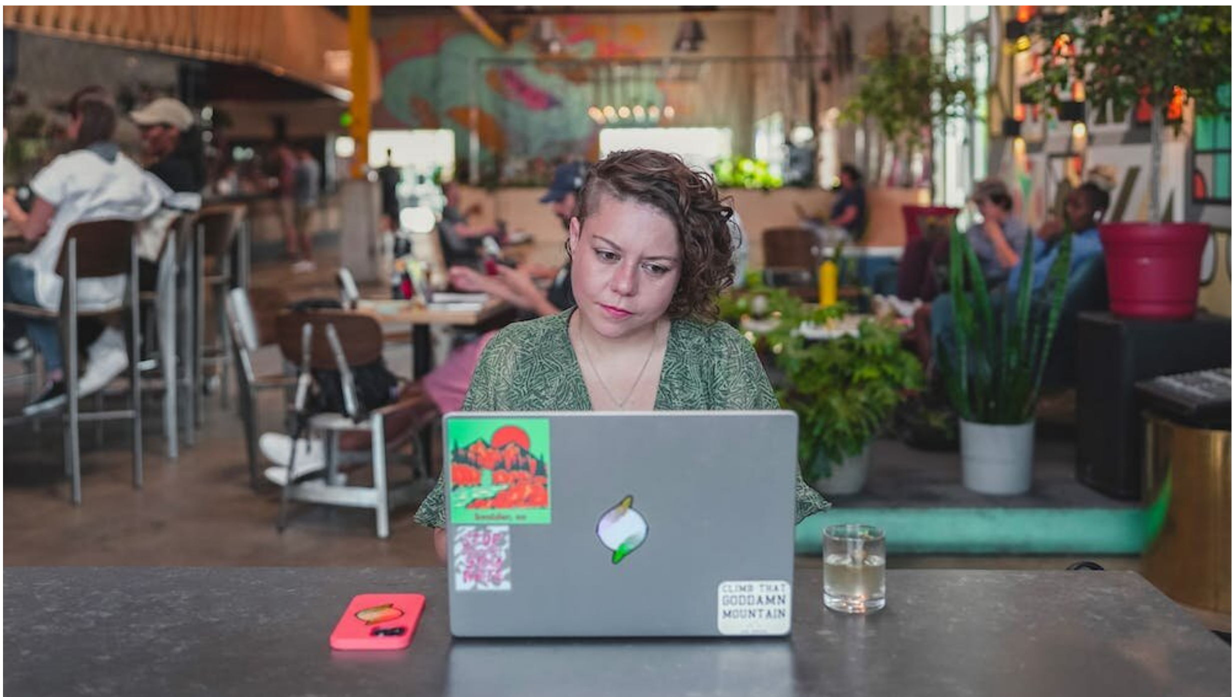
PHYS.ORG

Digital nomads want to replace the nation state—is there a darker side to this quest for global freedom?

September 7 2022, by Dave Cook



Lauren Razavi, executive director of Plumia. Credit: Barbara Jovanovic, Author provided

A 'network state' is ideologically aligned but geographically decentralized. The people are spread around the world in clusters of varying size, but their hearts are in one place.

In June 2022 Balaji Srinivasan, former chief technology officer of the Coinbase cryptocurrency exchange, published an ebook entitled The Network State: How To Start a New Country. It is the latest in a flurry of utopian visions by self-styled digital visionaries, crypto believers and web 3.0 evangelists who are lining up to declare the death of the traditional concept of countries and nationhood.

In one case, a new "virtual" country is already in development. "The nation state is outdated—it's based on 19th-century thinking, and we aim to upend all of that," Lauren Razavi tells me over Zoom from a bustling co-working space.

Razavi is the executive director of Plumia, a self-proclaimed "moonshot mission" to build an internet country for digital nomads. Born in Britain to an Iranian immigrant, Razavi sees herself as untethered and borderless, and likens national citizenship and tax to a "subscription" that is very hard to cancel.

"We're all enrolled into this automatic subscription based on the coincidence of our birthplace or our heritage, and that really doesn't work in the 21st century."

Freedom for everyone?

