Cloud Communities and the Nation State

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Abstract: For some time now, individuals have been able to build relationships not only in the physical space but also in the virtual realm. In cyberspace, restrictions posed by the physical world can be more easily overcome and, even more importantly, allow the individual to search for compatible peers wherever they might be located geographically. If the individual finds likeminded followers and communities in the Cloud, could these assemblages not—in a kind of "reverse diaspora"—also decide to live together in the physical world and create communities or at least somehow connect with the traditional institutions influencing these—and in turn become influenced? While the idea of creating global communities in the Cloud gains traction with new technologies like the *Metaverse*, the compatibility and necessary complex relationship with the nation state remain quite vague. Indications are that these cyber-communities of highly skilled individuals could become attractive to the state and will, therefore, gain some political influence as these critical capabilities need to be incorporated into national value creation. The ability to connect virtual and physical communities might become an important asset of the nation state that sees itself in fierce competition with other nations in the multi-polar world.

Keywords: cloud communities, nation state, cyberspace

Escaping and Cooperating

In most world cultures, so it appears, there have always been individuals and communities that wanted to transcend the often-narrow institutions and hierarchies that limit their abilities and desires. Initially, digital transformation was not attempting to level societal inequalities, but rather created new divisions.[1] While often blind to social

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[1] An early observer of this transformation noted: "You've basically got the breakdown of nation states into global economies simultaneous with the atomization of individuals or their balkanization into disconnected subgroups, because digital technology conflates space while decentralizing communication and attention. The result is a clear playing field for a mutating corporate oligarchy, which is what we have. I mean, people think it's really liberating because the old industrial ruling class has been liquefied and it's possible for young players to amass extraordinary

issues, digitization possessed a hitherto unique meritocratic message for the individual: For the first time in history, people now "(…) can do more for themselves independently of the permission or cooperation of others."[2] Moreover, and no less importantly, "(…) individuals can do more in loose affiliation with others, rather than requiring stable, long-term relations, (…)."[3] Hence, new cooperation forms like the Peer-to-Peer (P2P)-production appeared with the beginning of the new millennia. This production was invented by coders frustrated by the limitations of the traditional hierarchy, creating their own working environment as a response (often adding this to their traditional occupation). This mode, as manifested in the Open-Source movement, described a production model encompassing a large number of people who cooperate in a non-profit oriented, meritocratic and fluid hierarchy, often governed by algorithms and institutionalized on global platforms.[4] Remarkably, this production was intended not as a revolution against the hierarchy, but as an escape strategy that used "exit" to create new forms of production: "To resist is to create".[5] Clearly, most people working on these platforms are part of the meritocratic "creative class" composed mainly from professionals working in consulting, science, law, culture, and the technology area.[6] Interestingly, individuals working in the Cloud or with ambitions in global business almost immediately raised suspicion among "traditionalists", who deemed these groups of people as "soulless" since they could not be captured within the traditional narrative. Samuel Huntington, focusing on the managerial layer of the global economy, the so called "Transnational Capitalist Class", was quite suspicious at their attitude clearly

instant dynasties. But it's savage and inhuman. Maybe the wired elite think that's hip. But then don't go around crying about crime in the streets or pretending to be concerned with ethics." (Jon Lebkowsky, "30 Cyber-Days in San Francisco", in: CTheory, https://journals.uvic.ca/index.php/ctheory/article/view/14333/5111 (Accessed 20.05.2022)). Only recently has social equality entered the debate. For China's experiment with its "Common Prosperity" policy, to combat inequality of the digital economy: Daniel Van Boon, "China's great Big Tech Experiment Matters Everywhere", https://www.cnet.com/culture/chinas-great-big-tech-experiment-matters-everywhere/ (Accessed 10.06.2022).

[2] Yochai Benkler, The Wealth of Networks, Stanford: SUP, 2006, p.9.

[3] Ibid.

[4] Ayad Al-Ani, Widerstand in Organisationen. Organisationen im Widerstand. Virtuelle Plattformen, Edupunks und der nachfolgende Staat, Wiesbaden: Springer VS, 2017, pp.123.

[5] John Holloway, Change the World Without Taking Power. The Meaning of Revolution Today, London: Pluto Press, 2015, p.25; William Robinson and Jeb Sprague-Silgado, "The Transnational Capitalist Class", in: Juergensmeyer, M., Steger, M., Sassen, S. and Faesse, V. (Eds.), The Oxford Handbook of Global Studies, Oxford: OUP, pp.309-328.

