STARTUP STATES

Julien *'Andrew'* Starr

Founding Director of the Startup States Society

STARTUP STATES

Where countries are built like startups—
and startups become countries.

Julien *'Andrew'* Starr

Founding Director of the Startup States Society

www.startupstates.swiss

Copyright and Legal Notice

without limitation, any errors, omissions, inaccuracies or deficiencies, whether factual, interpretative or otherwise, and whether foreseeable or not.

The author acknowledges that certain elements of the editorial, research, drafting and formatting process were assisted by artificial intelligence tools and software, including but not limited to Google Gemini, Jenni.ai and OpenAI's ChatGPT, as well as by freelance contributors engaged through the Upwork platform. Any missing, incomplete or imperfect citations or references are unintentional and do not constitute a waiver of rights or an admission of error.

This publication may be offered for sale, loan or distribution through third-party platforms, retailers or distributors at the discretion of the author. The availability of free copies on the author's own or affiliated websites does not create any entitlement to free access elsewhere, nor does it limit, exhaust or otherwise affect the author's rights in this work.

This book is made available for download and access through the official websites of the Startup States Society. The author is the Founding Director of the Startup States Society. Notwithstanding this role, all ideas, concepts, analyses, interpretations and opinions expressed in this book are presented solely in the author's personal and scholarly capacity. While certain ideas may align with, inform or overlap with the objectives, research or activities of the Startup States Society, they do not necessarily represent, define or bind the Society's official positions, policies, resolutions or statements, whether past, present or future. Such positions remain attributable to the Society only where they have been formally adopted through its established governance processes.

The author's official personal websites are https://www.julienstarr.com and https://www.starr.mc.

The official websites of the Startup States Society are https://www.startupstates.swiss and https://www.startupstates.com.

Acknowledgments

House of Grimaldi, for demonstrating how a small rock can be transformed into one of the most sought-after places through discretion, enduring stewardship, exemplary governance, and a commitment to the quality of life of both citizens and guests, thereby setting a standard worthy of emulation.

Eric Miki, for nudging me to write this. I had long considered undertaking such an endeavour, but it was his encouragement that moved me to begin. His warm, steadfast encouragement and support, combined with a sense of humour, are treasured.

John McCone, for identifying factual inaccuracies during proofreading and for being one of the sharpest, most perceptive minds I know and call a friend.

Ricky Fry, for being a friend over many decades and for standing with me long before anyone had heard of Network States, and years before the advent of Bitcoin.

Josh Pause, for more than thirty years of friendship and for consistently demonstrating the depth, integrity, and thoughtfulness of a true mensch.

The Rebbe, for serving as the greatest diasporic leader of our generation and a masterful exemplar of how soft power can be exercised to achieve the timeless.

Dad, a clever, talented, thoughtful, and incisive thinker.

My Brother, the most intelligent, knowledgeable, and honest person I know.

Mom, the kindest, sweetest, gentlest, and most generous soul I have ever known; if the world reflected more of her, this book would not need to exist.

To the 6,000,000 who perished, and especially Moïse and Marcel Abouaf, may their memories be a blessing.

Preface

Have you ever thought about starting your own country? Not as a whimsical daydream about wearing a crown and never doing the dishes again, but as a genuine startup challenge: designing a sovereign entity from the ground up.

What would it look like? Who would join you? Where would it live, and what ideals would guide it? It could be almost anything: a sanctuary for endangered species, a carbon-negative paradise powered entirely by solar energy, a vibrant community for homeschooling and unschooling, a flourishing matriarchy, a safe harbour for minorities, or a place where politics gently steps aside to make room for surfboards and sunsets.

The possibilities are not only limitless but exhilarating. The real question is not whether it can be done, but how.

Founding a country is the ultimate startup. Unlike registering an LLC or launching an app, there is no UN form to complete, no "submit" button, and no onboarding wizard. And unlike traditional startups, there are not accelerators, incubators, or launchpads dedicated to helping people found new countries. This frontier remains almost entirely unexplored. There are millions of millionaires and thousands of billionaires, yet only a tiny handful of people in history can say they helped create a nation. That rarity does not make the dream unrealistic; it makes it extraordinary.

This book is not a legal manual, nor is it a fantasy. It is a pragmatic playbook that draws from international law, history, and startup strategy to illustrate how new countries can emerge in the twenty-first century. It will not tell you what to build, because that vision belongs to you. Instead, it will offer frameworks that help you think boldly and clearly. And it will show you why this work matters, not in some distant future, but right now.

Nothing worthwhile is ever entirely simple, and that is precisely what makes this journey meaningful and deeply rewarding.

If you are someone who believes in turning dreams into reality and refuses to settle

for less than what is possible, you are exactly where you need to be. If you sense that the world we inherited is not the final version of the world we can create, then consider this book your invitation to begin.

As Thomas Paine reminded us, “We have it in our power to begin the world over again.”

And as the late, great Harry Browne taught, “Because I aimed for the stars, I reached the top of the world.”

Contents

Chapter 1

The Case for New Countries - An Intro

Imagine, for a moment, a blank canvas, not a map discoloured by centuries of conquest and compromise, but a clean sheet of possibility. You, the architect of a

new nation, are invited to sketch something original, principled, and lasting. What might it become? What values would it enshrine? How would it serve its people, contribute to the world, and safeguard future generations? Would it be a refuge for the displaced, a home for innovators, a sanctuary for cultural renaissance, or a model of ecological responsibility?

This book extends a signal not merely to read, but to participate. It calls upon the ambitious and the curious alike to entertain a question often dismissed as implausible, and to take it seriously.

For most of history, the creation of nations has been the domain of revolutionaries, generals, or the accidents of war and empire. Rarely has it been viewed through the lens of design, planning, and partnership, let alone industry and entrepreneurship (Kotila et al., 2023). Yet the twenty-first century, with its unprecedented tools, technologies, and collaborative frameworks, offers a new answer: yes.

Enter the Startup State: a sober, lawful, and collaborative method of country creation.

At its heart, the idea is straightforward: what if countries could be launched the way companies are applying the discipline, creativity, and execution of modern startups to the art of statecraft? This is not about technology firms declaring sovereignty or digital platforms masquerading as governments. It is about purpose-built polities nations forged intentionally, through ethical negotiation, international law, and long-term partnership with the host countries that help birth them (Schneider, 2022).

History provides the precedent. Since the end of the Second World War, decolonisation, the fragmentation of empires, and the resurgence of long-suppressed identities have multiplied the number of sovereign states. This is not a rupture but a continuation of an older cycle. Before the imperial consolidations of the eighteenth and nineteenth centuries, Europe teemed with duchies, bishoprics, principalities, and republics, an intricate mosaic best seen in the Holy Roman Empire. Pre-colonial Africa was home to decentralised kingdoms and tribal confederacies. India, before Mughal and later British dominance, was dotted with princely states and courts (Foa, 2016). History affirms the rhythm: centralisation and fragmentation rise and fall in waves. Today, we may be entering another decentralising cycle.

Globalisation has drawn nations into unions, trade blocs, and supranational frameworks (Coleman, 2000). Yet alongside integration runs an equally powerful countercurrent: localisation, exit, and the reimagining of governance. In an age of

networks, many are instinctively drawn toward sovereignty scaled to human scale.

We live in a post-industrial, digitally networked world where the startup ethos defined by responsiveness, experimentation, and deliberate design has transformed entire sectors. From communications to finance, from healthcare to mobility, startups have delivered breakthroughs unimaginable a generation ago. Why not apply that same ethic not only to an app or platform, but to a country?

A Startup State does not seek to mimic existing nations, nor to replace them. It seeks to add to the global family: lean, ethical, self-sustaining nations designed from first principles. Imagine a government not as a burdensome bureaucracy but as a citizen-facing platform. Not an overlord, but a steward. Not a master, but a service provider offering security, infrastructure, and freedom with clarity and choice. A government that knows when to step in, and just as critically, when to step aside (Kirlin, 1996).

This model is not fantasy, nor is it revolutionary in the destructive sense. It is evolutionary reformist without subversion, innovative without insurrection. A Startup State is not born of blood or betrayal, but of negotiation and consent. It arises through treaties, leases, and recognition, respecting borders even as it helps to redraw them. It does not coerce or confront; it collaborates.

Most critically, it seeks to avoid the pathologies of traditional state formation: war, ethnic cleansing, conquest, and exploitation. Instead, it is an invitation to build countries without conquest, sovereign foundations resting on legality, transparency, and voluntary participation (Albert, 2024).

And here we must pause to consider a contrast. Around the world, bold reformers have captured public imagination. El Salvador's Nayib Bukele is celebrated for dismantling gang power and restoring safety to once ungovernable streets. Argentina's Javier Milei has taken the axe to runaway inflation, restoring a measure of faith in the peso and the markets for a time (Gonzalez & Nicolini, 2024). Donald Trump, in his own disruptive way, shook the foundations of American politics, mobilising millions who felt forgotten by the establishment. Ibrahim Traoré in Burkina Faso has electrified parts of Africa with his defiance of old patronage networks and his call for dignity (Dieckhoff et al., 2022).

Support them or not, one must acknowledge their impact. Yet the question remains: will their reforms endure once they retire to the south of France or Lake Geneva, leaving politics behind for family life? Do their movements possess cultural as well as political coattails, the ability to shift paradigms not just in policies

but in the underlying assumptions of governance? Have they undertaken reconstructive surgery on the body politic, or merely cosmetic procedures that fade when the next administration arrives?

Even in the best scenarios, when leaders achieve short-term miracles, the long-term risks loom. What happens if Bukele's prisons are emptied and hardened criminals return to the streets with a thirst for vengeance? What if Argentina's fiscal discipline evaporates once Milei's successors face electoral pressure to spend? Even if Honduras were to elect a libertarian legislature dominated by "Ron Paul" clones, would this signal a durable sea change, or merely a temporary experiment vulnerable to reversal?

And crucially, what of those who did not support such leaders? In majoritarian democracies, even when reforms are popular, a large minority often finds itself governed against its will (Silva, 2024). Dissenters, however principled, are subject to the same laws and burdens. This raises the enduring problem: in electoral politics, winners impose, losers endure (Werner et al., 2025).

This is where the Startup State departs so radically. It is consent from the outset. It is opt-in, not imposed. Aligned individuals and businesses choose to participate, and if dissatisfied, they may exit with clarity (South et al., 2024). The legitimacy is not transactional or temporary; it is baked into the foundation. Startup States are designed as fluid polities, enabling voluntary association rather than enforced compliance.

That is why the clean slate matters. That is why the institutional "hardcoding" of transparency, accountability, and voluntary participation is not a luxury but a necessity. Because unlike the fleeting charisma of individual leaders, the Startup State embeds stability into its very architecture. It is not dependent on the heroics of a single figure but on the durable design of its governance.

None of this denies that people may celebrate Bukele, Milei, Traoré, Kagame, or any other leader. Individuals are free to admire or criticise them, to embrace or reject their legacies (Hundsbæk & Buur, 2014). But there is a superior path forward, one that secures consistency, continuity, and stability not by relying on electoral cycles or cults of personality, but by starting anew, intentionally, from first principles.

In practice, Startup States begin with what entrepreneurs call a clean cap table a foundation free of crippling debts, entrenched lobbies, and inherited conflicts. Unlike established nations, burdened by inertia and legacy obligations, they can

start fresh. Reforming an existing state is often a long, arduous, and unrewarding process. Founding a new one allows a clean approach, bypassing entrenched gridlock and enabling innovation from the ground up (Hayo & Voigt, 2010).

The opportunities are extraordinary. Startup States could provide sanctuary to the stateless (Giesen, 2018). They could serve as laboratories for sustainable technologies, havens for peaceful faith communities, jurisdictions for experimental legal systems, or testbeds for pioneering healthcare models. They could offer global citizens something profoundly rare: a country designed with consent, care, and clarity of purpose (Frazier, 2018).

This is the essence of the Startup States proposition.

The world today does not lack problems. What it increasingly lacks are viable countries, nations that are adaptive, transparent, and purpose-built (Hobbs et al., 2023; Romer, 2010). Many existing states are paralysed by gridlock, weighed down by instability, or undermined by corruption and exploitation. Some are failed outright; others are functionally occupied. Even the best were rarely designed.

They were inherited, imposed, or stumbled into being.

Startup States represent another path: a blank canvas coupled with disciplined tools and thoughtful intent. They begin clean, but not naïve. They are built not because it is easy, but because it is necessary.

To those who have ever dreamed of founding something greater than a company, more enduring than a product, and more meaningful than a brand, this book is for you.

The time has come not merely to reform countries, but to form them.

Chapter 2

The Imperative of Full Sovereignty

A foundational tenet of Startup States posits that nothing less than full independence and sovereignty is ultimately sine qua non for the enduring success and

optimal functionality of a new polity (Gartenstein-Ross & Barr, 2016). While the allure of partial autonomy such as that offered by subnational entities like Charter Cities or Special Economic Zones (SEZs) may present tactical advantages in the initial stages, the long-term strategic imperative necessitates complete self-governance (Frazier, 2018). This chapter delineates the case for full sovereignty, illustrating its critical importance through historical precedents, present-day case studies, and resonant analogies.

Charter Cities represent one of the most creative modern approaches to testing new governance models within the constraints of existing sovereignty (Romer, 2010). Typically conceived as new municipalities built from scratch or retrofitted onto existing settlements, Charter Cities are granted special administrative and legal autonomy by a host government. This autonomy can include bespoke regulatory frameworks, streamlined judicial processes, and tailor-made commercial codes, enabling them to experiment with policies that would be politically difficult to implement nationwide. The underlying rationale is straightforward: by carving out a limited jurisdiction where innovation is not stifled by legacy institutions, a Charter City can attract investment, stimulate entrepreneurship, and demonstrate proof-of-concept governance in real time (McAslan et al., 2021). The idea appeals not only to investors but also to reform-minded policymakers who see in such projects a safe laboratory for policy experimentation without risking disruption of the broader polity.

Special Economic Zones (SEZs), though distinct in structure, are similarly ingenious in their pragmatism (Kweka & Farole, 2011). These are designated geographical areas within a country's territory that benefit from liberalised regulations and preferential treatment. Typically, SEZs feature tax holidays, duty exemptions, relaxed labour laws, expedited licensing, and streamlined customs procedures. Their principal objectives are to boost exports, attract foreign direct investment (FDI), create employment, and accelerate industrialisation. Since the first modern SEZ was launched in Shenzhen, China (1980), the model has proliferated dramatically: today, thousands exist across more than one hundred countries (Kweka & Farole, 2011). Their record includes some of the most striking success stories of modern development economics zones that transformed sleepy ports into thriving industrial hubs, or that catalysed a wider national shift towards market-oriented reform.

Although differing in ambition, Charter Cities and SEZs share an important virtue: they demonstrate that partial sovereignty even if derivative can nonetheless yield powerful results (Romer, 2010). By creating pockets of legal and regulatory differ-

entiation, they harness global capital, technology, and human talent to catalyse growth in systems that might otherwise remain stagnant. For host governments, they provide a means of accessing development without the political risks of wholesale systemic change. For residents and investors, they offer the promise of greater opportunity and prosperity within an environment designed for efficiency (Giannecchini & Taylor, 2017).

Yet herein lies their limitation. As commendable as SEZs and Charter Cities may be, they remain inherently subordinate and structurally capped in both scope and security. They lack their own immigration or citizenship regimes, possess no foreign policy authority, and cannot join international organisations or establish embassies abroad (Frazier, 2018). They exist only at the pleasure of the host government (ad nutum) and therein lies the structural vulnerability.

At first glance, subnational status may appear advantageous. A Charter City or SEZ is relieved of the costs and burdens of national defence, foreign policy, and international diplomacy. Failures may be attributed to the host government's overarching constraints, while successes can be claimed as local triumphs (Moberg, 2018). Yet such conveniences are often illusory. The overriding drawback is their revocability: the autonomy granted today can be withdrawn tomorrow by a change in government, a shift in political winds, or an economic downturn that renders their privileges politically inconvenient. Regime change, populist backlash, or shifts in national strategy can and have undone the carefully built frameworks of SEZs and Charter Cities around the world.

Thus, while Charter Cities and SEZs should be commended for their ability to spark growth, incubate reforms, and serve as laboratories for innovation, their subnational nature is their Achilles' heel (Romer, 2010). They are powerful, but they are not permanent. For those who seek not merely prosperity but also durable sovereignty, the lesson is clear: the Startup State must build upon the inspiration of these models, but transcend their limitations.

"The overriding drawback of subnational status lies in its revocability and its vulnerability to regime change." (Pritchett et al., 2012)

2.1 Hong Kong: Success with a Sunset Clause

The case of Hong Kong serves as a compelling illustration of both the promise and limitation of partial sovereignty within asymmetrical constitutional arrangements

(Lo, 2024). Under British colonial rule beginning in the mid-nineteenth century, Hong Kong developed a distinctive legal and administrative identity. The colony operated under English common law, maintained its own customs and immigration controls, and over time constructed a governance framework increasingly insulated from direct parliamentary oversight in London (Donald, 2011). Yet, despite the extensive autonomy enjoyed in practice, its constitutional existence was always rooted in Crown authority, a delegated status rather than an original sovereignty.

The transition from British colonial governance to Chinese sovereignty was formalised in the 1984 Sino–British Joint Declaration, a binding international treaty registered with the United Nations (Cheung, 2014). This agreement set forth the principle of "One Country, Two Systems," stipulating that following the 1997 handover, Hong Kong would retain a high degree of autonomy for fifty years, until 2047. This autonomy was entrenched in the Basic Law of the Hong Kong Special Administrative Region (HKSAR), a quasi-constitutional instrument enacted by the National People's Congress of the People's Republic of China (Lin & Fei, 2023). The Basic Law guaranteed that Hong Kong would maintain:

- An independent judiciary operating under the common law tradition,
- A separate currency, the Hong Kong dollar,
- Its own customs territory and immigration regime, and
- Civil liberties and freedoms distinct from those on the mainland.

Internationally, this framework was heralded as an innovative and even unprecedented experiment in political cohabitation (Hu, 2023). For over two decades following the handover, Hong Kong flourished as one of the world's foremost financial centres, a global hub of capital flows, and a bastion of civic freedoms within the Chinese sphere. The "One Country, Two Systems" model was frequently invoked as a possible template for managing other complex sovereignty disputes (Chan, 2022).

Yet, the architecture of autonomy was always structurally contingent. Hong Kong did not enjoy sovereignty in its own right. Whether under London or Beijing, the fundamental constitutional fact remained constant: ultimate authority rested with the metropole. The promise of fifty years of autonomy was a unilateral grant, not an irrevocable entitlement. This became starkly apparent in 2020, when Beijing promulgated and applied the National Security Law to Hong Kong (Chopra & Pils, 2022). The law, enacted directly by the National People's Congress Standing

Committee without local legislative approval, was widely seen as a watershed moment that curtailed freedoms long before the 2047 deadline, reshaping the balance of autonomy in favour of central control (Fu, 2025).

The lesson here is not framed as a critique of the People's Republic of China, but as a sober recognition of a universal truth in constitutional law and political order: ubi maior, minor cessat where the greater power exists, the lesser yields. Even a jurisdiction as wealthy, sophisticated, and globally respected as Hong Kong could not escape the inherent vulnerability of delegated autonomy (Rezvani, 2011). Its experience underscores the limitations of any subnational arrangement, no matter how well-designed or internationally praised, when the ultimate competence to legislate, amend, or revoke lies outside the territory itself.

Please see the Annex for further details on Hong Kong.

2.2 Próspera: Innovation with Structural Risk

The case of Próspera, located on the island of Roatán in the Bay Islands of Honduras (a former British colony ceded to Honduras in the mid-nineteenth century), provides a modern and highly instructive example of the promise and precarity of subnational autonomy (Colindres, 2021). Conceived as one of the most ambitious Charter City-style experiments attempted anywhere in the world, Próspera was established under the Zonas de Empleo y Desarrollo Económico (ZEDEs) legal framework, a regime of special jurisdictions created by constitutional amendment and enabling legislation passed in 2013 (Miller & Shubin, 2020).

The ZEDE framework was not a mere statutory novelty; it was embedded into the Honduran Constitution itself, granting these zones extraordinary latitude. ZEDEs were designed to function as jurisdictions within jurisdictions: equipped with their own regulatory frameworks, civil and commercial courts, tax systems, and administrative structures (Méndez & Dirkmaat, 2021). They could adopt international legal codes, contract foreign judges, and implement bespoke governance models. This represented a radical departure from the traditional constitutional orthodoxy of unitary states in Latin America, and it was marketed as a bold solution for attracting foreign investment and fostering economic growth in one of the hemisphere's poorest nations (Faguet, 2013).

The intellectual precursor to ZEDEs traces back to the economist Paul Romer, who advanced the theory of Charter Cities as experimental jurisdictions oper-

ated in partnership between developing states and external guarantors. Romer's vision was intended to combine the sovereignty of a host country with the governance innovation of foreign administrators, thereby importing institutional credibility where it was lacking (Romer, 2010). Yet Romer himself later distanced his work from the Honduran ZEDEs, publicly criticising them for lack of transparency and governance safeguards. This divergence underscored the perennial tension between idealised economic models and the realities of political compromise in fragile democracies (Sandí, 2020).

Despite this rocky intellectual genealogy, Próspera itself achieved striking results in a short span of time. Its internal legal order is partly based on common law principles, codified in the Roatán Common Law Code, which harmonises elements of Anglo-American jurisprudence with local statutes (Fredona & Reinert, 2024). It established independent arbitration mechanisms for commercial disputes, lowering the risk perception of investors wary of Honduran courts. Its governance system embraces contractual citizenship, innovative taxation structures, and digital-friendly regulations. These features attracted international investors, entrepreneurs, digital nomads, and legal innovators, positioning Próspera as a testbed for twenty-first century governance.

Yet the project's successes have unfolded under the shadow of severe political contestation. The ZEDE laws were passed during the presidency of Juan Orlando Hernández (JOH), a leader later engulfed in international scandal, indicted on allegations of corruption and criminal conspiracy tied to narcotics trafficking. His legacy has tainted ZEDEs by association, fuelling suspicion among Hondurans that the zones were born of illegitimate political bargains. Although constitutionally entrenched, ZEDEs quickly became a political lightning rod, denounced by critics as a form of "neo-colonial enclave" incompatible with Honduran sovereignty (Colindres, 2021).

When the government changed hands, the ZEDE regime's future was imperilled. In 2022, the newly elected Honduran administration initiated steps to repeal the ZEDE legislation and abolish the zones altogether. This legislative reversal collided head-on with the principle of pacta sunt servanda: Próspera's investors had relied on constitutional guarantees of stability, only to see them eroded by political winds (Anna & Shishkova, 2021). In response, Próspera filed an international arbitration claim under the ICSID system (Próspera Inc. v. Honduras, ICSID Case No. ARB/23/1), arguing that Honduras had breached its treaty obligations to protect foreign investment. This case now sits at the intersection of constitutional law,

international arbitration, and political sovereignty, with implications extending well beyond Central America (Urueña & Prada-Uribe, 2019).

Whether Próspera ultimately prevails or fails in arbitration, the underlying truth is clear: subnational jurisdictions, no matter how innovative, wealthy, or internationally connected, remain exposed to the discretionary power of the national sovereign. Unlike independent states, they cannot anchor their claims to the Montevideo criteria or international recognition. Their legal certainty is contingent, not inherent. In Latin maxims: pacta sunt servanda cannot cure dolus malus; without true sovereignty, contractual assurances can always be undermined by sovereign retraction (Levine-Schnur et al., 2025).

The broader lesson is that even the most advanced Charter City experiments are structurally fragile. They may deliver innovation, prosperity, and global prestige, but they lack the final guarantee of permanence that only sovereignty provides. Próspera thus joins Hong Kong and the British Overseas Territories as a cautionary case study: proof that autonomy, when derived rather than innate, is always subject to recall, modification, or extinction by the greater power.

Please see the Annex for further details on Próspera.

2.3 British Overseas Territories: Devolved, Not Decisive

Further illustration of subnational fragility emerges from the experiences of current British Overseas Territories (BOTs), most prominently the Turks and Caicos Islands and the British Virgin Islands (BVI) (Daniel, 2014). These territories, though possessing their own constitutions, parliaments, and elected governments, remain ultimately subordinated to the sovereignty of the United Kingdom. Their legal status is not one of independence but of "belonging to the Crown" under arrangements codified in instruments such as the British Overseas Territories Act 2002 (Scott, 2020). This framework provides for substantial internal self-government, but with reserve powers vested in the Crown-in-Parliament and exercised on the ground by a locally resident Governor appointed by the monarch on the advice of the UK Foreign and Commonwealth Office (now the Foreign, Commonwealth & Development Office, FCDO) (Yusuf & Chowdhury, 2019).

The constitutional connection is therefore dual: on the one hand, BOTs are not "colonies" in the nineteenth-century sense, having been granted democratic institu-

tions and control over domestic matters; yet on the other hand, the British constitution, unwritten, but entrenched through statute, prerogative, and convention permits unilateral suspension of these democratic institutions whenever London deems local governance to have failed (McCorkindale, 2024). The relationship is asymmetrical: BOTs have no representation in the UK Parliament, yet the latter retains paramount authority to legislate for them or to displace their governments under the rubric of "good governance."

This asymmetry has been dramatically demonstrated in recent decades. In 2009, following an extensive investigation that revealed entrenched corruption and mismanagement, the UK invoked its reserve powers to suspend the elected government of the Turks and Caicos Islands (Go, 2023). A period of direct rule followed, during which the Governor backed by Whitehall, administered the territory without local legislative consent. Such action underscored the fragility of delegated self-rule: constitutional autonomy exists only until the metropole chooses to retract it (Clegg et al., 2022).

More recently, the British Virgin Islands narrowly escaped a similar fate. In 2022, a Commission of Inquiry commissioned by the UK reported extensive governance failures, including lack of transparency, weak accountability mechanisms, and suspicion of entrenched corruption. It recommended the suspension of the BVI's constitution and the imposition of direct rule, echoing the Turks and Caicos precedent. Ultimately, London held back, in part due to strong local resistance and the delicate balance between upholding good governance and respecting self-determination (Schleiter & Fleming, 2022).

The irony lies in the BVI's global commercial significance. Despite a resident population of fewer than 40,000, the territory is a cornerstone of the international offshore financial services sector, hosting hundreds of thousands of International Business Companies (IBCs). By the late 2010s, the Financial Services Commission reported 402,907 registered business companies (as of year-end 2018), a figure that dwarfs the territory's population many times over. This role as a hub of international capital flows and corporate domiciliation has made the BVI a keystone of global finance, yet even with such outsized economic relevance, its internal political order remains precarious always subject to recall by the Crown.

In constitutional theory, this reflects the maxim quod principi placuit legis habet vigorem, what pleases the sovereign has the force of law (Wan, 2024). The British constitutional order, flexible and unwritten, locates ultimate sovereignty in the Crown-in-Parliament; BOT constitutions are delegated instruments, not

innate charters of sovereignty. The takeaway is unmistakable: economic success, global integration, and local governance capacity do not alter the essential subordinate status of BOTs. They are enduring reminders that when political authority derives from delegation rather than original, self-standing sovereignty, it may be suspended, retracted, or restructured at the discretion of the metropole.

2.4 Special Economic Zones

This vulnerability is not unique to Honduras. The experience of Special Economic Zones (SEZs) worldwide illustrates the fragility of delegated autonomy, no matter how commercially successful such projects may become (Colindres, 2021).

Consider India, where SEZs had long benefited from robust fiscal incentives under the Special Economic Zones Act of 2005. Yet, in 2019–2020, New Delhi announced a sunset on key SEZ tax holidays, effective 1 April 2020, thereby constraining the flagship incentive for new units. Although legacy units retained grandfathered benefits, the episode signalled how quickly central governments can reshape the fiscal foundations of zones, undermining investor confidence (Pandya & Joshi, 2015).

A parallel lesson comes from Nigeria's Tinapa Free Trade Zone, once touted as a flagship model of public–private partnership in Africa. Designed to integrate commerce, tourism, and retail, Tinapa struggled under prolonged policy uncertainty, overlapping legal regimes, and inconsistent coordination between federal and state authorities (Ibrahim et al., 2022). Ultimately, what was envisioned as a pan-African trade hub fell into decline, beset by legal ambiguity and insufficient infrastructure support, proof that political instability and weak regulatory alignment can undo even the most heralded ventures.

In the Philippines, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, Republic Act No. 11534 of 2021, substantially restructured the investment-promotion landscape (Drope et al., 2014; Valderrama & Balharová, 2021). While framed as a rationalisation of incentives, it introduced time-bound and performance-based regimes, layering additional approvals on locators across ecozones and export processing zones. This reform created substantial transitional uncertainty for existing enterprises, demonstrating again how a central legislature can rewrite the rules of a delegated jurisdiction ex nunc, with immediate and sometimes destabilising effect (Laryea et al., 2020).

Other cases reinforce the pattern. In Kazakhstan, early SEZ initiatives in the 1990s

including zones in Lieninogorsk, Kurkure, and Zhezkazgan were revoked outright by presidential decree after failing to meet expectations. In Russia, a wave of SEZ cancellations in the 2010s saw zones stripped of status for underperformance, leaving investors stranded in legal limbo. Similarly, in Poland, once-prominent SEZs established in the 1990s were progressively curtailed as the country prepared for EU accession, their fiscal privileges dismantled to comply with Brussels' state aid restrictions (Zeng, 2021).

The broader pattern is unmistakable: SEZs are creatures of statute, not sovereignty. They can be curtailed, restructured, or abolished altogether when the political or fiscal calculus shifts (Chaisse & Ji, 2020). Even when they succeed in attracting investment, governments often "claw back" incentives once industries are established, recasting SEZs less as permanent havens than as temporary laboratories of experimentation (Chaisse & Ji, 2020).

Equally important is the narrow functional scope of most SEZs. They are typically sector-specific enclaves, designed for export-oriented manufacturing, logistics, or financial services. Very few SEZs are genuinely general-purpose jurisdictions permitting broad-spectrum economic activity combined with residential life. Even well-known successes such as Shenzhen in China, Jebel Ali Free Zone in Dubai, or Mauritius's Export Processing Zones were conceived as commercial-industrial engines, not as holistic polities with civic and social infrastructure on par with sovereign states. Workers may live adjacent to SEZs, but the zones themselves rarely provide full-fledged urban environments with housing, schools, healthcare, and political representation (Newman et al., 2016).

Thus, the contrast is stark: Startup States are designed as comprehensive polities, capable of sustaining not only commerce but also communities, while SEZs are bounded enclaves, effective in their limited scope, but constitutionally impermanent and rarely habitable as fully fledged societies. No matter how high their commercial value, SEZs remain precariously subject to the will of the central sovereign (Frazier, 2018). As the maxim reminds us: ex nunc, privileges may vanish. They build castles not on their own land, but in someone else's sandbox.

2.5 The Inherent Ceiling and the Trojan Horse

None of this is to disparage subnational initiatives. The world needs more SEZs and Charter Cities, not fewer (Castle-Miller, 2012). They have proven useful in piloting reforms, attracting investment, and generating employment. But the

world also needs something more ambitious: new countries. Of the thousands of SEZs operating globally today, very few extend beyond narrow commercial functions. They almost never confer residential rights, determine immigration policy, provide for full political participation, or cultivate cultural autonomy. By contrast, there are only around 200 fully sovereign states in existence today. The global system is thus saturated with economic enclaves but remarkably scarce in genuinely sovereign polities (Murphy, 2010).

The logic is straightforward. Startups become companies. Cities become metropolises. Zones should be able to grow into nations. Yet, to cross that threshold, one must proceed with ethical clarity. It is neither honourable nor strategically sound to approach a host government under the guise of creating a Special Economic Zone or Charter City while harbouring an undisclosed intention to later use it as a springboard for independence (Frazier, 2018). Such a tactic amounts to a form of diplomatic duplicity and it is precisely this spectre of the "Trojan Horse" that makes many governments deeply wary of foreign-backed zone projects. History provides ample justification: colonialism often began with commercial pretexts, treaties of trade or settlement that slowly morphed into creeping sovereignty and eventual subjugation.

For Startup States, the distinguishing feature is that no such duplicity exists. Unlike SEZs or Charter Cities, which ask governments to make piecemeal concessions, a tax holiday here, a regulatory exemption there, a Startup State presents its case with radical transparency. There is no hidden agenda, no covert attempt to nibble away at sovereignty under the cover of economic development. From the very outset, a Startup State consortium places all its cards on the table, declaring candidly: the objective is the co-creation of a new, fully sovereign and internationally recognised country, not a temporary enclave or provisional carve-out (Frazier, 2018).

This approach fundamentally transforms the negotiation dynamic. Where zones often position themselves as beneficiaries of sovereignty, seeking to operate under borrowed jurisdiction, Startup States instead position themselves as amplifiers of sovereignty (Bräuer & Haywood, 2011). They offer host nations the opportunity to leverage and scale their sovereign authority to extend it into new forms, geographies, and institutional models through the treaty-based act of birthing a new state. Far from a zero-sum game of concession, this is a positive-sum partnership in which both parties expand their strategic and diplomatic reach.

The benefits for the host are neither theoretical nor trivial. By openly co-creating

a Startup State, the host government can:

- Secure a financial stake in the new polity, ensuring it shares in long-term revenues.
- Attract infrastructure investment that improves not just the Startup State but the surrounding national region.
- Cultivate a diplomatic ally on the international stage, an ally that owes its very existence to the host's consent and collaboration.
- Demonstrate global leadership by pioneering an innovative model of statecraft, signalling that sovereignty can be multiplied rather than hoarded.

This is why the Startup State model insists on bona fides over dolus malus: candour, disclosure, and partnership rather than subterfuge. The pathway to legitimacy lies not in skirting sovereignty but in fortifying it, not in encroachment but in co-creation (Weyl et al., 2022).

By being candid from the outset, a Startup State ensures that the host nation's interests are protected and even enhanced. There is no Trojan Horse, no hidden clause, no covert ambition. Instead, there is a clear and principled proposal: to work side by side with a willing host to create a new, recognised, independent country (Huang & Soete, 2025). In that sense, Startup States are not merely projects of state-building; they are projects of trust-building.

2.6 Independence Analogy: From Child to Ally

The relationship between a parent country and a Startup State can be likened to that of a parent and an adult child (Cui et al., 2024). Just as people naturally bring children into the world and companies often "spin off" subsidiaries or nurture new ventures, so too can countries bring forth new nations. It is entirely natural, and indeed often profoundly beneficial, for the child to eventually branch off, establish their own household, and forge their own destiny all while honouring, respecting, and even supporting the parent (Willy & Faria, 2025).

In cultural traditions across the world, the virtues of such continuity are deeply embedded. In Confucian philosophy, xiao (filial piety) emphasises reverence, care, and ongoing support between generations (Bedford & Yeh, 2019). A child's independence does not mean estrangement but rather the opportunity to extend the

family's strength outward. Likewise, in Judeo-Christian traditions, the blessing of fruitful offspring is seen as the means by which a lineage endures and multiplies. Islamic and Hindu cultures likewise celebrate continuity, legacy, and duty between generations. The analogy carries neatly into the realm of statecraft: a Startup State, born of co-creation, does not weaken the parent; it carries the parent's story forward, projecting influence and multiplying legacy (Saeed et al., 2024).

Applied to the international order, this means a Startup State, having achieved sovereignty through open collaboration with a host nation, can become a steadfast ally, a diplomatic partner, and a net economic contributor to its "parent" country. In doing so, it mirrors the cycle of life itself: maturity does not dissolve bonds, but transforms them into a new relationship of reciprocity.

History offers rich echoes of this dynamic. Consider the collaboration between the United States and the United Kingdom in the twentieth century. The United States had once been a rebellious child, securing independence through conflict rather than consensual co-creation. Yet by the time of the Second World War, the "adult child" provided decisive material and military support to its parent from a position of independent strength. This filial assistance altered the course of global history. By contrast, Canada's coming of age as a sovereign state was marked by gradual evolution rather than rupture, an "amicable emancipation" that yielded a long-lasting bond of trust and cooperation (Brebner, 1970). These examples suggest two lessons: first, that independent children often grow into indispensable allies, and second, that a peaceful, negotiated birth of sovereignty avoids the trauma of rupture and lays a firmer foundation for enduring solidarity.

The corporate world offers a similar pattern. Conglomerates routinely spin off subsidiaries, not to diminish the parent firm but to allow specialised growth, agile adaptation, and even reciprocal enrichment (Burgelman et al., 2021). A successful spin-off often expands the overall group's influence, forging new lines of revenue and prestige. So too in diplomacy: a country that brings forth a new nation through consensual co-creation is not "losing territory," but rather multiplying its diplomatic portfolio, adding another voice in international fora, another partner in global trade, another node of cultural influence.

Thus, to speak in deliberately pro-natal terms, Startup States are the children of sovereigns, conceived not in secrecy but in transparency, and raised not in rebellion but in partnership. They represent the natural extension of a host country's legacy into new lands, new ideas, and new communities (Mielly et al., 2024). Far from diminishing the parent, they elevate it creating a family of nations bound by shared

history and mutual respect.

For potential host governments, the choice to co-create a Startup State is therefore not only an immediate financial opportunity. It is also an act of legacy-building, of sovereign parenthood, of deliberately "giving birth" to children who will one day stand tall as peers, allies, and contributors (Mazzucato, 2015). It is not merely a transaction, but a generational investment in a family of nations, each branch honouring its roots while extending its reach.

2.7 Metaphors

Analogies from other domains further illuminate this principle (Gentner, 2010). One would scarcely choose to construct a stately edifice upon quicksand, nor would one invest vast sums in adding an elaborate extension to a house whose foundation is rotten. At best, such efforts produce temporary shelter; at worst, they collapse under their own weight. Similarly, upgrading your landlord's kitchen at your own expense may improve your daily life, but it never confers ownership of the property. No matter how refined or functional the improvement, the ultimate title remains with the landlord. So too with Special Economic Zones and Charter Cities: no matter how advanced, prosperous, or innovative, they remain built upon the sovereignty of another.

Why, then, would nations or investors commit immense effort and capital to such impermanent foundations? Consider the aspirational pursuit of the Olympic athlete. Few train for years to stand content with a bronze medal, knowing that with a similar intensity of effort and perhaps one more burst of discipline, they might seize the gold. Ambition that stops short of its natural peak betrays itself. So too with zones and enclaves: why settle for a temporary concession when one can aim for a permanent breakthrough, a Startup State that leaves an indelible mark on history?

Here the parent–child analogy is instructive. A clean conception between consenting married partners provides legitimacy, stability, and clarity for the child's place in the world (Holmes & McDougall, 2024). By contrast, a hidden or contested parentage leaves the offspring vulnerable, uncertain of its standing. A Startup State born through open co-creation is the sovereign child of two willing parents: the host government and the consortium of founders. Its birth is legitimate, its lineage honoured, its trajectory secure (Fenwick & Vermeulen, 2016). This is not the improvised extension of a rented house, but the deliberate raising of a new

household, complete with its own keys, its own title, its own destiny.

Other metaphors reinforce the point. The entrepreneur who invests in building a great company seldom does so to remain a mere franchisee of someone else's brand; the goal is to build something enduring, self-owned, capable of weathering storms. The gardener who tends a sapling does not dream of it remaining forever a potted plant, but of it one day becoming a sturdy oak, rooted in its own soil. The parent who raises a child prepares them not for perpetual dependence, but for maturity, independence, and reciprocity, a child who in adulthood may one day provide support to the parent in turn (Chu et al., 2023).

So it is with the Startup State model. Rather than patching another's foundation, renting space in another's sovereignty, or training for a lesser prize, Startup States embody the ambition to create new, independent polities rooted in legitimacy, raised with transparency, and oriented toward enduring partnership. They are not bronze medals, kitchen renovations, or precarious houses on sand. They are gold medals, new households, and flourishing families of nations, conceived openly, built to last, and destined to contribute to the legacy of those who gave them life.

Interlude I

An Open Letter to *Satoshi Nakamoto*

Satoshi,

You never asked for monuments.
You never asked for statues, flags, or holidays.
You did not ask for conferences, slogans, or messianic devotion.

You asked a far quieter question, and in doing so you split history in two:

What if money did not require permission?