As an anthropologist, I have been chronicling the digital nomad lifestyle for the past seven years. Pre-pandemic, the popular stereotype was of a carefree millennial who had escaped the daily grind to travel the world without hindrance, working on a laptop in some far-flung beach cafe with their only limitation being the quality of the wifi.

As long ago as 2015, I was hearing recurring complaints from these nomads about the ideological and practical frictions that nation states pose—it just hadn't organized itself into a movement yet.

For a while, COVID-19 appeared to put the brakes on the nomadic dream, as most were forced to head home to western countries and the safety net of healthcare systems. Yet now, the remote working revolution triggered by the pandemic has given this borderless lifestyle "project" a new impetus.

Before COVID struck, 12% of workers in the US worked remotely full time, and 5% in the UK. But the pandemic quickly proved remote work was possible for many more people. Workplace norms toppled like dominos: the office, in-person meetings and the daily commute fell first. Countries such as Barbados, Estonia and Portugal started issuing remote work visas to encourage geographically flexible employees to relocate to their territories. "Zoom towns" are another trend, with towns such as Augusta, Maine in the US offering financial sweeteners to attract remote workers.

Having consigned the office to the trash, it makes sense that the nation state is the next institution that digital nomads want to recycle. To Razavi, membership of a nation state "offers incredibly poor value … The aspects that are really stuck in the past include citizenship, passports and tax. Our vision is to upload the nation state to the cloud."

The concept of creating an internet country was dreamt up during a company hackathon. Plumia is owned and staffed by Safety Wing, an HQ-less insurance company which sells travel and health cover to digital nomads and remote working teams (tagline: "Insurance for nomads by nomads"). Safety Wing, according to its homepage, is "here to remove the role of geographical borders as a barrier to equal opportunities and freedom for everyone."

But the realities of life as a digital nomad, and the dream of shedding your nationality for a borderless, paperless version, are full of day-to-day complications, as I have discovered—particularly if you do not belong to

the young, white and western stereotype that the media tends to perpetuate.

Becoming a digital nomad

I first heard about digital nomads in 2015 while chatting to Thom*, a seasoned traveler in Koh Phangan. Thom was neither expat nor tourist, and rarely seemed to return home. I asked him how people survived while constantly traveling. He had a laundry list of problems, from hassles subletting his apartment in Hamburg to his bank stalking him for a permanent address, and the hell of navigating visa rules.

Later in the conversation, he paused and declared, "You're talking about digital nomads—I can't believe you've never heard of them!" Laughing, he explained, "It's someone a bit like me but who thinks the bottom layer of Maslow's hierarchy of needs is fast wifi instead of shelter. There's a digital nomad conference happening in Bangkok in a few months. Let's go."

How digital nomads see themselves:

Two months later, I was walking up Rangnam Road in Bangkok on a humid morning, looking for the DNX conference. Just off the plane and struggling with jetlag, I visited a coffee shop and overheard two German men discussing the conference. Fabian, who was dressed in camo cargo shorts and a black T-shirt, told me he was giving the keynote speech. He planned to share his experiences of driving across Africa playing guitar for charity, and of setting up a borderless tech start-up while traveling through South America.

At the conference venue I found crowds of people checking-in using Eventbrite apps. Lanyards with the slogan "I CHOOSE FREEDOM" were handed out. At this stage, I didn't question what kind of freedom.

Most attendees were casually dressed men from the global north in their 20s and 30s. Although most carried small backpacks, no one looked like a backpacker. The men were in shorts and navy or khaki polo shirts. The few women present wore neutral sundresses. No one would have looked out of place in a business meeting in an international hotel lobby.

Digital nomads vigorously differentiate themselves from tourists and backpackers. One nomad told me, "I'd be bored shitless if I hung around on the beach all day getting stoned." Nevertheless, these two tribes often collide in locations like Ko Pha Ngan or Chiang Mai in Thailand.

Talks at the conference often repeated the word "freedom." Freedom to live and work anywhere, freedom from the rat race, entrepreneurial freedom, freedom to take control of your life and destiny. Other well-worn themes included "life hacks" enabling nomadic businesses to function efficiently on the move, the role of co-working spaces, and inspirational travelogs.

