing business through blockchain based contracts and notarial services; ability to invoice (through e-residence) and pay particularly for online only services (e.g., software, advisory)
- Facilitate access to opportunities (e.g., job, partnering, advisory) across the nation
- Run an idea ledger to record ideas (start-ups, open patents, political views)

### *Socially.*

- Build a pledge database, listing citizens' asset or time donations for other citizens' use (e.g., X hours of advisory time, Y days use of summer home)
- Enable individuals identify needs and run campaigns so that the problems can be addressed without further intermediaries
- Facilitate forming of sub-networks ("colonies"), through which people may take networking and idea sharing to a more intimate level and start movements to transform the virtual nation

Nubia's governance should naturally be an interactive and dynamic exercise; however, any change in core values or the constitution would require a super majority. Nubia would also employ tokens to promote interconnectedness, promote charity and facilitate governance. Citizens would accrue tokens by interacting with fellow citizens, including doing business together or donating resources for others' use (from a few hours of advisory time to use of summer home). They could then use these to vote on certain matters.

### **Is it really new?**

A key question for virtual nations is how they are different than other organizations aiming to address similar issues. Three broad groups come to mind.

*Nation states* are essentially closed source systems—citizenship is restricted (usually automatic), borders are protected, obligations such as taxes and military service are quite clear, laws and procedures are relatively stable. Given the historical setting they emerged (defined territory, nations' self-determination) and the role expected of them (security, justice, social protection), this is not surprising. As mentioned above, virtual nations should not be substitutes of nation states, but complementary to them. Precisely for this reason, virtual nations should operate as open source systems— citizenship open (always by choice), borders non-existent, obligations voluntary, laws and procedures dynamic.

*Alternative political parties or NGOs* have tried to address some of the concerns that can be addressed by virtual nations. However, the former typically pursue reactionary agendas and go against the -what we believe- the essence of the matter (particularly relating to access and choice). The latter typically focus on core, single issue groups and do not offer holistic alternatives encompassing political, economic and social aspects.

*Social media* is exclusively focused on creating networks, offering access and choice. However, its vision does not include political representation or enabling (if not promoting) positive impact. On the contrary, social media's vulnerability to interesting/ scandalous posts arguably inhibits these goals.

## **Next steps**

There would be different approaches to virtual nations—scope, core values, governing principles, etc. Various virtual nations with different characteristics will emerge; perhaps one day they even establish their United Virtual Nations. It won't be surprising to see some international institutions, political parties or NGOs morphing into virtual nations or becoming hybrid organizations.

We believe that virtual nations could help address some global challenges and at a minimum act as test beds for political innovation. With this paper, we aim to help start and structure the debate and look forward to exploring the issue further.