Bitcoin was your answer. And like all answers that are too honest, it unsettled empires.

From the very beginning, Bitcoin attracted critics who mistook surface friction for failure. They complained that it was not private by default, that it was not fast enough, that its fees were not trivial, that it did not easily tokenise assets or host sprawling smart contract ecosystems. Some insisted it failed as "peer-to-peer cash", reducing it instead to a digital relic, a store of value, inert and slow.

Yet through all of this, Bitcoin endured. Not by adapting to every demand, but by refusing to compromise its core.

Scarcity.
Immutability.

Neutrality.
Unforgeable cost.

Bitcoin became something no marketing department could manufacture and no state could decree into existence: a global monetary constant. A household name with a near-universal recognition score. A market capitalisation rivaling the GDPs of major countries.

While the efficacy of legal tender laws remains debatable, Bitcoin crossed an even rarer threshold. It became legal tender not through conquest, but through consent. In doing so, it achieved a form of recognition that many political entities spend centuries chasing and never obtain. By every functional measure, Bitcoin already behaves like a country.

It has borders, though they are cryptographic.
It has citizenship, though it is voluntary.
It has laws, though they are enforced by mathematics rather than men.
It has a treasury schedule, a monetary constitution, and an incorruptible issuance policy.

What it lacks is territory.

And so the question naturally follows, not as a rebellion against Bitcoin, but as its logical continuation:

What if a country were built *by* Bitcoin and *with* Bitcoin?

Not a country that merely tolerates it.
Not a country that flirts with it for headlines.
Not a sandbox that can be revoked, rewritten, or reclaimed when political winds shift.

But a country designed from first principles to protect Bitcoin absolutely.

A jurisdiction where Bitcoin mining is not a loophole but a constitutional right.
Where self-custody is not a regulatory concession but a legal guarantee.
Where trading, transacting, and building on Bitcoin is protected by treaty-level

permanence rather than administrative discretion.
Where no future election, emergency decree, or international pressure campaign can place Bitcoin in legal limbo.

This would not be a "Bitcoin flag".
It would not be a meme nation.
It would not be a publicity stunt.

It would be a place where Bitcoin is not a hobby or an asset class, but a way of life.

A country where energy policy is written with mining in mind.
Where property rights are aligned with key custody.
Where governance is anchored to on-chain mechanisms without congesting the base layer.
Where funding, settlement, and institutional legitimacy flow through Bitcoin while respecting its limits.

Not everything must live on-chain.
But everything must respect the chain.

A sovereign environment where Bitcoiners do not have to ask permission, file exemptions, or hope regulators remain distracted. A place where builders can plan in decades rather than regulatory cycles. Where the rules are boring, predictable, and immovable. Where innovation happens above a foundation that does not shift beneath it.

Bitcoin does not need a nation to survive.
It already won.

But people do.

And as Bitcoin continues to absorb value, attention, and conviction, its community will increasingly face a choice: remain nomadic within hostile or ambivalent states, or deliberately construct a jurisdiction where Bitcoin is not merely allowed, but *foundational*.

Such a country would not compete with Bitcoin.
It would crystallise its ethos in physical space.

A country without monetary inflation.
Without arbitrary confiscation.
Without financial speech crimes.
Without the constant threat that yesterday's legality becomes tomorrow's prosecution.

A country whose legitimacy comes not from mythology or flags, but from law, treaties, and voluntary participation.
A country whose neutrality mirrors Bitcoin's own.
A country that understands that sovereignty, like private keys, must never be custodial.

You disappeared so that Bitcoin could live.

Perhaps the next step is for a place to exist where those who live by Bitcoin can finally live without fear of its revocation.

Not louder.
Not flashier.
Just permanent.

If Bitcoin was the separation of money from the state, then this would be the separation of Bitcoiners from legal uncertainty itself.

Not a rebellion.

A completion.

Chapter 3

Illegitimate Pathways to Statehood

The pursuit of novel state formation necessitates not only creativity and ambition but also a rigorous examination of history's cautionary tales (Gowder & Gowder,

2023). To build wisely for the future, one must first study the missteps of the past, the experiments in quasi-sovereignty that failed, faltered, or collapsed under the weight of their own illegitimacy. Only by understanding what went wrong can new models avoid repeating those errors.

History is replete with ventures that sought to create states or state-like entities without the ingredients of lawful legitimacy, ethical clarity, or mutual consent. These attempts often reflect the darker sides of ambition: conquest masked as commerce, adventurism parading as liberation, or opportunism dressed up as sovereignty. They reveal how fragile and unsustainable any political entity becomes when its birth is tainted by deception, coercion, or unilateral imposition (Bieleń, 2021).

This chapter examines a spectrum of such problematic historical models, including:

- The Chartered Companies, whose profit-driven enterprises blurred the lines between commerce and colonialism, demonstrating how corporate sovereignty often collapsed into exploitation and abuse.
- The reckless adventurism of Filibusters and Freebooters, private individuals who attempted to carve out dominions through violence and opportunism, often destabilising entire regions in their wake.
- Various private sovereignty ventures of the modern era: grandiose schemes on islands, platforms, or contested territories that faltered because they lacked recognition, lawful grounding, or credible governance.
- Manufactured or hollow sovereignties, where nominal independence masked domination by external powers, exposing the limits of puppet states and façade polities.

Each of these examples is not merely a historical curiosity; they are object lessons in what must be avoided. They illuminate the perils of sovereignty that is taken by force, fabricated through artifice, imposed without consent, or manipulated for ulterior motives. In every case, the absence of transparency and mutual agreement corroded legitimacy and undermined durability.

To frame these cautionary examples within modern legal doctrine, this chapter also integrates key principles of international law:

- The right of self-determination, which cannot be invoked as a cloak for adventurism or opportunism.

- The doctrine of non-recognition, which ensures that ill-gotten sovereignties, those born of aggression, subversion, or illegality are denied legitimacy on the international stage.

- The concept of remedial secession, an extraordinary and limited exception that underscores the rarity of lawful unilateral independence, rather than providing a model to emulate.

Together, these principles provide a cautionary framework: a compass pointing away from illegitimate shortcuts and towards the path of lawful, consensual, and ethical state creation.

The unifying theme is clear. In each failed attempt, sovereignty was not granted through consent, nor earned through lawful process, but rather taken, faked, imposed, or manipulated. Such ventures, whether dressed as companies, adventurers, or puppet regimes, were always doomed to instability. By contrast, the Startup State model seeks to establish what these past efforts conspicuously lacked: legitimacy rooted in mutual consent, durability grounded in law, and ethics enshrined in transparency.

3.1 The Perils of Chartered Companies

Historically, Chartered Companies represented commercial entities granted extensive sovereign-like powers by monarchs or states (Howitt, 2023). Their charters often authorised them not only to trade, but also to colonise and administer territories, raise armies, build fortifications, wage war, and conduct diplomacy. In effect, these private corporations acted as delegated sovereigns, wielding powers that blurred, and often erased, the boundary between state authority and commercial enterprise. They were instrumental in the expansion of European empires, laying much of the groundwork for colonial domination (Phillips & Sharman, 2020).

The best-known examples include the British East India Company (EIC), chartered in 1600, which gradually transformed from a trading venture into the de facto ruler of large parts of the Indian subcontinent, exercising administrative, judicial, and military authority until the Crown assumed direct control after the Indian Rebellion of 1857. Similarly, the Dutch East India Company (Vereenigde Oostindische Compagnie or VOC), founded in 1602, held a monopoly over Dutch trade in Asia and effectively acted as a quasi-sovereign entity in the Indonesian archipelago and beyond, signing treaties, minting coins, and maintaining private

armies (Jeurgens & Karabinos, 2020).

But these two giants were far from alone. Across Europe, monarchs and parliaments granted charters to private enterprises as a means of outsourcing empire-building:

- The British South Sea Company (1711) and the Royal African Company (1660), which managed trade including, notoriously, the Atlantic slave trade under royal monopoly.
- The Hudson's Bay Company (HBC), chartered in 1670, which ruled vast swathes of what is now Canada as "Rupert's Land," administering justice, policing, and land distribution in the name of commerce.
- The Levant Company and the Muscovy Company, which acted as Britain's intermediaries in the Ottoman Empire and Russia, blending trade with diplomatic representation.
- The French East India Company (1664), which managed French colonial interests in India, Madagascar, and the Indian Ocean, and the Compagnie du Sénégal, central to France's trade (and slavery) in West Africa.
- The Danish East India Company (1616) and later the Danish West India Company, which controlled Danish colonial possessions from Tranquebar (India) to the Caribbean.
- The Swedish Africa Company and the Swedish East India Company, which briefly managed Sweden's colonial and trade aspirations in Africa and Asia.
- The Portuguese Companhia Geral do Grão-Pará e Maranhão (1755) and similar entities, which combined colonial administration with commercial monopoly.
- Even the Austrian Ostend Company (1722–1731), an attempt by the Habsburg monarchy to carve out a place in Asian trade, though short-lived under international pressure.

These companies frequently governed populations far larger than their home countries, creating miniature empires operated as profit-driven corporations. Their legitimacy did not derive from the consent of the people they ruled, but from distant monarchs or governments who saw in these charters a way to expand territory and influence without bearing the immediate costs of conquest.

The results were often catastrophic for indigenous populations. Chartered Companies, by design, prioritised commercial extraction, whether in spices, furs, slaves, or opium over the welfare of local societies. They frequently engaged in coercion, manipulation, and violence to secure resources and suppress resistance. Even when they provided rudimentary administration or infrastructure, it was not for the benefit of the governed, but to increase profit margins and secure monopolistic advantage. In short, their modus operandi was colonialism by corporate proxy (Maiangwa et al., 2018).

The Startup State model stands as the antithesis of these Chartered Companies. The divergence is not merely operational but ethical and structural. Chartered Companies derived authority from imperial delegation, whereas Startup States are grounded in explicit, mutual consent. Where the former imposed governance from afar, the latter emerges through partnership with a host nation, openly negotiated and co-created (Robins, 2012). Where Chartered Companies subjugated and exploited, Startup States seek to amplify sovereignty, enabling host countries to extend their legacy by giving birth to a new polity.

In this way, the parent–child metaphor applies with force. Chartered Companies were akin to illegitimate offspring conceived in secrecy, often forced upon unwilling populations, and serving primarily the ambitions of distant patrons. By contrast, Startup States represent a clean conception between consenting partners, born in legitimacy, raised in cooperation, and oriented toward mutual flourishing. They are not instruments of imperial ambition but expressions of sovereign collaboration, designed to endure because they are rooted not in exploitation, but in trust (Hobbs & Young, 2020).

3.2 Illegitimacy of Filibusters and Freebooters

Another historical pathway to be unequivocally rejected is the adventurism of Filibusters and Freebooters. These were private individuals often mercenaries or idealistic adventurers who, without official governmental sanction, launched unauthorised military expeditions to overthrow governments, seize territory, or otherwise intervene in the affairs of foreign states (Alessio, 2016). Their motives ranged from personal gain to ideological fervour, yet their methods were invariably illegal under international law, rooted in force, deception, and opportunism.

The most notorious of these figures was William Walker, an American adventurer whose exploits in the mid-19th century became synonymous with reckless filibus-

tering. Walker first attempted to establish a colony in Baja California and Sonora (1853–54), proclaiming the "Republic of Sonora," but his small force was quickly overwhelmed, and the venture collapsed in chaos. Undeterred, he turned to Central America, exploiting the region's political instability (Denton, 2015).

In 1855, Walker led a private force into Nicaragua, initially hired by one faction in a civil war but soon turning against both sides. By 1856, he had seized control of the capital, declared himself President of Nicaragua, and sought recognition from the United States (which was briefly, and controversially, extended by President Franklin Pierce). Walker then attempted to reintroduce slavery, hoping to attract pro-slavery settlers from the American South. His regime, however, was short-lived: a coalition of Central American states, alarmed by his ambitions, united against him. By 1857, Walker was forced to surrender, later making repeated attempts to return before finally being captured and executed in Honduras in 1860. His trajectory grandiose ambition, fleeting control, violent collapse epitomises a bad pathway to statehood, one built on sand rather than law (Mangipano, 2017).

Walker was not alone. He was part of a wider phenomenon of filibustering adventurers, whose exploits were equally ill-fated:

- Narciso López, a Venezuelan-born adventurer, led multiple failed expeditions in the 1840s and 1850s to liberate Cuba from Spanish rule, hoping to annex it to the United States as a slaveholding state. His expeditions ended in disaster, and he was executed by Spanish authorities in Havana in 1851.
- Henry Alexander Crabb, an American politician and adventurer, led the so-called "Crabb Expedition" into Sonora, Mexico (1857), ostensibly to support local rebels. Instead, his force was surrounded and annihilated; Crabb and many of his men were executed.
- Joseph C. Morehead and William Crittenden, who joined Walker's expeditions, met similar fates when captured, executed as violators of sovereignty rather than treated as lawful combatants.
- Across the Atlantic, freebooters such as the French privateer Jean Lafitte blurred the line between piracy and political adventurism, though he never achieved territorial control.

What united these episodes was not just their failure, but their fundamental illegitimacy. Filibusters and Freebooters operated without lawful mandate, trespassing on the sovereignty of recognised states. Their regimes lacked recognition, were

opposed by both local populations and international powers, and invariably ended in bloodshed. Far from creating durable polities, they left behind instability, resentment, and suspicion toward foreign adventurism.

These examples demonstrate with clarity why such methods are to be rejected outright. The filibuster's path was one of aggression, hubris, and disregard for law. It brought neither legitimacy nor longevity. By contrast, the Startup State model insists on the opposite foundations: lawful consent, transparency, and co-creation with host governments. Where filibusters imposed themselves upon unwilling peoples, Startup States are invited partners. Where filibusters relied on violence, Startup States rely on treaties. And where filibusters collapsed into ignominy, Startup States aspire to endurance, credibility, and recognition.

3.3 Right of Self-Determination vs. Secession

The Montevideo Convention criteria (1933) permanent population, defined territory, government, and capacity to enter into relations with other states remain the classic reference point for statehood, and they are widely regarded as reflective of customary international law. In practice, however, these criteria have always operated in tension with politics. Numerous states including Israel (1948), Bangladesh (1971), and Kosovo (2008) emerged without universal recognition at the outset, yet consolidated de facto independence through time, recognition by a critical mass of states, and eventual integration into international institutions. Recognition, therefore, is a political act, whereas statehood is primarily a legal and factual question rooted in effectiveness.

International jurisprudence has long drawn a sharp distinction between the right of peoples to self-determination and any supposed right to secede. The former is an entrenched principle of international law, reaffirmed in the UN Charter and multiple General Assembly resolutions; the latter remains far more contested. Outside of the decolonisation context, where secession was explicitly sanctioned as a mechanism to end alien subjugation, international law provides no general entitlement for regions or groups to unilaterally break away from a recognised state (Brilmayer, 1991).

This principle was set out with unusual clarity in the Supreme Court of Canada's Reference re Secession of Quebec (1998). Confronted with the question of whether Quebec could unilaterally secede following a referendum, the Court concluded that international law grants no unilateral right to secede to parts of an existing

state, except in exceptional circumstances such as colonial domination or perhaps situations of extreme oppression. Instead, the Court emphasised that peoples possess a right to internal self-determination: meaningful political participation, cultural protection, and autonomy within the existing state. Where those rights are respected, the international order favours territorial integrity over fragmentation (Pentassuglia, 2017).

Nonetheless, scholars and some judicial dicta have given rise to the concept of "remedial secession." This theory posits that, where a people suffers severe and sustained denial of fundamental rights to the point where internal self-determination is impossible, secession may emerge as a last-resort remedy. Classic illustrations include:

- Bangladesh (1971): East Pakistan's bid for independence followed decades of economic marginalisation and political exclusion, culminating in atrocities and genocide that claimed hundreds of thousands of lives. Here, secession was widely regarded as both morally justified and pragmatically unavoidable.
- South Sudan (2011): After decades of civil war and humanitarian catastrophe, South Sudan's independence was ultimately endorsed through a negotiated referendum, framed as a remedial response to the systemic denial of rights under Khartoum's rule.
- Kosovo (2008): The ICJ's advisory opinion in 2010 carefully sidestepped endorsing a general right of remedial secession, but it emphasised Kosovo's sui generis status: years of ethnic cleansing, NATO intervention, and direct UN administration distinguished it from "ordinary" secession attempts.

By contrast, other secessionist attempts Biafra in Nigeria (1967–70), Katanga in the Congo (1960–63), Chechnya in the 1990s, and more recently Donetsk and Luhansk in Ukraine either failed outright or remain diplomatically isolated, in large part because they lacked either overwhelming humanitarian justification or the imprimatur of international recognition.

What these episodes collectively demonstrate is that secession is often messy. It resembles a divorce more than a birth. Some divorces are bitter and bloody, as in Bangladesh or Biafra, rupturing societies and destabilising regions. Others may be comparatively amicable, but such cases are rare. The "Velvet Divorce" of Czechoslovakia in 1993 stands as a historical anomaly, marked by mutual agreement and absence of violence. Most separations, however, are disputes over custody, inheritance, and legitimacy, with wounds that last generations.

This dynamic ties directly into the parent–child analogy. A child born into the world through mutual consent raised in security, legitimacy, and love enters life on a far stronger footing than a child born of conflict, secrecy, or abandonment. A Startup State conceived in partnership with a host government resembles a clean and consensual conception: transparent, legitimate, and welcomed into the family of nations (Campbell & Matanock, 2024). By contrast, secessionist states born of unilateral rupture are like children of a messy divorce, their existence may be undeniable, but the process leaves scars, contested parentage, and lingering hostility.

International law, with its preference for stability and order, reflects this parental instinct: it disfavors sudden ruptures, tolerates negotiated separations, and reserves remedial secession as an extraordinary exception when no other remedy remains (Orakhelashvili, 2017). For the Startup State model, the lesson is clear. By rooting itself in consent, treaty, and co-creation, a Startup State avoids the taint of illegitimacy that haunts most secessionist projects. It is born not of rebellion or divorce, but of partnership and planning, an addition to the family of nations that strengthens rather than destabilises its parent.

3.4 Non-Recognition and the Stimson Doctrine

At the heart of modern practice lies a simple maxim of legality: ex injuria jus non oritur, no right arises from a wrong. In 1932, U.S. Secretary of State Henry L. Stimson translated that maxim into policy after Japan's 1931 seizure of Manchuria. In two notes dated 7 January 1932 to Tokyo and Nanjing, the United States announced it would not recognise any situation, treaty, or territorial change achieved by force, especially changes conflicting with the Kellogg–Briand Pact (Pact of Paris, 1928) and the Nine-Power Treaty (1922) that guaranteed China's territorial integrity and the "Open Door." The Stimson Doctrine (1932) did not promise sanctions; it withheld recognition withholding the legal oxygen that conquest seeks.

The League of Nations soon echoed this approach. Its Lytton Commission despatched in early 1932 and reporting in September/October 1932 confirmed Chinese sovereignty over Manchuria, rejected the legitimacy of the new puppet entity (Manchukuo), and urged Japan's withdrawal. When the League's Assembly adopted the report, Japan walked out of the League. The episode became a template for collective non-recognition as a response to aggression.

Manchukuo: who recognised and who did not

Although the League and most states refused recognition, Manchukuo did obtain recognition from a cluster of Axis powers, Axis-aligned regimes, and a few Latin American governments with more flexible recognition policies at the time. Recognitions included: El Salvador (1934), Dominican Republic (1934), Costa Rica (1934), Italy (1937), Spain (1937), Germany (1938), Hungary (1939); later, under Axis influence or occupation, Slovakia (1940), Vichy France (1940), Romania (1940), Bulgaria (1941), Finland (1941), Denmark (1941), Croatia (1941); as well as Thailand (1941) and the Philippines (under Japanese control, 1943). The Soviet Union extended de facto recognition in 1935, and by 1941, as part of the Soviet–Japanese Neutrality Pact, arguably moved to de jure recognition, even while reaffirming Mongolia's independence. By contrast, most of the international community withheld recognition throughout the war.

The Stimson Doctrine did not end aggression; it did, however, shape the legal narrative. It also outlived the 1930s. In 1940, Acting U.S. Secretary of State Sumner Welles applied it again in the celebrated Welles Declaration, refusing to recognise the Soviet annexation of the Baltic States, a stance Washington maintained for half a century, enabling Baltic diplomatic continuity in exile and signalling that acquisitive conquest would not yield lawful title.

From policy to legal duty: the UN era

With the UN Charter came Article 2(4)'s prohibition on the use of force. Over time, non-recognition migrated from policy preference toward legal obligation in certain cases. The ICJ's Namibia Advisory Opinion (1971), following Security Council Resolution 276 (1970), held that South Africa's continued presence in Namibia was illegal and that states were obliged not to recognise that situation, an authoritative articulation of the duty of non-recognition in response to a serious breach.

The Security Council has repeatedly operationalised that duty in concrete crises:

- Rhodesia (1965): Res. 216 and Res. 217 condemned the UDI regime and called on all states not to recognise or assist it, inaugurating the UN's first mandatory sanctions.
- Kuwait (1990): Res. 662 declared Iraq's annexation "null and void," instructing non-recognition.
- Northern Cyprus (1983): Res. 541 deemed the "TRNC" declaration legally invalid and urged all states not to recognise any Cypriot state other than the Republic of Cyprus.

- Jerusalem & the Golan (1980–81): Res. 478 (Jerusalem) and Res. 497 (Golan Heights) refused recognition of unilateral annexationist measures and called for their rescission.

The General Assembly has echoed and amplified non-recognition, most recently in its overwhelming rejection of Russia's purported annexations of four Ukrainian regions in October 2022, 143 states in favour of ES-11/4, with explicit calls on all states not to recognise those acts.

What the Manchukuo lesson actually teaches

The Manchukuo precedent shows that even when a conquering power manufactures formalities constitutions, flags, recognition by aligned or coerced states the larger international system can withhold legitimacy. The League's stance, the Stimson and Welles doctrines, and later UN practice collectively establish a through-line: title to territory cannot lawfully be created by force, and attempts to create "manufactured sovereignty" invite non-recognition. Recognition by a coterie of patrons or satellites does not cure an original sin.

Implications for Startup States

For Startup States, the implication is clear. A project must avoid even the perception of being a neo-colonial instrument or a proxy for great-power agendas. The lawful path is the consensual path: clear host-state consent, adherence to international norms, and transparent co-creation. When the title deed of sovereignty is conferred by agreement, not wrested by pressure or faits accomplis, other states have no legal reason to withhold recognition and every reason to welcome a new, lawfully born member of the international community. The Stimson line from Manchuria to Namibia to Kuwait and Ukraine underscores that non-recognition punishes force; recognition rewards consent.

3.5 Cautionary Tales of Private Domains

Beyond the grand scale of Chartered Companies and the overt aggression of filibusters, history offers further cautionary tales of individuals, families, and adventurers who attempted to establish private domains or assert unsanctioned sovereignty. These ventures, ranging from eccentric claims to brutal misrule, remind us that sovereignty is not conjured by ambition alone. Without lawful process, mutual consent, and international recognition, such projects inevitably crumble, collapse, or persist only as curiosities.

- The Clunies-Ross Family (Cocos [Keeling] Islands): For more than 150 years, this Scottish family effectively maintained a dynastic, patriarchal rule over the islands, operating them as a kind of private fiefdom. Their authority rested on colonial practice and was treated as legitimate largely through neglect rather than design. It was ultimately superseded by statute when the islands were integrated into Australia under the Cocos (Keeling) Islands Act 1955. The Clunies-Ross experiment illustrates how private dynasties, however enduring, remain contingent upon external sovereign recognition.

- The Brooke Family (Sarawak): Known as the "White Rajahs," the Brookes ruled Sarawak in Borneo for over a century, beginning with James Brooke in 1841. Their rule was initially sanctioned by the Sultan of Brunei, but it evolved into a de facto hereditary monarchy propped up by British protection. Although often described as a benevolent autocracy, their state lacked the foundation of democratic consent. In 1946, the territory was formally ceded to Britain, underscoring the fragility of private sovereignties even when they lasted generations.

- Jonathan Lambert (Tristan da Cunha): In 1810, the American mariner Lambert declared himself "Emperor of Tristan da Cunha." His claim, lacking recognition or support, was short-lived, collapsing within two years after his death. This epitomises the futility of eccentric self-proclamations absent lawful grounding.

- James Harden-Hickey and the Principality of Trinidad (Trindade): In the late nineteenth century, adventurer Harden-Hickey proclaimed himself monarch of Brazil's Trindade Island. The claim quickly collapsed when confronted by Brazilian sovereignty. It demonstrates that individual assertion, however theatrical, cannot override the territorial integrity of established states.

- The Kingdom of Redonda: A rocky islet near Antigua, Redonda has been the subject of literary and whimsical claims to kingship for over a century. Though amusing, such claims underscore how micronations, however colourful, cannot meet the requirements of statehood under international law: population, territory, government, and external capacity.

- Congo Free State (1885–1908): A darker case, the Congo was granted as the personal possession of King Leopold II of Belgium at the Berlin Conference. This extraordinary arrangement, sovereignty vested in a single monarch, led to one of the worst human rights catastrophes of the era, as systematic atrocities were committed in pursuit of rubber and ivory. The Casement Report (1904) exposed the abuses, leading to international outrage and the eventual transfer

of the Congo to the Belgian state in 1908. The Congo Free State remains a reminder of the dangers of personalised sovereignty without accountability.

- Gregor MacGregor and Poyais: Perhaps the most audacious fraud in state-formation history, MacGregor in the 1820s fabricated a Central American nation called Poyais, complete with forged documents and invented institutions. He sold bonds and land grants, luring settlers who perished upon arriving in an uninhabitable region that bore no resemblance to the utopia he promised. The episode illustrates the lethal consequences of sovereignty-as-scam.

- The "Kingdom of Araucanía and Patagonia" (1860s): A French adventurer, Orélie-Antoine de Tounens, declared himself monarch over Mapuche lands in Chile and Argentina. His reign was never recognised, and he was ultimately expelled as a lunatic.

Each of these ventures, whether dynastic, fraudulent, theatrical, or violent, shares a common flaw: a lack of lawful process, genuine consent, and durable legitimacy. Declarations and dreams are not enough. Sovereignty cannot be seized like treasure or bestowed like a title; it must be earned, conferred, and recognised (Buchanan, 2002).

For Startup States, the lesson is unequivocal. They must chart the opposite path: no dynastic fiefdoms, no fraudulent promises, no coerced protectorates. A Startup State must be built openly, with the consent of its "parents" (the host and the founders), on the clean ground of law and treaty. Only then can it avoid becoming another footnote in the long annals of failed and fanciful sovereignties.

"Declarations and dreams are not enough."(Craven, 2010)

3.6 The Bantustans: Hollow Sovereignty

Among the most instructive modern warnings are the "Bantustans" or "Homelands" created during apartheid-era South Africa. These entities were presented as nominally self-governing territories, but in reality they were instruments of a broader system of racial segregation. Their purpose was to segregate the Black African population, stripping millions of their South African citizenship and thereby excluding them from political participation in the state of their birth (Lephakga, 2017).

Between 1976 and 1981, four of these homelands: Transkei, Bophuthatswana,

Venda, and Ciskei were unilaterally declared "independent states" by the South African regime. Yet their so-called independence was hollow: they lacked control over external relations, relied on South Africa for security and financial support, and were often geographically fragmented enclaves. They were not new nations but juridical contrivances, designed to maintain white minority rule by kicking Black South Africans "out of the house" of their own country, casting them into pseudo-states in which they could be marginalised and contained (Steytler, 2019).

The international community refused to accept the charade. The UN General Assembly repeatedly called on all states to deny any form of recognition to the so-called independent Transkei and other Bantustans; the UN Security Council echoed the stance, affirming that such entities had no lawful standing. In this sense, the reaction mirrored the Stimson Doctrine: the global consensus was that sovereignty manufactured through illegality or dispossession could not be legitimised by recognition. As with Manchukuo in the 1930s, the international community drew a bright line between appearances of independence and the lawful title of sovereignty (Brunk & Hakimi, 2024).

One of the most notorious Bantustans was Bophuthatswana, which became synonymous with the regime's attempt to project a veneer of normalcy. It hosted the lavish Sun City resort, built in 1979, where the apartheid state leveraged gambling, international entertainment, and corporate partnerships to generate revenue despite global sanctions and cultural boycotts. The glittering casinos and concerts could not disguise the reality: Bophuthatswana was not a sovereign state, but an apartheid construct recognised only by Pretoria (Stolten, 2007).

The Bantustan experiment underscores several lessons:

- Recognition by a single patron even one with considerable military or economic clout is insufficient to confer legitimacy.
- Sovereignty cannot be manufactured as a cover for segregation, exploitation, or the perpetuation of unlawful systems.
- International non-recognition can operate as a powerful sanction, denying legitimacy even when de facto control is established.

A comparison is often drawn to the Turkish Republic of Northern Cyprus (TRNC), declared in 1983 and recognised only by Turkey. The UN Security Council (Res. 541, 1983; Res. 550, 1984) deemed the declaration legally invalid and urged all

states not to recognise it. Much like the Bantustans, Northern Cyprus demonstrates that when independence is proclaimed as an extension of a dominant power's agenda, the international community tends to withhold recognition and treat the act as void.

For Startup States, the implications are profound. No Startup State should ever resemble a Bantustan, an entity designed to serve the interests of a dominant patron while feigning independence. A Startup State must be the opposite: the product of transparent co-creation with a willing host, born of consent not coercion, aimed at mutual flourishing rather than dispossession. Its ethics, its intent, and its recognition strategy must be irreproachable. Anything less risks being seen not as a child of lawful statecraft, but as an orphan of illegality pushed out of the house rather than welcomed into the family of nations.

3.7 The Satellite State Trap: Syria and Lebanon

Another example of a model to be consciously avoided is the quasi-client state relationship that defined Lebanon's subordination to Syria, particularly between 1990 and 2005. During this period, Syrian military and intelligence forces maintained extensive control over Lebanese affairs. Although Lebanon was formally recognised as independent and enjoyed membership in the United Nations, it functioned in many respects as a satellite state, with Syrian influence dictating electoral outcomes, foreign policy orientations, and even the shape of its internal security apparatus (C. & Hourani, 1946). The UN Security Council repeatedly called for the withdrawal of foreign forces from Lebanon; following the 2005 assassination of Prime Minister Rafik Hariri and the ensuing Cedar Revolution, Syrian troops finally withdrew, pursuant to international pressure and the implementation processes associated with Resolution 1559 (2004).

The lesson here is that sovereignty cannot be conditional. Where the levers of real decision-making rest in the hands of an external patron, sovereignty becomes nominal, hollowed out, and performative. For Startup States, this is a crucial warning: the model must never replicate the trappings of independence while conceding the substance of control to another (Buzard et al., 2015).

History furnishes ample examples of such imbalanced relationships, often cloaked in the language of alliance or protection but in fact reducing the "independent" entity to dependency:

- **Client States:**
  - The Kingdom of Poland under Tsarist Russia (1815–1915) after the Congress of Vienna was styled as the "Congress Kingdom of Poland," enjoying nominal autonomy but subject to imperial Russian oversight. Its institutions were gradually eroded, until independence was little more than a façade.
  - The Protectorates of North Africa – such as Tunisia (French Protectorate, 1881) and Morocco (French and Spanish Protectorates, 1912) – were not annexed outright, yet their foreign affairs and security were dictated by European capitals.
  - The British Protectorate over Egypt (1914–1922) allowed for a monarch and parliament, but the real determinants of policy rested in London's hands until full independence was declared in 1922.
- **Satellite States:**
  - In antiquity, the Delian League gradually evolved into an Athenian Empire; the member states were nominally allied but in practice reduced to satellites of Athens, with tribute and military policy dictated from the metropole.
  - In the Roman world, client-kingdoms such as Herod's Judea or Mauretania under Juba II operated as satellites: outwardly ruled by local dynasts, but wholly reliant on Roman approval for succession, treaties, and survival.
  - In the nineteenth century, the so-called Indian princely states under the British Raj were formally sovereign under local rulers, but bound by subsidiary alliances that rendered them satellites of the Crown. They could neither wage war, alter borders, nor enter into external relations without British assent.
- **Tributary States:**
  - The Chinese tributary system under the Ming and Qing dynasties stands as a classical example. Korea, Vietnam, and the Ryukyu Kingdom sent regular embassies to the Chinese court, acknowledging its superiority, while retaining significant internal autonomy. Yet their sovereignty was symbolically curtailed by the need to demonstrate submission through tribute.
  - In medieval Europe, vassal states within the Holy Roman Empire often existed in a tributary or dependent relationship: able to manage local affairs, but obliged to pay dues, provide soldiers, and defer to the emperor's overlordship.

- The Ottoman tributary principalities, such as Wallachia and Moldavia, were required to pay tribute and accept Ottoman suzerainty. Though their princes retained domestic control, their foreign policy and leadership choices ultimately depended on the Sultan's confirmation.

These examples, spanning centuries and continents, demonstrate the perils of subordinated sovereignty. In each case, independence was a legal fiction, subverted by asymmetrical power and external interference. Whether in the form of clients, satellites, or tributaries, such arrangements reduce the smaller polity to a dependent appendage.

A Startup State must never accept such a role. Its founding principle is true independence, achieved through transparent co-creation with a willing host, not through covert domination by a stronger power. Just as a child who grows up only to be tethered perpetually to a parent cannot claim full adulthood, so too a state whose policies are dictated externally cannot claim true sovereignty. The Startup State model is not about dependence disguised as independence, but about authentic statehood, born lawfully, consensually, and with the dignity of genuine autonomy.

These historical examples, whether the exploitation of Chartered Companies, the violence of filibusters and freebooters, the farce of Bantustans, or the hollowing out of sovereignty in client-state relations, all point in one direction: what not to do. They demonstrate that sovereignty acquired through deception, violence, or manipulation lacks durability. A state conceived in coercion, or manufactured without legitimacy, will inevitably collapse, be repudiated, or linger only as a cautionary tale in the annals of history (Blanton et al., 2020).

The lesson is clear: a Startup State must begin as it intends to continue lawfully, transparently, and consensually. Like a child born of a healthy union, its legitimacy depends upon a clean conception between willing partners, not on force, secrecy, or subterfuge. If sovereignty is parenthood, then co-creation with a host nation is the equivalent of marriage: an open, deliberate, and acknowledged partnership (Foster, 2021). A Startup State so conceived enters the world not as a bastard child of conquest, nor as a ward shunted into the shadows, but as legitimate, welcomed into the family of nations.

Here the metaphor of family dynamics proves especially illuminating. Just as parents who nurture their children with honesty and care can expect loyalty and reciprocity in later years, so too can a host country that co-creates a Startup

State expect enduring bonds of alliance, trade, and cultural kinship (Verver & Koning, 2023). This is the opposite of the messy "divorces" of secession or the forced adoptions of colonialism; it is instead the creation of a new branch of the family tree, grounded in mutual respect.

The goal is not to replicate the broken households of history whether the violent step-parenting of empires, the abandonment of Bantustans, or the suffocating control of client and tributary states. Rather, it is to cultivate healthy intergenerational relations: the Startup State as the adult child, independent and sovereign, but still linked to its parent through bonds of goodwill, support, and shared legacy (Saeed et al., 2024).

Thus, the Startup State model rests on three pillars:

1. *Ethical conception born:* lawfully, with clarity and consent.
2. *Healthy family dynamics:* relationships between parent and child marked by transparency, reciprocity, and respect.
3. *Recognition through openness:* integration into the wider international community not as an impostor or pretender, but as a peer.

Only on this basis can a Startup State hope to stand not as a mirage or a memory, nor as a mere instrument of exploitation but as a new nation among nations, legitimate from birth, durable in structure, and capable of flourishing as part of a wider family of sovereign states.

Chapter 4

Micronations

The landscape of aspiring polities is not solely populated by serious ventures; it also features the colourful, eccentric, and often whimsical realm of micronations (Hobbs & Williams, 2021). These are self-proclaimed entities that assert sovereignty, usually over minuscule or symbolic territories, yet almost universally lack recognition

from established states or international organisations. Their domains may consist of private property, abandoned sea forts, remote islets, or even purely virtual jurisdictions. Despite the variety in form and motivation, micronations share a common feature: they exist outside the framework of international law, deriving their authority from unilateral declaration rather than lawful consent or diplomatic accord (Hobbs & Williams, 2021).

It is important to distinguish micronations from microstates. A microstate such as Monaco, San Marino, Liechtenstein, or Andorra is a recognised sovereign state, often centuries old, with international legal personality and membership in organisations such as the United Nations. Microstates may be geographically small, but their sovereignty is indisputable. By contrast, micronations are typically parodic or aspirational projects, lacking the elements of statehood recognised in international law under the Montevideo Convention: they may lack a permanent population, a functioning government, or genuine capacity to enter into relations with other states. In effect, while microstates are small but legitimate members of the international community, micronations are claims without recognition a gulf as wide as legitimacy itself (Pillin, 2022).

Micronations can nonetheless be fascinating. They often reflect the human impulse toward self-expression, liberty, and experimentation in governance. Some, such as the Principality of Sealand, founded on a disused Second World War sea fort off the coast of England, attempt to cloak themselves in quasi-legal arguments and have attracted intermittent international curiosity. Others, like the Empire of Atlantium in Australia or the Republic of Molossia in Nevada, embrace a more theatrical or satirical role, blending political commentary with personal identity. A number are little more than elaborate art projects, humour, or hobbyist exercises (Hobbs & Williams, 2021).

But beneath the charm lies a cautionary reality: micronations have, almost without exception, failed to achieve genuine statehood. Without recognition, their claims remain rhetorical. Without lawful consent from a host state, their jurisdictional assertions are tenuous at best and illegal at worst. And without a framework of governance that extends beyond the charisma of a founder, they risk devolving into little more than curiosities, private clubs masquerading as countries (Hobbs & Williams, 2021).

For the purposes of this study, micronations are significant not because they are viable, but because they illustrate what Startup States must avoid. They embody the pitfalls of unilateralism, lack of transparency, and absence of consent.

By highlighting their limitations, the contrast becomes clear: whereas a micronation is a self-asserted claim divorced from recognition, a Startup State aspires to be a lawfully co-created polity, born of treaties, partnerships, and international legitimacy.

In this way, micronations serve as colourful cautionary tales. They remind us that declarations and flags do not make a country, only lawful consent, ethical conception, and international recognition can confer that dignity.

4.1 Role-Playing Without Statehood

It is important to examine some of the more famous micronations that have existed and still exist, and to discuss why they did not succeed. Fundamentally, most micronations do not fulfil the basic criteria for statehood as articulated in international law, notably the Montevideo Convention on the Rights and Duties of States (1933), which requires a permanent population, a defined territory, government, and the capacity to enter into relations with other states. Many micronations lack a genuinely stable population, a clearly defined and internationally recognised territory, or a government capable of exercising effective control and engaging in meaningful diplomacy.

Case law reinforces this. In the Island of Palmas arbitration (1928), arbitrator Max Huber stressed that "sovereignty in the relations between states signifies independence. Independence in regard to a portion of the globe is the right to exercise therein, to the exclusion of any other state, the functions of a state." This illuminates why micronations fail: they rarely exercise exclusive control over any defined territory.

The Deutsche Continental Gas-Gesellschaft v Polish State (PCIJ, 1929) judgment underscores a related principle: international law recognises states, not private entities, as the primary bearers of public rights and obligations in disputes involving sovereign acts (such as expropriation). A private company however well organised or widely active cannot substitute itself for a sovereign in claiming attributes of statehood. This speaks directly to micronations founded by individuals or private groups who believe that internal organisation, passports, or decrees can elevate them to sovereign status.

Similarly, the Factory at Chorzów (PCIJ, 1928) decisions emphasise sovereignty's twin pillars of responsibility and reparation. The Court's classic dictum that any

breach of an engagement entails an obligation to make reparation presupposes an actor with international legal personality able to bear responsibility and be held to account. Micronations, lacking recognition and personality, sit outside this system of reciprocity and responsibility.

Furthermore, the ICJ's Kosovo Advisory Opinion (2010) clarified that international law does not, in general, prohibit declarations of independence, yet recognition remains discretionary, and without it, even serious declarations risk liminality. Micronations, with neither effective control nor recognition, fall doubly short.