In the conference introduction by DNX founders Marcus Meurer and Feli Hargarten (also known, respectively, as Sonic Blue and Yara Joy), a YouTube video entitled The Rise of Lowsumerism was played. The video claimed that excessive consumerism was being replaced by a superior sharing economy which "prioritizes access over ownership." This is what Razavi now calls subscription living.

Despite the video's critique of "mindless consumerism," it used a visual style that could have been selling luxury apartments. It all sounded fun and expensive. The video ended with the phrase: "Earth is not a giant shopping center." The conference was hosted in a mall.

Some talks got into the gritty minutiae of global living in surprising detail. Natalie Sissons, whose personal brand is The Suitcase Entrepreneur, used her presenting slot to share her digital productivity

strategies, projecting her yearly schedule on the vast conference screen. She explained how her digital calendar app, Calendly, automatically translated timezones, flattening national time differences into global, bookable and productive meeting slots and projects. She was also a frisbee champion and loved doing handstands.

Then came Fabian Dittrich's keynote. He was billed as a traveling tech entrepreneur, walked on stage still dressed in shorts and a T-shirt, and was sincere and intense. He recounted how his school careers adviser told him he needed to "fit in like an adjusted citizen"—but that he "rejected the system and a well-paid job in London [because] it was a workstyle, not a lifestyle." He linked this dissatisfaction with office life to his rejection of his national identity.

Both Dittrich and Sissons appeared to be living incarnations of the lifestyle extolled by Tim Ferriss in his seminal 2004 self-help book, The 4-Hour Work Week. Their logic pathologised the office and the nation state—both were cast as threats to untethered freedom.

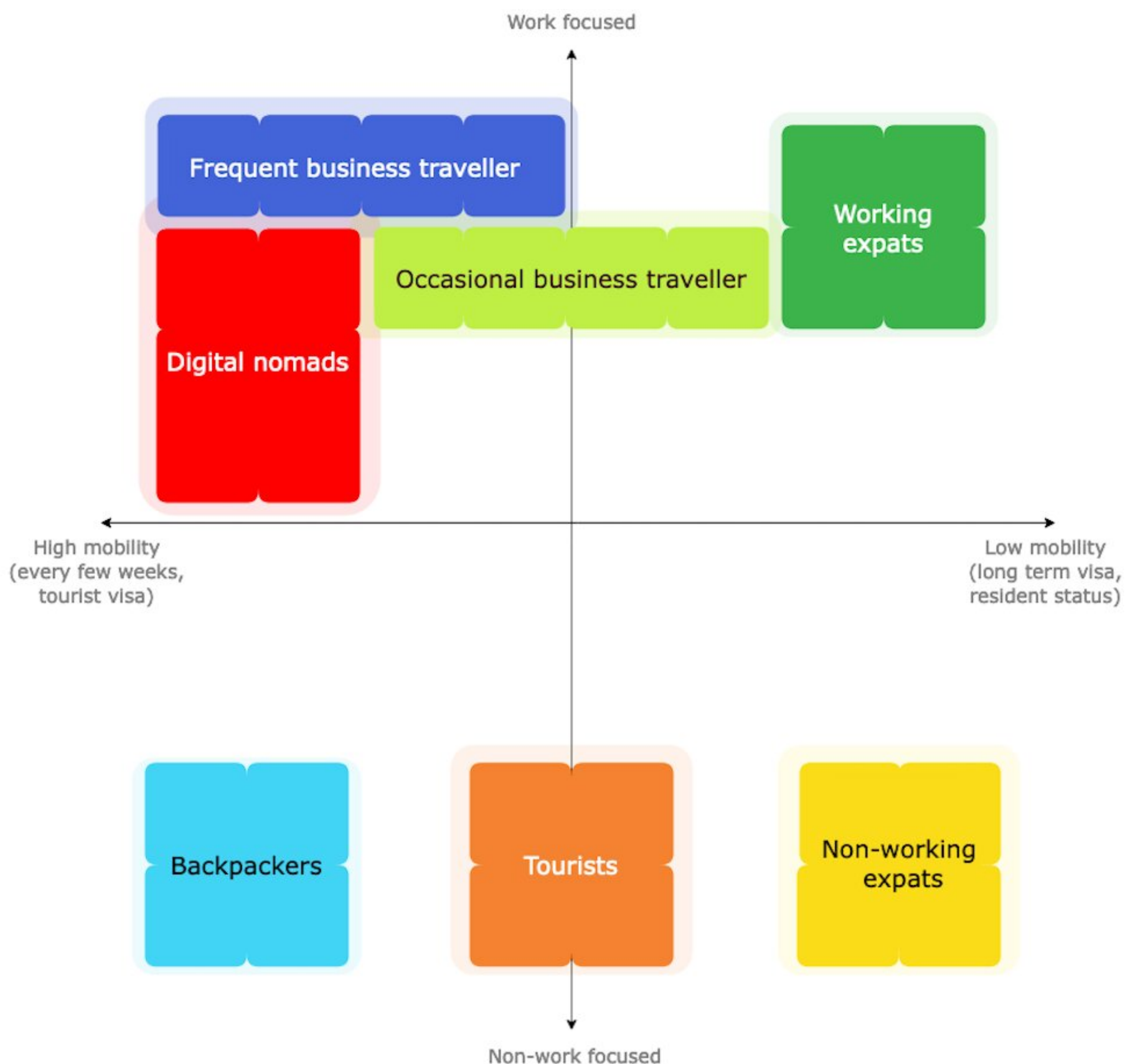
In the closing section of the conference, Dittrich turned his anger directly on the nation state. He clicked to a PowerPoint slide 25-feet wide which parodied the Ascent of Man. His visual depicted human evolution from an ape to a digitally liberated human taking flight, presenting digital nomadism as a future trajectory for humanity.