[6] For the difficulty of limiting this new class see: Richard Florida, The Rise of the Creative Class Revisited, New York: Basic Books, 2014; David Brooks, "How the Bobos Broke America", in: The Atlantic, September 2021, https://www.theatlantic.com/magazine/archive/2021/09/blame-the-bobos-creative-class/619492/ (Accessed 20.05.2022). For the inability of the working class to organize itself globally: Zak Cope, Divided World. Divided Class. Global Political Economy and the Stratification of Labour under Capitalism, Oakland: AK Press, 2015, p.363.

escaping established political categories:

"Comprising fewer than 4 percent of the American people, these transnationalists have little need for national loyalty, view national boundaries as obstacles that thankfully are vanishing, and see national governments as residues from the past whose only useful function is to facilitate the elite's global operations. In the coming years, one corporation executive confidently predicted, 'the only people who will care about national boundaries are politicians.'"[7]

Co-optation and Machinic Communities

Because there is no free space outside the world-capitalist system, individuals, peers, working in new models in the Cloud could not create a separate sector.[8] P2P and other alternative collaboration forms were sooner or later re-integrated or associated unto hierarchical structures because the traditional firm–already in crisis due to globalization and hypercompetition–needed their innovation and talents.[9] Resistance against this co-optation was often futile: "The secret of the alternative"–as the great German sociologist Niklas Luhmann always suspected–was "that it offered no real alternatives".[10] Specially major tech companies were keen to incorporate Cloud skills and talents into their value creation processes: the sharing economy became a rental

[7] Samuel P. Huntington, "Dead Souls: The Denationalization of the American Elite", in: The National Interest, 01.03.2004, https://nationalinterest.org/article/dead-souls-the-denationalization-of-the-american-elite-620 (Accessed 20.05.2022). Huntington's remarks preluded a conflict within the neoliberal order to finally surface in the presidentship of Donald Trump: Here the split and contradiction between a nationalistic state response and globalization became fully apparent: Ayad Al-Ani, "Hegemon aus Washington". In: Cicero Nr. 11, November 2018, pp.88-90.

[8] For the notion that there are few organizations existing 'outside' capitalism: Klaus Türk: Organisation als Institution der kapitalistischen Gesellschaftsformation. In: Ortmann, G./Sydow, J./Türk, K. (Eds.): Theorien der Organisation. Wiesbaden: Springer VS, 2000, pp. 124-176, here 165.

[9] The P2P concept was highly innovative and productive and thus attractive for the traditional firm: "Peer production is the most theoretically radical organizational innovation that has emerged from Internet-mediated social practice. Any economist who would have predicted in 1996 that a group of developers working on webserver software, using no formal managerial hierarchy and relying on a copyright license that gave no one exclusive proprietary control over the products of the collaboration would beat Microsoft in a market that was core to Microsoft's Internet strategy would have been laughed out of the room. And yet Apache beat Microsoft Server over the past twenty years, and its fastest growing competitor is Nginx, another free or open source software (FOSS) project. From FOSS through Wikipedia to video journalism, peer production plays a more significant role in the information production environment than was theoretically admissible, much less predicted, by any economic model of motivation and organization that prevailed at the turn of the millennium [...]." (Yochai Benkler, "Peer Production, the Commons, and the Future of the Firm", in: Strategic Organization, 2017, Vol.15(2), pp.264-274, here p.264f.)

[10] Niklas Luhmann, Protest. Systemtheorie und Soziale Bewegungen, Frankfurt/M.: Suhrkamp, 1996, p.15.

economy, the Peer became a Crowdworker.[11] This process in turn, helped the advancement of technological development and automation in the traditional corporation (platforms collected data, Peers improved technology for free …).[12] Thus, due to this new push in automation and robotization, we can now (again) expect an exodus of people out of the traditional hierarchical organizations. Only this time it might be permanent.[13] And it will not be against the will of the corporation but with its consent and even support: The firm now needs fewer or different individuals, and the exodus of surplus skills and capacities will help this transformation process. Furthermore, this exit will be conducted by people who are now acquainted with the tools and cooperation modes of the crowd, as these were practiced in the home-office times of the pandemic. Couldn't people use these skills and connect with each other creating new communities and production chains? Here Michael Hardt and Antonio Negri anticipate the creation of new, "machinic communities" that create their own technology.[14] To achieve this, they must cooperate with other communities on a global scheme. Here a new geography appears, one that does not substitute the present nation state but supposedly adds a virtual and connective layer:

"Cities, regions, bioregions and nation-states will remain in existence, although they will be substantially transformed. The transformed state becomes the enabler of cosmo-localism, by increasing the contributory qualities of its population, and attracting the global knowledge streams. It guarantees contributory equality by augmenting the capacities of its inhabitants. [...]."[15]

The national state, so it appears here, supports the connection of its citizens unto these new kinds of communities. This relationship between the virtual community and the nation state will become, in effect, quite complex. Some observers assume that the crowd will create substantial communities, or even nations, in cyberspace:

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[11] "[…] major projects like the Linux kernel or Wikipedia have been lauded as examples of effective and productive commons-based peer production […]. Significantly less studied, however, is how capitalist firms can use commons-based peer production to supplement their commercial offerings. […] (C)apitalist firms rely on the innovations and bug fixes from within the FLOSS community for implementation in their commercial products." (Benjamin J. Birkinbine, Incorporating the Digital Commons: Corporate Involvement in Free and Open Source Software, London: University of Westminster Press, 2020, p.102)

[12] "[…] now the neural networks could be easily trained on millions of digital images or speech samples readily available via the network" (John Markoff, Machines of Loving Grace. The Quest for Common Ground between Humans and Robots, New York: HarperCollins, 2015, p.151).

[13] This is what the much-hyped New Work concept originally meant: seeking new roles outside the traditional company: Frithjof Bergmann, Neue Arbeit, neue Kultur, Freiburg i. Breisgau: Arbor, 2017.

[14] Michael Hardt and Antonio Negri, Assembly. Oxford: OUP, 2017, pp.121.

[15] "Twitter Thread on the Role of the State in a Commons-Centric Society": https://wiki.p2pfoundation.net/Twitter_Thread_on_the_Role_of_the_State_in_a_Commons-Centric_Society (Accessed 20.05.2022).

"Our idea is to proceed cloud first, land last. Rather than starting with the physical territory, we start with the digital community. We recruit online for a group of people interested in founding a new virtual social network, a new city, and eventually a new country. We build the embryonic state as an open source project, we organize our internal economy around remote work, we cultivate in-person levels of civility, we simulate architecture in VR and we create art and literature that reflects our values."[16]

This virtual community can then eventually re-enter the real space and grow:

"Over time we eventually crowdfund territory in the real world, but not necessarily contiguous territory. Because an under-appreciated fact is that the internet allows us to network enclaves. Put another way, a cloud community need not acquire all its territory in one place at one time. It can connect a thousand apartments, a hundred houses, and a dozen cul-de-sacs in different cities into a new kind of fractal polity with its capital in the cloud. Over time, community members migrate between these enclaves and crowdfund territory nearby, with every individual dwelling and group house presenting an independent opportunity for expansion."[17]

The Cloud and the State

The idea that entities other than the nation state acquire territory and thus become a sort of nation is not new. Initially, some big tech companies wanted to develop their own territory outside the traditional state, trying their own beta-version of a country.[18] But this is of course a limited strategy, as unclaimed territory outside the nation state is scarce. With the development of Cloud-skills, it became a strategy of some states to

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[16] Balaji S. Srinivasan, "How to Start a New Country", 09.04.2021, https://1729.com/how-to-start-a-new-country (Accessed 20.05.2022).

[17] Ibid.

[18] Cf. here the initial ambitions of Google's former CEO Larry Page: "'There are many exciting things you could do that are illegal or not allowed by regulation', Page said. 'And that's good, we don't want to change the world. But maybe we can set aside a part of the world.' He likened this potential free-experimentation zone to Burning Man and said that we need 'some safe places where we can try things and not have to deploy to the entire world.' Google is already well-known for coming up with some interesting ideas — the idea of seeing what Page could come up with in this lawless beta-test country is simultaneously exciting and a bit terrifying." (Nathan Ingraham, "Larry Page Wants to Set Aside a Part of the World for Unregulated Experimentation", in: The Verge, 15.05.2013, http://www.theverge.com/2013/5/15/4334356/larry-page-wants-to-set-aside-a-part-of-the-world-for-experimentation (Accessed 20.05.2022)).

In the meanwhile, tech companies even without territory more and more start to resemble states: For the example of Microsoft and its own foreign policy section: "The Redmond doctrine: Lessons from Microsoft's corporate foreign policy", in: The Economist, 12.09.19, https://www.economist.com/business/2019/09/12/the-redmond-doctrine (Accessed 20.05.2022).

attract the capabilities incorporated in these communities as these promise a competitive advantage in the global setting. Dubai, for instance is aiming to develop a "No Shore" strategy towards these communities

"(…) in which countries actively lease space to innovators seeking test beds for their new technologies, regulations, and communities. They are not selling their sovereignty but rather upgrading into hybrid physical and digital republics that provide financial, medical, and educational certifications. In this emerging marketplace of governance services, the physical-digital sequence is inverted: You build a digital relationship with a government service provider (not necessarily your own), use its services wherever you are, and leverage its credibility to gain physical access to that country or associated ones."[19]

Thus, the scarcer the skills that are incorporated in these virtual communities, the more politically influential they may become. The nation state might adapt its policies towards these communities or sometimes even needs to seek cooperation with other states in order to become attractive and gain political standing towards those communities:

"What comes next as our world becomes ever more a hybrid reality? Imagine a corporate or civic platform established in an allied state that hosts its servers. Using blockchain protocols, it operates like a cross between Tor (encrypted browser), GitHub (coding collaboration), Bitcoin (cryptocurrency), and TransferWise (cross-border finance), enabling digital work with masked IPs and global access to cash. Millions of remote workers join this cloud republic, voting on its internal policies and building bargaining power over the governments where they each physically reside. Countries will then have two choices: either extort the cloud-based workforce within your country—which may prompt many to leave—or join with other host states in forming a digital version of the medieval Hanseatic League that grants access to more members of this nomadic class and benefits from its innovations. Remember that most countries are small—both geographically and demographically. They resemble atoms in which most of the population and economic mass is located in the capital city and the rest is hinterland. As their populations age or depart, they may have little choice but to sell off land or islands to startup nations shopping for the right jurisdiction. This may be geopolitics in a quantum age."[20]

This, then, is also true in reverse terms and means that countries could also use Cloud formations to increase their geopolitical footprint. By attaching Cloud members

[19] Parag Khanna, How Mass Migration Will Reshape the World – And What It Means for You, London: Weidenfeld & Nicolson, 2021, pp.262.
[20] Ibid., p.263.

and communities to the nation state, it is possible to enlarge the "territory" and capabilities of the country, as skills and assets are uploaded and attached to the physical nation. An instructive example is the virtual state of Armenia, which connects the Armenian diaspora amongst itself and with Armenia proper. The Network State offers financial services to its "citizens" and invites them to work in different "ministries" of the "state".[21]

The Global Crises and the Cloud Community

The current situation is one of multiple contradictions and crises: The political contradictions between neoliberals and nationalists, the growing contradictions between capitalist mode of production and nature are fuelling a crisis that has been underway for some time signified by low or negative interest rates and the consequent creation of investment "bubbles" in assets like real estate, gold, and other objects of speculation.[22] The pandemic and the Ukraine war have added to the severity of this situation, i.e., by drawing critical resources and attention away from climate change prevention policies and combating social inequality.[23]

Crises, however, often lead to reformist and sometimes revolutionary reactions. One can assume, based on the sketches provided here, that some new ideas and technologies will be created in Cloud communities and will influence the nation state. Maybe even to the extent that the Cloud will be a kind of intellectual "lifeboat"?

This hypothesis would require us to look beyond the processes between digital communities and the nation state outlined above and inquire about the motives of the involved actors. Again, one needs to keep in mind the totality of capitalism. An assumption at this point, therefore, would be that only if people and communities who have had little impact on the political system thus far and who could be organized in this matter—aided by the pandemic which caused a widespread distribution of digital skills and tools—and who could thus make themselves more (globally) impactful, will true changes take place. The organization of a digital elite in digital communities will,

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[21] See: https://networkstate.io/en/. The ambition of this network is "(…) to contribute to the development of Armenia by repatriation, participation in its governance, economic activity, by investments and innovative thoughts, by providing knowledge, lobbying, cultural and sports expansion." (Vahram Ayvazyan, "Network State: The New Armenia Vision", 24.02.21, https://mirrorspectator.com/2021/02/24/network-state-the-new-armenia-vision/ (Accessed 20.05.22)). Another project is the virtual Africa Network State, Afropolitan, with a similar objective: "Introducing Afropolitan: A Digital Nation", 24.05.2022, https://afropolitan.mirror.xyz/qkBv4y7MidTpDZJVEIEBC4EZi70v30IrCXLCZ-F6eMs (Accessed 20.06.22).

[22] Torkil Lauesen, Riding the Wave. Sweden's Integration into the Imperialist World System, Montreal: Van Horne, 2021, pp.176.

[23] The US government had to decouple some of its military support to the Ukraine from Covid financial aid as the latter was controversial and so could have delayed the military support, which, in contrast, has bipartisan support: Kevin Breuninger, "Biden calls on Congress to 'immediately' pass major Ukraine aid package before new Covid funding", in: CNBC, https://www.cnbc.com/2022/05/09/biden-calls-congress-to-pass-major-ukraine-aid-package-before-new-covid-funding.html (Accessed 20.05.2022).

in contrast, not be sufficient to promise anything beyond opportunistic changes, as can be expected from any special interest group.[24]

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[24] For the impact of special interest groups on society and, here, mainly the effect that redistribution efforts by small groups seem to be more opportunistic as these groups will carry only a small segment of the redistribution costs while receiving concentrated benefits: Mancur Olson, The Rise and Decline of Nations: Economic Growth, Stagflation and Social Rigidities, New Haven: YUP, 1982.