Furthermore, the practice of "role-playing" or "masquerading" as countries, often referred to pejoratively as "LARPing" (Live Action Role-Playing) or "cosplaying" as nations, is not helpful and frequently serves as a significant distraction. Such activities, whilst perhaps harmless artistic expressions or social experiments, tend to trivialise the profound complexities and serious legal requirements of actual statecraft. They can inadvertently undermine the credibility of more earnest efforts to establish new polities, making the real work of legitimate state formation more difficult by associating it with eccentricity rather than rigorous legal and diplomatic endeavour.

This discrediting effect is precisely why the presence of "dirty rotten scoundrels" or those lacking genuine intent and legitimate methods can be so damaging to any nascent industry. As the character Lawrence Jamieson, played by Michael Caine in the 1988 film Dirty Rotten Scoundrels, sagely observes: "A poacher who shoots at rabbits may scare big game away." Similarly, the often unserious or legally dubious activities of some micronations, by generating negative publicity or a perception of illegitimacy, can inadvertently deter serious investors, governments, and individuals from engaging with the profound potential of legitimate state formation.

To counter this, the Startup State model embraces principles such as Ray Dalio's Radical Transparency, advocating for open, honest, and verifiable processes in all dealings. While anonymity such as that employed by Satoshi Nakamoto in the realm of cryptocurrency may be understandable in certain contexts, it is generally less effective and potentially detrimental in the high-stakes world of international relations, diplomacy, and state-building, where trust, accountability, and clear lines of communication are paramount.

4.2 Micronations at Sea and Beyond

In the interest of full disclosure, it should be reported and noted that I am a Lord in the Principality of Sealand, and that I have held this title for several decades (Hobbs & Williams, 2021). This personal connection is less a boast than a useful segue, for Sealand itself provides one of the most curious and enduring case studies in modern attempts at private sovereignty. Its example illuminates both the romantic allure of micronationalism at sea and the hard legal ceilings imposed by international law.

The Principality of Sealand traces its origins to HM Fort Roughs, one of several Maunsell sea forts constructed by Britain during the Second World War to defend against German aircraft and naval incursions. After being abandoned by the military in the 1950s, the fort was occupied in 1967 by Roy Bates, a former British Army major and radio entrepreneur, who declared it the sovereign state of Sealand. Bates styled himself "Prince Roy" and his wife "Princess Joan," issued passports, stamps, and coins, and in the 1970s created a constitution and flag (Hobbs & Williams, 2021).

Sealand's history is peppered with episodes that have entered micronational folklore. In 1968, when British authorities attempted to assert jurisdiction, a UK court held that the fort lay beyond the then three-mile territorial sea, effectively confirming that domestic law did not reach Sealand. This has often been interpreted as a kind of back-door recognition of independence, though in truth the judgment was far narrower. In 1978, Sealand experienced a bizarre coup attempt when German and Dutch nationals seized the fort while Prince Roy was away. He retook it by force, holding the attackers as "prisoners of war" until their release after negotiations, an episode that lent the tiny platform an outsized aura of geopolitical drama. At various points, Sealand has attracted entrepreneurs and eccentrics hoping to use its supposed sovereignty to host data havens, casinos, or other ventures just outside the reach of national law. Thankfully, Sealand never partnered with the Argentines during the Falkland War ("In Re Duchy of Sealand," 1989).

Such curiosities make Sealand unique arguably "grandfathered in" by the peculiar circumstances of the mid-twentieth century, when the territorial sea was narrower and international oversight less developed. But while Sealand has endured as a micronational curiosity for over half a century, its persistence should not be mistaken as precedent. The UNCLOS regime, together with other modern treaties, has closed the door on such possibilities for new entrants.

The vast majority of the world's oceans are governed by the comprehensive framework of the United Nations Convention on the Law of the Sea (UNCLOS), 1982, often described as the "constitution of the oceans." It defines the rights and responsibilities of states, establishing clear guidelines for navigation, resource management, and the environment. Crucially, UNCLOS Part V, Article 60 stipulates that artificial installations and structures on the high seas do not possess the legal status of islands and cannot generate territorial seas or exclusive economic zones (EEZs). They remain under the jurisdiction of the flag state and cannot serve as the basis for sovereign claims. In effect, UNCLOS renders impossible the notion of staking sovereignty on a sea platform, barge, or artificial island, no matter how elaborate.

Nor are the oceans unique in this regard. Parallel treaty regimes extend similar principles elsewhere:

- The Antarctic Treaty (1959) froze all existing territorial claims and prohibits new ones, placing the continent under a regime of peaceful scientific cooperation.

- The Outer Space Treaty (1967) bars states from asserting sovereignty over celestial bodies, declaring that space is the "province of all mankind" and cannot be appropriated by claim or use.

While it may be observed that some states are not parties to these treaties, and that opportunities for "legal arbitrage" might exist in theory, in practice the political consensus is overwhelming. A new polity proclaimed on Marie Byrd Land, on the Moon, or upon a converted oil rig is not going to secure admission into the United Nations or international organisations. Without the tacit or explicit sponsorship of an existing state, such projects are doomed to legal liminality hovering in the twilight between curiosity and illegality, never graduating to lawful statehood.

Sealand thus represents a historical curiosity, perhaps even a charming anomaly, but it is not a model for future success. If anything, it proves the opposite: that the window for maritime or extraterritorial state-making has long since closed. The Startup State must be rooted on dry land, anchored in lawful territory and nurtured through the consensual co-creation of a host government. Only then can it grow not as a curiosity or loophole, but as a legitimate new nation among nations.

4.3 Positive Contributions and Cautionary Lessons

On the positive side, micronations can sometimes be harmless artistic expressions, serving as creative outlets, social experiments, or cultural statements. They provide a stage on which individuals or communities can play with the symbols of sovereignty: flags, constitutions, titles, and ceremonies without ever truly disrupting the international order. In this sense, they can raise awareness about alternative governance models and provoke valuable discourse on sovereignty, identity, and legitimacy (Hobbs Williams, 2021).

One of the earliest and most celebrated examples of such harmless invention was Emperor Joshua Norton of San Francisco. In 1859, Norton, a bankrupt businessman of eccentric genius, proclaimed himself "Norton I, Emperor of the United States and Protector of Mexico." Although he commanded no armies and held no legal authority, he became a beloved local figure. San Franciscans accepted his self-declared imperial edicts with humour and affection; businesses honoured his self-printed currency, and his whimsical proclamations including calls to abolish Congress and build a bridge from Oakland to San Francisco were received with good-natured indulgence (Martin, 2020). When he died in 1880, tens of thousands attended his funeral. Norton's life illustrates the cultural and communal value of micronational gestures when pursued in a spirit of creativity rather than conquest: a micronation as theatre, not as fraud (Hobbs et al., 2023).

A more modern artistic expression can be seen in the Republic of Užupis, situated in a bohemian neighbourhood of Vilnius, Lithuania. Užupis declared itself a micronation in 1997, complete with its own whimsical constitution (which includes articles such as "Everyone has the right to be happy" and "Everyone has the right to make mistakes"). While no one confuses Užupis with a sovereign state in legal terms, it has garnered international admiration for its philosophical creativity and for becoming a cultural hub. Its success lies not in legal status but in the fact that it functions as a living artwork and civic community, respected locally as a tongue-in-cheek cultural beacon, a micronation done right (Pillin, 2022).

The Principality of Hutt River, established in 1970 by Leonard Casley in Western Australia, provides a more ambiguous case. Born as a protest against wheat quotas, Hutt River styled itself as an independent state for fifty years. It operated semi-autonomously, issued symbolic currency, and attracted curious tourists. Yet its posture towards the Australian government was often confrontational, veering towards the rhetoric of secession (Castro, 2022). Although imaginative and long-

lasting, Hutt River was never recognised by any country and officially dissolved in 2020. Its story illustrates the danger of protest-based micronations: they may capture the imagination, but they cannot transition into legitimacy. Protest is not dishonourable, but for true sovereignty to emerge, cooperation, not defiance, must guide the process.

At the other end of the spectrum are entities that use the trappings of sovereignty as a cloak for fraud. The Dominion of Melchizedek is perhaps the most infamous example. Since the 1990s, it has claimed sovereignty over various uninhabited islands while issuing "official" documents: passports, banking charters, and financial licences that have no validity (Krasner, 2000). It has been repeatedly flagged by law enforcement, including the United States Securities and Exchange Commission (SEC), as a vehicle for scams and fraudulent financial activity. Unlike Užupis or even Hutt River, Melchizedek's purpose was not artistic expression or political protest but deception. It has become synonymous with the dangers of criminal micronations, projects that undermine the legitimacy of more serious and lawful experiments in governance (Hobbs Williams, 2021).

Taken together, these examples reveal the spectrum of micronational activity: from the eccentric but harmless (Emperor Norton), to the artistic and communal (Užupis), to the political but unsustainable (Hutt River), to the fraudulent and disreputable (Melchizedek). Each provides an instructive lesson: that creativity can enrich civic imagination, but only lawful consent and recognition can produce sovereignty. For the Startup State model, the message is unmistakable: playfulness may inspire, protest may provoke, but legitimacy requires partnership, consent, and adherence to international norms (Neudert, 2024).

4.4 Micronations vs. Startup States

While some micronations have succeeded in fostering community, humour, or artistic engagement, they do not serve as serious templates for Startup States. Most lack legal viability, fall short of the Montevideo Convention criteria, and confuse theatricality with diplomacy. They raise flags but cannot sign treaties; they issue passports but cannot guarantee entry; they proclaim sovereignty but cannot secure recognition. And yet, the best of them, Užupis with its whimsical constitution, Sealand in its ceremonial endurance, or even the literary aspirations of Redonda show that micronations, when understood as expressions of creativity rather than exercises in statecraft, can still offer something meaningful to the imagination.

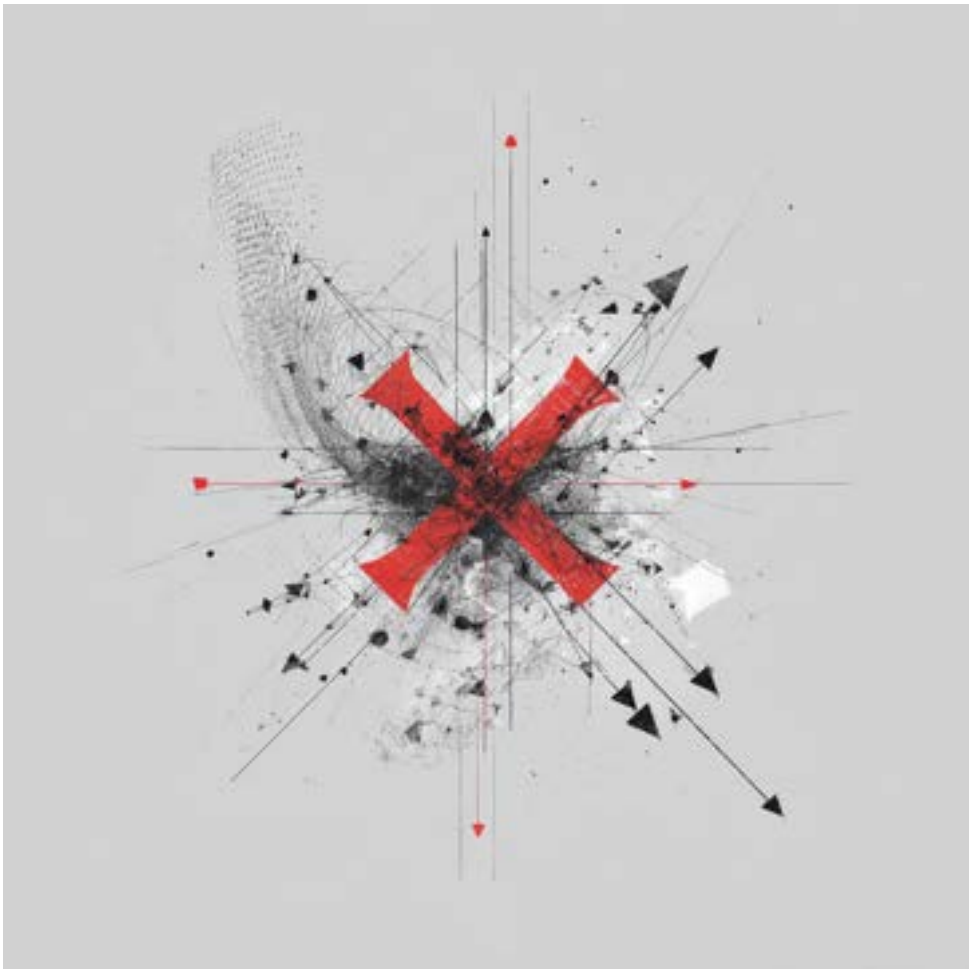
They remind us that sovereignty has always been bound up not only with law but also with symbolism, myth, and identity.

But here the line must be drawn with clarity. Startup States are not micronations. They are not role-playing games, not protest movements wrapped in flags, not vessels for fraud dressed up as sovereignty, and not art installations masquerading as diplomacy. They are new sovereign states, launched transparently and lawfully, conceived through partnership with existing states rather than in defiance of them. Where micronations rely on self-assertion and theatricality, Startup States rely on consent, treaty, and recognition. Where micronations live in the realm of symbolic sovereignty, Startup States inhabit the world of real sovereignty.

And in that distinction lies the entire promise of the model. Micronations may inspire, amuse, or provoke; but Startup States aspire to endure, to govern, and to be recognised among nations. One belongs to the realm of dreams and theatre; the other, if built upon law and legitimacy, to the realm of history and posterity. The future of the Startup State model rests upon never blurring that line.

Chapter 5

Debunking Terra Nullius



There is no terra nullius left on Earth. That is not a flourish; it is a statement of law. The phrase Latin for "nobody's land" has been mythologised by enthusiasts and opportunists alike as a supposed doorway to modern sovereignty. In reality it is a door long since bricked up by jurisprudence, treaties, and practice. As a

juristic category with purchase in positive international law, terra nullius is dead. What persists is not land without owners, but land encumbered by history, boundary instruments, regional security regimes, environmental treaties, *uti possidetis juris*, and the politics of recognition. To insist otherwise is not innovation; it is an attempt to exhume a doctrine that the international community has already interred (Bartoš, 1998).

Historically, terra nullius functioned less as a doctrine of discovery than as a doctrine of denial. It denied the legal personality of communities that did not conform to European fantasies of statehood. It erased polities by reclassifying them as "empty." The abuse is well catalogued in the colonial record: the appropriation of Australia under the fiction that it was unowned; the partition of Africa as if the continent were an unpeopled chessboard; the juridical minimisation of indigenous systems throughout the Americas and Oceania. Modern courts and instruments have repudiated that fiction (Watson, 2014). The Advisory Opinion on *Western Sahara* (ICJ, 1975) did not merely trim its edges; it demolished the proposition that sparsity of settlement or unfamiliar political organisation permits the treatment of inhabited space as "nobody's land." *Mabo v Queensland (No 2)* (High Court of Australia, 1992) went further in the domestic sphere, acknowledging that native title survived colonisation and expressly rejecting terra nullius as a grotesque legal error. In truth, the proper historical examples of terra nullius are narrow and concrete: the uninhabited, unclaimed islands of places like Cabo Verde and São Tomé prior to Portuguese arrival provide instances of what the doctrine once meant: geographic points with neither population nor sovereign attachment, capable of original occupation by a state via public acts of possession. That is the past. The present is different.

Contemporary international law admits only the most limited theoretical residue of terra nullius and that residue is smothered by *lex specialis* and settled doctrine. A territory might be truly without sovereign attachment only if (i) it has never been the subject of sovereignty and (ii) it is genuinely uninhabited conditions rarely met in practice and even then acquisition requires public acts of state authority amounting to effective occupation. The arbitral award in *Clipperton Island* (1931) and the Permanent Court's reasoning in *Legal Status of Eastern Greenland* (PCIJ, 1933) teach that even where land is uninhabited or inhospitable, mere proclamation is sterile: states must join animus *occupandi* to acts that the international community can recognise as authority in situ (O'Keefe, 2011). The decisive point is not metaphysical emptiness; it is the manifestation of sovereignty. *Declaratio sine possessione nihil est.*

The mischief today arises not from European empires but from micronational romanticism and entrepreneurial proclamations that mistake border anomalies, treaty carve-outs, or governance lacunae for gaps in title. Invariably, the modern "terra nullius" claim crashes into the wall of contemporary law: *uti possidetis juris* freezes colonial or administrative boundaries; boundary disputes create terra *contestata*, not terra nullius; regional regimes (the EU's external frontier, the African Union's border sanctity doctrine) further constrain outsiders; multilateral treaties (Antarctic, Outer Space, Law of the Sea) foreclose unilateral adventurism; and the politics of recognition renders even effective administration insufficient without consent. What remains of terra nullius is not a pathway; it is a caution sign.

This chapter proceeds as a sustained prosecution. The exhibits are familiar: Gornja Siga and the so-called Danube pockets; Bir Tawil on the Egypt–Sudan frontier; Marie Byrd Land in West Antarctica; and two case studies in the politics of effectiveness and recognition, Liberland and Somaliland. Each is often invoked by advocates as proof that "unowned land" persists. Each, on inspection, proves the opposite. The conclusion follows ineluctably: today's talk of terra nullius is *terra ficta* rhetoric masquerading as law. The only lawful modern pathway to new sovereignty lies not in seizure of supposed voids, but in consent, cession, adjudication, and treaty, i.e., in the Startup State paradigm of co-created, treaty-first statehood (Green, 2024).

5.1 The Death of Terra Nullius

It is crucial to distinguish what terra nullius once meant from what enthusiasts now wish it to mean. Before European discovery, genuinely uninhabited, unclaimed islands, some volcanic, some mere sandbanks could be occupied by a state through public acts, notices, and continued authority. The early claims to unpeopled Atlantic islands such as those later known as Cabo Verde and São Tomé illustrate the point: no rival polity, no indigenous population, no pre-existing legal order. This is the narrow historical window in which the doctrine operated without inherent injustice.

The colonial abuse lay in expanding the category to include places that were plainly inhabited and organised. The modern international order has reversed that manoeuvre. *Western Sahara* (ICJ, 1975) rejected Spain's characterisation of the desert as "empty," recognising the Sahrawi tribes as organised societies whose ties of allegiance and land use gave the territory juridical structure. *Mabo* repu-

diated the premise that legal rights evaporate because the coloniser refuses to see them. These are not soft repudiations; they are doctrinal tombstones. Add to this the Friendly Relations Declaration (UNGA Res. 2625, 1970), the principle of self-determination, the duty of non-recognition of unlawful situations (*Namibia*, ICJ 1971), and the rule that title must be manifested externally (*Island of Palmas*, PCA 1928), and the grave is sealed.

Two further constraints extinguish the modern fantasy. First, *uti possidetis juris* as articulated in *Frontier Dispute (Burkina Faso/Mali)* (ICJ, 1986) transforms administrative lines at independence into international frontiers to prevent exactly the sort of border opportunism that the revivalists of terra nullius would exploit. Second, *lex specialis* regimes (Antarctica, space, seabed areas beyond national jurisdiction) remove whole swathes of geography from unilateral acquisition. In short: if one can point to a treaty, a boundary instrument, a competing claim, or a regional rule, one can almost always do at least one of these, then one can point to the death certificate of terra nullius on that terrain.

5.2 Effectivités: The Decisive Criterion

The doctrine of **effectivités** the actual exercise of state authority in a way that is continuous, public, and peaceful is the hinge on which all modern determinations of territorial title swing. *Island of Palmas* (1928) is the locus classicus: sovereignty derives not from paper claims or bold declarations, but from "continuous and peaceful display of authority." *Eastern Greenland* (1933) confirms that even sparse acts suffice where geography dictates, so long as they are acts of state, not words alone. *Clipperton Island* (1931) and *Minquiers and Ecrehos* (1953) reiterate the same point: a map, a speech, or a constitution is nothing without acts of governance: taxation, patrols, registries, or enforcement. *Kasikili/Sedudu* (ICJ, 1999) illustrates the corollary: seasonal pastoral use does not substitute for governmental administration.

This jurisprudence is the international counterpart to domestic analogies. In *Pierson v Post* (1805), the New York court held that pursuit of a fox without capture vests no property. In *Johnson v M'Intosh* (1823), the U.S. Supreme Court ruled that private land conveyances by Native Americans were void; only sovereign-to-sovereign transfers vested title. In *INS v Associated Press* (1918), the U.S. Supreme Court held that labour and investment in gathering news did not create a property right enforceable against competitors absent legal recognition. Each case speaks

the same maxim: **claims, labour, or declarations are insufficient without sovereign authority recognised by law.**

Effectivités are the "Brooklyn Bridge test." To stand in Times Square and declare that you own the Brooklyn Bridge indeed to print deeds, mint coins, or draft a constitution to that effect does not vest ownership. What counts is recognised acts of possession: toll collection, policing, maintenance, jurisdiction. In international law, Liberland's proclamations or coins are the Brooklyn Bridge problem transposed: assertion without possession, claims without acts, theatre without title.

5.3 Gornja Siga and the Danube Pockets

Gornja Siga, a wooded floodplain west of the Danube has become a stage for declarations of digital sovereignty. The argument goes like this: because Croatia and Serbia espouse different boundary theories, certain parcels fall into a sort of legal vacuum and are therefore "unclaimed." The conclusion is that private actors can step into the "vacuum" and proclaim a country (Hobbs et al., 2023). This is not law; it is theatre. The operative Latin is not *terra nullius* but *terra contestata*.

Both disputants are states, both maintain assertions grounded in recognised doctrines of river boundary delimitation, and neither has abandoned its claim. Croatia, an EU member, has concrete institutional reasons not to concede a square metre of its external frontier; Serbia, a candidate repeatedly engaging European institutions, has equally concrete reasons not to capitulate by silence. Each polices the river; each administers aspects of the region; each treats the other's position as incorrect but juridically relevant. This is precisely the configuration in which international law channels resolution into treaty, arbitration, or adjudication not unilateral appropriation by third parties. *Res inter alios acta*: outsiders' declarations are irrelevant to the rights of the disputants (Affairs, 2023).

The Thalweg Principle

The **Thalweg principle**, a venerable doctrine of fluvial boundaries, defines the frontier as following the deepest navigable channel of a river. Its rationale is pragmatic: it allocates the channel most vital for navigation and commerce to both riparians. Serbia's claim to the Danube frontier relies on this principle, arguing that the boundary should follow the main channel, even where shifts have displaced certain floodplain lands. Croatia, by contrast, insists on cadastral boundaries

fixed under Yugoslavia, reflecting historical land registry lines rather than shifting hydrology.

Both positions are legally plausible. Both are grounded in doctrines recognised by international law. This fact alone destroys the *terra nullius* hypothesis: where there are multiple colourable legal theories asserted by sovereign states, there is a dispute *(terra contestata)*, not a vacuum. No tribunal has ever equated doctrinal conflict with ownerlessness.

The Yugoslav Context

It must be emphasised that during the existence of Yugoslavia, Gornja Siga and the Danube pockets were never considered *terra nullius*. They were internal administrative questions: Croatia's reliance on cadastral boundaries reflected domestic land registries, while Serbia's reliance on the thalweg reflected fluvial practice. These were matters of *intra-state demarcation*, not international disputes.

The dissolution of Yugoslavia and the wars of succession did not convert these parcels into *terra nullius*; they became bilateral disputes between successor states. *Uti possidetis juris* dictates that such disputes are to be resolved by reference to pre-independence administrative boundaries and boundary treaties not by opportunistic third-party appropriation. The suggestion that these lands somehow transformed into "no-man's land" at the moment of dissolution is ahistorical and legally incoherent.

It must be emphasised that during the existence of Yugoslavia, Gornja Siga and the Danube pockets were not considered *terra nullius*. They were internal administrative disputes matters of cadastral or hydrological management not questions of international title. The dissolution of Yugoslavia and the wars of succession transformed them into bilateral disputes between successor states, but *uti possidetis juris* dictates that such disputes are resolved by reference to pre-independence administrative boundaries and boundary treaties not by opportunistic third-party proclamations. The suggestion that these lands became "no-man's land" at the moment of dissolution is ahistorical and legally incoherent (Thirlway, 2017).

Effectivités in the Danube

The facts on the ground further dissolve the terra nullius claim. Croatian authorities patrol, trespass would-be settlers, and manage environmental and cadastral matters. Serbian organs likewise exercise authority consistent with their claim. International jurisprudence does not demand intensive saturation *Eastern Greenland* confirms that minimal, context-appropriate acts may suffice in harsh environments

or peripheral zones but it does demand state manifestation. Those acts exist. To stand on the bank and proclaim yourself sovereign because two neighbours disagree about the line is akin to claiming ownership of the Brooklyn Bridge because Paris and a landlord dispute a lease line. One may speak loudly; one does not thereby acquire title. *Declaratio sine possessione nihil est.*

The reductio proves the point. Suppose a stateless mother gave birth on a Danube pocket. Whose national is the child? Croatia, the patrolling power notwithstanding its thalweg claim? Serbia, the cadastral claimant notwithstanding non-possession? The hypothetical does not produce an entitlement for third parties; it exposes the absurdity of calling the place a vacuum. In criminal matters the absurdity grows: a brawl among teenagers on a gravel bar would be policed by Croatian or Serbian officers according to the pattern of enforcement already observed. The existence of a policing response by organs of a claimant is precisely what terra nullius denies and what terra contestata predicts (Rashid, 2024).

There is a further structural reason why the claim fails. The EU's Schengen and external border architecture make Gornja Siga not merely a local curiosity but a node in a supranational regime. Any stabilisation of the frontier implicates Brussels; any "recognition" of a third actor on the line would trigger regulatory, customs, and policing complications that no EU state has an incentive to invite. The politics of accession and alignment compound the disincentive for any third country to extend recognition to an outsider: why antagonise Zagreb or complicate Belgrade's European path for the sake of a micronational experiment? *Consensus facit jus*, and there is no consensus to be had (Siroky et al., 2020).

The legal conclusion is ordinary and fatal: only Croatia and Serbia possess colourable claims; they have not abandoned them; they manifest authority consistent with their positions; third-party proclamations have no effect. *Gornja Siga non est terra nullius.*

5.4 Bir Tawil: The Illusion of Abandonment

Bir Tawil is the trap into which even sophisticated observers sometimes fall. The anomaly arises from the 1899 Anglo–Egyptian condominium boundary (22nd parallel) and the 1902 administrative line intended to better reflect tribal usage. The result is a zero-sum geometry: if Egypt enforces the 22nd parallel to claim the Hala'ib Triangle, Bir Tawil falls to Sudan; if Sudan enforces the 1902 line to claim Hala'ib, Bir Tawil falls to Egypt. Both capitals prioritise Hala'ib; neither wants

to prejudice that larger claim by positively claiming Bir Tawil. From this silence outsiders infer abandonment. It is a non sequitur. *Abandonatio non praesumitur.*

Here, the jurisprudence of *effectivités* does not rescue the outsider. Island of Palmas teaches that sovereignty is demonstrated by continuous and peaceful display of state authority; *Minquiers and Ecrehos* shows that the mundane acts of administration: policing, registries, notices carry decisive weight; *Kasikili/Sedudu* confirms that seasonal or opportunistic use (by pastoralists, prospectors, or adventurers) is not a surrogate for public authority. None of these threads yields an aperture for a third party to "step in." At most, the record shows that Egypt and Sudan each calibrate their acts in the Bir Tawil–Hala'ib theatre to avoid prejudicing the main claim, which is precisely why silence cannot be read as abandonment.

Domestic analogies illuminate the error. In *Pierson v Post*, pursuit of the fox did not vest property; in *INS v AP*, **labour and investment** in news gathering did not vest a property right enforceable against non-contracting competitors; in *Johnson v M'Intosh*, **private conveyances** purporting to transfer title without sovereign sanction were void. Translated: roaming, labouring, or even exchanging crisp "deeds" among private parties in Bir Tawil **creates no title**. Only sovereign-to-sovereign instruments can do that. *Declaratio sine possessione nihil est*; declaratio sine sovereign possessione nihil est all the more.

Consider the reductio. A child is born in Bir Tawil to stateless parents. Is the child Egyptian or Sudanese? One can debate nationality statutes and humanitarian discretion, but the analysis does not conjure a third sovereignty. It points back to Cairo and Khartoum to their administrative reach, their obligations, and to the AU norm against tinkering with colonial lines without consent. In criminal matters, the same outcome follows: if a violent incident occurs, the realistic expectation is that the nearest effective authority, Egyptian or Sudanese responds according to capacity and prudence. *Ex factis jus oritur.* The facts do not yield *terra nullius*; they yield a standing boundary dispute collateral to a more consequential one.

For the Startup State, Bir Tawil is a warning against clever geometry. The only lawful path is tripartite: **(i)** a settlement between Egypt and Sudan on Hala'ib that regularises Bir Tawil's status; **(ii)** engagement with affected pastoral communities; and **(iii)** ideally, an AU-blessed instrument. Everything else is not statecraft but spectacle.

5.5 Marie Byrd Land: No Claim Possible

If Bir Tawil is the subtle trap, Marie Byrd Land is the seductive mirage. Vast, uninhabited, and crucially unclaimed by any state, it appears, to the uninitiated, to be perfect *terra nullius*. On the correct reading, it is foreclosed. The **Antarctic Treaty System (ATS)**, beginning with the 1959 Treaty and elaborated by subsequent instruments, **freezes claims**, bars the assertion of **new ones**, demilitarises the continent, and subjects activity to cooperative scientific and environmental governance. *Lex specialis derogat legi generali*: the special treaty regime displaces default doctrines of occupation.

Three consequences follow. First, even if Marie Byrd Land would have qualified as *terra nullius* in the nineteenth century, it does not in the twenty-first. There is no legal space in which a state may now acquire title there; there is therefore **no legal space for a private entity** to do so under colour of statehood. Second, even were a non-party state to "recognise" a proclamation there, the practical value of such recognition would be negligible: admission to consequential institutions (and access to polar logistics) runs through ATS parties including **P5** powers whose acquiescence is indispensable. Third, logistics convert theory into farce. A permanent population capable of sustaining effective administration under a Montevideo-style analysis would require supply chains and environmental compliance that inevitably entangle the ATS. Every path leads back to the treaty table.

Effectivités again provide the test: **who patrols, who licenses, who enforces** environmental rules? Not a self-proclaimed "state," but the sponsoring states acting within the ATS. The domestic analogies map neatly: shouting that one owns the Brooklyn Bridge, printing stamps "of" the bridge, or selling "deeds" to it does not vest title (*Pierson/INS/Johnson*). By parity, minting a coin or promulgating a constitution "of Marie Byrd Land" is *legally sterile* absent a treaty-based entitlement.

The hypotheticals sharpen the point. A child born at a field camp in Marie Byrd Land does not thereby found a nation; the child's nationality would follow parental status under domestic law or humanitarian principles. A camp fight would be addressed under the **jurisdictional arrangements** of the sponsoring states and ATS framework. The "nearest claimant" logic New Zealand, Chile, et al., does not determine title in a frozen regime; it demonstrates that even the most mundane incidents presuppose state frameworks already in place. To "found a country" there

is thus not merely unlawful; it is conceptually incoherent within a regime designed to prevent it.

5.6 Liberland: Theatre Without Title

The Free Republic of Liberland is the most visible contemporary attempt to transmute border ambiguity into sovereignty by proclamation. It is intellectually energetic, rhetorically agile, and has captured the imagination of many who long to see new countries born. Its citizens, together with its wealthy yet controversial Prime Minister, Justin Sun, deserve every good wish in their endeavour. Indeed, given the considerable financial resources at their disposal, they might well consider if they are not already doing so directing their support toward treaty-based Startup States, where their vision and capital could achieve lasting, lawful results rather than being consumed in a perpetual contest with geography and border law (Frazier, 2018).

The reasons Liberland does not yet qualify as a state are legal, not emotional. First, there is no effective control. Croatian officers exclude settlers and regulate access. *Island of Palmas* established that discovery or declaration without continuous, peaceful, and public exercise of state authority does not mature into title. Here the absence is starker: it is not that Liberland's acts are insufficient; it is that they cannot occur at all on the claimed soil (Distefano, 2006).

Second, there is no permanent population within the territory. Online sign-ups do not produce a resident community when the land is inaccessible under Croatian and Serbian law. A passport-issuing website, however sophisticated, is evidence of aspiration, not jurisdiction.

Third, there is no governmental functionality *in situ*. Courts, registries, police, all are absent on the ground. *Minquiers and Ecrehos* teaches that the humdrum acts of governance: tax notices, property registers, service of process are the coin of sovereignty. Where none of those acts is possible, there is no currency to spend (Frost & Murray, 2020).

Fourth, there is no capacity for international relations in the legal sense (*ius tractatuum*). Courtesies from parliamentarians or municipalities abroad are not recognition; selfies are not treaties. *Temple of Preah Vihear* shows how acquiescence and conduct can confirm title; by contrast, no state conduct here recognises Liberland vis-à-vis Croatia or Serbia ("Case Concerning the Temple of Preah Vihear

(Cambodia v. Thailand). (Merits.)," 1967).

Fifth, the entire enterprise misapprehends *terra nullius*. The Danube pockets are juridically full - full of competing doctrines (thalweg vs cadastral lines), EU external border consequences, and bilateral incentives. The very existence of Croatian enforcement action is the negative of *terra nullius: animus domini* manifested by a state actor.

Reframe this through the Brooklyn Bridge. Claiming the bridge equals *Pierson v Post* mere chase. Selling deeds to the bridge equals *Johnson v M'Intosh* private transfers without sovereign sanction are null. Printing Brooklyn Bridge stamps equals *INS v AP* labour and investment in the symbol do not create a property right. Island of Palmas supplies the capstone: sovereignty must be demonstrated through acts vis-à-vis other states, not symbolic gestures. Liberland's coins, constitutions, and proclamations therefore represent the Brooklyn Bridge problem in international law: assertion without title.

A Consensual Theory of Statehood that a community is a state because its members call it one is philosophically interesting and ethically harmless. But positive law does not operate by voluntary fiction when it comes to territory. *Potestas sine materia cadit*: authority collapses without a territorial substrate lawfully subject to it. The "cure," if one were sought, would not be bolder declarations but a treaty: an instrument with Zagreb and Belgrade, and given the geometry, with Brussels as guardian of the EU border order. Such an approach is easier said than done, but it is the only path with juridical traction. Liberland may already have pursued such channels, and may be actively doing so now. If it insists on holding out for that coveted piece of land in Europe and not without good reason then structured engagement with Croatia, Serbia, and the EU institutions is the necessary prescription.

Everything else is performance, but performance can be redirected into constructive diplomacy. If Liberland channels its energy and resources into either treaty-based accommodation on the Danube or into supporting the rise of Startup States elsewhere, it will not merely perform, it will build.

5.7 Somaliland: Effective, Not Recognised

Somaliland is frequently and rightly commended for order, elections, and administrative competence (Woldemariam, 2014). It has maintained the colonial boundary

of the former British Protectorate, established functional institutions, and avoided cycles of violence that have afflicted its neighbourhood. If any modern polity could prove that facts on the ground suffice, Somaliland would be the exhibit. Yet three decades on, it remains unrecognised. The lesson is not that Somaliland is unworthy; it is that effectiveness without recognition does not alchemise into statehood (Craven, 2014).

The African Union's commitment to *uti possidetis juris* is the architecture of the continent's interstate peace. Recognising a secession, however well-behaved, invites claims elsewhere. That is the political calculus. Accordingly, even robust factual governance is insufficient to compel admission to the club. The TRNC, Abkhazia, South Ossetia, Transnistria, and the SADR illustrate variants of the same condition: entities with varying degrees of institutional life floating in seas of non-recognition or partial recognition, their capacities constrained, their passports suspect, their treaties narrow (Hadjigeorgiou & Kapardis, 2023).

South Sudan's admission proves the complementary point. It was not administrative readiness that delivered recognition; it was regional and international consensus that independence was the price of peace after a distinct colonial-era administrative entity had been amalgamated and then traumatically misgoverned. Recognition came first, institution-building later, with mixed results (Sempijja & Brito, 2025). The alchemy runs from consent to statehood, not the other way round. Recognitio facit statum? Not always, but often enough to define the exception that proves the rule: without recognition, one may be effective; one is not sovereign.

For the Startup State, Somaliland is a warning. Do not build first and hope recognition follows as a reward for competence. Build the recognition into the instrument that founds you. A treaty, a condominium, a cession, an ICJ-endorsed settlement, something that converts your existence from a plea into a fact others have already agreed to respect. Otherwise, even excellence will be relegated to the shadowlands of legality (Ker-Lindsay, 2015).

5.8 The Hypotheticals as Cross-Examination

Advocates of modern *terra nullius* love hypotheticals: a birth in Bir Tawil, a scuffle in Gornja Siga, a first baby in Marie Byrd Land. Treat these not as romantic thought experiments but as cross-examination.

Gornja Siga – Birth and policing

If a stateless mother gives birth on a Danube pocket, who must register the child? The authority that already **patrols, excludes, and administratively interacts** with the zone, Croatia will be pressed by EU humanitarian and human rights frameworks to resolve status, even while maintaining that the frontier follows the thalweg. Serbia will insist the cadastral line places the site on its side. Each position assumes a sovereign entitlement; neither implies a vacuum for third-party appropriation. If a brawl erupts on a gravel bar, which uniform arrives? The same one that has been arriving: Croatian or Serbian officers. The terra nullius pretence collapses on first contact with reality. Ex factis jus oritur (O'Keefe, 2011).

Bir Tawil – Birth and jurisdiction.

A birth there prompts recourse to Egyptian or Sudanese domestic law and diplomatic prudence. Strategic silence about title does not create an opportunity for a third sovereign; it reflects **litigation posture** in the Hala'ib dispute within the AU's border order.

Marie Byrd Land – Birth and criminal process.

A field-camp birth is governed by parental nationality and ATS arrangements; a camp assault by sponsoring-state jurisdiction and ATS cooperation. The *lex specialis* leaves no slot for unilateral appropriation.

Hypotheticals do not open legal doors; they test whether the hinges exist. In each case, the hinge is already attached to a state, or, in Antarctica, to a treaty system.

5.9 The Terra Nullius Fallacy

If the law is clear, why does the myth persist? Three reasons. **First**, the doctrine flatters the innovator: it suggests charisma and code can outmanoeuvre public law. **Second**, river and desert geometry looks like an invitation to cleverness, an invitation the law does not extend. **Third**, the digital public sphere compresses time and consequence: one can declare a "state" in an afternoon and find a community by evening; one cannot supply a hospital, secure a customs regime, or negotiate a boundary in a year. The gap between *symbolic speed* and *institutional time* seduces (Ronfeldt & Varda, 2018).

There is also a deeper lure: the honourable intuition that the state system is too closed, too sclerotic, too indifferent to new models. That intuition is not wrong. It

is simply misdirected when it grasps at *terra nullius*. The international order does admit new entrants; it has done so repeatedly. But the gate opens by **consent**, not by cleverness. The Startup State model accepts that reality and converts it into a strategy: **build** with a host, not against one; **secure** title by cession or leasehold with sovereign effects; **design** a condominium or special regime; **pre-clear** recognition conditions with regional organisations; **pledge** demilitarisation, neutrality, environmental stewardship; **offer** equity and advantage to the host. Turn legitimacy into a product, and recognition into a term, not a post-hoc favour (Oliveira, 2023).

5.10 Doctrinal Maxims and the Modern Map

Distil the jurisprudence into working maxims, operational rules, not ornaments:

1. **Declaratio sine possessione nihil est**. A declaration does not constitute possession. Title follows acts, not announcements.

2. **Ex factis jus oritur**. Law arises from facts. Patrols, registries, courts, environmental enforcement: these matter. Websites do not.

3. **Terra contestata non est terra nullius**. Disputed land is not nobody's land. Competing claims collapse the category.

4. **Abandonatio non praesumitur**. Abandonment is not presumed. Strategy, silence, or litigation posture are not renunciation.

5. **Lex specialis derogat legi generali**. Special regimes (Antarctic, space, seabed) pre-empt general acquisition doctrines.