His next slide showed two globes: the first covered with national flags headed "What people think I am"; the second without flags titled "What I really am." Dittrich explained that his personal identity had nothing to do with his nationality. His performance made me think of Diogenes's proclamation: "I am a citizen of the world." The audience erupted into applause.

After the main conference, there were after-parties and workshops. I

found out that many delegates were new to the nomad scene. Everyone wanted the secret formula of a blissful life combining work and global travel.

When it was over, in my imagination, all the delegates jetted off to their tropical hammocks. I trudged back to the UK winter, my day job, and to my mother's hospital bed which I had left four days earlier. I found her in the same bed, recovering from cancer surgery which had saved her life, provided by the UK's National Health Service.



Self-described digital nomads were asked to mark where they see themselves on the above work focus/mobility axes. Their 'core zone' is shown in red. Credit: Dave Cook and Tony Simonovsky, Author provided

Being a nomad can be taxing

It is apt that the prototype virtual state of Plumia is owned by a travel insurance company. Both digital nomads and skeptics of this lifestyle agree that challenges to sustaining a nomadic existence are 90% practical. Visa rules, tax obligations and healthcare are common nomad pain points.

Healthcare is the obvious first hurdle. Nomads need insurance that covers them for things like scooter accidents and patches them up on the road, so they can make it back to a co-working space or their next destination. Historically, most standard travel insurance covers a maximum of 30 days, so for Safety Wing, longer-term healthcare and travel insurance for nomads is a gap in the market.

Tax planning doesn't make for sexy blog posts—but it did teach me a lot about the struggles of becoming a digital nomad, and what it really means to be the member of a nation state. I met Ben in a Thai co-working space. He was fresh-faced and idealistic, but also stressed and strapped for cash.

Ben had left the UK as a backpacker, staying in Australia under the working holiday visa program where he worked on a sheep farm in the outback. Bored with nothing to do in the evenings, he stumbled across a digital nomad blog promising a life of travel, work and freedom. When Ben left the farm to backpack with friends, his mind kept returning to

that blog which said "earn money whilst traveling the world." He told me: "All my friends wanted to do was get drunk in the next hostel. They knew they'd run out of money and have to go home. I realized I could continue traveling whilst working, instead of going home broke and having to look for a job."

Ben headed to a co-working space in Thailand and taught himself website design. But the Australian government was pursuing him for unpaid taxes because he had overstayed his visa while working. Unfortunately, one tax woe led to another.

Faced with the dilemma of paying the Australian government or risking not being able to visit his girlfriend in Sydney, he used his new design skills to earn some money. He had befriended the owners of a Thai guesthouse and told them he could create a cheap website for them. The owners "were delighted," but the manager of the Thai co-working space found out and told Ben it was illegal for someone on a tourist visa to work directly with Thai clients. If the co-working space was found to be hosting illegal workers, they could be prosecuted and shut down.

To become successfully "free," digital nomads must become experts in keeping ahead of state bureaucracies. Most learn the hard way when they run into trouble. Before the pandemic, Thailand seemed like the perfect digital nomad location due to its Instagram-worthy beaches, fast internet and low cost of living. Imagine Ferriss's 4-Hour Work Week merged with Alex Garland's The Beach, only with a different ending.

Yet visa rules and worker protections in Thailand are strict, if not always rigorously enforced. Around 2018, the Thai state became acutely aware and suspicious of digital nomads. In answer to the question "can digital nomads work in Thailand without a work permit?", a Thai legal website stated: "In order to work in the kingdom, a foreigner needs to: be on an appropriate visa, obtain a work permit, and pay taxes." The website went

on to question the very meaning of work: "What is work? A digital nomad working on his laptop in a co-working space, is that considered work? A businessman sitting in his hotel room preparing for a seminar? When does the Work Permit office consider this to be work? This is a hard question to answer with a straightforward yes or no."

For Ben and other fledgling digital nomads, tax and workplace protections were the rug-pull that caused their digital nomad dream to topple. Many nomads give up at this stage. For others, however, the digital nomad dream can become a recurring nightmare.

The roots of digital nomadism

One key component of digital nomadism is the concept of "geoarbitrage", which is a fancy term for wielding a western wage in a lower-cost, developing country. Some folks find the idea unethical but for entrepreneurs having to wait tables while bootstrapping a business, it makes sense to live somewhere cheaper than the Valley, London or New York.

Geoarbitrage was popularized by Ferriss in his book and to some, the book summarized everything that was right with globalization: the idea that the entire world should operate as an open, free market. To others, it pointed to a nightmare.

In the wake of Ferriss's book and also Digital Nomad by Japanese technologist Tsugio Makimoto—who is widely credited with coining the term—digital nomads gravitated to tropical locations with lower living costs. Thailand and Bali were early hotspots but digital nomads aren't sentimental. If a better place offers the right combination of welcoming visas and low living costs, or catches the attention for some other reason—as El Salvador did in 2021 by becoming the first country to classify Bitcoin legal currency—digital nomads are likely to appear, with

carry-on luggage.

To survive as a nomad requires skill, tenacity and the privilege of holding a "strong" passport, a point that Razavi has highlighted on Plumia's Twitter feed: "A passport is no longer a physical document but a set of rights and inequalities programmed into a computer. To me, that means this is the moment where this has to change. In a world of remote work, this makes no sense whatsoever."

Tourist visas are often short, so nomads traveling on them need to change location regularly, sometimes as frequently as every two weeks. Some do visa runs to the nearest border (to extend their visas) or leave and apply for longer-term visitor visas. But this means additional travel and disrupts work routines. Established nomads often explain how they have learned from past mistakes. As they become more road savvy, they slow down their travel patterns, refine their tax and visa arrangements, and make sure they are not worrying about breaking local immigration laws.

Juggling work and travel is both a dream and a headache. A high percentage of nomads I've met abruptly disappear from the scene, and their social media posts about nomading cease. Yet that doesn't stop the next generation of dreamers turning up in Bali and Chiang Mai. And no dream, perhaps, was more alluring than the practice of "dropshipping." It's also hugely controversial—even in nomad circles.

The darker side of digital nomadism

Between 2016 and 2018, "dropshipping" was the most popular get-rich-quick scheme I came across in Chiang Mai. This online business model involves people marketing and selling products they may never have seen, produced in countries they may never go to, to customers they will never meet. The products are often niche items such as kitchen gadgets

or pet accessories.

Typically, dropshippers promote their products on social media and sell them via Amazon, eBay, or by creating their own online stores using software such as Shopify. Dropshipping is catnip to aspiring digital nomads because it is borderless and offers the promise of "passive income." As one nomad explained to me, "why wouldn't you want to earn money while you sleep?"

But many committed digital nomads hate this darker side of digital nomadism. Both Razavi and Pieter Levels, creator of the website nomadlist.com, have declared that dropshipping is "bullshit." Another British expat described it as "the snake oil that greased the wheels of a thousand start-ups in Chiang Mai."