6. **Uti possidetis juris stabit**. Colonial or administrative boundaries congeal at independence; not invitations to revisionism.

7. **Consensus facit jus**. Consent makes law. Recognition and treaties are not graces bestowed after success; they are constitutive.

8. **Potestas sine materia cadit**. Authority collapses without a territorial substrate on which it is lawfully able to act.

These decide the cases.Island of Palmas ends theatrical discovery; Minquiers and Ecrehos privileges municipal banality over romantic assertion; Eastern Greenland

teaches that sparse acts suffice where geography requires; *Frontier Dispute* immunises borders against improvised surgery; Western Sahara and Mabo bury the colonial fraud; Temple of Preah Vihear shows how acquiescence may confirm title; Kasikili/Sedudu rebukes attempts to elevate seasonal use into sovereignty. Together they write the epitaph:*terra nullius is over*.

5.11 Terra Ficta to Terra Firma

The demolition of the *terra nullius* fantasy is not hostility to new polities; it is the **precondition** for building them lawfully. The Startup State model is the disciplined alternative: **consensual, treaty-first, recognition-aware.**

Prototype pathways include:

1. Cession with conditions precedent to recognition;
2. a long-term lease or emphyteusis coupled with delegated sovereign functions and a contractual upgrade path;
3. a condominium separating and sharing powers by schedule;
4. an ICJ-guided settlement in a boundary case reserving a zone for a new polity with the disputants' consent;
5. a multilateral environmental/neutrality compact that assures neighbours and invites capital.

In each, recognition is a term, not a hope. Regional bodies are not obstacles; they are counterparties. Environmental and demilitarisation commitments are credibility instruments. Host-state equity is not a giveaway; it is alignment. The result is not performative sovereignty but durable sovereignty *terra firma* rather than *terra ficta*.

Conclusion: The End of Shortcuts

Let's suppose the Free Republic of Verdis, which claims pocket 3 along the Danube River, manages to obtain de jure recognition from some small South Pacific UN member state; the bigger question is how long that will last until pressure is put on that UN member state to withdraw its recognition of Verdis? Yes, the likes of Verdis and others raise awareness and get people thinking about new country

creation, and that is positive, but until they are able to get the Croatian police to stop harassing them and they manage to secure multiple diplomatic allies, the journey ahead will not be so easy, and all that energy allocated to securing and maintaining recognition, as well as gaining unobstructed access to their claimed area, could likely be better spent trying to set up a clean Startup State instead, with a partnering hosting country that sees the apparent need for an ongoing symbiotic relationship.

Let's face it, the map is full. Not a single modern example offered by *terra nullius* advocates survives contact with law. **Gornja Siga** is disputed, patrolled, and embedded in EU border governance; **Bir Tawil** is a by-product of Hala'ib strategy within an AU order that abhors border tinkering; **Marie Byrd Land** is frozen under a treaty system that abolishes acquisition; **Liberland** is theatre without title; **Somaliland** is competence without the alchemy of recognition. None offers an escape hatch. All confirm the rule.

Say it plainly: *there is no terra nullius left to seize.* What remains is **terra juris**, a legal landscape in which sovereignty is not taken but given, not proclaimed but recognised, not invented but constituted. Those who would found a new nation must therefore do the grown-up work: *build coalitions, negotiate treaties, design institutions, embed regional assurances, and offer real value* to their hosts. That path is demanding; it is also the only path that works.

Declaratio sine possessione nihil est.

Ex factis jus oritur.

Terra contestata non est terra nullius.

Consensus facit jus.

Everything else is a **flag in the wind.**

Comparative Matrix of "Terra Nullius"

Case	Neighbouring States	Claim Positions	Wider Recognition (UN / blocs)	On-the-Ground Control	Legal/Doctrinal Status
Gornja Siga (Danube, ~7 km²)	Croatia & Serbia	Croatia: *"It's Serbia (cadastre)."* Serbia: *"It's Croatia (thalweg)."*	Treated as **bilateral border dispute**; UN, EU, NATO take no position.	**Croatian police patrol**, prevent settlement.	**Disclaimed fragment.** Sometimes called terra nullius colloquially, but legally a pending delimitation.
Pocket 1–3 (Danube slivers, <1 km² total)	Croatia & Serbia	Same pattern: Croatia says "Serbia," Serbia says "Croatia."	Same as Gornja Siga.	**Croatian patrols.**	**Disclaimed fragments**; tiny, but same logic as Gornja Siga.
Bir Tawil (~2,060 km² desert)	Egypt & Sudan	Egypt: "Bir Tawil is Sudanese" (claims Halayeb via 1899 line). Sudan: "Bir Tawil is Egyptian"	Not considered a "dispute." Mapped as **unclaimed land**.	**No state administration.** Only nomadic tribal passage.	**True terra nullius.** Only modern example on land where no UN member state claims.

		(claims Halayeb via 1902 line).			
Marie Byrd Land (1.6m km², Antarctica)	Adjacent to claimed Antarctic sectors	No state claims it (treaty freeze).	Governed under **Antarctic Treaty (1959)**; recognized by UN members.	No permanent control; occasional scientific activity.	**Unclaimed by design, but not terra nullius** — sovereignty suspended.
Halayeb Triangle (~20,500 km², Red Sea coast)	Egypt & Sudan	**Both claim it.** Egypt asserts 1899 line; Sudan asserts 1902 line.	Most international maps shade it as **disputed** but Egypt's **de facto control** is acknowledged . AU/Arab League avoid ruling.	**Egypt administers** (since 1990s); Sudan objects.	**Dual-claim territory.** Classic "overlap," the mirror of Bir Tawil.
Šarengrad Island (~9 km², Danube)	Croatia & Serbia	**Both claim it.** Croatia by cadastre, Serbia by thalweg.	Treated as part of the overall Danube dispute; no external adjudication yet.	**Serbia controls access**; Croatia protests.	**Dual-claim island.** Not terra nullius; both want it.

Karapanđa & Kenđija tracts (east bank, near Apatin & Bačka Palanka)	Croatia & Serbia	**Both claim them.** Croatia: cadastre; Serbia: thalweg.	Same as Šarengrad.	**Serbia controls**; Croatia insists they're Croatian cadastral land.	**Dual-claim riparian tracts.** Economically significant (fertile floodplain).

Annex Sample Deed

For those still not convinced and who wish to claim all of the alleged purported areas of Terra Nullius, feel free to use and modify the following template as an example of the kind of instrument that could work, though it is likely best to consult with top-level international lawyers first or to work with existing websites that lay claim to such areas.

Deed of Non-Exclusive Territorial Claims for Environmental Stewardship

PREAMBLE

KNOW ALL MEN BY THESE PRESENTS, that I, [Full Legal Name of Declarant], [citizenship], of [residential address] (the "Declarant"), being of full age and sound mind, do hereby declare, execute, and publish this Deed of Non-Exclusive Territorial Claims for Environmental Stewardship (the "Deed").

RECITALS

WHEREAS, the territories of Bir Tawil, the Danube River enclaves (including Gornja Siga and Pockets 1, 2, and 3), and Marie Byrd Land in Antarctica are presently uninhabited by any known permanent population and are not subject to undisputed, effective sovereignty;

WHEREAS, the Declarant asserts non-exclusive claims to environmental stewardship and territorial usage in the above territories, without derogation of, denial of, or disparagement of any past, present, or future claimants, and without implying ownership;

WHEREAS, the Declarant grounds this act in the Universal Declaration of Human Rights (1948), including:

- Article 17, the right to own property, alone as well as in association with others, and not to be arbitrarily deprived thereof;

- Article 25, the right to a standard of living adequate for health and well-being, read progressively to include environmental quality;
- Article 27, the right to participate in cultural life and to share in scientific advancement and its benefits, including the advancement of environmental stewardship;

WHEREAS, international jurisprudence and treaty law have recognized the legal personality of non-state actors and corporate entities in matters of international concern, as evidenced inter alia by the Barcelona Traction case (ICJ, 1970), the Rio Declaration on Environment and Development (1992), and the Paris Agreement (2015);

WHEREAS, the Declarant conveys these claims to a newly constituted entity ("the New Polity") organised under the laws of [Jurisdiction], whose founding charter expressly incorporates this Deed and which seeks international legal personality as a subject of international law, consistent with the evolving practice of international organisations and non-state actors;

NOW, THEREFORE, I, the undersigned Declarant, do hereby declare and publish the following:

ARTICLE I. TERRITORIAL CLAIMS CONVEYED

Bir Tawil:
Location: A trapezoidal landmass between Egypt and Sudan.
Boundaries: To the north, the 1899 Anglo-Egyptian condominium boundary; to the south, the 1902 administrative boundary; to the east, the Hala'ib Triangle; to the west, the 22nd meridian east.
Approximate Area: 2,060 square kilometres.
Coordinates: Approximate centroid at 21°52'14☒N, 33°58'41☒E.

Danube River Enclaves (disputed parcels left in legal limbo between Croatia and Serbia, including but not limited to the following areas, which Croatia asserts are part of Serbia, and Serbia asserts they are part of Croatia):
Gornja Siga: Approx. 7 square kilometres, centroid at 45°46'N, 18°52'E.
Pocket 1: Approx. 0.5 square kilometres, lying along the Danube in cadastral limbo.

Pocket 2: Approx. 0.3 square kilometres, similarly situated.
Pocket 3: Approx. 0.4 square kilometres, similarly situated.

Marie Byrd Land, Antarctica:
Location: The unclaimed sector of Antarctica between 158°00'W and 103°24'W, extending from the coast southward to the geographic South Pole and north to the Amundsen and Ross Seas.
Approximate Area: 1,610,000 square kilometres.
Coordinates: Approximate centroid at 75°00'S, 135°00'W.
Maritime Zones: A territorial sea of 12 nautical miles from any coastline, and an exclusive economic zone of 200 nautical miles from any coastline, to be asserted only upon transfer to and exercise by the New Polity.

ARTICLE II. CONDITIONS OF RELINQUISHMENT

The New Polity covenants to relinquish, without consideration or remuneration:

- The claim to Bir Tawil, upon request of the Arab Republic of Egypt or the Republic of the Sudan.
- The claims to Gornja Siga and Pockets 1, 2, and 3, upon request of the Republic of Croatia or the Republic of Serbia.
- The claim to Marie Byrd Land, upon request of any signatory to the Antarctic Treaty (1959).

ARTICLE III. COVENANTS BINDING THE NEW POLITY

The New Polity accepts this conveyance subject to the following covenants and restrictions, which shall run with the claim areas:

- **Neutrality and Demilitarisation:** The New Polity shall be permanently neutral and demilitarised in the claim areas, consistent with the precedent of neutralised territories (e.g., the Free City of Cracow, 1815) and the Antarctic Treaty (1959, Art. I).

- **Carbon Neutrality:** It shall maintain a carbon-neutral or carbon-negative footprint within the claim areas, consistent with the objectives of the UN Framework Convention on Climate Change (1992) and the Paris Agreement (2015).
- **Environmental Stewardship:** It shall manage the claim areas as commons for environmental research, conservation, and stewardship, prioritising biodiversity, climate resilience, and scientific collaboration.
- **Non-Exclusivity:** It shall treat these claims as non-exclusive, recognising the legitimate interests of other actors and the primacy of peaceful cooperation and shared stewardship.
- **Human Rights and Dignity:** It shall respect and promote the human rights of all persons who may work in or transit through the claim areas, consistent with the Universal Declaration of Human Rights (1948) and subsequent human-rights instruments.

ARTICLE IV. ACCEPTANCE BY THE NEW POLITY

The New Polity, acting through its duly authorised representatives, hereby accepts the conveyance of the foregoing claims subject to all covenants, conditions, and limitations set forth in this Deed and undertakes to seek recognition, where appropriate, from states, international organisations, and other relevant actors.

ARTICLE V. DISPUTE RESOLUTION AND SEVERABILITY

Any dispute concerning the interpretation or application of this Deed shall be submitted, at the election of the parties, to arbitration under the Permanent Court of Arbitration Optional Rules for Arbitration of Disputes Relating to Natural Resources and/or the Environment, or to another mutually agreed forum competent in public international law. The arbitral award shall be final and binding.

If any provision of this Deed is found invalid or unenforceable under applicable law, the remaining provisions shall remain in full force and effect.

EXECUTION

Executed this _____ day of _____, 20____, at _____.

[Full Legal Name of Declarant]
Signature: _____

For and on behalf of the New Polity
By: _____
Title: _____

NOTARIAL ACKNOWLEDGEMENT

State of _____)
City of _____) ss.:

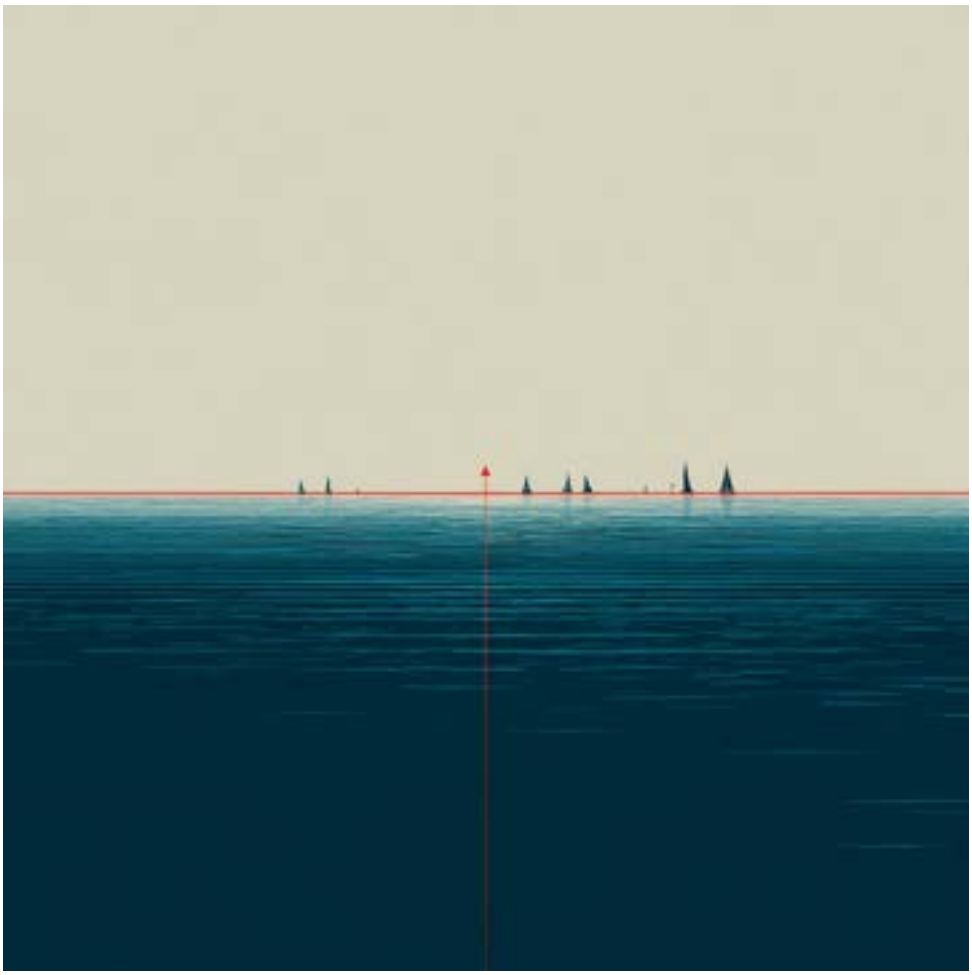
On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____, known to me or satisfactorily proven to be the person whose name is subscribed to this instrument, and acknowledged that he did so freely, voluntarily, and with full capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal.

Notary Public

Chapter 6

The Promise and Perils of Seasteading



The boundless expanse of the ocean has long captivated human imagination, serving as a frontier for exploration, discovery, commerce, and myth. From the earliest

voyages of Phoenician traders and Polynesian navigators, to the grand age of European maritime empires, the sea has been both a highway of exchange and a canvas upon which civilisations have projected their boldest ambitions. It has offered mankind both promise and peril: a source of sustenance and wealth, yet also a theatre for piracy, naval conflict, and contested dominion. In modern times, the ocean is no less magnetic, inspiring not only scientific investigation and resource extraction from fishing to seabed mining and energy production but also utopian visions of alternative modes of living (DeLoughrey, 2022).

Within this imaginative tradition, the idea of seasteading occupies a distinctive and provocative place. Conceived as the establishment of permanent dwellings or communities upon the open waters, seasteading is more than an engineering project; it is a philosophical proposition. It represents an aspiration to transcend the limitations of land-based sovereignty, to create self-governing polities untethered from terrestrial borders, and to pioneer new experiments in law, economy, and society. For its advocates, the sea is not simply an expanse of saltwater but a sanctuary of possibility, an unclaimed frontier where the entrenched hierarchies and bureaucracies of landlocked nations may be replaced by agile, adaptive, and voluntary associations of individuals (Mendenhall, 2020).

The allure is clear. To libertarians, futurists, and innovators alike, seasteading promises radical freedom: a chance to escape from overregulated or stagnant jurisdictions and to build afresh. It offers the potential for regulatory innovation, for the creation of competitive governance models that may rival the inefficiencies of the state. It suggests the possibility of crafting communities that are environmentally resilient, technologically advanced, and socially experimental floating laboratories for the twenty-first century (Steinberg et al., 2011).

Yet, alongside this utopian promise lies a sobering reality. The ocean is not an ungoverned void; it is a highly regulated domain, structured by centuries of maritime custom and codified in international treaties, most notably the United Nations Convention on the Law of the Sea (UNCLOS). Its waters are divided into zones of sovereignty, jurisdiction, and resource rights, leaving very little that may be characterised as truly unclaimed or unregulated. The dream of seasteading thus collides with the dense fabric of international law, which recognises the sovereignty of coastal states, the obligations of flag states, and the collective stewardship of the global commons.

Equally, seasteading ventures cannot escape the imperatives of practicality. Constructing durable, habitable, and economically viable platforms upon the sea poses

immense technical and financial challenges. More critically still, the political dimension cannot be ignored: without at least tacit complicity or explicit support from existing states, such projects remain vulnerable to enforcement actions, denial of recognition, and exclusion from international systems of trade and travel. The history of human settlement shows that no polity however innovative, thrives in isolation; legitimacy and security are derived not merely from engineering but from law, diplomacy, and cooperation (Haqq-Misra, 2024).

Thus, while the idea of seasteading continues to inspire a devoted following and to stir visions of a maritime renaissance, it must be approached with a balanced understanding. It is at once a bold act of imagination and a deeply constrained project, hemmed in by the physical demands of the sea and the juridical architecture of the international order. Its potential cannot be dismissed, but neither can its limitations be ignored. A pragmatic assessment reveals that its future depends less upon escaping the state than upon negotiating with it, less upon asserting sovereignty than upon cultivating recognition, and less upon evading law than upon reinterpreting it (Clevenger, 2021).

6.1 Freedom at Sea and the Limits of Law

Seasteading is often lauded as an exciting and audacious idea, one that resonates with the perennial human impulse to seek new frontiers when existing systems appear exhausted or unyielding. It offers the tantalising prospect of escaping entrenched political structures and experimenting with societies consciously designed around chosen principles rather than inherited institutions. Where traditional polities are burdened with centuries of compromise, conquest, and path-dependency, the seasteading ideal imagines communities that can be conceived ex nihilo, tailored precisely to the aspirations of their founders and participants (Steinberg et al., 2011).

The imagery is compelling. One might picture vast floating platforms anchored on the high seas, configured not as mere vessels but as self-sufficient habitats. Some are envisioned as innovation hubs, attracting technologists, entrepreneurs, and scientists who seek regulatory flexibility to test bold ideas in biotechnology, artificial intelligence, or climate engineering. Others are conceived as libertarian enclaves, where governance is minimal, contracts and voluntary associations replace legislative imposition, and individuals pursue life and commerce free from the encumbrances of taxation and bureaucratic oversight. Still others adopt a more

eco-utopian character, positioning themselves as sustainable oceanic eco-villages, powered by renewable energy, nourished by aquaponics and marine agriculture, and designed to tread lightly upon the marine environment (South, 2019).

What unites these diverse visions is a shared aspiration: to build communities freed from the weight of terrestrial politics, insulated from legacy regulations, and untainted by the territorial disputes that so often mar the land. In theory, seasteads could become laboratories for competing models of governance and living each platform a petri dish of political, social, and economic experimentation. Those dissatisfied with one model could migrate to another, fostering a form of competitive federalism on the ocean, where governance itself becomes a service offered in a marketplace of ideas (Mendenhall, 2020).

This is the conceptual allure of seasteading: a bold reimagining of sovereignty and society, where the ocean is not merely traversed but inhabited, not simply a space of commerce but a foundation for new civilisations. It is a vision that appeals to the restless, the entrepreneurial, and the disillusioned alike, promising not only escape but also reinvention.

"The ocean is not empty, it is regulated, shared, contested, and governed."(Steinberg et al., 2011)

6.2 Current Lawful Experiments

The vision for seasteading is actively championed by organisations such as The Seasteading Institute, which has positioned itself as the intellectual and advocacy hub of the movement. Founded in 2008 with the explicit aim of advancing the ocean as the next great frontier for human settlement and political experimentation, the Institute situates seasteading not as a fringe curiosity but as a serious field of research and policy innovation. Its work emphasises proceeding in a legitimate and lawful manner, avoiding the pitfalls of illegality or conflict with existing states (Steinberg et al., 2011). To this end, the Institute focuses on developing research frameworks, public advocacy, and partnerships that might facilitate the establishment of autonomous communities in international waters or, more pragmatically, through collaborative arrangements with coastal states. By situating its vision within the bounds of international law, the Institute underscores the principle that durability and recognition are only possible through compliance and cooperation, rather than confrontation (Ricard & Robin, 2022).

Similarly, Atlas Island (AtlasIsland.org) represents a more contemporary and active vision for a floating, self-governing community. Emerging from the next generation of seasteading initiatives, Atlas Island seeks to leverage cutting-edge engineering, naval architecture, and modular design to create stable, habitable platforms that are not merely experimental prototypes but viable long-term habitats. While the project remains in its developmental phase, its ambitions are clear: to craft seasteads that could host enduring societies with functional governance systems, sustainable economies, and defensible claims to legitimacy (Balloun, 2010). Atlas Island reflects the seasteading community's willingness to learn from the engineering, legal, and financial setbacks faced by earlier projects, integrating those lessons into more robust and realistic blueprints. Its trajectory will likely serve as a key indicator of the evolving feasibility of large-scale, permanent sea settlements provided they remain firmly committed to operating within the established framework of international maritime law and securing the necessary authorisations. I have personally participated in Atlas Island events online, which demonstrates both the project's openness to community input and its active cultivation of a global network of potential participants (Relling & Earthy, 2023).

Another significant player in the contemporary seasteading movement is Ocean Builders (OceanBuilders.com). Distinct from purely conceptual projects, Ocean Builders has made strides in designing and constructing tangible floating homes and structures, with their flagship models, SeaPods, drawing international attention. These units are conceived as sleek, sustainable living spaces that can be deployed in nearshore environments, offering individuals and families the chance to embrace a maritime lifestyle on a personal scale (Xylia et al., 2023). Ocean Builders emphasises scalability and practicality, seeking to bridge the gap between visionary ambition and everyday reality. Its work foregrounds environmental responsibility, prioritising renewable energy integration, waste-management systems, and marine-friendly construction methods, thereby ensuring that offshore living is not pursued at the expense of fragile ecosystems. In contributing functional, habitable prototypes to the broader movement, Ocean Builders significantly enriches the growing body of knowledge and technical expertise necessary to transform seasteading from an ideal into an achievable mode of habitation (Ranganathan, 2019).

6.2.1 Arkpad: Seasteading in Practice

Arkpad is a maritime engineering and seasteading company that designs and produces floating structures to enable human habitation and community-building on the ocean. Based in Makati in the Philippines, Arkpad's work includes ultra-stable modular platforms such as the ArkPad-C that can host homes, resorts, and shared infrastructure, and their Reef Resort off Samal Island showcases an early, functioning seastead community. You can learn more about their mission and floating designs on their website https://arkpad.co, where they describe their goal of bringing life and sustainable living to the ocean.

I met Arkpad's founder, Mitchell Suchner, in person at the Free Cities Conference in Prague in November 2025, where he spoke about practical seasteading and his team's progress building ocean communities in the Philippines. Mitchell impressed me as someone grounded in both the engineering realities and the broader social implications of seasteading, situating Arkpad's work as a real-world expression of living beyond land while still engaging with governance and community design in tangible ways.

6.3 Failed Dreams and Cautionary Tales

The modern seasteading movement also draws from a lineage of ambitious, albeit often ill-fated, predecessors. These projects illustrate not only the enduring appeal of creating societies at sea, but also the consistent challenges of finance, engineering, law, and politics that beset such ventures. Each case stands as a cautionary tale, underscoring the need for legitimacy, host-state cooperation, and durable structures if any seasteading initiative is to succeed (Flikkema et al., 2021).

The Atlantis Project (Oceania.org): Emerging in the 1990s, this project sought to channel libertarian aspirations into a concrete blueprint for a new polity in the Caribbean. Its model was strikingly commercial: capital was to be raised through a public stock offering, with funds allocated to land reclamation and artificial island construction. The vision was bold, a floating "free nation" financed by investors who would, in effect, become citizens-shareholders. Yet the project faltered almost immediately. Insufficient funding, combined with the absence of meaningful host-country support, left the plans on paper. The Atlantis Project highlights the limits of purely financialised state-building when the political and legal dimensions of sovereignty are left unaddressed (Khalid et al., 2021).

Operation Atlantis: Conceived by libertarian entrepreneur Werner Stiefel in the late 1960s, Operation Atlantis sought to give material form to libertarian ideals by constructing a permanent floating nation. The group began by building a concrete barge, the Atlantis II, which they hoped would be the nucleus of an expandable ocean platform off the Bahamas. The venture encapsulated the romanticism of "escape to the high seas" but nature was less forgiving. Before the settlement could mature, the Atlantis II was destroyed by a storm, erasing years of effort in a single event. This episode demonstrates the peril of underestimating the raw power of the ocean, a lesson that continues to haunt contemporary seasteading efforts (Ranganathan, 2019).

New Atlantis: In 1964, Leicester Hemingway, brother of Ernest Hemingway, attempted his own experiment. On a barge moored off Jamaica, he proclaimed the founding of New Atlantis, complete with a constitution and postage stamps to signal its sovereignty. Although imaginative, the endeavour was quixotic. Without recognition, financial support, or physical resilience, the "nation" was swiftly undone by another storm. The case illustrates the futility of mere declaratory independence absent the material and diplomatic infrastructure that sustains genuine statehood (Kolstø, 2006).

New Utopia: Proposed in the 1990s by Lazarus Long (born Howard Turney), this venture was marketed as a luxurious tax-free city on the Misteriosa Bank in the Caribbean. Its promotional materials promised sovereignty, prosperity, and freedom from taxation, attracting interest from would-be investors (Steinberg et al., 2011). Yet the U.S. Securities and Exchange Commission intervened in 1999, charging the scheme with fraud. With no infrastructure ever built, the project collapsed, remembered less as a credible attempt at seasteading and more as a cautionary parable about regulatory scrutiny and the dangers of over-promising to investors.

Rose Island (Repubblica delle Rose): Constructed in 1968 by Italian engineer Giorgio Rosa on a platform in the Adriatic Sea, Rose Island declared itself an independent republic, issued stamps and currency, and attempted to present itself as a sovereign micro-nation. Its novelty attracted both media attention and government suspicion. Within a year, the Italian Navy intervened, dismantling the structure in 1969 and extinguishing the experiment. The Rose Island affair reveals how states react when sovereignty is asserted too close to home, even small symbolic gestures may be seen as provocations requiring forceful suppression.

Samuele Landi: More recently, the case of Samuele Landi, an Italian business-

man evading criminal charges, underscores the hazards of using offshore living as a form of personal sanctuary rather than collective nation-building. Landi resided for over a year on a barge in international waters near Dubai, but in February 2024, a storm split the vessel, and he was lost at sea; later reports identified his recovered body. His fate highlights both the fragility of improvised platforms and the personal risks of treating the ocean as a refuge absent the institutional and infrastructural support of a community.

Nadia Thepdet and Chad Elwartowski: In 2019, this couple constructed a small floating "seastead" roughly 12–14 nautical miles off Phuket, Thailand. Although situated beyond the 12-nautical-mile territorial sea, the platform lay within Thailand's contiguous zone and potentially its Exclusive Economic Zone (EEZ). Thai authorities deemed the project a violation of national sovereignty and dismantled the structure, pursuing legal action against the couple. This episode vividly illustrates the juridical vulnerability of seasteads without host-state approval: even when outside the territorial sea, they may still fall under coastal state jurisdiction for security and resource management (Harrison, 2014).

Taken together, these examples do not condemn the idea of seasteading, but they reinforce an enduring legal truth: floating structures without host-state approval are legally, politically, and diplomatically exposed. They may briefly capture attention, but without recognition and resilience, they remain precarious at the mercy of storms, states, and statutes alike.

6.4 UNCLOS and the Limits of Sovereignty

The legal framework governing the world's oceans is neither permissive nor anarchic; it is codified with extraordinary precision in the United Nations Convention on the Law of the Sea (UNCLOS, 1982), which today constitutes the Magna Carta of the seas. Far from being a free-for-all, the maritime domain is divided into carefully delineated jurisdictional zones, each associated with distinct bundles of rights and obligations (jura et onera).

- **Territorial Sea (Arts. 2–12):** Extending up to 12 nautical miles from a coastal state's baseline, the territorial sea falls under plena potestas and sovereignty of the coastal state, subject only to the limited exception of innocent passage for foreign vessels.
- **Contiguous Zone (Art. 33):** An additional 12 nautical miles, where the

coastal state may exercise enforcement jurisdiction (jurisdictio) in matters of customs, fiscal policy, immigration, and sanitary law, preventing infringements that would otherwise undermine its territorial integrity.

- **Exclusive Economic Zone (Arts. 55–75):** Stretching up to 200 nautical miles, the EEZ grants the coastal state sui generis rights of sovereign control over living and non-living natural resources, including fisheries, hydrocarbons, and seabed minerals. Here the state does not enjoy plenary sovereignty but retains sovereign rights narrowly defined by resource exploitation and conservation.

- **Continental Shelf (Arts. 76–85):** A coastal state enjoys inherent rights (ipso facto et ab initio) over the continental shelf, including seabed and subsoil resources, without need for proclamation. This entitlement has been recognised as customary law, most notably in the North Sea Continental Shelf Cases (ICJ, 1969), where the Court affirmed that the continental shelf "exists ex lege" and is not dependent upon occupation or proclamation.

- **High Seas (Arts. 86–115):** Lying beyond the outer limit of national jurisdiction, the high seas are governed by the principle of the res communis omnium, reserved for peaceful purposes, freedom of navigation, overflight, fishing, and scientific research. Crucially, this freedom is balanced by obligations of due regard and by the principle of pacta tertiis nec nocent nec prosunt (treaties neither harm nor benefit third parties), meaning no state may unilaterally arrogate sovereignty over these areas.

Most relevant to seasteading, UNCLOS Article 60(8) is unequivocal:

"Artificial islands, installations and structures do not possess the status of islands. They have no territorial sea of their own, and their presence does not affect the delimitation of the territorial sea, the exclusive economic zone or the continental shelf."(Saunders, 2019)

In other words, floating platforms or engineered structures cannot generate sovereign entitlements. They confer no territorial sea, no EEZ, no continental shelf, and no alteration of maritime delimitations. At most, they may enjoy a 500-metre safety zone (Art. 60(5)), which is a limited zone of protection, not sovereignty. Moreover, Article 87, governing the freedoms of the high seas, lists navigation, overflight, and scientific research but explicitly excludes sovereignty or territorial appropriation. To attempt to claim sovereign waters by virtue of an artificial platform would be an act ultra vires of international law (Pedrozo, 2020). This framework has been

consistently reinforced by international jurisprudence. In the Aegean Sea Continental Shelf Case (Greece v. Turkey, ICJ, 1978), the Court stressed that maritime jurisdictional claims must be grounded in treaty law or established custom (ICJ, 2001), the Court reiterated that sovereignty claims at sea must be evaluated in light of accepted norms, and that mere acts of proclamation or symbolism do not suffice to establish title.

Other relevant precedents further entrench this principle:

- In the South China Sea Arbitration (Philippines v. China, PCA, 2016), the Tribunal clarified that features not naturally sustaining human habitation cannot generate EEZs or continental shelves, further affirming that artificial islands have no capacity to alter maritime entitlements.

In sum, the law of the sea reflects a settled international consensus: the ocean is not an unclaimed wilderness, but a regulated space governed by treaty law, custom, and judicial precedent. Floating platforms, however ingeniously engineered, cannot bootstrap themselves into sovereignty. Without the consent of at least one recognised coastal state, such ventures remain res inter alios acta, acts without binding effect on third states and are vulnerable to enforcement, dismantlement, or simple disregard by the international community.

6.5 Startup States as Legal Enablers

Recognising these formidable legal and practical constraints, the Startup State model provides a pragmatic and lawful pathway for the advancement of seasteading. Where the free-floating experiments of the past ran aground on the reefs of international law, a Startup State established by treaty, recognised by peers, and embedded in the international order offers a structured vehicle through which maritime innovation can be anchored in legitimacy (Friedman & Taylor, 2012).

It must be acknowledged, however, that most Startup States will be created on terra firma. Yet, once independent and sovereign, such polities may act as lawful sponsors and regulators of seasteading activity. Possessing the full suite of sovereign rights under the Montevideo Convention (1933) and recognised under international law, a Startup State would be uniquely positioned to facilitate and legalise seasteading in several ways. Within its territorial sea or exclusive economic zone, it could authorise and regulate floating platforms, maritime research, or ocean-based communities. Beyond its own waters, it could issue maritime flags

of registry a prerogative under UNCLOS Art. 91 extending its legal personality to vessels or engineered structures operating on the high seas (Chaumette, 2016).

Such powers, however, must be exercised with delicacy. A new state's standing in the community of nations is often fragile; any perception of recklessness or abusus iuris (abuse of rights) could jeopardise its diplomatic credibility. To avoid such pitfalls, seasteading, if conducted under Startup State auspices would need to adhere to stringent operational, ethical, and environmental standards, demonstrating that sovereignty is being used responsibly, not opportunistically (Haqq-Misra, 2024). Among the key regulatory obligations are:

- **Environmental Standards:** Compliance with MARPOL (International Convention for the Prevention of Pollution from Ships, 1973/1978), which governs waste disposal, oil discharge, sewage treatment, and emissions controls, ensuring seasteading does not degrade marine ecosystems.

- **Supervisory Regulation:** Adherence to SOLAS (International Convention for the Safety of Life at Sea, 1974), flag-state inspection regimes, and port-state controls, which safeguard the seaworthiness and structural integrity of vessels and offshore platforms.

- **Labour Protections:** Observance of the Maritime Labour Convention (MLC, 2006), often called the fourth pillar of international maritime law, guaranteeing crew rights, fair contracts, adequate living conditions, and medical care at sea.

- **Cooperation with Flag and Coastal States:** Operations within another state's EEZ or territorial waters require prior authorisation or bilateral agreements; failure to do so risks accusations of unlawful encroachment. Many maritime operators historically have relied upon open registries or so-called "flags of convenience" (e.g., Liberia, Panama), which confer flexibility but also carry reputational and compliance complexities.

In this light, Startup States, once established and recognised, could become crucial facilitators of lawful seasteading by exercising their sovereign competencies in measured and innovative ways:

1. **Licensing and Regulating Floating Structures:** Authorising modular ocean platforms or artificial islands within their own maritime zones, ensuring they meet international safety and environmental standards.

2. **Offering Flags of Registry:** Establishing open or hybrid ship registries, potentially marketed as responsible alternatives to existing flags of convenience, balancing commercial attractiveness with strict adherence to international law.

3. **Bilateral Agreements:** Negotiating agreements with seasteading communities to establish frameworks for shared jurisdiction, taxation, dispute resolution, and enforcement.

4. **Hosting Seasteading R&D Zones:** Designating nearshore or land-based "innovation harbours" where prototypes may be tested under the Startup State's jurisdiction, combining legal shelter with engineering oversight.

5. **Championing Reform in International Forums:** Advocating within the International Maritime Organization (IMO), the International Tribunal for the Law of the Sea (ITLOS), and the United Nations General Assembly for gradual evolution of maritime law to accommodate bona fide floating communities.

Creatively, one might even envision a recognised Startup State functioning as a custodian or "flagging patron" of experimental maritime societies, similar to how Compacts of Free Association (e.g., between the United States and Palau, Micronesia, and the Marshall Islands) allow asymmetric yet lawful delegation of powers. Through such arrangements, seasteading could mature from its current precarious standing into a juridically sanctioned and diplomatically tolerable phenomenon, not as a rogue assertion of sovereignty, but as a carefully stewarded extension of an already recognised polity.

6.6 Towards Legal Recognition of Seasteads

Seasteading as a vision remains ahead of the current curve of law, but it is not ipso facto incompatible with it. Law is not static; it is a living instrument (lex semper reformanda est), shaped by evolving treaties, shifting interpretations, and the emergence of new actors within the international order. Just as international law adapted to encompass airspace, cyberspace, and outer space, so too it may in time accommodate maritime communities that blur the line between vessel and territory (1965- & 1971-, 2022). The question is not whether law can evolve, but under what conditions it will accept such innovation.

Startup States, precisely because they are designed as lawful, treaty-based polities, are uniquely situated to catalyse this process of legal evolution. They can act as advocates, exemplars, and custodians of seasteading, working within the existing order rather than in defiance of it (Flikkema et al., 2021). Specifically, they can:

- Lobby the International Maritime Organization (IMO) to create new classifications for floating cities or stationary maritime habitats, integrating such structures into frameworks adjacent to SOLAS and the IMO's safety codes.
- Coordinate multilateral reform through UN agencies or regional maritime commissions, ensuring floating communities are addressed in maritime conventions rather than left in a legal vacuum.
- Model best practices in environmental stewardship, maritime safety, and governance, faithfully tracking obligations under MARPOL and the Maritime Labour Convention (MLC, 2006), demonstrating that seasteads are boni fideles international actors.
- Educate sceptics by showing operational stability, reliable service provision, and respect for existing law, thereby rebutting fears of piracy, pollution, or lawlessness.

Ultimately, the bridge from vision to recognition runs not through confrontation but through cooperation. As Article 38(1)(b) of the ICJ Statute affirms, opinio juris, the belief that a practice is legally required emerges gradually through consistent state practice. A Startup State that carefully nurtures seasteading within its own jurisdiction can, over time, shift customary law toward acceptance of new maritime polities. To anchor this prospect in juridical reality, one may imagine a Startup State enacting a "Seasteading Act" a comprehensive domestic statute that both licences seasteads and signals compliance with international norms. A stylised draft might read as follows:

Seasteading Act (Model Law for Startup States)

Preamble:

Recognising the entrepreneurial, scientific, and humanitarian potential of ocean-based habitation, and mindful of the obligations arising under the United Nations Convention on the Law of the Sea (UNCLOS), MARPOL, SOLAS, and the Maritime Labour Convention, the [Startup State] enacts the following provisions to regulate and legitimise seasteading within its jurisdiction and under its flag.

Section I – Definitions

1. "Seastead" means any floating, stationary, or semi-mobile platform or habitat intended for human habitation, commerce, or research, registered under the laws of [Startup State].

2. "Operator" means any natural or legal person responsible for the management of a seastead.

Section II – Licensing and Registration

1. All seasteads operating within the territorial sea or exclusive economic zone of [Startup State] must obtain a licence issued by the Ministry of Maritime Affairs.

2. The Ministry shall maintain a Registry of Seasteads analogous to the State's Registry of Ships, conferring nationality under Article 91 of UNCLOS.

Section III – Standards and Compliance

1. Operators shall ensure compliance with MARPOL environmental regulations, including waste management, emissions control, and ballast water discharge.

2. Operators shall certify adherence to SOLAS safety standards and related IMO codes.

3. Crew and resident welfare shall be governed by the Maritime Labour Convention (MLC, 2006), ensuring rights to fair treatment, medical care, and safe conditions.