Young nomads often confided to me that they were perfecting their dropshipping business model. Some showed me spreadsheets displaying more than US$5,000 a month of passive income. But I also learned more about the emotional and economic costs.

At one unofficial dropshipper meet-up in Chiang Mai in 2018, I was told that if you wanted to be really successful, you had to become expert at manipulating big e-commerce platforms such as Amazon and eBay. Some talked about trying to evade local health and safety laws when selling niche products like kitchen gadgets while tapping into a pool of global cheap labor.

Competing with other sellers who troll you with bad reviews was a dark art, I discovered. Two men confided that their Amazon seller accounts had been suspended after being accused of posting suspicious reviews. Several admitted they had got friends to review-bomb their competitors.

These dropshippers feared Amazon's algorithms more than border and

customs inspections. Manipulating its review system was particularly tricky because, according to Larry, an ex-marine who manufactured his own "top secret" product in China (dropshippers rarely share what their niche products are), "Amazon processes and algorithms seem to know everything."

"They know if your cousin gives your product a five-star review," Ted added. Everyone nodded vigorously.

Every dropshipper selling on Amazon.com (its US domain) complained about Proposition 65, a list of toxic chemicals regulated in California that are widely used in Chinese plastic manufacturing. Some had entire product categories (their whole "seller listing") deleted in California. These battles with local laws and tech giants show how the lines between nation states and corporations can become blurry for digital nomads. Or as Ted put it: "Fuck the west coast. You're stuck between health and safety and the tech giants."

Amazon is very clear about its dropshipping policy: "We do not allow a third party to fulfill orders from other retailers on a seller's behalf, unless the Amazon seller of record is clearly identified on the packaging," a spokesperson told me. "Our policies also prohibit reviews abuse."

Pete, a dropshipping veteran using multiple platforms, told the Chiang Mai meet-up that he had more than US$10,000 worth of stock "at sea or in transit" and had built his own e-commerce store. He also hinted that he would turn a blind eye to the possibility of child labor. "I'm getting more involved with the manufacturing," he half-whispered to the room. "I sent an agent to check how things were going, and I heard that kids were packing the orders." Another dropshipper chipped in: "Well, it is China … what can you do?" Half the room shrugged.

Some dropshippers bragged to me about hacking into the global pool of

cheap, educated virtual assistants (VAs)—often from the Philippines where English is widely spoken. Zena, who sold home decor to a "design-savvy clientele back in the US," explained how "Instagram was her killer sales funnel," but that she soon realized "I was killing myself between the order fulfilments and socials [social media posts]".

So Zena found a VA living on the outskirts of Manila and outsourced everything to her. "[It took] a month to get her fully up to speed—she has an MBA, her English is great. The time investment was totally worth it; I get everything done better than I could do it myself."

Zena would not divulge how much she paid her VA, in case someone tried to poach her. Two male dropshippers chipped in. "They all have MBAs, bro," one laughed. The other added, "Some accept less than [US]$500 a month. I've heard as low as $250, but that's too low even for me."

Levels says dropshipping is a "terribly dark story," pointing out that aspiring dropshippers can be victims too. He claimed on Twitter: "What's dire about dropshipping is that these people from poor areas in the US pay thousands of dollars for courses that don't deliver."

Fresh-faced nomads often told me they were excited to start online courses, but others told me the content didn't teach them much. While it's debatable whether these courses were deliberate scams, many young nomads were disappointed to discover that dropshipping was a very difficult way to earn money.

The dropshipping scene in Chiang Mai started to dwindle before the pandemic hit in 2020, with many seeking out new "get rich quick" schemes. As one nomad told me in 2020, "cryptocurrency has stolen the limelight."

'A lonely, miserable existence'

The digital nomad on the beach might have become a cliche, but what's not to like about living and working in paradise? Quite a lot according to Andrew Keen, author of The Internet Is Not The Answer. Keen is critical and dismissive of the digital nomad lifestyle—and when Razavi interviewed him for a Plumia livestream event, the conversation, in Razavi's words, "got salty."

When Razavi asked Keen about digital nomads and his "views on global mobility," Keen replied: "I'm not in favor of tearing up your passport and being 'anywhere' … I'm quite critical of this new precariat, the new workforce existing on so-called sharing platforms like Uber and Lyft to make a living … I'm not sure most people want to be nomads. I think it's a rather ugly, miserable, lonely existence. The problem is that technology is pushing us in that way."

Behind the inspirational blogs and stock images of hammocks, digital nomadism divides options, often angrily. Razavi believes mobility is a human right, while Keen believes politics needs places. This plays out in national politics, too. At the 2016 Conservative Party conference in the UK, the new prime minister, Theresa May, famously declared: "If you are a citizen of the world, you are a citizen of nowhere." It was a battlecry inviting people to take sides.

In March 2020, COVID and its associated global lockdowns briefly seemed to challenge the idea of freely existing "beyond nations." Yet now that remote working has been normalized, the digital nomad dream has been supercharged—and every week, a new country or city seems to launch a remote work or digital nomad visa scheme.

According to Razavi, Plumia "are talking to a number of countries but that's confidential … We are speaking to emerging economies." She

does name the government of Montenegro, however: "That one's quite public because it's on social media. I see there being opportunity there."

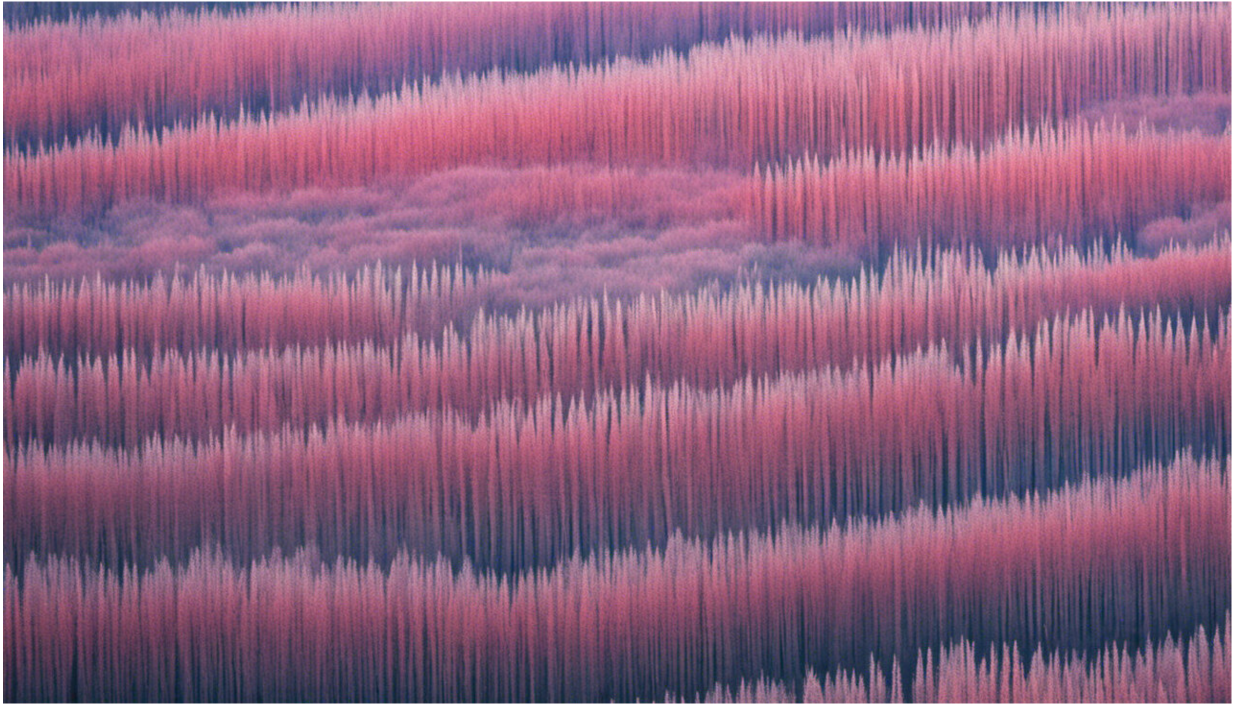
Estonia was the first country to pioneer a digital nomad visa. Having only gained independence in 1991, it has positioned itself as a digital society where 99% of government services can be accessed online. According to Estonian entrepreneur Karoli Hindricks, founder of Jobbatical, a job-finding service for remote workers: "Where you were born is like a statistical error."