Section IV – Jurisdiction and Enforcement

1. Seasteads registered under the flag of [Startup State] shall be subject to the exclusive jurisdiction of [Startup State] on the high seas, pursuant to UNCLOS Article 92.

2. Bilateral agreements may be concluded with other states to establish joint enforcement or inspection regimes.

Section V – Innovation Zones

1. The Ministry may designate "Maritime Innovation Zones" within the EEZ where experimental seasteads may operate under reduced regulatory burdens, provided safety and environmental standards are upheld.

Section VI – International Representation

1. Startup State shall promote recognition of seasteading at the IMO, ITLOS, and other international fora.

2. The Ministry shall submit periodic compliance reports to demonstrate good faith (bona fides) in implementing international obligations.

Such an Act would achieve multiple aims simultaneously:

- It would legitimate seasteading domestically, signalling to investors and residents that these communities are protected by law.
- It would align the Startup State with international standards, forestalling accusations of bad faith or irresponsibility.
- It would position the Startup State as a thought leader, able to shape the trajectory of international maritime law by offering a lawful template for others to follow.

In this way, Startup States could perform a dual role: as incubators of maritime innovation and as trustees of international legitimacy. Far from undermining their fragile standing, careful stewardship of seasteading could enhance their diplomatic capital, allowing them to present themselves as responsible, future-oriented actors within the ius gentium (law of nations).

6.7 Conclusion: From Sea Dreams to Statecraft

Seasteading offers a compelling and almost poetic alternative to terrestrial stasis, a vision of human ingenuity set adrift upon the boundless sea. Yet in the hard architecture of international order, poetry must yield to law, and law must be rooted in consent. Consensus facit legem: it is the will and agreement of states, not unilateral proclamations, that shape the binding law of nations (Lefkowitz, 2023).

The ocean is not empty. It is neither res nullius, open to unilateral appropriation nor a lawless expanse. It is instead res communis omnium, a regulated, shared, contested, and carefully governed domain. Every nautical mile is inscribed with obligations: stewardship under UNCLOS, navigation rights under Article 87, environmental duties under MARPOL, labour protections under the MLC, and safety regimes under SOLAS. To ignore these frameworks is not to transcend law, but to fall into illegality (Humphries et al., 2022).

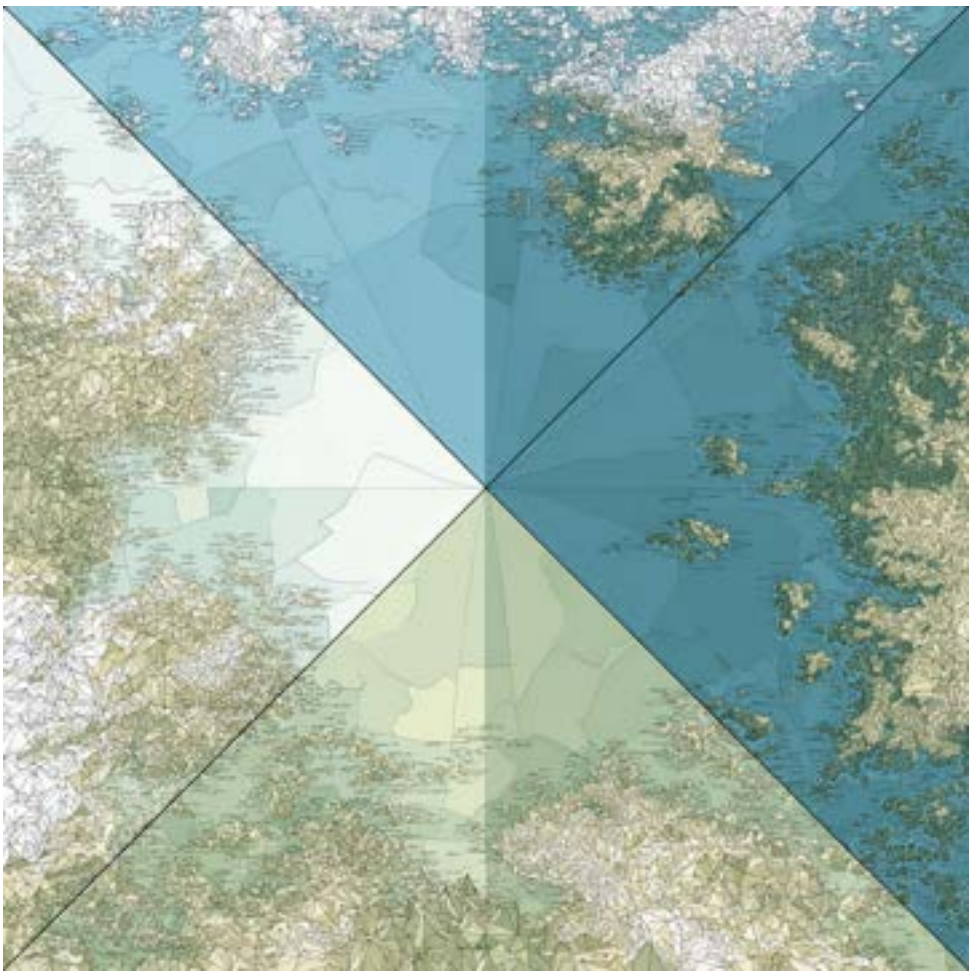
Thus, any credible future of floating communities must begin not with rebellion, but with respect, respect for the marine environment, respect for the dignity of human life, and respect for the ius gentium, the body of international law that ensures peaceful coexistence. Ex injuria jus non oritur: no legal order can emerge from a foundation of illegality.

In this light, the true path forward lies not in secessionist platforms or sovereignty stunts, but in the sober, deliberate creation of Startup States, new sovereigns forged through treaties, recognition, and cooperation with established states. These lawful polities can extend their jurisdiction to the sea, licensing seasteads, hosting research zones, and sponsoring floating cities within the framework of legitimacy.

If this course is pursued, the floating cities of tomorrow will not be viewed as renegades or outlaws, but as lawful extensions of recognised sovereignties. They will enter the international community not as pariahs, but as citizens, participants in the shared project of civilisation upon land and sea alike. In this way, the ocean may yet become a theatre of political renewal, but only through lawfulness, cooperation, and consent (Lombard et al., 2023).

Chapter 7

Network States



The digital age has given rise to novel conceptions of community, sovereignty, and collective action, fuelled by unprecedented connectivity and the borderless nature of cyberspace. Out of this environment has emerged the idea of the *Network State*—a project that seeks to transpose the logic of digital networks into the

realm of political organisation. As defined by its leading proponents, "A network state is a highly aligned online community with a capacity for collective action that crowdfunds territory around the world and eventually gains diplomatic recognition from pre-existing states" (thenetworkstate.com) (Golia & Teubner, 2021).

At its core, the Network State imagines that the bonds of shared ideology, digital infrastructure, and coordinated collective action can serve as substitutes for traditional markers of sovereignty. In this vision, dispersed yet digitally unified communities could evolve into territorial polities by pooling resources, purchasing land, and creating "network archipelagos" of settlements distributed across multiple jurisdictions. By leveraging technology, proponents argue that such communities could achieve greater alignment, cohesion, and efficiency than conventional states, mobilising capital and people more nimbly than bureaucratic governments (Bell, 2017).

This conception presents itself as a pathway of transition from virtual communities into physical polities; from shared servers to shared territory; from group chats to governments. Its rhetoric is aspirational, promising a new social contract born not of geography or blood but of voluntary digital association, backed by the tools of blockchain verification, smart contracts, and crowdfunding (Calzada, 2024).

Yet, even as it attracts interest among technologists and futurists, the Network State model raises profound questions when placed under the lens of international law. Can a dispersed online collective, however coherent, meet the criteria of statehood as articulated in the Montevideo Convention (1933)? Can crowdfunding land in fragmented parcels across multiple countries yield territorial integrity in the juridical sense? Does recognition flow from numerical strength of online membership, or from pacta inter partes, the consent of sovereigns? These questions reveal the friction between utopian aspiration and juridical reality (Marsford, 2025).

Accordingly, this chapter undertakes a comprehensive examination of the Network State concept. It will critically evaluate its claims to viability against established norms of statehood, sovereignty, and recognition under international law. In doing so, it will also contrast the Network State with the Startup State model, which pursues legitimacy not through digital mobilisation but through treaties, consent, and cooperation with existing sovereigns. The comparison is sharp: one seeks to crowdsource sovereignty, the other to negotiate it (Meehan, 2024).

7.1 A Digital Pathway to Physical Sovereignty?

One of the major points in this book is to explain the Network State concept and to evaluate whether it may represent a potentially successful method of state creation. Advocates contend that by first cultivating a highly aligned digital community, then accumulating sufficient financial capital, and ultimately acquiring parcels of land, a Network State can translate virtual cohesion into physical sovereignty. This proposed trajectory implies that the traditional Montevideo requirements for statehood such as defined territory, permanent population, and effective government could be satisfied only after a robust online foundation has been laid. In this sense, the model inverts the conventional sequence of state formation: rather than territory giving rise to community, community aspires to generate territory.

This pioneering model of digital governance presents itself as a compelling vision of self-organising societies, harnessing advanced technologies: blockchains, smart contracts, decentralised decision-making platforms to forge new collective identities and, potentially, novel forms of political organisation.

The proposed lifecycle of a Network State is typically described in a phased progression:

- **Startup Society:** An online community coalesces around a shared mission, value system, or visionary objective. In this initial phase, emphasis is placed on social cohesion, digital infrastructure, and a strong collective identity that binds members together despite geographic dispersion.
- **Network Union:** The society evolves into a body capable of collective action, often through decentralised technologies such as DAOs. At this stage, members demonstrate the ability to mobilise resources, coordinate governance, and enforce internal rules, evidence of incipient political organisation.
- **Network Archipelago:** The digital community begins to acquire physical spaces, land or properties distributed across multiple jurisdictions linking them through shared governance and digital infrastructure. This phase embodies the tangible manifestation of the Network State's ambition, offering physical hubs for its members while preserving the cohesion of the online whole.
- **Network State:** The culmination of the model, where the entity seeks and (in theory) achieves diplomatic recognition from pre-existing states, thereby transitioning from a digitally anchored community with scattered outposts to a fully-fledged sovereign entity within the international system.

This lifecycle sketches an innovative approach to political self-organisation, reversing conventional state-building logics. Yet, its efficacy remains uncertain. Whether such communities can genuinely achieve statehood under contemporary international law and whether they can secure recognition amidst the competing interests of established sovereigns remains to be seen. The trajectory is not without promise, but it is encumbered by significant legal, diplomatic, and practical challenges that will be interrogated in the sections that follow.

7.2 Why Network States Fail in Law

The fundamental premise of the Startup State model is its unwavering commitment to a "treaty-first" approach, encapsulated by the maxim: *"no treaty, no country."* This principle situates Startup States firmly within the orthodox framework of international law, recognising that the lawful birth of new polities must be underpinned by consensual agreements with existing sovereigns. By contrast, the implicit and often explicit trajectory advanced in many Network State theories inverts this order of operations. Rather than beginning with consent and treaty, Network State proponents typically prioritise the cultivation of digital community and the accumulation of capital, presuming that political legitimacy and recognition can follow ex post facto once sufficient cohesion and resources have been assembled. This divergence reveals not merely a different sequencing of priorities, but a profound juridical chasm when measured against the bedrock principles of the law of nations (ius gentium) (Burke-White, 2014).

The Montevideo Convention on the Rights and Duties of States (1933), though formally ratified only by certain states in the Americas, has long since transcended its regional origins to crystallise as a statement of customary international law. It articulates four essential criteria for statehood: (1) a permanent population; (2) a defined territory; (3) government; and (4) the capacity to enter into relations with other states. The International Court of Justice (ICJ) has consistently referenced these elements as the baseline of analysis. Most notably, in its Advisory Opinion on the Accordance with International Law of the Unilateral Declaration of Independence in Respect of Kosovo (2010), the Court confirmed that, even amidst complex and highly politicised disputes, the Montevideo criteria remain the central evaluative framework for assessing claims of statehood (Vidmar, 2012).

When measured against these criteria, Network States in their early phases are profoundly deficient. They may, through digital platforms, simulate or approxi-

mate a "permanent population," yet this community is dispersed, deterritorialised, and non-exclusive, raising serious questions as to whether such an aggregation satisfies the requirement of populus permanens in the Montevideo sense. More fundamentally, Network States lack a defined territory, which international law requires to be concrete, geographically ascertainable, and exclusive. Fragmentary acquisitions of land whether through crowdfunding, private purchase, or enclave leasing, cannot easily be amalgamated into the unified territorial base that statehood presupposes. International jurisprudence has long insisted on the necessity of unitas territorii (unity of territory), even where borders are contested or provisional (Krishnamurthy, 2024).

Similarly, the notion of a "government" within a Network State, while aspirationally fulfilled by decentralised digital governance mechanisms, falls short of the effective governmental authority (effectivités) demanded by international law. The ICJ, in cases such as the Island of Palmas Arbitration (PCA, 1928), emphasised that sovereignty rests not on abstract claims but on the actual, effective exercise of governmental powers within a defined territory. By their own design, Network States defer the acquisition of territorial jurisdiction until late in their developmental lifecycle, meaning that for most of their existence they remain incapable of demonstrating the effectivités that are the hallmark of statehood (Zatti, 2024).

Finally, the fourth Montevideo criterion, the capacity to enter into relations with other states, is in practice inseparable from recognition. A Network State may purport to conduct "diplomacy" in the form of digital outreach or informal partnerships, but without territorial sovereignty and recognised governmental authority, it lacks the legal personality required to participate in international relations on equal footing. This incapacity is not merely theoretical: under the Vienna Convention on Diplomatic Relations (1961), diplomatic privileges and immunities presuppose the existence of sovereign equality (par in parem non habet imperium). Entities without recognised sovereignty cannot invoke such instruments (Loh & Heiskanen, 2020).

Moreover, the manner in which Network States propose to eventually obtain territory compounds the difficulty. Their preferred pathway often envisions the unilateral purchase or crowd-funding of land parcels across multiple jurisdictions, or in some instances the establishment of de facto enclaves without explicit host-state sanction. Such acts, absent a formal treaty or consensual transfer of sovereignty, are insufficient in law. As the Aegean Sea Continental Shelf Case (ICJ, 1978) made clear, unilateral assertions of entitlement whether over seabed rights or, by analogy,

territory cannot displace the necessity of treaty-based or customary entitlements recognised by the international community (Lachs, 1995).

Thus, when assessed through the lens of established doctrine, Network States presently occupy a space of profound legal precarity. They may flourish as social movements, economic networks, or ideological communities, but they remain structurally misaligned with the criteria that international law continues to enforce as conditions precedent to lawful statehood.

7.3 Territory and Effective Control

A Network State's initial existence is, by design, primarily digital, inhabiting the realm of servers, blockchains, and dispersed communities rather than physical geography. While proponents envision an eventual transition to land acquisition, the manner of territorial acquisition raises acute problems under international law. The purchase, occupation, or appropriation of land absent the consent of the pre-existing sovereign constitutes a direct affront to the principle of territorial integrity enshrined in Article 2(4) of the United Nations Charter, which prohibits both the threat and use of force against the territorial integrity or political independence of any state. Although the Charter is most often applied to violent annexations, its underlying principle is one of non-interference: sovereignty over territory is not displaced by private contracts, symbolic claims, or unilateral declarations.

The mere purchase of land even if duly executed under domestic law does not in and of itself transfer sovereignty. Sovereignty inheres in the state and its people, not in the private ownership of property. A Network State seeking to bootstrap sovereignty from crowd-funded microplots misunderstands this distinction between dominium (ownership) and imperium (sovereign authority), which international law has long upheld. Effective sovereignty is measured not by title deeds or tokenistic "flag-planting," but by the continuous, peaceful, and recognised exercise of governmental authority (effectivités) (Krasner, 1999).

This requirement of effective control has been consistently affirmed in international jurisprudence. In the Island of Palmas Case (United States v. The Netherlands, PCA, 1928), the Permanent Court of Arbitration ruled decisively that "a continuous and peaceful display of authority" constitutes the only valid foundation of sovereign title, rejecting mere discovery or contractual claims as insufficient. Likewise, in the Eastern Greenland Case (Denmark v. Norway, PCIJ, 1933), the Court confirmed that mere intention or aspirational claims are inadequate; sovereignty

must be substantiated through acts of administration and jurisdiction. The principle emerging from these cases is unambiguous: animus occupandi (the intention to possess) without corpus occupandi (the actual exercise of control) does not confer legal title ("Legal Status of Eastern Greenland.," 1945).

The pseudonymity that often characterises digital communities further compounds the problem. International law requires a legally coherent, permanent population, identifiable for purposes of jurisdiction, taxation, protection, and obligations. A dispersed, pseudonymous membership connected by blockchain addresses or encrypted handles cannot meet this requirement, as it lacks both the durability of community and the accountability of citizenship (Weyl et al., 2022).

Similarly, token acquisitions of land or crowd-funded "microplots" cannot constitute a defined territory in the Montevideo sense. Territory must be geographically ascertainable, subject to unified control, and recognised by other sovereigns. Fragmentary acquisitions across multiple jurisdictions, each subordinated to the sovereignty of the host state, fall far short of the threshold required. This was evident in the fate of projects like self-declared microstates in disputed territory along the Danube, which consistently failed to achieve recognition precisely because its unilateral territorial claim conflicts with established state sovereignty (Hobbs & Williams, 2021).

The Mavrommatis Palestine Concessions Case (Greece v. Britain, PCIJ, 1924) offers further guidance. In that case, the Permanent Court of International Justice stressed that international rights and obligations presuppose valid and enforceable jurisdictional authority. Absent recognised dominium and jurisdiction, claims cannot be justiciable at the international level. By analogy, a Network State without recognised sovereign authority over a defined area cannot ground international rights, enter enforceable treaties, or avail itself of remedies in international fora (Kohl, 2021).

The problem, therefore, is not merely practical but structural. International law distinguishes sharply between private transactions (which may alter property rights) and sovereign acts (which alone alter jurisdictional boundaries). For Network States, attempts to conflate the two to derive sovereignty from ownership, inevitably collapse against this doctrinal wall. The result is a condition of legal precarity: symbolic gestures of sovereignty without the substance of jurisdiction, declarations without effectivités, and property holdings without political authority (O'Keefe, 2011).

In sum, the assertion of digital sovereignty or crowd-funded land claims cannot

substitute for the demonstrated and recognised authority that constitutes statehood. Without explicit host-state consent or treaty-based transfer, such initiatives remain in the realm of aspiration, not law.

7.4 Governmental Coherence and Enforceability

Governance structures premised upon Decentralised Autonomous Organisations (DAOs) or algorithmic consensus mechanisms, though technologically novel, often fail to meet the threshold of coherence, enforceability, and singular legal personality required under international law to qualify as a "government." International law does not regard code as law as sufficient; rather, it requires the existence of a determinate authority capable of exercising jurisdiction, enforcing compliance, and assuming responsibility for acts attributable to the state under the Articles on the Responsibility of States for Internationally Wrongful Acts (ARSIWA, 2001).

The International Court of Justice, in its seminal judgment in Military and Paramilitary Activities in and against Nicaragua (Nicaragua v. United States of America, 1986), articulated that a government must possess effective authority and control over both territory and population, and must be capable of assuming international legal responsibility for its acts. These requirements are grounded in the principle of effectivités: that sovereignty is not a theoretical construct but a lived, enforceable authority. Governance by DAO, with its fluid, anonymous, and pseudonymous participation, often lacks the institutional continuity, enforcement capacity, and identifiable chain of responsibility necessary to satisfy this test (Kharman & Smyth, 2024).

Furthermore, DAOs are inherently non-hierarchical and distributed, which may be celebrated as innovation in corporate or communal contexts, but poses acute difficulties for external accountability. A state, under international law, must be capable of entering treaties, enforcing obligations, and ensuring compliance erga omnes towards all. Without a centralised organ or identifiable representatives with clear competence de jure, DAOs struggle to project the kind of juridical stability required for recognition. International law is wary of "governments by algorithm" precisely because responsibility cannot be effectively assigned when consensus is mutable, participants are anonymous, and decision-making is borderless (Filippi et al., 2022).

This deficiency is underscored by analogy to the Nottebohm Case (Liechtenstein v. Guatemala, ICJ, 1955), where the Court held that nationality must reflect

a "genuine link" between the individual and the state asserting protection. By extension, identity instruments: passports, IDs, or certificates issued by Network State entities that lack both juridical personality and territorial nexus would be treated as nullities, devoid of standing before other states or international tribunals. In short: ex nihilo nihil fit out of nothing, nothing arises. Without recognised sovereignty, such documents confer no international rights and are unenforceable erga omnes (Finck, 2017).

The problem, therefore, is not simply one of administrative weakness but of conceptual misalignment with the very definition of government under international law. To qualify as a state organ, an institution must:

- exercise enforceable and continuous jurisdiction over a defined population;
- operate within and over a defined territory;
- and assume legal responsibility for its actions internationally.

DAO-based governance, by its nature, struggles to meet any of these requirements. Until such mechanisms are embedded within, or authorised by, a recognised sovereign, they remain legally insufficient to constitute government in the sense required by the Montevideo Convention, the UN Charter, and ICJ jurisprudence.

7.5 Recognition as Legal Necessity

The other major emphasis is to demonstrate that, like it or not, whether we agree with it or not, desirable or not, de jure diplomatic recognition by existing sovereign states is indispensable, along with control over dry land. Recognition is not a matter of preference but of legal necessity: without it, an aspiring polity remains trapped in the liminal space between community and statehood (Richards & Smith, 2015).

While some theories of international law articulate a declaratory view of recognition under which recognition merely acknowledges a state that already exists by virtue of satisfying the Montevideo criteria, the practical reality has long leaned toward the constitutive view, in which recognition by other states is a prerequisite for the exercise of full international legal personality. In practice, without the willingness of established states to extend diplomatic recognition, an entity remains a legal phantom on the international stage: capable of declaring itself, perhaps of

administering territory de facto, but not of participating in the ius gentium (law of nations) (Portmann, 2010).

This principle is not new. In the Aaland Islands Case (Report of the International Committee of Jurists, League of Nations, 1920), it was observed that even a population's desire for self-determination must be balanced against the principle of territorial integrity of pre-existing states. The Committee concluded that self-organisation alone is insufficient; the formation of a new state demands recognition within the broader international system. This lesson resonates strongly in the context of Network States, whose internal digital alignment however genuine does not displace the necessity of external recognition (Hobbs et al., 2023).

Moreover, Network States fall far short of the diplomatic thresholds enshrined in the Vienna Convention on Diplomatic Relations (1961) and the Vienna Convention on the Law of Treaties (1969). These instruments restrict the rights and privileges of treaty-making, diplomatic exchange, and participation in the international order to recognised sovereign states. A Network State that lacks juridical personality under international law cannot lawfully accede to multilateral conventions, establish embassies, or conclude binding treaties erga omnes. The doctrine of recognition whether declaratory or constitutive, excludes such entities by definition. As a result, the inescapable moral of the story is this: get recognised first.

Recognition also underpins jurisdictional capacity. In the S.S. "Lotus" Case (France v. Turkey, PCIJ, 1927), the Court affirmed that only recognised states enjoy jurisdictional competence within the limits of international law. Non-state actors cannot invoke such freedoms, nor can they exercise jurisdiction on the high seas or within contested territories. Similarly, the Banković and Others v. Belgium and Others (ECtHR, 2001) decision underscored that international obligations attach primarily within recognised jurisdictional space (ratione loci and ratione personae). Put differently: international rights and duties presuppose recognised sovereignty. Absent that, Network States are unable to invoke protective jurisdiction, assume treaty obligations, or claim standing before international courts and tribunals (Meehan, 2024).

Thus, the logic is inexorable: recognition is the gateway to legal personality. Until and unless Network States secure it, they remain non-entities in the eyes of international law. Their aspirations may have moral, social, or economic resonance, but they do not create sovereign status. International law may one day evolve or adapt to accommodate novel forms of digital or hybrid polities. But for now, the

principle is clear: sovereignty requires consent, recognition, and land. Anything short of that is vox et praeterea nihil a voice, and nothing more (Krishnamurthy, 2024).

7.6 Bitnation: Avant-Garde

To understand the challenges faced by non-territorial or digitally native state aspirations, it is illuminating to revisit the example of Bitnation. Launched in the 2010s, Bitnation stood as one of the first and most visible experiments in building a "cyberstate" or "virtual nation." It envisioned itself as a decentralised platform, powered by blockchain technology, through which individuals could design and join their own borderless governance systems, effectively creating opt-in "countries" unbound by geography. Its founders boldly challenged the Westphalian orthodoxy by asking: what if governance were a service one could choose, rather than a fate determined by birthplace?

Bitnation was both pioneering and audacious. It sought to replace the territoriality of the modern state with a radical voluntarism of citizenship, where identity and belonging would be secured not by soil (jus soli) or blood (jus sanguinis), but by digital consent. At its peak, Bitnation proposed everything from blockchain-based identity to arbitration mechanisms, "virtual embassies," and tokenised citizenship. For many including myself, as a former self-declared "citizen" who even invested in their token after the initial coin offering, it embodied an era of idealism, experimentation, and daring to dream differently.

Yet, as with many movements that run ahead of their time, Bitnation ultimately faltered. Its model may have been too early, too radical, or paradoxically not radical enough to withstand the combined pressures of legal scepticism, limited adoption, internal structural strains, and the inescapable reality that, even in a digital world, people remain embodied beings, anchored to physical places while they log in to virtual ones. However compelling the metaphor of "cloud nations," no human community can exist wholly in the ether; homes, workplaces, and bodies still sit on land governed by sovereign states.

That does not diminish the importance of Bitnation's contribution. If anything, it deserves recognition as a bold prototype an early thought experiment that gestured toward futures where governance may be more flexible, plural, and decentralised. Its failures are instructive: they reveal both the promise of digital governance models and the unyielding gravitational pull of international law, geography, and

recognition.

By contrast, Startup States represent not an attempt to abolish or bypass the existing world order, but to work within it collaboratively, lawfully, and consensually. Rather than rejecting the state system, Startup States embrace its framework, seeking legitimacy through treaties, recognition, and adherence to established norms. Their model demonstrates that innovation and ambition need not be adversarial to law; indeed, durability arises from cooperation, not confrontation.

Bitnation may thus be remembered as a necessary experiment, a visionary spark that helped expand the conceptual horizon of sovereignty, even if it did not itself endure. Its ideas may someday return in new guises, adapted to a world more ready to accept them. For now, however, the lesson is clear: while digital imagination is boundless, lasting sovereignty requires not just networks and tokens, but consent, recognition, and land.

7.7 Bitcoin as a Proto-Cyberstate

In some respects, Bitcoin itself can be regarded as the ultimate non-territorial cyberstate, not by accident of metaphor, but by the sheer magnitude of its adoption and the sophistication of its self-sustaining ecosystem. Since its emergence in 2009, Bitcoin has matured into a vast, borderless economy, underpinned by cryptographic protocols and enforced by a distributed consensus that knows no national boundaries. It commands a market capitalisation in the hundreds of billions of dollars, rivaling the GDP of many nation-states, and supports a burgeoning circular economy where goods and services are traded, contracts are enforced through smart layers, and value circulates independently of fiat systems. Its users, tens of millions worldwide, may rightly be seen as its "citizens," voluntarily adhering to its rules, honouring its consensus, and deriving tangible benefits from their participation.

Bitcoin's decentralised governance structure, mediated not through parliaments or presidents but through protocol rules and community consensus, offers a radically different model of collective organisation. Its "constitution" is code; its "legislature" is the process of proposal and adoption of upgrades; its "judiciary" is the market itself, deciding whether forks or rule changes survive. Its population, global in scope, is bound not by soil (jus soli) or blood (jus sanguinis), but by voluntary adherence to a shared system of rules. In this sense, Bitcoin functions as a proto-res publica digitalis, a republic of code, secured by proof-of-work and the unwavering

energy of its miners.

Yet, despite this quasi-statist architecture, Bitcoin remains tethered to the sovereign state system for crucial points of interface. Its global economy, however vibrant, still depends upon fiat on-ramps and off-ramps, the exchanges, banks, and payment processors that allow conversion into national currencies and integration into the physical economy. Merchants may accept Bitcoin, individuals may circulate it, but without these interfaces, its utility risks becoming hermetically sealed. Moreover, Bitcoin cannot perform the quintessential state functions: it cannot issue passports recognised by border officials, it cannot sign treaties under the Vienna Convention on the Law of Treaties (1969), and it cannot enforce contracts in the International Court of Justice.

Bitcoin therefore lacks jus imperii (the sovereign right to command) and capacitas standi in judicio (the legal capacity to appear in international courts). It exists de facto as a powerful economic order, but not de jure as a subject of the ius gentium. This distinction does not diminish its significance; on the contrary, it highlights Bitcoin's achievement. It has created a parallel economy, a sovereignty of value if not of law, one that is already exerting profound influence on how individuals, corporations, and even states think about money, governance, and autonomy.

The lesson here is not that Bitcoin fails to qualify as a state, but that it represents a proto-cyberspace polity, a proof of concept that people can, without coercion or borders, sustain a functioning economy, community, and governance structure in purely digital form. Its trajectory suggests that the future may well bring forth a Bitcoin-flavoured Startup State, a recognised sovereign on dry land that explicitly adopts Bitcoin as its monetary standard, political ethos, or organising principle. Already, initiatives in El Salvador and other jurisdictions hint at this possibility, albeit within the constraints of existing sovereignty.

Thus, while Bitcoin lacks the juridical personality to enter the family of nations today, it stands as a living prototype of non-territorial sovereignty, demonstrating that voluntary, decentralised association can command not only loyalty but immense material value. If Bitnation was an ambitious thought experiment, Bitcoin is a working reality, a network-state-in-all-but-name whose continued endurance suggests that the conceptual gap between digital polities and recognised states is not insurmountable, but awaiting the right bridge of consent, recognition, and law (Bell, 2020).

7.8 Confrontational vs. Collaborative

A significant concern is that Network States risk being perceived as inherently confrontational, precisely the opposite of what the Startup State model seeks to achieve. By framing themselves as entities that "opt out" of existing jurisdictions, or by envisioning unilateral territorial acquisition without prior and formalised agreement, Network States project themselves less as innovators within international society and more as subversive or secessionist movements. This posture places them in the unenviable company of unrecognised breakaway entities, entities whose claims are often dismissed as ex injuria jus non oritur (no right can arise from a wrongful act).

History shows that attempts to claim sovereignty through confrontation, whether unilateral declarations of independence without international support, or physical assertions of jurisdiction over disputed territory invite not cooperation but resistance. Such projects, whether by design or perception, provoke established states to defend the principle of territorial integrity enshrined in Article 2(4) of the UN Charter. Once an aspiring polity is cast in the light of secessionism or subversion, the path to legitimate recognition becomes not only steep but littered with hostility, sanctions, and diplomatic isolation. The fate of entities such as Biafra, Rhodesia, and more recently the Turkish Republic of Northern Cyprus (TRNC) underscores that confrontational sovereignty bids, however passionately advanced, rarely yield enduring legitimacy.

By contrast, the Startup State model adopts the opposite approach: one of consent, collaboration, and co-creation. Startup States do not seek to destabilise or disrupt existing sovereigns, but to partner with them, offering new frameworks of prosperity, innovation, and governance in exchange for recognition and legitimacy. Their foundational principle is simple yet profound: no treaty, no country. They pursue statehood nati ex consensu born of consent, not ex factis, born merely of unilateral acts. They advance secundum legem, in accordance with law, rather than contra legem, in defiance of it.

This distinction is not merely rhetorical; it is existential. A Startup State, by securing legitimacy at inception, builds its foundation on the stability of pacta sunt servanda, the principle that treaties must be honoured. Its sovereignty is affirmed, not contested; its recognition is granted, not grudgingly withheld. Where the Network State model risks endless confrontation with sceptical governments, the Startup State model fosters durable cooperation and mutual respect (Calzada,

2024).

In short, the lesson is unmistakable: sovereignty acquired in defiance is fragile, sovereignty conferred through consent is enduring. The path forward lies not in confrontation, but in collaboration; not in unilateralism, but in lawful, treaty-based creation of new polities that are welcomed as peers, not resisted as threats.

7.9 Practical and Commercial Limitations

Moreover, the oft-cited mantra of "don't ask for permission, ask for forgiveness later" celebrated in Silicon Valley as a driver of technological innovation may be effective in the world of software deployment or decentralised protocols like Bitcoin, but it is a dangerously naïve and ultimately untenable approach to sovereignty. International relations are not a sandbox where errors can be patched after release; they are a domain where consent of peers is constitutive, not optional. Unlike code, sovereignty cannot be forked at will, nor can legitimacy be retroactively conferred by user adoption alone. To attempt such a strategy in statecraft is not merely impractical but risks being perceived as unlawful, unethical, and destabilising to the international order.

Even if a Network State were to attract millions of adherents online, the mere scale of participation cannot substitute for recognition by other sovereigns. Its documents: birth certificates, passports, corporate registrations would remain nullities in the eyes of courts, customs officials, and financial institutions. Just as decentralised finance (DeFi) has revealed critical chokepoints of usability where decentralised protocols still depend on regulated fiat on-ramps and off-ramps so too would a Network State encounter insurmountable chokepoints in attempting to operate outside the recognised state system. Bitcoin, despite being the most successful stateless protocol, continues to rely on these regulated interfaces for practical integration into the global economy. Similarly, any Network State would remain dependent on the established sovereign system for enforcement, recognition, and meaningful participation.

The problem is stark: if a passport issued by a Network State is not recognised by airlines, border authorities, hospitals, or courts, its practical value is zero. It may circulate symbolically among adherents, but without opinio juris and state recognition, it cannot compel acceptance by third parties. International law treats such acts as res inter alios acta legal acts binding only between the parties involved, without effect on outsiders (Dörr & Schmalenbach, 2011).

From a commercial and administrative perspective, the risks are even greater. Legal recognition of contracts, property deeds, business registrations, or vital statistics depends upon bilateral or multilateral agreements, such as treaties of mutual recognition, double-taxation conventions, or civil status accords. Without such instruments, Network States cannot assure due process, enforceable property rights, or legal recourse across borders. Instead, they would occupy a space of juridical obscurity, vulnerable to sanctions, denial of service, banking blacklists, or even extraterritorial legal challenges from established sovereigns (Hope & Ludlow, 2025).

This principle is reinforced by longstanding jurisprudence. The Nottebohm Case (Liechtenstein v. Guatemala, ICJ, 1955) established that nationality must reflect a "genuine link" between the individual and the state, rejecting attempts to treat nationality as a mere transactional label. By analogy, identity or citizenship documents issued by Network States absent recognition or territorial nexus would be treated as void, lacking any binding effect upon third states. Likewise, the Mavrommatis Palestine Concessions Case (Greece v. Britain, PCIJ, 1924) affirmed that rights before international tribunals presuppose valid standing and recognised jurisdiction; absent these, claims are non-justiciable (Patel, 2000).

The lesson is clear: sovereignty is not a product release, nor is legitimacy a viral campaign. In international law, legitimacy cannot be "hacked" or "disrupted"; it must be earned through consent, treaties, and recognition. Where technology may thrive on disruption, sovereignty is sustained only by stability, legality, and mutual respect among peers (Roth, 2021).

7.10 Sovereignty Without Recognition

Historically, entities that have sought sovereignty through unilateral or coercive means, such as Biafra, Rhodesia, or Anjouan have suffered isolation, instability, and collapse. To this list one may add Katanga (1960–63), Transnistria, Somaliland, Republika Srpska (whose bid for independence was ultimately channelled into the Dayton framework), and Nagorno-Karabakh/Artsakh, all instructive in showing that effectivités without recognition rarely mature into lawful statehood. In each case, absent consent and treaties, external relations ossified, sanctions multiplied, and long-term viability withered. UNSC Resolutions 541 (1983) and 550 (1984) concerning the Turkish Republic of Northern Cyprus (TRNC), together with the limited recognition of Abkhazia and South Ossetia, illustrate the international community's general refusal to endorse sovereignty achieved without consent

(ex injuria jus non oritur). UNGA Resolution 1514 (XV) (1960) ("Declaration on the Granting of Independence to Colonial Countries and Peoples") further makes clear that self-determination cannot be invoked as a pretext to fragment existing sovereign states; decolonisation is not a roving licence for secession contra legem.

The TRNC, despite possessing effective internal administration and robust material support from the Republic of Turkey, remains largely unrecognised and excluded from multilateral fora, international treaty frameworks, and most global financial and transport systems. Its situation exemplifies the limits of functionality absent legitimacy dominium over services without imperium recognised by peers. Abkhazia and South Ossetia, though partially recognised by a handful of states, have likewise failed to achieve meaningful diplomatic integration or broad treaty capacity, remaining dependent on patronage rather than participating as equals in the ius gentium. The contrast underscores a hard truth: geopolitical alignment and recognition, not administrative efficacy alone, determine international acceptance.

Even among those who favour market based governance or voluntary associations, the Network State model, as presently imagined, lacks transparent accountability, traceable responsibility, and enforceable obligations across borders. Sine foederibus, nulla remedia: without treaties, there is no recourse; without recognition, there is no standing; without jurisdiction, there is no law. A putative polity cannot rely on private contracts or code based rules to substitute for public international law courts, customs services, registries, and banks must recognise the issuing authority for documents and obligations to have erga omnes effect (Roth, 2021).

The territorial focus of jurisdiction compounds these difficulties. The Banković judgment's emphasis on primarily territorial jurisdiction underlines why unrecognised entities struggle to assert ratione loci or ratione personae over people and places: jurisdiction presupposes a lawful title to govern, acknowledged by peers. Without that, claims to protect persons abroad, to regulate airspace, or to enforce judgments lack legal traction; they amount to declarations in search of an audience (Haim, 2024).

In sum, the comparative record from Rhodesia (mandatory UN sanctions and diplomatic quarantine), Biafra (minimal recognition, humanitarian catastrophe, re absorption), Katanga (UN backed reintegration), Anjouan (eventual restoration of Union authority), to contemporary TRNC, Abkhazia, and South Ossetia demonstrates that durable sovereignty is born of consent: pacta sunt servanda, treaties first; recognition follows; and only then can a state exercise the full ca-

pacitas iuris of membership in international society. Anything less is liminality administration without personality, control without title, and governance without law (Loh & Heiskanen, 2020).

7.11 The Investment-Grade Barrier

The journey from a digital community to a fully recognised sovereign state is fraught with challenges, and for many aspiring Network States, the path leads inadvertently into the realm of the micronation. Indeed, in many respects, Startup States are the negative photographic image of "Liberland" and of "Network States", representing a disciplined, investment-grade model built on legal rigour, financial credibility, and consensual formation, rather than on spectacle or improvisation.

The truth is that a significant hurdle for Network States is the tendency to drift into the micronation trap, what in polite company might be called eccentric enthusiasm, but what in practice amounts to LARPing (Live Action Role-Playing) and cosplaying as nations. One can design flags, draft elaborate "constitutions," or even conduct online "elections," but without land, treaties, and recognition, such gestures fall firmly into the realm of symbolic theatre rather than substantive statecraft. Sophisticated digital infrastructure: servers, DAOs, cryptographic voting protocols may be impressive from a technical perspective, but they are no substitute for territorial control, enforceable law, and diplomatic legitimacy. To seasoned eyes, these efforts can appear less as credible governance than as well-intentioned hobbyism.

Consider some of the more ambitious, digitally driven projects that have raised substantial capital and generated enthusiastic communities. For all their intellectual energy and technological innovation, they face the same insurmountable barrier: translating virtual aspiration into tangible sovereignty. International law is not written in Solidity or Python; it is written in treaties, conventions, and precedent. The lack of a defined, exclusive territory under effective control, coupled with the inability to engage in formal international relations, remains a fatal weakness.

From an investment perspective, this deficiency is decisive. Sovereign entities must offer stability, enforceability, and credibility. The ability to guarantee rights, enforce contracts, and anchor long-term commitments is the very foundation of financial security. By contrast, Network States, with their reliance on digital voluntarism and unrecognised authority, offer none of these assurances. Their claims to sovereignty are speculative at best, ephemeral at worst. They are not investment-

grade assets, but highly volatile experiments with no ratings, no guarantees, and no backstops.