The idea of creating a new nation by hacking and reassembling old ideas is nothing new, of course. The Principality of Sealand, located on a concrete platform in the North Sea, tried to claim sovereignty in 1967 with mixed success. Some digital nomads obsessively research maritime law, others go on digital nomads cruises. One nomad confided to me that they wanted to buy an island in Brazil.

And while the idea of an internet country without any territory, or future plans to claim any, is a radical concept for most, history teaches us that ideas, given the right tailwinds, can morph into reality.

In 1996, for example, John Perry Barlow published A Declaration of the Independence of Cyberspace, in which he wrote the following missive to "outdated" governments: "Governments of the Industrial World, you weary giants of flesh and steel, I come from Cyberspace, the new home of Mind. On behalf of the future, I ask you of the past to leave us alone. You are not welcome among us. You have no sovereignty where we gather."

Within four years the dotcom bubble grew exponentially and then burst—proving both its evangelists and critics right.



Credit: AI-generated image (disclaimer)

A new religion?

I discussed where digital nomadism may be going with the documentary film director Lena Leonhardt, who like me has spent years chronicling the digital nomad lifestyle. Her film Roamers—Follow Your Likes tells four astonishing stories of nomads combining travel, work and chronicling their adventures on social media.

The film's main character is Nuseir Yassin—or Nas Daily as he is known to his followers, because he made a one-minute film everyday for 1,000 days while traveling. At the start of the movie he is seen on a stage, urging his audience not to waste their lives: "I worked as a software engineer for PayPal but I hated my job and I hated my life."

Yassin wears a T-shirt with an infographic showing his life as 33% used-up. "I had this revelation," he explains. "I am one-third dead with my life." The rest of the film documents how he and other nomads turned their ordinary lives into something "fricking fantastic."

Leonhardt thinks the digital nomad lifestyle may have spiritual or religious qualities: "Many people feel "I only have this life and a very short time, so I have to make sure this life is worth something.'"

Yet there's no doubt the digital nomad lifestyle is much harder if you don't travel with a "strong" passport that allows visa-free travel. If you are an African woman, for example, nomadic travel can be difficult and hostile.

Agnes Nyamwange, who also features in the film, has a Kenyan passport. Before the pandemic, she was based in the US and "nomaded" in South America from there. Nyamwange explained that holding a Kenyan passport made visas more expensive, as visa-free travel is much less available to holders of many African passports.

Since the pandemic, traveling to the US or Europe has become almost impossible for her. "I wanted to go to Europe when they opened up, but the embassies here said it was closed for Africans. Recently I just had the US Embassy telling me they don't have any appointments available until 2024."

In the film, Nyamwange memorably proclaims: "We are a generation of people who believe in superheroes." She talks about the healing power of travel. But when I caught up with her earlier this year, she revealed the underbelly of nomadism to me: "It's a cultish type thing. It's not sustainable. It's good to travel from place to place to place to place, but you kind of have to have a sustainable lifestyle for it to be healthy … 15% of it was real, the other 85% is complete junk."

Nyamwange added that it is all about "selling the dream": "Once you get into the digital nomad lifestyle, you start understanding Instagram, Snapchat and all these social media systems very well. But most people who portray and tell those stories don't really live the lives that they're selling."

Despite all the barriers, Nyamwange is still drawn to what she sees as the therapeutic aspects of work and travel. For now though, she travels locally in Africa, because traveling further "is such a headache."

Digital nomadism may offer a hard road, but it is a spiritual path many want to take. And believers like Razavi, Srinivasan and legions of other digital nomads will continue to seek alternatives to poor-value, inefficient nation states in their quest for a geographically untethered version of freedom.

Yet for the moment at least, this type of freedom is a privilege which largely depends on your place of birth, long-term place of residence, and economic circumstances. Or put another way, your given nationality.

This article is republished from The Conversation under a Creative Commons license. Read the original article.

Provided by The Conversation

Citation: Digital nomads want to replace the nation state—is there a darker side to this quest for global freedom? (2022, September 7) retrieved 13 May 2024 from https://phys.org/news/2022-09-digital-nomads-nation-stateis-darker.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.