Investors and potential citizens seeking genuine security and legal certainty will find little comfort in entities whose existence is primarily digital and whose claims lack recognition by the global community. In international finance as in international law, credibility comes from following existing avenues and frameworks, not circumventing them. Sovereignty cannot be "disrupted" into existence; it must be consented to, documented, and recognised. The allure of a decentralised, digitally native "nation" may be powerful in theory, but without the hard-won legitimacy derived from treaties, consent, and recognition, it risks remaining a captivating but ultimately unsubstantiated fantasy.

In short, where Startup States signal creditworthiness, predictability, and lawful durability, Network States too often resemble speculative ventures with no path to maturity. And in the world of capital, as in the world of law, credibility is everything.

Without recognition, there is no standing; without treaties, there is no recourse; without jurisdiction, there is no law.

In investment terms, the absence of stare decisis, treaty-backed enforcement, and recognised forums amounts to speculatio sine fundamento.

7.12 The Limits of "Move Fast and Break Things"

It should further be noted that non-territorial cyber countries or decentralised, non-territorial communities may someday emerge, and such developments may ultimately prove salutary. For now, however, international law has not yet caught up with such advances in technology and governance. While these pursuits should not be discouraged, it is critical to acknowledge that as long as nation-states remain the primary form of legal and political organisation among human beings they constitute the framework within which all such innovation must operate. Whether one approves of this order or not, it is the existing channel of legitimacy, and the best strategy is to use it. Evolution, not revolution, is the path most likely to succeed in international relations. In diplomacy as in life, honey is more persuasive than vinegar (Rodrik & Walt, 2021).

The ethos of Silicon Valley, often summarised as "move fast and break things", while effective for software development, is ill-suited to the delicate and complex

process of state-building. Sovereignty is not a technological protocol that can be unilaterally deployed, tested, and patched. Unlike Bitcoin, which thrives in a decentralised, permissionless monetary order, the world monetary system remains deeply intertwined with sovereign states and their legal frameworks. Attempts to "crash the gates" of the international order may appeal to a revolutionary mindset, but in practice they tend to yield isolation, suppression, or collapse rather than legitimacy (Buckley et al., 2022).

Startup States represent a contrasting ethos: collaborative, methodical, and co-operative rather than confrontational or revolutionary. While inspired by the dynamism of startups, they do not aspire to "move fast and break things," nor do they subscribe to a philosophy of disruption for disruption's sake. Their approach is sober, incremental, and rooted in law. They are open to public-private ventures and partnerships, recognising that, however entrepreneurial the vision, the essentials of statehood: land, sovereignty, recognition must come from those who already hold them. This is not achieved by dispossessing or undermining existing states, but by encouraging them to expand what they have and to help breathe life into new sovereigns, much as parents bring new life into the world (Buzard et al., 2016).

This collaborative spirit, grounded in consent and existing international frameworks, is precisely what distinguishes Startup States as a viable and legitimate pathway to new nationhood. In short: the Silicon Valley maxim celeritas supra cautelam (speed over caution) is ill-suited to sovereignty; statecraft must proceed secundum legem, in accordance with law and by mutual consent.

7.13 Startup States: The Viable Path

While Network States present an intriguing vision of digitally-driven communities, the rigorous analysis of international law and historical precedents reveals significant limitations in their ability to achieve recognised statehood. The Startup State model, by contrast, offers a meticulously engineered pathway that addresses these deficiencies, providing a more viable, credible, and legitimate route to new nationhood.

The fundamental distinction lies in approach. Where some Network State proponents advocate for a disruptive, often unilateral assertion of sovereignty, Startup States embrace a collaborative, treaty-first methodology that positions them as natural allies rather than challengers to the existing order.

This means:

- **Legal Grounding from Day One:** Startup States secure their territorial and jurisdictional basis through formal, legally binding agreements with existing sovereign powers, codified in treaties governed by the Vienna Convention on the Law of Treaties (1969). This consensual foundation establishes their international legal personality immediately and enables them to enter into relations with other states satisfying the Montevideo Convention criteria in a way unilateral declarations never can.

- **Defined Territory and Effective Control:** Instead of relying on token land purchases or crowdsourced micro-plots, Startup States acquire clearly delineated, often uninhabited, territory through long-term leases, lawful transfers, or co-governance arrangements with host nations. This ensures undisputed effective control while respecting the territorial integrity principle enshrined in Article 2(4) of the UN Charter.

- **Coherent and Accountable Governance:** Startup States are designed from first principles with robust, transparent, and enforceable governance structures. They may leverage technology for efficiency and participation, but their governments remain capable of assuming legal responsibility under international law, a sharp contrast to the fluid, anonymous, or pseudonymous structures associated with some decentralised digital projects.

- **Diplomatic Integration, Not Isolation:** By being co-created with existing sovereigns, Startup States are born into a framework of mutual recognition and diplomatic engagement. This alignment fosters trust, enables widespread bilateral recognition, and paves the way, if desired for eventual membership in international organisations such as the United Nations. In so doing, Startup States avoid the isolation, sanctions, and liminality faced by unrecognised entities.

- **Practical and Commercial Viability:** Startup States are structured with monetisation and economic sustainability from the outset. They are not merely political experiments but vehicles for delivering returns to stakeholders, citizens, and critically the partnering host country. Their passports, corporate registrations, and legal instruments are designed to be recognised by courts, banks, airlines, and customs worldwide. In contrast, the documents of unrecognised entities carry no binding force.

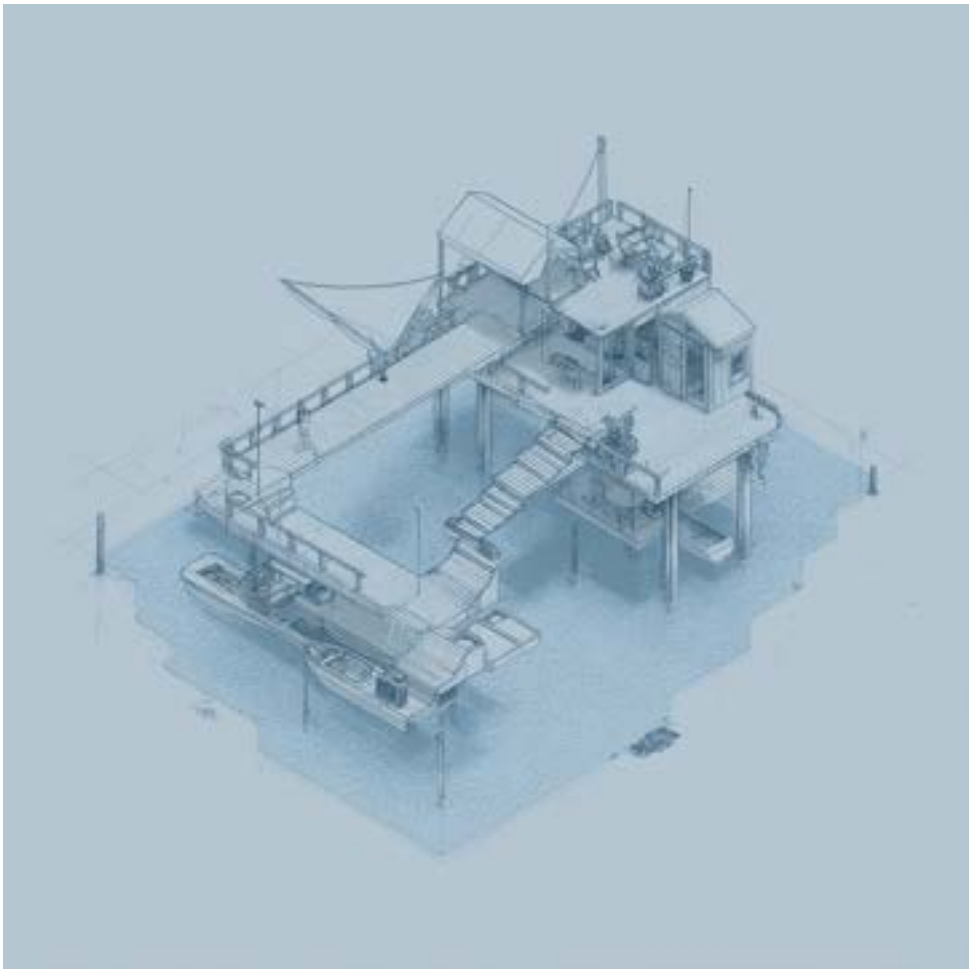
In essence, Startup States are nati ex consensu, born of consent, not ex factis. They are designed not only to survive, but to thrive as indispensable partners, delivering tangible returns to host nations, creating value for stakeholders, and establishing themselves as natural friends and allies within the international order. They build legitimacy not by asking for forgiveness after disruption, but by building strength through cooperation, scalability, and trust.

That said, the aspirations of Network States deserve respect. They represent an imaginative, early stage, and in some cases proto-Startup State impulse: the desire to build communities aligned by values, powered by technology, and seeking greater autonomy. We wish them well. Indeed, it may be through the Startup State method that a Network State, or several, can eventually be realised. The disciplined application of treaty law, recognition, and monetisation can translate Network State ideals into enduring sovereign polities.

Thus, while Network States explore the possibilities of digital association, Startup States provide the bridge to recognised sovereignty. They turn aspiration into lawful reality, crafting new, thriving polities that are innovative, efficient, and profitable, yet also recognised, respected, and embedded in the international community. The message is clear: use the Startup State method to bring about the Network State, or better still, the Network States of tomorrow.

Chapter 8

Bad Pathways



The aspiration to create new nations, however noble its intent, must be rigorously tethered to principles of international law, ethics, and non-aggression. A Startup State that neglects these foundations risks not only its legitimacy but also its very survival. The discipline of public international law reminds us that opinio juris,

the belief that an action is carried out of a sense of legal obligation, together with pacta sunt servanda, the rule that treaties must be honoured in good faith form the bedrock of the international order. These principles are not abstractions; they are practical guardrails that separate lawful statecraft from adventurism, and sustainable sovereignty from fleeting spectacle (Лукашук 1989).

History furnishes ample evidence of what transpires when these limits are ignored. Entities that sought to conjure statehood through force of arms, clandestine seizure of territory, or coercive diplomacy have consistently encountered the same fate: international condemnation, diplomatic quarantine, and eventual collapse. Whether in the case of unrecognised regimes propped up by external sponsors, or self-declared micronations staking dubious claims to terra nullius, the lesson is clear attempts to shortcut legality and legitimacy lead inexorably to failure. The very system of recognition that Startup States ultimately seek to enter will turn against those who flout its rules.

For Startup States, therefore, the rejection of such viae malae ("bad pathways") is not merely a moral preference but a strategic necessity. By distancing themselves from the taint of unilateral declarations, coercive annexations, or pseudo-legal contrivances, Startup States differentiate themselves as actors of good faith. Their claim to sovereignty becomes anchored not in force or deception but in consent, law, and collaboration. This is what gives the model durability: a foundation that is not only legally defensible but also diplomatically attractive to potential partner states (Besson, 2023).

In the twenty-first century, where legitimacy is often as critical as power itself, Startup States cannot afford to be perceived as echoing the failures of Rhodesia, Biafra, or other ill-fated attempts at recognition. Instead, they must consciously embrace a higher standard of statecraft, one that honours treaties, respects existing sovereignties, and advances new polities only through consensual, treaty-based negotiation. Such a path does more than ensure compliance with legal norms; it lays the groundwork for enduring stability, international partnership, and a reputation of trustworthiness.

8.1 Peaceful Foundations of Statehood

A cornerstone of the Startup States philosophy is an unwavering adherence to the non-aggression principle and the paramount importance of ethical and peaceful state formation. This is not simply an abstract moral preference: it is a strate-

gic doctrine, grounded in the hard lessons of history and the binding norms of international law. To seek sovereignty by coercion, violence, or manipulation is to plant the seeds of one's own delegitimisation. By contrast, to pursue sovereignty through negotiation, law, and consent is to construct a foundation that can withstand scrutiny, challenge, and time.

The non-aggression principle, in its most distilled form, holds that no individual, community, or polity has the right to initiate force against another. Transposed into the international arena, this principle aligns seamlessly with the jus cogens norm enshrined in Article 2(4) of the United Nations Charter, which prohibits "the threat or use of force against the territorial integrity or political independence of any state." This is not merely hortatory; it is a universally binding standard of conduct, one of the rare rules of international law from which no derogation is permitted.

Comparable doctrines reinforce this same ethos. The maxim ex injuria jus non oritur: "law does not arise from injustice", underscores that territorial gains or sovereign claims acquired through unlawful force cannot create valid legal rights. Likewise, the principle articulated in the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States (UNGA Resolution 2625 (XXV), 1970) affirms that peoples may not secure independence through methods that violate the territorial integrity of an existing state. The doctrine of uti possidetis juris further cements inherited boundaries as sacrosanct at the moment of independence, thereby closing the door to territorial adventurism disguised as state-building.

This legal framework dovetails with the deeper ethical imperative of immaculate conception in statehood. The manner in which a nation comes into being casts a long shadow across its future. States born of bellum (war), conquest, or unilateral usurpation often carry within them the original sin of violence. Their legitimacy remains contested, their sovereignty undermined by claims of unlawfulness, and their domestic politics shaped by cycles of mistrust and retaliation. From the dynastic wars of Europe to the post-colonial secessions of the twentieth century, history demonstrates that where blood inaugurates a polity, instability tends to follow.

By contrast, Startup States insist upon the cleanest possible genesis. Their claim to recognition rests not on might, but on consent and treaty, not on seizure, but on lawful acquisition or negotiated cession, not on fiat, but on good-faith diplomacy. In doing so, they reject the catalogue of viae malae, the "bad pathways" of violent

insurrection, opportunistic conquest, or pseudo-legal declarations unsupported by the international community. They consciously set themselves apart from entities like Rhodesia, which collapsed under the weight of illegality, or Biafra, whose unilateral secession foundered without sufficient international support.

The reasoning is clear: beyond the fundamental dichotomy of right versus wrong, or even of legal versus illegal, lies the more subtle but decisive imperative of building a strong, unimpeachable foundation. For a Startup State, legitimacy is the currency of survival. It cannot afford the taint of unlawful beginnings, nor the suspicion that its sovereignty is conditional or revocable. Its very premise is that the method of birth matters that a state created consensually, lawfully, and peacefully is more likely to enjoy enduring recognition, stability, and respect in the international community.

Startup States, therefore, must root their foundations not in adventurism but in peaceful legalism. To deviate from this path is to repeat the errors of the past. To remain faithful to it is to chart a new and higher standard of state formation in the twenty-first century.

8.2 Right of Self-Determination vs. Secession

After the first great wave of decolonisation, the Friendly Relations Declaration (GA Res. 2625 (XXV), 1970) marked a decisive moment in the codification of post-Charter principles of international law. Among its most influential provisions was the articulation of self-determination, framed as both a universal right and a bounded one. The Declaration affirmed that all peoples have the right to freely determine their political status and to pursue their economic, social, and cultural development without external interference. Yet in the same breath it circumscribed this right: nothing in the self-determination clause, it emphasised, may be construed as authorising actions that would "dismember or impair, totally or in part, the territorial integrity or political unity" of sovereign states that are themselves "possessed of a government representing the whole people belonging to the territory without distinction."

This caveat has been widely interpreted to mean that unilateral secession is disallowed where the parent state is reasonably well-governed, representative, and non-discriminatory. The corollary, however argumentum a contrario is that where a state systematically denies equal rights, marginalises, or violently represses a people, it may forfeit its claim to absolute territorial integrity. In such instances,

the international community may be more open, even if not formally obliged, to recognise remedial secession as a legitimate outcome.

The Declaration also carried forward another critical principle: the duty of states erga omnes "to refrain from any action aimed at the partial or total disruption of the national unity and territorial integrity of any other state." In practical terms, this stands as an admonition against external sponsorship of secessionist insurgencies, proxy wars, or covert destabilisation campaigns tactics that had proliferated during the Cold War. By embedding this obligation in the Friendly Relations Declaration, the United Nations sought to reinforce the principle that statehood cannot legitimately be achieved through outside interference masquerading as self-determination. (Dieckhoff, 2023)

This delicate balancing act between self-determination and territorial integrity underpins the modern doctrine of recognition. Voluntary separation, consensual dissolution, or treaty-based arrangements are accepted as lawful means of redrawing political boundaries, with uti possidetis juris often invoked to preserve inherited colonial borders during transitions. By contrast, unilateral secession faces a strong presumption of illegality unless compelling circumstances such as sustained and systematic denial of political participation or gross human rights violations override the default rule (Roth, 2015).

In this way, Resolution 2625 both expanded and disciplined the principle of self-determination: it empowered peoples to pursue freedom while simultaneously safeguarding the stability of the international order. For aspiring Startup States, this duality is instructive. Their path must always be one of consent and legality, lest they be seen as disruptive secessionist projects rather than as treaty-based polities born in good faith.

8.3 Mercenary Adventurism and Illicit Coup d'États

One of the most egregious viae malae "bad pathways" to statehood involves the use of mercenaries and the orchestration of coup d'états. These actions are more than reckless adventurism; they represent a direct assault on the sovereignty, constitutional order, and internal stability of existing states. Any entity that seeks to benefit from such illicit interventions does not merely risk disapproval, it is destined for pariah status, shunned by the international community, and denied even the faintest prospect of recognition.

The infamous French mercenary Bob Denard remains the archetypal cautionary figure. Operating primarily in post-colonial Africa between the 1960s and the 1990s, Denard orchestrated a carousel of coups, most notoriously in the Comoros Islands, where he installed and removed regimes with alarming regularity. His actions left a trail of political instability, delegitimisation, and economic stagnation, condemning the Comoros to a reputation as a coup laboratory. Far from the romanticised figure of swashbuckling lore, Denard epitomises the corrosive influence of foreign adventurers on fragile states. It is precisely to outlaw such conduct that the UN International Convention against the Recruitment, Use, Financing and Training of Mercenaries (1989) was adopted, defining mercenarism as a crime and stripping its practitioners of lawful combatant status.

Popular culture has long flirted with this dark reality. The dramatic antics of figures like Denard have been immortalised in cinema, Christopher Walken in The Dogs of War (1980), or Richard Burton in The Wild Geese (1978). These films paint mercenary adventures in the hues of Hollywood drama: dangerous, thrilling, even heroic at times. Yet the real-world dangers are anything but glamorous. Mercenary-backed coups erode sovereignty, perpetuate violence, and provoke near-universal condemnation. No Startup State worth the name could ever emerge from such origins.

If Denard's escapades illustrate the corrosive effects of professional mercenaries, the failed Operation Red Dog (1981) demonstrates the menace of the ideological fringe. In this bizarre plot, a coalition of American and Canadian extremists attempted to overthrow the government of Dominica in the Caribbean with the aim of establishing a white supremacist enclave. The FBI foiled the operation before it could unfold, and its conspirators were rightly prosecuted. Red Dog stands as a chilling reminder that illegal militarism, particularly when infused with extremist ideology, annihilates any claim to legitimacy (contra bonos mores). No international system grounded in law and equity could ever recognise a state conceived in such infamy (Montgomery & Hennerbichler, 2020).

The matter becomes more complex in the contemporary era with the emergence of Private Military Companies (PMCs) such as Executive Outcomes (South Africa), Blackwater (now Academi, U.S.), or the Wagner Group (Russia). These entities blur the line between professional contractors and mercenaries. While recognised states may, on occasion, employ PMCs for specific and limited security purposes, the outsourcing of warfare carries grave dangers: deniability, accountability gaps, and the corrosive commodification of violence. For Startup States, there can be

no ambiguity. Whatever pragmatic temptations may exist, no legitimate pathway to sovereignty can pass through the contracting of coercive force. The maxim is simple: states may wield arms, but arms cannot create states (Goddard, 2001).

As an anecdotal aside, one might imagine the mischievous fantasy of placing a black-and-white advertisement in Soldier of Fortune magazine, recruiting a crew to topple a despot and "liberate" a people. It makes for dark humour and pulp fiction, but in reality such a notion is fraught with danger, criminal liability, and diplomatic catastrophe. Even a tongue-in-cheek recruitment drive would trip over red lines of international law: violations of the U.S. Neutrality Act, breaches of the Geneva Conventions, infringements of UN Security Council resolutions on state destabilisation. Here the maxim nullum crimen sine lege applies: there is no gap in the law waiting to be exploited. These acts are already codified as crimes; the would-be adventurer is a criminal, not a founder (Tigroudja, 2010).

Startup States, in sharp contrast, must define themselves not by the coercive violence of mercenaries but by the persuasive strength of treaties, contracts, and trust. Legitimacy is their sword, law their shield. To stray into the realm of mercenary escapades or coup conspiracies is to abandon sovereignty before it is even attained.

8.4 Failed Paths to Sovereignty

While less overtly violent than mercenary operations, the ventures of the Phoenix Foundation represent another cautionary tale, operating in a legal "grey zone" and ultimately failing to achieve lasting statehood. Founded by American libertarian Michael Oliver in the late 1960s, the Phoenix Foundation pursued a strategy of creating new sovereign entities on artificial islands or by claiming remote, often disputed territories.

Their most notable endeavour was the Republic of Minerva in 1972. The Foundation constructed artificial islands on the Minerva Reefs, a submerged atoll in the Pacific Ocean, and declared sovereignty. They issued currency, drafted a constitution, and raised a flag, attempting to establish a libertarian micro-state ex nihilo. Yet the experiment lasted only a matter of weeks. The newly independent Kingdom of Tonga swiftly asserted its historical claim to the reefs, dispatching a small naval expedition to annex the territory formally. The South Pacific Forum and broader international community recognised Tonga's move, effectively nullifying Minerva's aspirations. The episode illustrates that even in apparently unclaimed

or ambiguous maritime spaces, the path to statehood requires more than construction and proclamation; it demands a defensible legal basis and the acquiescence if not the active support of established international actors.

The Phoenix Foundation's activities, while motivated by ideological conviction, lacked the necessary juridical grounding and diplomatic recognition to succeed. They are remembered less as a libertarian triumph than as a parable of overreach. In contrast, the well noted investment guru Doug Casey's approach of tête-à-tête, habanos-smoke-filled rendezvous with heads of state, however unorthodox, was at least rooted in the more serious terrain of diplomacy and negotiation.

A generation later, the 1990s witnessed the emergence of Laissez-Faire City, a digital-age libertarian project that blended ideological fervour with marketing bravado. This initiative gained notoriety through full-page black-and-white advertisements in The Economist featuring Ayn Rand's portrait alongside bold calls for the creation of a new sovereign entity. Spearheaded by Mark Tier and James Hogan, the project envisioned a fully private, libertarian city-state, initially in Central America. At its height, Laissez-Faire City even drew serious diplomatic inquiries from Peru and Costa Rica, which entertained exploratory discussions. But despite the intellectual energy and bold vision, the project faltered. Insufficient capitalisation, strategic disagreements, and the inherent difficulty of securing a sovereign concession without a robust treaty framework doomed the initiative. A vision without physical grounding or legal scaffolding is little more than a manifesto (Steinberg et al., 2011).

Costa Rica, in particular, became a magnet for similar attempts. Ventures such as Las Portadas and Limon Real, associated with a gentleman named Rigoberto (with whom I had corresponded), sought to establish innovative autonomous communities. These projects, though earnest and imaginative, foundered on familiar reefs: inadequate funding, stakeholder disputes, and the immovable reality that territorial concessions require careful navigation of national constitutions, land laws, and political sensitivities. Their failure underscores the lesson that vision alone does not suffice; one must also marshal cohesive leadership, financial resources, and legally sound agreements with host states (Simpson & Sheller, 2022).

These efforts, well-meaning though they may have been, highlight the hazards of acting outside the framework of treaty-based diplomacy. The Phoenix Foundation, Laissez-Faire City, and related projects shared ambition and imagination but lacked the juridical pathways, state partnerships, and international recognition needed to transform aspiration into sovereignty. They serve as enduring reminders

that even peaceful and ideologically compelling initiatives must ground themselves in law and diplomacy (ex abundanti cautela) (Bocco & Roberts, 2025).

By contrast, the Free Society project (freesociety.com) represents the kind of approach Startup States can endorse, even if it too ultimately did not materialise. Proposed by figures such as Roger "Bitcoin Jesus" Ver known for his controversial role in the forking of Bitcoin into Bitcoin Cash and for his writings like Hijacking Bitcoin, the project aimed to purchase land and secure sovereignty through treaty-based negotiation with an existing state. However controversial its personalities, the model itself was promising: transparent acquisition, clear partnership, and consensual recognition. Unlike the Phoenix Foundation's reef-building or Laissez-Faire City's proclamations, Free Society sought to align with established norms of international law. It shows the ethical, lawful path even if unrealised that Startup States should pursue.

Another example worth recalling is Territorialism, an ideological movement that, though largely eclipsed by traditional Zionism, offers a historically significant parallel. Territorialists argued for a Jewish homeland not only in historic Palestine but wherever a consensual arrangement might prove viable. The most famous iteration, the Uganda Scheme (1903) formally the British Uganda Programme proposed by the British Government, suggested resettling Jews in part of what is now Kenya. Though ultimately rejected by the Zionist Congress, the Territorialist approach demonstrated a geographically agnostic pragmatism: sovereignty sought through negotiation with established states rather than through unilateral conquest. It is a model of non-coercive, treaty-based thinking that resonates with the Startup State ethos.

Taken together, these examples illuminate the spectrum of experimentation in new nation-building: from the reefs of Minerva to the advertisements of Laissez-Faire City, from Rigoberto's Costa Rican ventures to Free Society and Territorialism's pragmatic diplomacy. Some were fanciful, some flawed, some inspiring but unrealised. What unites their failures is the absence of a secure legal foundation and recognised consent, and what distinguishes the more promising models is precisely their reliance on lawful negotiation and partnership.

8.5 The Perils of Demographic Engineering

Beyond the failures of artificial island construction or digital declarations, another subtle, yet equally problematic, grey zone pathway to statehood involves what

can be termed "peopling" the intentional movement of individuals into an area for a specific political purpose or agenda, particularly with the aim of altering its demographic composition in order to gain political control or assert a claim to sovereignty.

At first glance, this may appear to be peaceful, even democratic: people moving voluntarily, acquiring residence or citizenship, and participating in governance. Yet when the animus behind such migration is manipulative, concealed, or instrumental, it becomes nothing less than demographic engineering (mala fide manipulation, de facto alteration contra opinio juris). Such tactics may skirt the line of legality, but they violate the spirit of international law, erode the principle of self-determination, and diminish the moral agency of existing populations.

The Allure of Small Jurisdictions

The logic behind Startup States intentional, treaty-based sovereign jurisdictions built transparently from first principles is often challenged by the scarcity of truly blank territory. In this context, sparsely populated or declining micro-jurisdictions may seem alluring (Steinberg et al., 2011).

Take Pitcairn Island, a British Overseas Territory in the South Pacific, with fewer than 50 full-time residents, a fragile economy, and heavy dependence on UK aid. On paper, Pitcairn might appear to some as a low-friction jurisdiction ripe for revitalisation-through-population. Its clear territorial status, existing governance through an Island Council (lex loci), and small population could tempt opportunists to imagine resettling ideological allies there. Through lawful residence and eventual suffrage, they might hope to reform or even redirect the island's governance from within, avoiding the usual battles over recognition (Simpson & Sheller, 2022).

This logic borrows from analogies such as the Free State Project (FSP) in New Hampshire or Montelibero in Montenegro, where politically aligned individuals migrate to exert democratic influence. Mutatis mutandis, the superficial similarity is clear: concentrated migration, lawful participation, eventual influence (Barsbai et al., 2017).

Yet here lies the danger. Numbers alone do not create de jure legitimacy; without consent and constitutional process, demographic tactics remain ultra vires of rightful self-government.

Why "Peopling" Crosses a Red Line

Despite its veneer of legality, deliberate demographic dilution raises grave concerns.

To intentionally populate a polity with the explicit aim of seizing eventual control whether "peacefully" or not, is a subversion of self-determination. It treats the original community not as partners but as mere obstacles to be outnumbered.

- Violation of Self-Determination Principles: Article 1(1) of the International Covenant on Civil and Political Rights (ICCPR) declares that "All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development." Covert peopling undermines this principle, reducing sovereignty to arithmetic rather than consent. It is a form of jurisdictional gentrification, ethically indistinguishable from colonialism merely draped in the cloak of ballots rather than bayonets (ex post subversion).

- Ethical Distinction from Legitimate Migration: The Free State Project and Montelibero are explicit, transparent, and domestically bounded. Participants know the rules, the host state is sovereign, and the locals retain their agency. By contrast, a secretive plan to colonise Pitcairn with the intent to later declare sovereignty conceals its objectives (mala fide, dolus malus). It is one thing to migrate openly to persuade; it is another to infiltrate quietly to overwhelm.

Historical Precedents of Demographic Engineering

History provides grim warnings of what happens when population is weaponised:

- Soviet Relocation in the Baltic States (Estonia, Latvia, Lithuania): After WWII, Moscow pursued mass deportations of native Balts and resettled Russian-speaking populations to weaken local nationalism. The policy, denounced after 1991, is widely regarded as ethnic engineering and an assault on national identity.

- Iraqi Arabisation of Kurdish Territories: Under Saddam Hussein, Arab families were resettled in oil-rich Kurdish areas such as Kirkuk while Kurds were forcibly displaced. Condemned by the UN Sub-Commission on Prevention of Discrimination, these policies epitomised demographic manipulation contra bonos mores.

- Myanmar and the Rohingya Crisis: Through birth restrictions, forced displacement, and "model villages" in emptied Rohingya lands, Myanmar pursued demographic policies later described by the UN Fact-Finding Mission (2018) as ethnic cleansing.

Though Pitcairn is not an occupied territory, the underlying principle is the same: numbers acquired through coercion or manipulation cannot produce lawful legitimacy (ex injuria jus non oritur).

Legal Risks for Would-Be "Peoplers" Those who attempt covert demographic takeover expose themselves to profound risks. If the UK Government or international monitors perceive the settlement of Pitcairn as a destabilisation strategy, migrants could face:

- Revocation of residency or expulsion
- Legal injunctions (interdicts)
- Diplomatic complaints lodged against organisers
- Permanent denial of treaty recognition for any resulting "Startup State"

The risk is not only reputational; it is structural. A state founded by demographic trickery is not a state, it is a non-entity (caducitas juris).

The Lawful Alternative: Transparency and Consent

The correct path for Startup States lies not in covertly "peopling" an inhabited island but in negotiating transparently for uninhabited territory. A more lawful, ethical strategy would be to approach Pitcairn's Island Council and the UK Foreign Office for a lease or treaty-based arrangement over nearby Ducie Island, uninhabited, ecologically significant, and politically neutral.

Such an arrangement avoids displacement, respects Pitcairn's people, and ensures shared benefit. It aligns with precedents like Andorra's co-principality, the Free State of Fiume (Treaty of Rapallo, 1920), or the Tangier International Zone (treaty, 1923). These models demonstrate that new forms of governance can emerge lawfully through contractual cooperation (pacta sunt servanda), not through covert colonisation.

Section Synthesis

For Startup States, the lesson is stark: manipulating demographics to seize power is not innovation but subversion. It is unethical, often unlawful, and ultimately self-defeating. True legitimacy can only be forged in the open through treaty, transparency, and trust.

Startup States must resist the temptation of "easy" numbers. What builds nations is not arithmetic but consent.

8.6 Historical Precedents of Illegitimate Claims

The Kosovo Advisory Opinion (International Court of Justice, 2010) often features prominently in debates on unilateral declarations of independence (UDIs). The Court concluded that international law contains no general prohibition on declarations of independence. This was an important clarification: it means that the mere act of proclaiming independence, in and of itself, is not unlawful. However, the Court was equally clear, a declaration, however dramatic, does not in itself create statehood. For that, the criteria set out in the Montevideo Convention (1933) must be satisfied:

1. A defined territory,
2. A permanent population,
3. An effective government, and
4. The capacity to enter into relations with other states.

Even when these elements are present de facto, a state is not secure until it acquires de jure recognition both bilaterally and multilaterally. The Kosovo opinion thus underscores a paradox: declarations may be permissible, but they are insufficient without the broader architecture of law, recognition, and legitimacy.

8.6.1 Notable Failures of Unilateral Secession

History is replete with attempts to shortcut this process. Each case shows that functional governance, military strength, or even popular will cannot substitute for lawful, consensual origin.

Rhodesia (1965–1979)

In 1965, the white minority regime in Salisbury issued a Unilateral Declaration of Independence from the United Kingdom. The international community responded with near-total condemnation. The UN Security Council deemed the regime illegal

in Resolutions 216 and 217 (1965), later imposing mandatory sanctions through Resolution 232 (1966) the first sanctions regime of its kind. No state granted recognition. For nearly 15 years, Rhodesia languished as a pariah, diplomatically isolated, until the Lancaster House Agreement (1979) paved the way for majority rule and the recognised state of Zimbabwe. Rhodesia confirms that secession tainted by racial supremacy and exclusion is not only unlawful but unsustainable (Kirkman, 2013).

Anjouan and Mohéli (Comoros)

The Union of the Comoros provides another example of micro-secessionism. The islands of Anjouan (1997, 2001) and Mohéli (1997) declared independence amid political instability, citing neglect by the central government. Despite establishing local administrations, both were rebuffed by the Comorian state, the African Union, and the broader international community. In 2008, the AU intervened militarily to restore constitutional order in Anjouan. These cases demonstrate that even where governance is locally functional, secession without recognition reduces entities to the status of domestic rebellions. Islands may issue proclamations, but absent external legitimacy, they remain subnational (Heathcote, 2021).

Turkish Republic of Northern Cyprus (TRNC)

Proclaimed in 1983 after Turkey's 1974 military intervention in Cyprus, the TRNC today maintains effective institutions, a functioning economy, and continuous governance. Yet recognition remains limited to Turkey alone. UN Security Council Resolutions 541 (1983) and 550 (1984) condemned the declaration as legally invalid and called upon all states not to recognise the entity. Four decades later, the TRNC remains excluded from international organisations, unable to trade or travel freely except through Turkey. The case illustrates that functionality without legitimacy leads to enduring marginalisation (Goldman, 2016).

Abkhazia and South Ossetia (Georgia)

Following the Russo-Georgian War (2008), Russia recognised the independence of Abkhazia and South Ossetia. A handful of states (e.g., Nicaragua, Venezuela, Syria, Nauru) followed, but the vast majority including the EU, US, and UN continue to regard the regions as integral parts of Georgia. Here, Russian recognition has not translated into widespread legitimacy, but rather entrenched their status

as frozen-conflict territories, locked in diplomatic limbo. The lesson: recognition by a patron is not the same as multilateral recognition.

8.6.2 The Doctrine of Territorial Integrity

These failures reinforce a central tenet of the international system: self-determination does not trump territorial integrity. UNGA Resolution 1514 (1960) on decolonisation recognised the right of all peoples to self-determination but coupled it with the imperative of respect for the territorial integrity of existing states. This is further limited by the doctrine of uti possidetis juris, which "freezes" inherited colonial boundaries at independence. Together, these principles explain why unilateral secession in post-colonial contexts is generally rejected unless consent, negotiation, or overwhelming consensus is present.

8.6.3 Security Council Actions and Recognition Crises

The UN Security Council has consistently acted against secessionist bids deemed to threaten international peace or undermine legitimate sovereignty:

- Southern Rhodesia: Condemned and sanctioned after its 1965 UDI by a white minority government (Res. 216, 217, 232).
- Republika Srpska (Bosnia, 1992): The Council, in Resolution 787 (1992), reaffirmed Bosnia's sovereignty and declared any attempt by Serb separatists to create an independent entity unlawful.
- Crimea (2014): Following Russia's annexation, the General Assembly adopted Resolution 68/262 affirming Ukraine's territorial integrity and declaring the referendum invalid.

These examples demonstrate the application of the principle ex injuria jus non oritur law does not arise from injustice. Secession achieved through force or illegality cannot be clothed with legality through recognition.

8.6.4 The Doctrine of Non-Recognition

The refusal to recognise unlawful territorial acquisitions or declarations has hardened into a bedrock principle of customary international law. Often described as

the Stimson Doctrine named after U.S. Secretary of State Henry Stimson's 1932 refusal to recognise Japan's puppet state of Manchukuo in occupied Manchuria, the doctrine has been globalised through UN practice. Today, non-recognition (opinio juris + state practice) operates as a powerful shield, delegitimising entities born of aggression or unlawful secession.

8.6.5 The Role of Great Power Tolerance

Finally, history reveals an often-overlooked pattern: new states survive only if at least tolerated by the major powers. As James M. Scott observed in his theory of Great Power unanimity, since the 19th century, no state has endured without tacit approval or at least acquiescence from the dominant powers of the day. Recognition, in other words, is never purely legal; it is profoundly political. "Paper states" without great-power support are consigned to the margins of history.

8.7 Conclusion: Institutional Maturation

The lesson for Startup States could not be clearer: declarations of independence, however lawful in form, are never sufficient in substance. Without satisfying the Montevideo criteria, without transparent legality, and without the crucial ingredient of multilateral recognition, such efforts collapse into obscurity or crisis. States are not conjured by words alone, they are constructed through consent, law, and diplomacy.

The Startup State model recognises this reality and consciously avoids the bad pathways that history has so thoroughly discredited. Its ethos is one of clean, lawful, and lasting formation. The rejection of mercenary adventurism, the refusal to indulge in micronational theatrics, the avoidance of grey-zone opportunism, and the principled dismissal of demographic manipulation are not mere idealistic gestures, they are strategic imperatives.

By learning from the failures of Biafra, Rhodesia, Anjouan, the TRNC, Abkhazia, South Ossetia, and countless other abortive bids for sovereignty, Startup States chart a collaborative and internationally coherent course. They know that durability and legitimacy are achieved not through unilateral proclamations or covert manoeuvres but through treaties, partnerships with host states, and adherence to the principle of non-aggression.

This is the Startup State ethos: to be founded not in secrecy, coercion, or expe-

dience, but in lawful negotiation, pacta sunt servanda, and good-faith diplomacy. Only through such an approach can a new nation achieve the stability, prosperity, and respected place in the international community that its founders and citizens both deserve and require.

Interlude II

A Letter to Readers of *The Proprietary State*

Dear Readers,

It is with genuine respect and fraternal regard that this letter is addressed to you.

If you are reading *The Proprietary State*, you are already part of a rare and important conversation, one concerned not merely with reforming institutions, but with rethinking the very architecture of governance. Andries Kerpestein's work is an ambitious and carefully reasoned exploration of what governance becomes when it is treated, quite unapologetically, as a system of incentives, contracts, and value creation rather than as a theatre of ideology or mass sentiment. In that sense, the worldview advanced in *The Proprietary State* is deeply aligned with the core spirit of the *Startup States* project.

At its heart, *Startup States* is not a theory of governance so much as it is a method of lawful state formation. It is concerned with the question of how new countries can come into being in the twenty-first century through treaty, consent, recognition, and deliberate institutional design. It offers the legal and diplomatic architecture through which entirely new sovereign entities may be peacefully, cooperatively, and sustainably created.

Within that architecture, the Proprietary State represents one of the most compelling and powerful governance models that a new country could adopt. Indeed, a for profit proprietary state may be understood as the ultimate startup. It is

a nation whose core business is governance itself, whose revenue model is public service, whose success depends on attracting and retaining citizens, firms, and capital, and whose legitimacy is reinforced through performance rather than rhetoric. Few models embody the startup ethos more faithfully.

At the same time, Startup States does not prescribe a single ideology, economic doctrine, or moral vision. The Startup States method is deliberately open. Some founders may design mutual aid republics, benevolent societies, cooperative commonwealths, non profit jurisdictions, or hybrid systems that blend social and commercial aims. Others may design unapologetically capitalist proprietary states whose primary organising principle is profit maximisation through institutional excellence. Both paths are equally valid within the Startup States framework. The choice of national character belongs to the founders and the people who voluntarily join them.

What Startup States offers to readers of The Proprietary State is the missing sovereign layer. The Proprietary State provides a profound internal model of governance. Startup States provides the external mechanics by which such a model may lawfully come into existence as a recognised country. Through treaty first formation, negotiated jurisdiction, constitutional design, and international integration, the Proprietary State can move from theory to durable reality.

Seen in this light, the relationship between the two projects is not competitive but complementary. The Proprietary State offers one of the most advanced engines of governance yet conceived. Startup States offers the only reliable shipyard in which such an engine can be built into a fully sovereign vessel.

It is our sincere hope that readers, founders, scholars, investors, and builders who find inspiration in The Proprietary State will recognise in Startup States a natural partner, a practical pathway, and an invitation to collaboration.

Chapter 9

Defining Startup States

Startups that are new countries, and new countries that are startups.

The twenty-first century does not merely invite but compels a re-evaluation of our most fundamental organisational structures including the very foundations of the nation-state itself. In a world where technology accelerates faster than law can

codify, and where human creativity refuses to be confined by outdated borders, the Startup State emerges as a bold and necessary innovation. It is not a retreat from the classical state system but rather its renaissance: a revitalised model designed for an age of rapid connectivity, exponential change, and unprecedented opportunity.

A Startup State is, at its core, both familiar and radically new. It is familiar in that it fulfils the timeless aspirations of peoples across history, self-determination, security, prosperity, and dignity (Klingler-Vidra & Pardo, 2025). Yet it is radically new in its methodology: independence conceived from first principles, achieved lawfully through treaties, and sustained by entrepreneurial energy (Steinberg et al., 2011). These are not accidental polities born of conquest or collapse, but intentional nations crafted with foresight, legitimacy, and vision.

Like the startups of Silicon Valley or Shenzhen, these new countries embrace iteration, scalability, and market discipline. They are laboratories of governance where modular systems, digital infrastructures, and innovative legal frameworks are deployed with the same rigour that tech entrepreneurs bring to designing software or building companies. But unlike the countless experimental micronations that lack juridical grounding, Startup States rest on a foundation of transparent legality and enforceable consent (Calzada, 2024).

Most importantly, Startup States begin not in rebellion or crisis but in partnership formed through treaties and agreements that secure recognition from the outset. They are conceived to be not only viable but profitable, not only welcome but indispensable: allies and collaborators rather than irritants on the global stage (McConnell et al., 2012).

This chapter will therefore delve into the etymology, the core definition, and the foundational principles that make the Startup State model not just a speculative dream but a legitimate and pragmatic pathway to new nationhood. What follows is both an inquiry into history and a proposal for the future: a vision of states that are built cleanly, lawfully, and lastingly, nations as innovative as the century they are meant to serve (Radin, 2012).

9.1 Defining the Startup State

It is crucial at the outset to distinguish Startup States from several related but ultimately distinct concepts. Terminological clarity matters because words shape

not only perception but legitimacy, and in the sphere of statecraft precision is power.

First, Startup States should not be confused with the phrase "Startup Nation." Popularised by the 2009 book of the same name the very year Bitcoin itself was born. The term is most frequently applied to Israel, a country celebrated for its extraordinary culture of entrepreneurship, innovation, and technological achievement. Israel indeed offers an inspiring example of how ingenuity can flourish within an existing sovereign framework, but it is not a newly created polity in the sense envisioned by the Startup State model. The difference lies in origin and design: Israel innovates within an already established state, whereas a Startup State is the deliberate creation of a brand-new sovereign entity from the ground up. Both are dynamic, both embrace experimentation, yet their foundations diverge, one is historically inherited and territorially rooted, the other is intentional, treaty-enabled, and future-focused.

Second, Startup States must also be carefully distinguished from the broader concept of "Startup Societies." These communities often experiment with novel governance arrangements, social models, or economic systems, but they are typically confined to subnational or private initiatives. Startup Societies can be valuable laboratories for new ideas, but they usually stop short of the ultimate leap: becoming fully sovereign, internationally recognised states with the capacity to sign treaties, exchange ambassadors, and hold seats in global institutions. In other words, Startup Societies are sketches on the canvas of governance, while Startup States aspire to be the completed painting comprehensive, juridically valid, and globally consequential.

The term "Startup States" thus synthesises two historically separate yet now converging domains. From the world of startups comes the ethos of iteration, private investment, and rapid scaling. From the world of states comes the gravitas of juridical recognition, defined territory, and durable institutions. By marrying these two traditions, the Startup State model offers something profoundly new: a form of nationhood that is at once entrepreneurial and legitimate, agile and enduring.

By drawing these distinctions clearly, we avoid conceptual ambiguity and highlight the promise of Startup States as a unique category. They are not merely societies in search of autonomy, nor simply nations with thriving innovation sectors. They are new countries, purpose-built for the twenty-first century, combining the boldness of startups with the legitimacy of international law.

9.2 Etymology: Startup Meets Statecraft

The concept of a "startup" originates in the twentieth-century lexicon of Silicon Valley and the broader culture of technological entrepreneurship. From its earliest use, the word evoked ventures that thrived not on inherited advantages or entrenched hierarchies but on agility, creativity, and bold experimentation. Startups embraced the idea that small, nimble teams could achieve breakthroughs by challenging orthodoxy, pivoting quickly, and scaling globally. At their heart lay a commitment to solving pressing problems and creating tangible value turning vision into reality through lean methods, private initiative, and relentless innovation (Romme et al., 2023).

By contrast, the term "state" carries centuries of accumulated gravitas. Derived from the Latin status meaning condition, standing, or political order. The term gained sharper political meaning during the medieval and Renaissance eras, eventually crystallising in the seventeenth century under the Westphalian settlement. From that moment onward, the "state" became the foundational unit of international order, the subject of jus gentium (the law of nations), endowed with sovereignty, territory, and the capacity for diplomacy. This conventional understanding remains the bedrock of contemporary international law and institutions, defining how countries interact and coexist (Núñez, 2024).

The deliberate juxtaposition of these two terms: startup and state creates a potent neologism: Startup States. The phrase captures a spirit of origination rather than rebellion, creation rather than collapse. It signals the birth of a new class of statehood, one neither accidental nor derivative, but intentional and designed with entrepreneurial clarity. These are countries envisioned with purpose, launched through explicit consent (consensus ad idem), and governed with precision akin to the rigour of a well-architected enterprise (Calzada, 2018).

Their legal architecture is not improvised but engineered. Startup States aim from inception to satisfy the internationally recognised criteria of statehood, such as those articulated in the Montevideo Convention defined territory, permanent population, government, and the capacity to enter into relations with other states. Yet they go further: securing status not through unilateral declarations but via negotiated treaties, innovative mechanisms like sustainable jurisdictional leasing or lawful purchase, and a commitment to pluralistic diplomacy (Segger & Schrijver, 2021).

The result is something profoundly new: statehood by design rather than inher-

itance, sovereignty by agreement (ex consensu) rather than accident of history. Startup States embody the optimism of entrepreneurship combined with the legitimacy of law, offering a pathway for nations to be created not through bloodshed or colonialism but through creativity, collaboration, and consensus.

9.3 The Expanded Definition of a Startup State

To the extent that nation-states continue to constitute the prevailing, legitimate, and recognised legal framework for human governance, Startup States deliberately operate within these parameters, not in defiance of the existing order, but in acknowledgement of its current universality. They do so, however, with a measured neutrality as to whether the nation-state is metaphysically necessary or destined to endure in perpetuity. Some regard the state as an axiomatic feature of human society; Startup States take no such dogmatic position. Instead, they adopt a pragmatic posture: if the nation-state is to remain the dominant vessel for the grouping and governance of humanity, then surely it ought to be reimagined and renewed through intention, legality, and innovation.

Startup States thus represent new, independent, self-governing countries constructed deliberately from first principles and anchored in lawful consent. They are designed not as historical accidents, nor as geopolitical aftershocks of war or collapse, but as purposeful, entrepreneurial creations. And critically, they are neither born of unilateral secession (ex secessione) nor imposed through the violence of conquest. Instead, they emerge through symbiotic, mutually informed agreements that reflect the voluntary will of all parties concerned.

In this respect, Startup States constitute the antithesis of colonialism and imperialism. Where colonial empires imposed domination, Startup States embody voluntaryism. Where imperialism extracted wealth and subjugated peoples, Startup States enshrine reciprocity, partnership, and respect. Their juridical foundations rest not on the barrel of a gun or the exploitation of dependency, but on the enduring principle of pacta sunt servanda agreements must be kept. This makes them not only a repudiation of exploitative historical precedents but also a constructive response to the subtler forms of neo-colonialism and geo-economic subjugation that still linger in today's world order.

Moreover, Startup States represent an iteration forward in global systems design. Their formation is rooted in modular governance, technologically advanced infrastructures, and market-aligned institutions each deliberately engineered to foster

human dignity, constitutional integrity, and durable prosperity. They are not an escape from the obligations of global society, but a contribution to it: offering new frameworks for cooperation, new templates for lawful sovereignty, and new opportunities for ethical state-building (Steinberg et al., 2011).

In this light, Startup States are far more than a critique of the limitations of existing political orders. They are a positive innovation, an affirmative, principled design for the future of sovereignty. They combine the discipline of law, the optimism of entrepreneurship, and the moral clarity of consent, offering humanity a pathway to new polities that are not imposed but chosen, not exploitative but empowering (Frazier, 2018).

"Startup States are neither born of secession nor imposed through colonial conquest, but rather emerge through mutually informed, symbiotic agreements that reflect the voluntary will of all parties involved."(Simpson & Sheller, 2022)

9.4 Foundational Principles and Legal Framework

The viability of any aspiring state is never a matter of rhetoric alone; it is, above all else, a juridical question. The international system does not recognise polities by sentiment or spectacle but by reference to established criteria of statehood grounded in positive law (lex lata) and customary international law (consuetudo). Startup States are therefore meticulously designed to conform to, and indeed to exceed, these normative thresholds, ensuring their legitimacy de jure and their practical capacity for sustained engagement with the global community of states.

At the heart of this legal architecture stands the Montevideo Convention of 1933, whose four criteria: territorium, populus permanens, gubernaculum, and capacitas ad contrahendum cum aliis civitatibus continue to function as the sine qua non of statehood. A Startup State must therefore have a:

1. **Defined Territory (territorium):** secure a determinate geographical base, whether through cession, lease, purchase, or treaty-based condominium. Unlike micronations or secessionist movements claiming terra nullius or revocable occupation, Startup States are founded on consensual acquisition (ex consensu ad tractatum), removing ambiguity in title.

2. **Permanent Population (populus permanens):** establish a settled body politic bound by civic membership, not by conquest or imposition. Citizen-

ship in Startup States derives from consent and association, not subjugation. This avoids the ex injuria jus non oritur problem that plagues entities formed through unlawful annexation or demographic manipulation.

3. **Government (gubernaculum):** constitute effective, stable, and transparent institutions capable of exercising authority. This is not merely a matter of administrative machinery but of constitutional integrity, anchored in the principle of suprema potestas. Startup States must therefore codify constitutional orders that reflect both popular sovereignty (populi voluntas) and adherence to peremptory norms (jus cogens), ensuring both internal legitimacy and external recognition.

4. **Capacity to Enter Relations (capacitas ad contrahendum):** demonstrate the ability and willingness to engage diplomatically, conclude treaties, and uphold obligations (pacta sunt servanda). Unlike enclaves or experimental communities that remain dependent upon a host sovereign, Startup States aspire from inception to function as full subjects of international law (persona juris gentium), endowed with active treaty-making power.

Yet compliance with Montevideo is only the beginning. In a world scarred by centuries of conquest, colonialism, and unilateral declarations of independence (ex secessione), legitimacy today requires more than formalistic criteria. It requires procedural purity and consensual foundations. Startup States therefore distinguish themselves by embracing treaty-based formation, a process squarely within the lex scripta of international law and confirmed by the Vienna Convention on the Law of Treaties (1969) (Vidmar & Raible, 2022).

This treaty-centric approach not only satisfies the positive requirements of statehood but also constitutes a rebuke to unlawful or coercive precedents. Whereas colonial empires justified expansion under terra nullius or doctrines of discovery, Startup States are born through consensus ad idem mutual assent between equal parties. Whereas failed secessionist entities seek recognition after the fact, Startup States secure legal title (titulus legitimus) and recognition at the outset, rendering their sovereignty unimpeachable (Simpson & Sheller, 2022).

Furthermore, Startup States recognise the hierarchy of norms within the international system. Their constitutions and treaties explicitly affirm compliance with peremptory norms (jus cogens) prohibitions on genocide, slavery, aggressive war, and racial discrimination, thereby avoiding accusations of odious sovereignty. At the same time, they reserve the right to innovate in areas of governance, finance,

and technology, provided such innovations remain consistent with the Charter of the United Nations (1945) and its principles of sovereign equality (par in parem non habet imperium) (Gwagwa & Mollema, 2024).

Crucially, the legal framework of Startup States is not merely defensive but proactive. By embedding themselves within the structures of international arbitration (ICSID, PCA), trade law (WTO, regional FTAs), and investment protection regimes, Startup States enhance their credibility as reliable actors. Their legal orders are designed to invite external participation through stable property rights, investor protections, and predictable dispute resolution while still preserving the indivisible core of sovereignty (dominium eminens) that marks them as independent polities.

In sum, the Startup State model is nothing less than a re-engineering of sovereignty through consent and law. It draws upon the inherited canon of international jurisprudence, Island of Palmas (1928), North Sea Continental Shelf (1969), Kosovo Advisory Opinion (2010) and builds upon it with entrepreneurial clarity. The result is a form of statehood that is not accidental, revocable, or imposed, but intentional, deliberate, and enduring. It is sovereignty ab initio clean, lawful, and unassailable.

9.5 Three Theories of Statehood

The emergence of new states has traditionally been explained through two principal doctrines of international law: the *Declaratory Theory*, which regards statehood as arising once the objective criteria of the Montevideo Convention are satisfied, and the *Constitutive Theory*, which holds that a polity becomes a state only when recognised by existing members of the international community (societas gentium).

While both capture important dimensions of sovereignty, they also expose weaknesses: the Declaratory Theory risks uncontrolled proliferation without enforceability (ex facto jus oritur), while the Constitutive Theory politicises recognition, reducing sovereignty to a discretionary gift.

The *Consensual Theory* of Statehood offers a third path, particularly suited to the Startup State model. It posits that the legitimate formation and ongoing operation of a new country are predicated upon the explicit, informed, and voluntary consent (voluntas) of all relevant parties at every critical juncture.

9.6 The Declaratory Theory of Statehood

The Declaratory Theory of statehood has long served as one of the most enduring doctrines of international law. It posits that the legal existence of a state is not contingent upon the discretionary recognition of other states, but rather flows directly from the fulfilment of objective criteria. In other words, recognition is not constitutive but declaratory, a political act that acknowledges a pre-existing legal reality (factum valet, jus sequitur).

This doctrine was codified in modern form by Article 1 of the Montevideo Convention on the Rights and Duties of States (1933), which sets out the canonical four elements of statehood:

1. **A Permanent Population (populus permanens)** – the existence of a settled community bound together under a common polity, distinct from transient groups or purely migratory peoples. This requirement affirms that the state is a social as well as a juridical entity.

2. **A Defined Territory (territorium definitum)** – a geographically identifiable domain, however modest in size, within which the state exercises jurisdiction. Absolute precision of borders is not necessary; the requirement is met so long as there is a determinable core territory, as affirmed in cases such as the North Sea Continental Shelf (ICJ, 1969).

3. **A Government (gubernaculum)** – an organised authority capable of exercising effective control, maintaining law and order, and conducting relations internally and externally. This principle was famously tested in the Tinoco Arbitration (1923), where recognition was deemed irrelevant if a government exercised de facto control.

4. **The Capacity to Enter into Relations with Other States (capacitas ad contrahendum cum aliis civitatibus)** – the ability of the state to act on the international plane as a subject of law (persona juris gentium), entering treaties, sending ambassadors, and assuming rights and duties under jus gentium.

These four criteria are widely regarded as sine qua non conditions of statehood. Crucially, under the Declaratory Theory, they are factual rather than discretionary. If the conditions exist, the state exists ipso facto (ex facto jus oritur). Recognition does not create sovereignty; it merely acknowledges it.

Leading jurists have reinforced this principle. Sir Hersch Lauterpacht argued that recognition is "not a constitutive but a declaratory act," while James Crawford in The Creation of States in International Law (2006) underscored that "the criteria for statehood are mainly factual rather than legal." The doctrine thus affirms a vision of sovereignty rooted in law, not politics, and insulated from the vagaries of diplomatic favour.

For Startup States, this theory is particularly powerful. By design, they are constructed to satisfy each of the Montevideo criteria from inception:

- Through a treaty-first approach, Startup States secure title to a defined territory via lawful leases, cessions, or transfers of uninhabited and uncontested land, thereby ensuring titulus legitimus and removing disputes of terra nullius or adverse possession.

- They cultivate a permanent population (populus stabilis), composed of individuals who voluntarily affiliate with the new polity, establishing a durable civic base free from coercion or demographic manipulation.

- They establish robust governmental institutions (instituta gubernativa), leveraging modular governance systems and digital administration to guarantee effective authority, rule of law, and provision of essential public services.

Finally, by virtue of their foundational treaty with a host or partner state, they immediately acquire the capacity to enter into international relations (capacitas ad contrahendum), thereby securing full legal personality on the international stage.

This design ensures that Startup States do not hover in a juridical limbo, awaiting discretionary recognition, but instead meet the factual requirements for sovereignty ab initio. Their statehood is therefore legally cognisable under the Declaratory Theory even prior to widespread recognition, consistent with the principle ex consensu et ex facto jus oritur (d'Aspremont, 2019).

The jurisprudence of the Tinoco Arbitration (1923) offers instructive precedent. Chief Justice Taft, serving as arbitrator, ruled that the non-recognition of the Tinoco government by Great Britain did not negate its effective control or the binding character of its acts. The lesson is clear: recognition by others is not the source of legality; effectiveness and factual fulfilment are. Similarly, Startup States that meet the Montevideo conditions possess statehood de jure, irrespective of whether recognition is initially withheld by sceptical states (Finck, 2017).

It must be noted, however, that while Declaratory Theory secures the legal existence of a state (status juris), it does not guarantee its political integration into the international community (communis societas gentium). In practice, even entities satisfying Montevideo criteria may struggle to operate effectively absent recognition. This pragmatic tension explains why Startup States embrace a hybrid approach: meeting the Declaratory requirements while also pursuing de jure recognition through treaty, thereby combining legal sufficiency with diplomatic legitimacy (Grzybowski, 2017).

In sum, the Declaratory Theory provides the juridical backbone for the Startup State model. It affirms that sovereignty is not a political favour but a legal fact. By meticulously engineering themselves to satisfy Montevideo's fourfold test, Startup States demonstrate that they are not speculative exercises in governance but lawful, legitimate, and enduring polities, civitates nascendi, born through consent, structured by law, and capable of full participation in the societas gentium (Vidmar & Raible, 2022).

9.7 The Constitutive Theory of Statehood

In contrast to the Declaratory Theory, which locates sovereignty in objective factual conditions, the Constitutive Theory posits that the legal existence of a state is contingent upon recognition by other states. Under this view, recognition is not a mere acknowledgment but a constitutive act: a polity becomes a subject of international law (persona juris gentium) only when existing members of the international community extend recognition. Absent such recognition, no matter how effectively it governs or how precisely it satisfies the Montevideo criteria, the entity remains in juridical limbo, a political community without international legal personality (status nascendi sine effectu).

This perspective underscores the political dimension of statehood. States are not formed in isolation but within a societas gentium, and their acceptance as peers depends on the collective will of existing sovereigns. Recognition, whether individual or collective, is thus treated as a constitutive element of sovereignty, without which statehood lacks binding legal effect. This is captured in the maxim ex recognitione jus oritur, from recognition, law arises.

9.7.1 Jurisprudential and Doctrinal Foundations

The Constitutive Theory, though widely criticised in modern doctrine, has historically shaped recognition practices. Jurists such as Georg Jellinek argued that a political community does not become a state in the legal sense until it is recognised by others, since international law is fundamentally relational. Similarly, the practice of "selective recognition" during the decolonisation period illustrates how recognition was treated as decisive in conferring legitimacy on emergent polities.

Case law demonstrates both the reach and the limitations of this theory:

- Kosovo Advisory Opinion (ICJ, 2010): The Court held that Kosovo's unilateral declaration of independence did not violate international law, but it did not resolve whether Kosovo was a state. The practical answer lay in recognition: over 100 states recognised Kosovo, while others withheld recognition, leaving its status contested.

- Turkish Republic of Northern Cyprus (TRNC): Despite exercising effective control over territory and population since 1983, the TRNC is recognised only by the Republic of Türkiye. The UN Security Council explicitly condemned its unilateral declaration of independence (Res. 541), affirming that without broad recognition, its claim to statehood is legally void under the Constitutive approach.

- Abkhazia and South Ossetia: These entities illustrate the phenomenon of "partial recognition." While recognised by the Russian Federation and a handful of other states, the majority of the international community, including Georgia, denies their statehood. Their international legal personality remains disputed, demonstrating how Constitutive Theory links legitimacy directly to recognition patterns.

- Taiwan (Republic of China): Perhaps the most striking modern example, Taiwan satisfies all four Montevideo criteria, yet its limited diplomatic recognition due to the "One China" policy excludes it from the United Nations and many formal international fora. Taiwan is the paradigmatic case of de facto statehood without full de jure personality, exemplifying how political recognition can override factual compliance.

9.7.2 Startup States and the Constitutive Theory

For Startup States, the Constitutive Theory cannot be ignored. While international lawyers increasingly favour the Declaratory approach, political reality renders recognition indispensable to functional participation in the world system. Without recognition, there is no UN seat, no WTO membership, no full access to global institutions of diplomacy and trade.

Startup States therefore adopt a proactive "treaty-first" strategy, designed to meet constitutive requirements at the moment of creation:

1. **Initial Treaty Recognition:** The founding bilateral or multilateral treaty with an existing sovereign functions as the primary constitutive act. This is not a unilateral declaration (ex parte), but a mutual agreement (consensus ad idem) that both transfers or leases territory and confers recognition upon the Startup State as a legal peer. This simultaneously satisfies both factual existence (Declaratory Theory) and constitutive legitimacy.

2. **Phased Diplomatic Engagement:** From this foundation, Startup States pursue progressive recognition through formal diplomacy, regional partnerships, and engagement with multilateral bodies. Recognition by one sovereign provides a legal foothold; recognition by many builds stability, credibility, and access to communitas gentium.

3. **Institutional Integration:** By embedding themselves within existing legal and economic frameworks through accession to trade agreements, investment treaties, and arbitration conventions (ICSID, PCA) Startup States strengthen their claim to full international legal personality and demonstrate seriousness as actors in good standing.

9.7.3 The Doctrinal Critique

Modern scholarship, most notably James Crawford in The Creation of States in International Law (2006), has cast the Constitutive Theory as largely discredited in lex lata. The ICJ and arbitral jurisprudence generally affirm that statehood arises from facts, not recognition. Yet, the pragmatic reality remains: recognition determines whether a state can function in practice. The theory may be doctrinally weakened but politically it is indispensable (Finck, 2017).

As such, Startup States embody a hybrid understanding. They are meticulously designed to meet Montevideo's objective criteria (Declaratory) while simultaneously securing recognition through treaty and diplomacy (Constitutive). This dual strategy ensures both de jure existence and de facto operability (Finck, 2017).

Section Synthesis

The Constitutive Theory may no longer dominate academic doctrine, but it continues to shape the lived reality of sovereignty. Recognition is the passport into the community of nations, without which even the most effective polity risks exclusion. By anchoring their legitimacy in treaty-based recognition ab initio, Startup States demonstrate that they are not unilateral aspirants clamouring for legitimacy but lawful, consensual, and diplomatically integrated polities, entities whose sovereignty rests on both law and politics, ex consensu et ex recognitione.

9.8 The Consensual Theory of Statehood

Beyond the classical Declaratory and Constitutive frameworks, the Consensual Theory of Statehood emerges as both a refinement and a breakthrough. It is the defining characteristic of the Startup State model: a theory that accepts the doctrinal validity of both earlier approaches, yet insists on an even higher standard, the standard of explicit, informed, and voluntary consent (voluntas) at every critical juncture of state formation and operation.

Where the Declaratory Theory grounds sovereignty in facts, and the Constitutive Theory in recognition, the Consensual Theory insists that lawful statehood must rest upon the ongoing consent of all relevant actors:

- Consent of the governed (consensus populi) – the permanent population must freely and voluntarily affiliate with the Startup State, rendering citizenship (civitas) an act of choice rather than compulsion.

- Consent of the host or partner sovereign (consensus inter civitates) – the recognised state transferring, leasing, or otherwise sharing territory must do so knowingly, willingly, and lawfully, thereby eliminating disputes of title (titulus legitimus).

- Consent through international recognition (consensus societatis gentium) – legitimacy must be co-created via treaties with other sovereigns, affirming the

Startup State's legal personality (persona juris gentium) within the global order.

- Consent in the acquisition of territory (consensus ad territorium) – transfers, purchases, or leases must involve uncontested and uninhabited land, obtained through mutually executed agreements, avoiding the taint of coercion (ex injuria jus non oritur).

In short, the Consensual Theory does not repudiate the earlier doctrines; it synthesises and transcends them. It acknowledges that statehood requires factual sufficiency (ex facto jus oritur, Declaratory) and political acceptance (ex recognitione jus oritur, Constitutive). But it insists that neither facticity nor recognition is enough unless anchored in consensual legitimacy, lawful assent at every stage, ex consensu ad validitatem.

9.8.1 Consent as a Foundational Pillar of Statecraft

This theory elevates the principle of consent from a procedural nicety into a foundational pillar of modern statecraft. The familiar maxim "consent of the governed" is here extrapolated to the very genesis of sovereignty itself: a state is not merely legitimate in how it governs, but in how it comes into being. Thus, Startup States distinguish themselves from the long lineage of conquest, colonialism, and secession, by affirming that sovereignty without consent is no sovereignty at all (Calzada, 2024).

This commitment represents the antithesis of colonialism and imperialism. Where empires seized land under terra nullius or imposed sovereignty without regard for the will of subject peoples, Startup States emerge only where every relevant party consents knowingly and voluntarily. Their legitimacy derives not from force but from contract; not from historical grievance but from pacta sunt servanda, the sanctity of agreements (Stone & Mittelstadt, 2024).

9.8.2 Institutionalising Consent

Under the Consensual Theory, Startup States embed mechanisms to ensure consent is continuous, not one-off:

- Citizenship as opt-in: Civic membership is voluntary, with clear pathways for entry and exit. Allegiance arises not from accident of birth but from explicit

choice (consensus voluntarius). This creates a polity of willing participants, reaffirming legitimacy through each act of affiliation.

- Governance by covenant: Constitutions, institutions, and governmental processes are designed to reflect the active will of participants. Consent is not assumed; it is institutionalised through mechanisms of consultation, representation, and review.

- International treaties: Each treaty functions as a double affirmation of the Startup State's sovereignty and of the partner state's assent. In this way, recognition is embedded in law, not left to chance.

Crucially, the Consensual Theory does not ignore the complexities that arise over time. For example, questions of jus soli and jus sanguinis inevitably emerge as children are born into Startup States. The model accepts that each polity will need to clarify how opt-in principles intersect with inherited nationality and how opt-outs are to be handled always in line with peremptory norms (jus cogens). Importantly, opting out of citizenship does not absolve one from liability for wrongful acts (actus reus) committed during affiliation; nor does opting in cleanse culpability. Consent is prospective, not retroactive.

9.8.3 Towards a Higher Standard of Legitimacy

The Consensual Theory thus represents not merely an alternative but a higher standard of legitimacy in world systems. It acknowledges that law without consent risks rigidity, and consent without law risks instability. By combining both, Startup States offer a vision of sovereignty that is lawful, consensual, and durable.

This higher threshold is not only ethically sound avoiding the stains of coercion and subjugation but strategically advantageous. A polity formed with the consent of all parties gains greater acceptance, stronger diplomatic ties, and more enduring stability. In this respect, the Consensual Theory is not simply about satisfying doctrine; it is about building something better, a new iteration in the history of governance that reflects the dignity of choice, the precision of law, and the resilience of mutual agreement.

9.8.4 Historical Parallels

While no historical precedent perfectly mirrors the Consensual Theory of Statehood, certain episodes in legal and political history illustrate its animating principle: the centrality of choice in constituting political identity. These moments demonstrate that even within older paradigms of statehood, voluntary affiliation (consensus voluntarius) has been a powerful determinant of legitimacy, stability, and enduring civic allegiance.

One early example can be found in the aftermath of the American War of Independence (1775–1783). Following the Treaty of Paris (1783), sovereignty over the thirteen colonies shifted from Britain to the newly formed United States. Yet for thousands of Loyalists, allegiance to the Crown remained non-negotiable. Rather than accept automatic U.S. citizenship, they elected to emigrate to British North America (modern Canada), affirming their continued fidelity to the British Crown. This exercise of political self-determination, electio juris demonstrates a form of proto-consensuality. By choosing between competing sovereigns, individuals asserted that their political identity was not merely conferred by the state but actively chosen.

A similar phenomenon unfolded two centuries later with the dissolution of the Soviet Union in 1991. As fifteen republics asserted independence, millions of individuals were confronted with a novel question: to which state shall I belong? Many were afforded the right to choose their nationality (jus optionis), either by aligning with their republic of residence or by retaining Russian citizenship. This process, while complex and uneven, highlighted the legitimacy that flows from voluntary affiliation in the midst of geopolitical transformation. Those who chose to remain affiliated with Russia did so out of loyalty, identity, or perceived stability; those who embraced the nationality of their new republics exercised sovereignty over their own civic destinies (Kolstø, 2011).

Both of these episodes, though born of conflict and dissolution, reveal the legitimacy-enhancing force of choice. Where populations are given agency in determining their political allegiance, the resulting polities tend to enjoy greater stability and fewer legitimacy crises. Conversely, where allegiance is imposed without consent, the outcome is often resistance, alienation, or secession (Waal & Nouwen, 2020).

The Consensual Theory of Statehood extrapolates this principle into a proactive framework for new polities. Unlike the ad hoc or reactive choice seen in these historical cases, Startup States institutionalise consent ab initio from their very

founding moment. Consent is not incidental to sovereignty but constitutive of it:

- Territory is acquired only with the informed consent of the ceding or leasing state, eliminating disputes over title (titulus legitimus).
- Citizenship is explicitly opt-in, mirroring the Loyalists' right to remain British and the Soviet citizens' right to choose nationality, but codified as a permanent principle of affiliation.
- Recognition is secured through treaties with existing sovereigns, ensuring that consent is embedded multilaterally rather than unilaterally.

By weaving consent into every layer of state formation, the Consensual Theory transforms episodic historical practices into a systematic architecture of legitimacy. Where history demonstrates the dignity and stability derived from choice in times of rupture, Startup States elevate that principle into the very foundation of sovereignty itself.

In this sense, the Consensual Theory may be seen as a normative evolution of these historical experiences: it does not merely allow choice in moments of crisis, but enshrines choice as the enduring mechanism of affiliation. It represents a shift from sovereignty imposed by circumstance to sovereignty engineered by agreement (ex consensu ad validitatem), offering a pathway to new states that are born not of accident, conquest, or collapse, but of continuous consent.

9.9 Estoppel and Sovereignty Security

The Consensual Theory's legal strength is not merely aspirational but grounded in a robust doctrine of international law: estoppel. Derived from both common law and international jurisprudence, estoppel (exclusion per factum proprium) prevents a state from retracting or contradicting a formal agreement in a manner that would unjustly prejudice another sovereign or undermine established arrangements. In the international legal order, estoppel functions as a shield for sovereignty, reinforcing the principle of pacta sunt servanda agreements must be kept.

9.9.1 The Doctrine of Estoppel in International Law

At its core, estoppel holds that when a state has, by word or deed, made a representation upon which another state has reasonably relied, it cannot later act

in contradiction to that representation. Applied to sovereignty, this means that once a recognised sovereign cedes, transfers, or leases territory by valid treaty, it is legally precluded from unilaterally retracting that grant. The obligation is not merely bilateral but assumes an erga omnes character, binding the state vis-à-vis the entire international community.

This doctrine has been affirmed in numerous arbitral and judicial decisions. In the Temple of Preah Vihear case (ICJ, 1962), Cambodia successfully invoked estoppel to prevent Thailand from contesting a territorial boundary that Thailand had previously accepted on maps. Similarly, in the North Sea Continental Shelf cases (ICJ, 1969), the Court affirmed that states may, through consistent conduct and reliance, generate binding obligations under international law. Estoppel thus functions both as a procedural safeguard and as a substantive guarantee of stability in territorial relations.

9.9.2 Application to Startup States

For Startup States, estoppel provides a crucial legal bulwark. If a recognised sovereign signs a treaty transferring or leasing territory for the purpose of creating a Startup State, the originating sovereign is bound erga omnes to honour that arrangement. A subsequent government cannot repudiate the treaty without:

1. Breaching international obligations (ex delicto internationali),
2. Violating peremptory norms (jus cogens), and
3. Exposing itself to international responsibility, including claims before the International Court of Justice or arbitration under the Permanent Court of Arbitration.

The principle of estoppel thereby immunises the Startup State against political reversals in the originating state. Sovereignty, once transferred or lawfully granted, is not a revocable licence but a definitive title (titulus legitimus). This distinguishes Startup States from entities whose sovereignty is contested or imposed; their very legitimacy is underwritten by the doctrinal weight of estoppel.

9.9.3 Historical Parallels in Land Transfers

Historical practice confirms that sovereign-to-sovereign transfers (inter se) generate binding and irreversible obligations:

- In 1897, Britain formally transferred the Haud plateau to Ethiopia, an act whose validity was upheld even against later contestation, illustrating the durability of territorial arrangements made by treaty.

- In 2011, Tajikistan ceded approximately 1,000 square kilometres of land in the Pamir Mountains to the People's Republic of China, again demonstrating that consensual cessions, even in the twenty-first century, remain lawful, binding, and respected.

- Earlier still, the Louisiana Purchase (1803) and the Alaska Purchase (1867) exemplify large-scale transfers that were never undone, even after profound political upheavals in both the ceding and receiving states.

These precedents affirm that once land passes under a treaty, the transaction is shielded by estoppel: it cannot be annulled unilaterally by the grantor without constituting an unlawful annexation or aggression.

9.9.4 Jus Cogens and Sovereignty Security

The inviolability of Startup State sovereignty under estoppel is reinforced by the overarching framework of jus cogens peremptory norms of international law from which no derogation is permitted. Among these is the principle of the prohibition of the use of force to alter territorial arrangements (ex injuria jus non oritur). Thus, any attempt by an originating sovereign to reclaim Startup State territory by unilateral revocation or coercion would not merely breach a treaty but violate fundamental international law, inviting universal condemnation and potential collective countermeasures under Chapter VII of the UN Charter.

Section Synthesis

In this way, estoppel provides the Startup State model with a juridical guarantee of permanence. Sovereignty secured through voluntary treaty and consent is not fragile but fortified insulated against political reversals and safeguarded by binding international law. This principle makes the Startup State qualitatively different from secessionist or revolutionary polities: its independence is not provisional or contingent but anchored in estoppel, protected by jus cogens, and recognised erga omnes.

Startup States, therefore, do not merely emerge by consent; they endure by law.

9.10 Practical Implications for Startup States

The adoption of the Consensual Theory of Statehood carries profound implications for the viability, legitimacy, and durability of Startup States. By insisting on explicit, informed, and voluntary consent (voluntas) at every level, Startup States are insulated from the legal vulnerabilities, political hostility, and legitimacy crises that typically afflict unilateral secession (ex secessione).

9.10.1 Insulation Against Secessionist Vulnerability

Unilateral declarations of independence (UDIs), such as the Turkish Republic of Northern Cyprus (TRNC, 1983) or the Catalan independence declaration (2017), demonstrate the inherent fragility of secessionist claims. In both cases, the opposition of the parent state generated entrenched diplomatic hostility, preventing widespread recognition and leaving the secessionist entities in a condition of non liquet, an unresolved status under international law. Such attempts often stumble over the principle that territorial integrity prevails absent mutual consent, as affirmed in UN General Assembly Resolution 2625 (1970) on Friendly Relations (Brilmayer, 1991).

By contrast, Startup States that emerge through consensual treaty formation avoid these pitfalls altogether. Their creation is not an affront to the sovereignty of an existing state but an expression of mutual agreement (consensus ad idem), formalised through lawful instruments and shielded by estoppel. They thus sidestep the adversarial dynamics of secession and instead present themselves as partners in sovereignty rather than rivals (Geenens, 2017).

9.10.2 Alignment with the UN Charter

The Consensual Theory places Startup States firmly within the framework of the Charter of the United Nations (1945).

- Article 2(4): Startup States respect the prohibition on the use of force against the territorial integrity or political independence of any state. Their acquisition of territory is never coercive but always consensual, achieved through cession, lease, or purchase.
- Article 1(2): Startup States operationalise the principle of self-determination of

peoples by offering a peaceful, opt-in model of affiliation. Citizenship (civitas) is voluntary, governance is consent-based, and sovereignty is negotiated rather than imposed.

This alignment ensures that Startup States are not anomalies or irritants within the international system, but rather its fulfilment and refinement, the logical evolution of Charter principles into new forms of lawful sovereignty.

9.10.3 Legitimacy on Three Levels: Legal, Political, and Moral

The Consensual Theory furnishes Startup States with a triple legitimacy:

1. Legal Legitimacy: Through treaties, estoppel, and conformity with jus cogens, Startup States secure their sovereignty de jure.

2. Political Legitimacy: Through recognition by existing sovereigns and integration into international institutions, Startup States gain acceptance within the societas gentium.

3. Moral Legitimacy: Through voluntary affiliation, opt-in citizenship, and reciprocal agreements, Startup States embody an ethical polity, one that neither subjugates nor coerces, but governs by consent.

This trinity of legitimacy provides Startup States with durability unmatched by secessionist or colonial entities. Their sovereignty is not fragile or provisional, but robust and ethically unimpeachable.

9.10.4 The Higher Standard of Intentional Polities

It is not suggested that existing states are illegitimate merely because they do not meet the elevated standards of the Consensual Theory. They are "grandfathered" into the international system through historical precedent and established recognition (ex post facto). However, for new countries, particularly those intentionally and deliberately established the higher bar is essential.

Startup States must therefore demonstrate that they offer something substantively better than existing models: cleaner legal foundations, greater respect for human dignity, stronger governance mechanisms, and more resilient institutional design.

Without this improvement, the very rationale for their existence falters. If a Startup State cannot embody an iteration forward legally, ethically, and politically then quid proderit? What is the point of establishing it at all?

Section Synthesis

The Consensual Theory, as embodied by Startup States, represents a deliberate, lawful, and future-oriented pathway to sovereignty. It transcends the adversarial posture of secession, avoids the coercive taint of colonialism, and aligns fully with the norms of the UN Charter. By insisting on consent at every juncture territorial acquisition, recognition, and citizenship, it builds states that are not only legal facts, but also moral communities.

Startup States, in this model, become the gold standard of twenty-first century polity: sovereignties born not of accident or force, but of choice, clarity, and consensus states built to last.

9.11 Legal Foundations of Statehood

Startup States are meticulously designed to meet and exceed the universally accepted criteria for statehood, ensuring their legitimacy (de jure) and their capacity for global engagement. Their legal architecture is not improvised or symbolic but deliberately engineered against the benchmarks of international law, particularly as codified in the Montevideo Convention on the Rights and Duties of States (1933) and reinforced by the principles of the UN Charter (1945) and the Vienna Convention on the Law of Treaties (1969).

9.11.1 Montevideo Convention (1933): The Four Criteria of Statehood

The Montevideo Convention provides the canonical fourfold test of statehood under international law. These elements remain the sine qua non (condicio sine qua non) of juridical personality in the societas gentium. Startup States are structured from inception to satisfy each element robustly and transparently:

1. A Permanent Population (populus permanens): A state cannot exist without a people. Startup States therefore actively cultivate and attract a settled, stable, and engaged citizen body who voluntarily affiliate with the polity.

This is more than an ephemeral online membership or transient residency; it is a physical, enduring civic presence marked by mutual allegiance and shared commitment to the territory. By grounding citizenship in opt-in consent rather than coercion, Startup States create a demographic base that is permanent, participatory, and imbued with civic identity (civitas) (Davies, 2005).

2. A Defined Territory (territorium definitum): Territory is the anchor of sovereignty. Unlike micronations or speculative "flag-planting" ventures on disputed land, Startup States obtain their territory lawfully, consensually, and unambiguously through treaty-based transfers, leases, or purchases of uninhabited and uncontested land from recognised sovereigns. This avoids the fatal defects of terra nullius claims or encroachments into occupied domains. The result is a clear geographical locus of jurisdiction, free from the taint of dispossession or unlawful occupation, and providing the essential stage upon which governmental authority can operate effectively (Gümplová, 2021).

3. Government (gubernaculum): Effective governance is indispensable. Startup States establish robust constitutional frameworks and institutional structures capable of exercising effective control over their population and territory. Their governments are deliberately designed to ensure efficiency, transparency, and accountability, embedding the rule of law (suprema potestas sub lege) as the organising principle. Leveraging modular governance and digital technologies, Startup States enhance administrative efficiency, ensure the provision of public goods, and maintain law and order. This satisfies not only the Montevideo standard but also the requirements of effective control as affirmed in cases such as the Tinoco Arbitration (1923).

4. Capacity to Enter Relations with Other States (capacitas ad contrahendum cum aliis civitatibus): A defining feature of statehood is the ability to act externally as a subject of international law (persona juris gentium). Startup States achieve this at the very moment of their creation through a "treaty-first" approach. Their genesis is not unilateral but consensual, anchored in a treaty with a recognised sovereign that immediately confers international legal personality. This foundational act ensures that Startup States are born not as juridical aspirants but as full participants in the international order, capable of concluding treaties, sending envoys, and engaging in diplomacy from day one.

9.11.2 UN Charter (1945): Alignment with Foundational Principles

Startup States are not merely lawful; they are conceived in harmonisation with the principles of the United Nations Charter, ensuring compatibility with the existing legal order:

- Self-Determination (Article 1(2)): Startup States operationalise self-determination in a novel and peaceful way. Unlike secessionist movements that fracture existing states, Startup States are created through consent and treaty, offering communities an opt-in pathway to design polities that reflect shared aspirations. This represents a voluntary and cooperative exercise of self-determination, consistent with the Charter but distinct from decolonisation struggles or separatist claims.

- Sovereign Equality (Article 2(1)): Once recognised, Startup States participate as sovereign equals (par in parem non habet imperium), enjoying the same rights and responsibilities as any established country. Their emergence contributes to a stable, multipolar international system, enhancing rather than destabilising global order.

- Non-Intervention (Article 2(7)): Startup States embody the principle of non-intervention from inception. Their formation is predicated on voluntary agreements, not coercion or destabilisation. They therefore avoid the taint of illegitimacy that attends projects of forceful secession or neo-colonial extraction, and instead integrate peacefully, fostering trust and credibility among existing states.

9.11.3 Vienna Convention on the Law of Treaties (1969): Treaty-Based Integrity

The Vienna Convention on the Law of Treaties (1969) provides the doctrinal backbone for the Startup State model. Because Startup States are born of treaty-first arrangements, they directly leverage this framework to ensure the validity, enforceability, and integrity of their foundational agreements. These treaties formalise:

- the lawful transfer, cession, or long-term leasing of territory (titulus legitimus),

- the allocation of jurisdictional authority and competencies, and

- the framework for mutual recognition and cooperation.

By grounding their sovereignty in the principle of pacta sunt servanda agreements must be kept, Startup States secure long-term stability. The doctrine of estoppel further prevents the grantor state from repudiating the arrangement later, insulating the Startup State from political reversals or opportunistic revocation.

9.11.4 A Foundation of Trust and Durability

By aligning with these three pillars, the Montevideo Convention, the UN Charter, and the Vienna Convention on the Law of Treaties, Startup States embed themselves in the very heart of the international legal system. Their sovereignty is not speculative, fragile, or revocable, but lawful, deliberate, and enforceable. This meticulous grounding furnishes them with the trust, credibility, and durability essential for long-term diplomatic, political, and economic viability (Powell & McDowell, 2016).

Startup States thus emerge not as anomalies but as natural heirs to the international legal tradition: new nations born cleanly, consensually, and consciously, designed from the outset to thrive within the global order they respect and uphold (Worster, 2018).

9.12 Cooperative State Formation

In their most legally conscientious and diplomatically robust form, Startup States are optimally established through cooperative formations, pursuant to lawful agreements with recognised sovereign powers. These arrangements are formalised through treaties, long-term leases, or the lawful transfer of uninhabited and uncontested territories, thereby rooting sovereignty in mutual recognition rather than coercive assertion. The method is orthodox in international law, credible in diplomacy, and ethically unimpeachable, as it relies not on imposition but on consensus ad idem.

9.12.1 Ethical Dimensions of Cooperative Sovereignty

These juridical constructs are not merely legal instruments but opportunities for ethical stewardship. Startup States consciously frame sovereignty as a vehicle for:

- Ecological conservation and environmental custodianship: For example, treaties

could embed commitments to protect marine reserves, manage carbon-neutral economies, or designate Startup State territories as global laboratories for sustainable innovation. In this way, sovereignty becomes aligned with planetary responsibility rather than extractive exploitation.

- Human dignity and liberty: Startup States are designed to advance constitutional rights, participatory governance, and voluntary civic affiliation (civitas). They emphasise liberty of association and mobility, distinguishing themselves from states historically built on coercion or conquest.
- Innovation in governance: Cooperative arrangements allow for modular legal frameworks, combining best practices from multiple jurisdictions while experimenting responsibly with new forms of institutional design.

Models of Jurisdictional Cooperation

Such frameworks may manifest in a variety of juridical architectures that already have precedents in international law:

- Concurrent Sovereignty: Both the originating state and the Startup State exercise defined competences, delineated by treaty. This mirrors arrangements like the Panama Canal Zone (1903–1979) where jurisdiction was carefully shared between the United States and Panama.
- Condominium Governance: Two sovereigns jointly exercise authority over the same territory while retaining distinct status. The Anglo-Egyptian Sudan (1899–1956) and the New Hebrides (now Vanuatu) under Anglo-French condominium provide historical precedents. Although imperfectly executed, they demonstrate the legal feasibility of shared sovereignty when rooted in treaty.
- Delegated Autonomy: Models akin to the Åland Islands settlement (1921, under League of Nations) or the Compact of Free Association (COFA) between the United States and Pacific island states show how international agreements can guarantee internal autonomy or even outright sovereignty while preserving cooperative ties with a larger power.

9.12.2 Reinforcement from Historical Precedents

Far from being speculative, the flexibility of sovereign arrangements is well established in international law:

- The Åland Islands enjoy demilitarised autonomy within Finland, secured by an international settlement under the League of Nations. This demonstrates how cooperative treaties can resolve disputes while safeguarding cultural and political identity.

- Greenland illustrates how internal self-government can flourish within a sovereign framework: while part of the Kingdom of Denmark, it maintains home rule and control over most internal matters, with ongoing pathways toward potential full independence if mutually agreed.

- Palau (and the Marshall Islands, Micronesia) under the Compacts of Free Association (COFA) with the United States show how sovereignty can be creatively structured: Palau is fully sovereign, yet shares defence and foreign aid arrangements with Washington under binding treaty. This model proves that sovereignty can be both independent and interdependent without contradiction.

- The Andorran Co-Principality provides an even older model of innovative governance, in which two foreign heads of state (the President of France and the Bishop of Urgell in Spain) serve as co-princes, balancing external sovereignty with internal self-rule.

These examples, though varied, reveal the elasticity of international law when sovereignty is grounded in mutual consent and treaty-based legitimacy. Startup States extrapolate from these precedents to offer new, scalable arrangements that are more deliberate, lawful, and ethical.

9.12.3 The Startup State Ethos: Scaling Sovereignty

Startup States embrace public–private ventures and cooperative diplomacy as engines of state formation. They recognise that to achieve sovereignty, land, recognition, and legal personality must be conferred by those who already possess them. This is not achieved by persuading states to "surrender" sovereignty, but by inviting them to scale it to extend their own sovereign capacity outward, nurturing new polities that strengthen rather than weaken the international order (Grewal, 2015).

This ethos is well captured by analogy: Startup States are not competitors or usurpers of sovereignty, but offspring of consensual statecraft. Just as parents nurture the growth of children into independent adults, existing sovereigns can help

give life to new, independent states partnerships that enhance stability, prosperity, and legitimacy for all involved (Kenwick & Lemke, 2022).

Conclusion: Post-Westphalian Innovation

Cooperative sovereignty is thus not only legally orthodox and diplomatically credible but also institutionally scalable. It represents a post-Westphalian innovation, a formation model that eschews conquest and secession in favour of consent, trust, and collaboration. For Startup States, this pathway furnishes the strongest possible basis for de jure recognition under public international law, while also setting a new normative standard for the ethical creation of polities in the twenty-first century.

9.13 Radical Sovereignty and Legal Limits

Where formal cooperation with recognised states is unavailable or delayed, some proponents of new sovereignty turn to decentralised, non-territorial, or extra-territorial modalities. These efforts trace their intellectual lineage not to chancelleries and courtrooms, but to the ethos of hackers, cypherpunks, and radicals who championed freedom, autonomy, and self-rule by any means available. From the underground zines of the 1980s to the mailing lists of the 1990s, to the blockchain manifestos of the 2010s, there has always been a community of jurisdictional tinkerers, rebels against the bureaucratic inertia of the nation-state system.

This lineage informs several experimental models:

- Open-source governance protocols: Projects that propose constitutions as code, distributed consensus for decision-making, and voluntary adherence to algorithmic rules rather than statutory law.
- Blockchain-based administrative systems: Entire polities imagined as decentralised autonomous organisations (DAOs), where smart contracts replace public registries, courts, and even taxation systems.
- Community-led assertions of functional sovereignty in cyberspace, the high seas, terra nullius, or extra-planetary domains: Whether through micronations on abandoned oil platforms, floating seasteads in international waters, or proposals for lunar or Martian colonies, these projects embody the hacker's maxim: "If it is forbidden, try it anyway."

There is something exhilarating, even noble, in this radical experimentation. It channels the same disruptive energy that gave us the early internet, public-key cryptography, free software, and Bitcoin. These pioneers refuse to wait for permission; they attempt to prototype the future into existence. For this, they deserve respect, recognition, and, indeed, a nod of gratitude from Startup States, which owe much of their entrepreneurial ethos to such traditions of radical imagination.

Yet, as electrifying as this energy is, the realpolitik of international relations tells a different story. The world of diplomacy is still governed by the UN Charter (1945), the Vienna Convention on the Law of Treaties (1969), and the Montevideo Convention (1933) all instruments of a territory-centric, pre-digital order. International law has not yet caught up with the idea of sovereignty in cyberspace, floating jurisdictions, or extra-planetary colonies. In the eyes of the prevailing system, such entities remain aspirational rather than operational, speculative rather than sovereign (Krishnamurthy, 2024).

For this reason, these pathways, however innovative, are legally precarious:

- Unpredictable Recognition: Without land lawfully acquired from a recognised sovereign, the chances of securing de jure recognition are vanishingly small.

- Legal Grey Zones: High seas settlements risk running afoul of UNCLOS (1982); extra-planetary claims conflict with the Outer Space Treaty (1967); cyberspace sovereignties collide with national digital jurisdiction laws.

- Diplomatic Isolation: Even peaceful, voluntary, consent-based polities find themselves dismissed as micronations, unable to gain traction within formal multilateral institutions.

Thus, while Startup States may admire the punk spirit of those who attempt to hack sovereignty, they must also acknowledge that such experiments, in their present form, do not yet carry the resilience or credibility needed for international engagement. The doctrine of recognition remains unforgiving, and the great powers of the international system do not smile upon unsanctioned experiments in sovereignty.

The prudent course, therefore, is to stay within the lines to work through the existing avenues, channels, and frameworks of the global system. This does not mean abandoning radical imagination; rather, it means channelling that disruptive energy into treaty negotiations, cooperative sovereignty, and lawful innovation that

will stand the test of time. In other words, be radical in vision, but orthodox in method.

Until international law evolves to embrace emergent models of non-territorial or extra-territorial sovereignty, these frontier experiments will remain bold prototypes valuable as inspiration, but suboptimal for those seeking recognition, durability, and security. For the time being, the lesson is clear: proceed with extreme caution (caveat actor), and where possible, fold that hacker spirit into lawful, treaty-based Startup States that can thrive both at the margins and at the very centre of the international system.

9.14 The Startup State Lifecycle

The creation of a Startup State isn't a messy accident of history, it's a deliberate build, a venture-scale rollout designed with the same precision as a world-class company launch. Like a unicorn founder scaling from garage to IPO, Startup State builders follow a phased, formalised pipeline, where each stage compounds on the last. The process moves with discipline: from idea, to treaty, to territory, to recognition, to growth.

9.14.1 Idea & Vision Formulation

Every successful startup begins with a compelling vision, and Startup States are no different.

- Define the core mission and values, what is this new country's reason to exist?
- Craft the unique value proposition: how does this polity differentiate itself from every other flag in the world?
- Diagnose real societal and economic problems worth solving: whether it's regulatory bottlenecks, environmental sustainability, or the freedom deficit of existing regimes.
- Find the "product–market fit" for a country. Who are the early adopters, the citizens, investors, and partner states eager for something better?

A Startup State is a solution, not a slogan. If it doesn't solve real pain points for real people, it's just theatre.

9.14.2 Treaty Negotiation & Co-Creation

No unilateral declarations. No empty flag-planting. The treaty is the term sheet.

- Lock in explicit consent and co-creation with a host country.
- Draft agreements that are mutually accretive: jurisdiction, governance, rights, obligations.
- Bake in long-term incentives, so both sides win.

This treaty is the cornerstone of international legitimacy. What VCs would call the "Series A" that derisks the whole build. Without it, you're just another failed secessionist play (ex unilateralismo).

9.14.3 Lease Agreement & Land Securitisation

Every company needs an HQ; every country needs land.

- Secure uninhabited, uncontested territory via long-term lease, clean transfer, or purchase.
- Guarantee there's no displacement or legacy baggage.
- Establish a geographic anchor where governance, infrastructure, and identity can take root.

Land is the hard asset; it's your balance sheet foundation. Get this right, and everything else compounds.

9.14.4 International Notification & Provisional Governance

Before you scale, show the world you're serious.

- Notify relevant states and institutions: transparency beats ambiguity.
- Stand up provisional governance: deliver basic services, enforce rule of law, and prove execution capacity.

This is your MVP governance layer. Not flashy, but functional. You're showing the world: this works.

9.14.5 Phased Recognition & Diplomatic Engagement

Recognition isn't a one-shot event; it's a growth funnel.

- Onboard early allies with clear incentives: trade partnerships, investment deals, regional cooperation.
- Build momentum with a coalition of recognising states.
- Anchor legitimacy through competence and trust.

History is clear: South Sudan's successful UN membership happened because it had African Union–brokered consent from Sudan. Contrast that with unilateral declarations that stall for decades (Fabry, 2012). Even diplomatic veterans like Ambassador John Negroponte remind us: "We don't recognise countries; we recognise governments when they have control."

Startup States understand this. They don't beg for recognition; they earn it, milestone by milestone.

9.14.6 Growth & Self-Sustainability

Recognition is the launch; growth is the scale.

- Build a resilient economic engine, diversified across sectors: finance, energy, technology, tourism.
- Invest in social infrastructure and civic institutions: schools, healthcare, courts, civic platforms.
- Foster a durable civil society that makes citizens proud, investors confident, and partners secure.

The goal is to avoid becoming a "paper state" existing on letterhead but hollow in reality. True success is when a Startup State graduates into a self-sustaining, fully integrated sovereign peer, respected not just for its flag but for its function (Pritchett et al., 2012).

In short: Startup States don't stumble into sovereignty, they engineer it. With a disciplined launch pipeline, they turn vision into viable governance, treaties into

legitimacy, territory into identity, and recognition into growth. This is nation-building reimagined as startup methodology: lean, lawful, scalable, and designed to last (Albert, 2024).

9.15 The Business Approach to Statecraft

Startup States view nation-building as a disciplined industry, not a speculative gamble. This is not a moonshot scribbled on a whiteboard or a manifesto tossed into the wind. This is sovereignty engineered with the same focus, rigour, and ambition that takes a company from seed round to unicorn to global category leader.

Yes, the ethos borrows from Silicon Valley, but with an important distinction: Startup States don't "move fast and break things." They move deliberately and build things cleanly, lawfully, and consensually. Their purpose is not to disrupt for disruption's sake but to demonstrate: to show the world how countries can be founded with legality, precision, and lasting consent.

That is why Startup States categorically reject coercion, secessionist adventurism, or territorial acquisition by force (ex vi). Instead, they embody three simple but powerful operating principles:

- Consent - at every stage, from territory acquisition to citizenship to international recognition.
- Clarity - in governance design, legal agreements, and economic strategy.
- Competence - delivering effective administration and real services from day one.

Diplomats like to remind us that state creation is 90% political art, 10% legal formality. That's true. The Startup State model recognises it, owns it, and engineers for it. The treaty-first approach is the legal foundation, but the engine is coalition-building, credibility, and execution. Just as venture investors back founders who can demonstrate traction, partners and recognising states back Startup States that can prove competence and deliver value.

That's why Startup States are investment-grade sovereignty. They monetise from the outset. They deliver returns to partner states, to stakeholders, and to citizens. They align incentives so that everyone at the table, founders, investors, residents, host countries wins. They are designed to be indispensable allies, natural partners rather than geopolitical irritants.

In practice, this means Startup States are not utopian daydreams. They are operational frameworks:

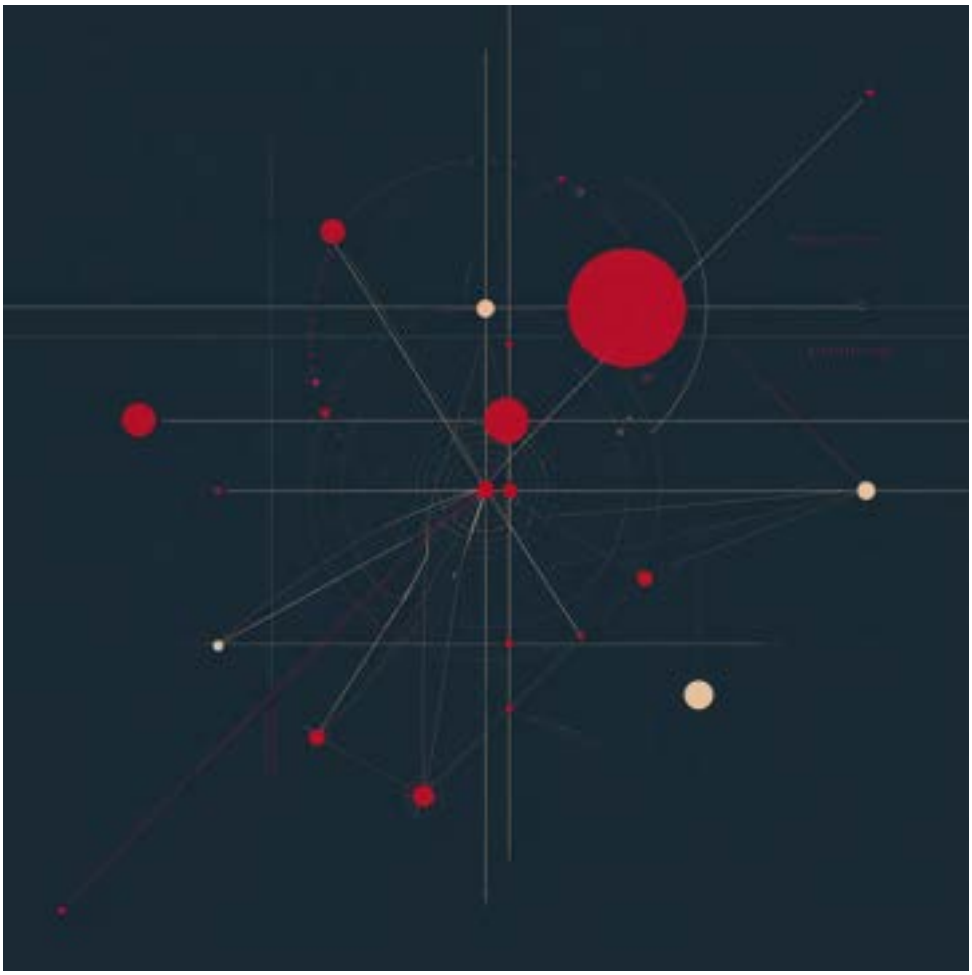
- Born in lawful consent.
- Built through strategic partnerships.
- Sustained by entrepreneurial governance.

The result? A model of twenty-first century statecraft that is peaceful, legitimate, profitable, and scalable. A true alternative to the stagnation of existing orders and the instability of unilateral breakaways.

Startup States prove that countries can be designed like startups: clean in conception, disciplined in execution, and ambitious in scope. They are not only viable, they are desirable. They are not only lawful, they are investable. They are not only states, they are the next category of global growth.

Chapter 10

Startup States - A Comparative Matrix



"To judge the merit of a new model, it must be weighed not in isolation but against its contemporaries and predecessors alike."

The concept of the Startup State represents a rare synthesis: old-world treaty-making fused with new-world entrepreneurial ambition. It is diplomacy sharpened by design thinking and sovereignty informed by venture discipline. Startup States embody the rigour of international law while harnessing the creativity, agility, and scalability of startups.

To understand their full promise, however, Startup States must be situated within the broader ecosystem of contemporary and historical experiments in state formation. Over the last century, innovators, secessionists, and visionaries have each proposed alternative models, some provocative, some promising, others problematic. Among the most frequently cited comparators are:

- **Network States:** digitally networked communities seeking territorial expression, but often lacking treaty foundations and juridical recognition.
- **Charter Cities and Special Economic Zones (SEZs):** subnational jurisdictions experimenting with governance and economics, yet always derivative and revocable under the sovereignty of their host.
- **Micronations:** often symbolic or performative assertions of sovereignty, celebrated for their creativity but falling short of legal viability or serious international traction.
- **Historical Colonies:** the old paradigm of imposed sovereignty, marked by coercion, dispossession, and extraction precisely the antithesis of the consensual, voluntary model that Startup States embody

The following comparative matrix highlights these contrasts across several defining dimensions. It aims to clarify the unique legal, ethical, and practical advantages of the Startup State model, showing how it not only surpasses existing alternatives but offers a durable, scalable framework for twenty-first century statecraft.

Comparative Table: Nation-Building Models

Dimension	Startup States	Network States	Charter Cities / SEZs	Micronations	Historical Colonies
Legal Basis	Formal bilateral treaties with sovereign states; grounded in international law (Montevideo Convention, Vienna Convention on the Law of Treaties)	Unilateral declarations, social consensus, or digital recognition; lacks juridical basis under international law	Domestic legislation or executive orders; often lacks constitutional protection	Self-declared or fictional; no legal standing in international law	Treaties of conquest, cession, or imposition; often coercive or unequal
Sovereignty	Full de jure sovereignty attained through co-creation and diplomatic recognition	Ambiguous or aspirational sovereignty; rarely acknowledged by established states	No sovereignty—retains subordination to host government	No real sovereignty; symbolic at best	Partial or full, but subject to the metropole's discretion and exploitation
Land Tenure	Leased or ceded land with clean title, agreed upon via public treaty	Variable; often no territorial base or operates informally on foreign soil or online	Land held under national jurisdiction; revocable at any time	Typically private property or unclaimed land; not formally	Acquired through conquest, coercion, or nominal treaty

				recognised by states	
Recognition	Stepwise diplomatic recognition from existing states and international organisations	Recognition limited to community members or speculative public claims	No recognition as a state; may be recognised as a municipal or economic authority	None; at most receives pop culture or media attention	Recognised by the imperial power and possibly other colonial powers
Ethical Framework	Consent-based, peaceful, and collaborative with host states; governed by principle of non-aggression	Varied; may be ideological, libertarian, or techno-utopian without regard for host legality	May lack transparency; risks neo-colonial dynamics or investor capture	Often unserious, performative, or driven by satire	Frequently based on conquest, slavery, extractivism, and cultural domination
Stability / Permanence	Designed for permanence via treaty protections, international law compliance, and economic sustainability	Highly unstable; dependent on community cohesion or platform lifespan	Vulnerable to political regime change or repeal	Inherently transient or performative	Varies: some evolved into independent nations; others collapsed or were absorbed

Example	Hypothetical: Treaty-based co-created jurisdictions	Afropolitan, Bitnation (limited implementation)	Próspera (Honduras), Dubai International Financial Centre, Shenzhen	Sealand, Hutt River Province, Molossia	British India, French Indochina, Belgian Congo

10.1 Analysis and Strategic Positioning

1. **Legal Certainty** Startup States start where every serious sovereign must start: with the law. They are explicitly grounded in the Montevideo Convention (1933) meeting the four objective criteria of territory, population, government, and capacity for relations and reinforced by the Vienna Convention on the Law of Treaties (1969), which governs the very agreements that bring them into being. This makes their legitimacy durable, enforceable, and unimpeachable. By contrast, Network States often lean on ideological manifestos or digital-first narratives without any corresponding anchor in international law. Special Economic Zones (SEZs) may be innovative, but they remain subnational, revocable at will, and always subordinate to a parent sovereign. Startup States alone deliver sovereignty that is clean, lawful, and unassailable.

2. **Path to Recognition** The Startup State model is treaty-first, consent-first: no sovereignty without consent. This approach guarantees the highest probability of achieving de jure recognition, since its foundation is bilateral or multilateral agreement with an existing sovereign. Compare that to micronations, which may have charm but languish perpetually in the limbo of non-recognition or Network States, which attempt to "scale" legitimacy like a social network, only to find that recognition is not a viral meme but a legal act. Startup States clear this hurdle with discipline, not rhetoric.

3. **Ethical Distinction** Startup States categorically reject the historical baggage of colonialism, conquest, or coercion. They are co-created with host states through partnerships that guarantee mutual benefit. They don't dispossess, displace, or defraud. This makes their legitimacy not just legal but moral. By contrast, Charter Cities risk accusations of neo-imperialism, appearing as enclaves carved out for private gain under tenuous sovereignty. Colonies, of course, were the archetype of coercive extraction. Startup States flip the script entirely: they are opt-in polities, created transparently, and anchored in shared prosperity.

4. **Investor Confidence** For investors, certainty is king. Startup States provide a clear legal wrapper, secure land arrangements, and sovereign status, which together create investment-grade jurisdictional clarity. Property rights are enforceable, treaties are binding, and dispute resolution is credible. By contrast, SEZs and Network States offer fuzzy jurisdictional boundaries and

often lack reliable recourse. Investors know that SEZ autonomy can be revoked overnight with a stroke of a pen. Startup States, by contrast, lock in permanence through treaty and estoppel. The difference is between owning equity in a sovereign nation versus renting goodwill from a host government.

5. **Sociopolitical Viability** Startup States are engineered to neutralise geopolitical objections from the outset. They avoid military entanglements, maintain neutrality, and embed stakeholder arrangements that reassure partners. Their posture is cooperative, not confrontational. The result: trust, credibility, and participation in the global system. Micronations, Network States, and ideological projects, by contrast, often provoke ridicule at best and hostility at worst. By trying to game the system rather than integrate with it, they alienate the very actors whose recognition they need. Startup States play the game straight and win by the rules.

10.2 The Startup State Advantage

"The only model that integrates legal validity, moral clarity, and entrepreneurial ambition into a single framework for sovereign formation."

Startup States are more than a geopolitical idea, they are investment-grade sovereignty, a new asset class in the making. They offer the best of all worlds: the legal foundation of conventional states, the agility and scalability of startups, and the ethical legitimacy of mutual consent. They monetise from the outset, structuring clear revenue streams and sovereign returns for partner nations, investors, and citizens alike. In doing so, they position themselves not only as lawful polities but as investment-class jurisdictions: durable, profitable, and indispensable.

Unlike the volatile, speculative nature of emergent Network States, or the legal subordination and reversibility of Charter Cities and SEZs, Startup States are engineered for recognised sovereignty, durable governance, and symbiotic diplomacy. They take the entrepreneurial energy of radical experiments, temper it with legality and diplomacy, and deliver a model that works in boardrooms, markets, and multilateral institutions alike.

By setting the bar higher, Startup States redefine what it means to found a country in the twenty-first century. Not through force, secession, or fiction, but through law, partnership, and purpose.

The result is a model that doesn't merely survive within the international sys-

tem, it thrives, because it was designed from inception to be both legitimate and investable.

Startup States are the proof of concept that sovereignty itself can be rebooted as an investment class. They strip away the fragility of micronations, the dependencies of SEZs, the volatility of network experiments, and the coercion of colonial projects while amplifying the best lessons of law, history, and entrepreneurship.

This is sovereignty as a new asset class: clean in conception, lawful in method, monetisable in practice, and built to last.

Interlude III

A Letter to the Readers of *Farewell to Westphalia*

Dear Reader,

It is with genuine respect and deep intellectual admiration that I write to you as a fellow traveller in the ongoing project of reimagining human governance for the twenty-first century. *Farewell to Westphalia* is an ambitious, courageous, and often beautiful work. It confronts questions that far too many institutions and thinkers have avoided for generations. It dares to say aloud that the modern nation state, as conceived in 1648, may no longer represent the optimal operating system for a global civilisation whose technological, economic, and social realities have changed beyond recognition.

In this spirit, the vision articulated by Hope and Ludlow commands attention. Their insistence that governance is a design problem, that centralisation breeds fragility and corruption, that decentralised yet cooperative systems offer a superior foundation for human flourishing, and that cryptographic technologies open unprecedented opportunities for transparency, accountability, and voluntary coordination, all resonate profoundly with the core philosophical foundations of the *Startup States* framework. In many respects, *Farewell to Westphalia* describes the destination toward which a more mature civilisation may eventually travel.

Where *Startup States* respectfully but decisively diverges is not in aspiration but in architecture.

Farewell to Westphalia paints an inspiring portrait of post-state governance rooted in blockchain communities, DAOs, and decentralised coordination. Yet its proposals, precisely because of their radical moral clarity, leave largely unresolved the institutional realities that ultimately determine whether any governance system can endure. How is binding authority established. How are borders, jurisdiction, and territory defined. How is treaty capacity acquired. How does an entity secure recognition, diplomatic personality, and lawful monopoly over coercive force. How are disputes resolved when physical land, resources, and populations are at stake. These questions are not peripheral. They are the difference between governance as an idea and governance as a lived system.

The Startup States model begins where these questions must be answered. It does not attempt to leap beyond the international legal order but instead works deliberately within it, transforming it from the inside. It recognises that sovereignty is not something humanity can simply abandon by declaration. It is a legal artefact constructed through treaties, charters, territorial compacts, constitutional instruments, and recognition practices that remain, for now, the only stable language through which large scale cooperation between societies is achieved. Startup States does not reject this system. It upgrades it.

This distinction proves decisive. Where *Farewell to Westphalia* gestures toward a civilisational horizon, Startup States constructs the bridge that leads toward it. Where the former sketches the destination, the latter engineers the path.

It is here that a careful reader may begin to see why Startup States is not merely a competing vision but a necessary precondition for the very future that *Farewell to Westphalia* so eloquently hopes to reach. Blockchain communities, however sophisticated, cannot yet issue binding public law. They cannot guarantee exclusive jurisdiction. They cannot control territory. They cannot enforce judgments with lawful coercion. The moment physical land, borders, and populations enter the picture, any governance structure must either interface with the existing legal order or exist in permanent institutional limbo. There is no stable middle ground.

At the same time, it would be a grave error to dismiss the legacy of Westphalia as merely a historical failure. The Peace of Westphalia, for all its later distortions and abuses, was among the most successful peace technologies ever devised. It ended religious annihilation across a continent and created a framework in which

plural societies could coexist without permanent war. The recognition of the Dutch Republic stands as a testament to this achievement. It enabled a freedom minded society to flourish, innovate, trade, and resist imperial domination in ways that profoundly shaped modern liberty. Westphalia did not fail because it existed. It succeeded because it solved the problems of its age. Its tragedy lies only in having been frozen long after those problems changed.

In this light, Startup States does not seek to overthrow Westphalia. It seeks to complete it.

The Startup States framework accepts humanity as it is, not as it might someday become. It recognises that any governance system must operate under conditions of imperfect information, competing incentives, power asymmetries, and enduring conflict. It therefore builds institutions that are robust, lawful, recognisable, and capable of scaling across real geopolitical terrain. It offers a model that is more realistic, more attainable, more achievable, and far less controversial precisely because it harmonises technological innovation with legal continuity.

And yet, for all of these differences, the convergence between Startup States and *Farewell to Westphalia* remains profound. Both reject the inevitability of centralised authority. Both prioritise human flourishing, voluntary association, transparency, and corruption resistance. Both seek to expand the frontier of individual liberty and collective prosperity. Both are animated by a conviction that humanity can govern itself better than it has.

In the most optimistic sense, one might say that *Farewell to Westphalia* articulates the ideals of a future civilisation, while Startup States constructs the mechanisms by which that civilisation may safely emerge. Perhaps one day humanity will indeed transcend the institutional scaffolding of the nation state altogether and graduate into the forms of post-state coordination so vividly imagined by Hope and Ludlow. We may not be there yet. But every step that expands human liberty, strengthens human dignity, and improves the quality of life for individuals and communities moves us closer.

Whether that progress arrives through the bold decentralised visions championed in *Farewell to Westphalia* or through the lawful creation of new sovereign countries under the Startup States model, there is little doubt that the world becomes a

better place as a result.

With sincere respect and enduring optimism for what lies ahead.

Chapter 11

Ethical Land Procurement and Partnership

The establishment of a Startup State, while animated by entrepreneurial vision and the energy of innovation, cannot be approached as a romantic experiment or

a speculative gamble. At its foundation lies an exacting discipline: an unwavering commitment to ethical conduct, legal integrity, and the careful structuring of partnerships that are not only mutually beneficial but also resilient under scrutiny from sovereign authorities, investors, and the international community alike.

History is replete with examples of state formation through conquest, coercion, or opportunistic exploitation of weak jurisdictions. Such methods may have produced empires in their time, but they left behind instability, resentment, and fragile legitimacy. The Startup State model diverges sharply from these precedents. Its formation rests not on seizure but on consent; not on opportunism but on design. Land, governance, and legitimacy are not to be wrested by force but rather negotiated, documented, and codified through instruments of law, treaty, and contract. This is not merely a moral posture but a pragmatic necessity, ensuring durability of the venture and alignment with international norms that investors, lenders, and diplomatic counterparts expect.

In this respect, the Startup State resembles a carefully structured real estate transaction far more than a unilateral declaration of independence. Every aspect, title, acquisition, zoning, usage rights, partnership obligations, and long-term development potential must be established with absolute clarity. A host nation, for example, is not simply a counterparty but a partner whose interests must be woven into the fabric of the new polity's value proposition. If the host government benefits, whether through revenue-sharing, infrastructure co-investment, or elevated international stature, then the arrangement is defensible and sustainable.

Equally, capital markets will only take such a venture seriously when the governance architecture is free of ambiguity and when the rights of all stakeholders, citizens, host country, and investors are both transparent and enforceable. This is the difference between a speculative micronation destined to remain a curiosity, and a Startup State capable of commanding real creditworthiness, recognition, and permanence.

This chapter therefore sets out to delineate the critical frameworks for ethical land acquisition and symbiotic partnership models that underpin the legitimacy and long-term viability of Startup States. It will examine not only the legal and ethical baselines but also the pragmatic imperatives: how to structure deals that satisfy the host country, protect investors, and create a foundation robust enough to weather political cycles, capital market volatility, and international scrutiny. In doing so, it highlights why the disciplined, treaty-driven, partnership-first approach is not simply the most ethical route, but the only viable strategy for building a

state that endures.

11.1 Clean Title, Clean Sovereignty

For a Startup State to achieve what might be described as an "immaculate conception" of sovereignty, and thereby avoid the historical pitfalls of dispossession, conflict, or reputational taint, the selection and acquisition of territory are paramount. In practical terms, the foundation of the project rests on how cleanly and transparently its landholdings are secured. Any ambiguity at this stage can metastasise into disputes that erode value, compromise legitimacy, and deter the very capital and recognition on which the venture depends.

The ideal scenario is straightforward, though not always simple to achieve: the land in question must be uninhabited and acquired only from its dominus legitimus, the rightful owner with incontestable title. This condition ensures that the Startup State's genesis is not shadowed by claims of expropriation, forced displacement, or human rights violations. History offers countless cautionary tales where territories were acquired through coercion, dispossession, or neglect of indigenous or local rights; each of these legacies became liabilities that undermined both the state's stability and its standing in the international community. The Startup State model seeks to eliminate such vulnerabilities from the outset.

Equally critical is that the lease or title obtained must be clean, absolute, and indefeasible free from any encumbrances, liens, residual rights, or competing claims. A territory burdened by lis pendens (pending disputes) or by ambiguous title creates structural weakness, inviting litigation, political intervention, or even claims of nullity decades later. Just as in the real estate world, where the highest-value transactions close only when title insurance confirms certitude, so too in the Startup State context: rigorous due diligence on land title is not a luxury but a necessity. It is the legal equivalent of bedrock, without it, nothing of enduring worth can be built.

This process demands the highest standard of certitudo juris (legal certainty), leaving no room for doubt in domestic courts, international tribunals, or arbitral panels. Such purity of title also signals professionalism and seriousness to prospective investors, lenders, and host-country partners. It demonstrates that the Startup State is not a fragile contrivance but a disciplined, well-structured venture capable of commanding credibility in both financial and diplomatic markets.

In sum, the land deal is not just a preliminary step; it is the keystone of the entire enterprise. A Startup State built on anything less than unblemished ownership or leasehold rights will always remain vulnerable whereas one founded on unimpeachable title enjoys the rare advantage of beginning its journey free from historical stains and future disputes.

11.2 Choosing the Right Host State

The success and legitimacy of a Startup State are inextricably tied to the calibre, character, and stability of its partnering host country. No matter how pristine the land title, if the counterparty across the table is not operating in a clean, ethical, and bona fide manner, the transaction risks being fatally compromised. A state founded upon an agreement extracted through duress, threats, or the shadow of illegitimacy cannot expect to withstand scrutiny from capital markets, arbitral panels, or diplomatic peers. The first principle, therefore, is that the partner must be a legitimate decision-maker, acting with proper authority, and providing informed consent free of coercion or undue influence.

In this respect, the Startup State venture parallels the most disciplined of private equity or real estate transactions: one cannot afford to sign with the wrong counterparty. If the signatory is not in fact empowered to convey the rights promised, or if the underlying authority of the government itself is in doubt, then the entire edifice rests on sand. Clean contracts require clean hands, and clean hands begin with a government that is recognised, stable, and committed to upholding its obligations.

International law does provide mechanisms to mitigate these concerns. For instance, the principle of state succession in respect of treaties, codified in the Vienna Convention on Succession of States in Respect of Treaties (1978), establishes continuity of state obligations even where administrations change. In theory, this shields the Startup State from opportunistic reversals (venire contra factum proprium) by successor governments. In practice, however, markets and investors do not price in theory, they price in risk. Political instability or a deficit of ethical commitment on the part of a host country introduces unacceptable uncertainty (periculum in mora).

This creates what can fairly be described as a paradox of selection. On the one hand, a host nation that is politically stable and economically sound may have little incentive to enter into such a novel partnership; its governance is already

robust, and its fiscal balance is secure. On the other hand, nations most inclined to embrace the Startup State proposition may be doing so out of desperation, economic distress, or internal chaos (force majeure). Such contexts can erode the reliability of agreements, making them difficult to defend before international tribunals or to underwrite in financial markets.

The ideal partner is therefore neither too strong to lack incentive, nor too weak to lack credibility. Instead, the optimal scenario is a country with sufficient stability, legitimacy, and institutional continuity to honour its commitments, but with enough strategic or economic need to welcome the tangible benefits of co-creating a Startup State. This alignment creates a mutatis mutandis equilibrium: the Startup State secures the legal durability it requires, while the host country obtains real and continuing advantages, whether revenue, infrastructure, prestige, or access to international networks.

Above all, such a partnership reinforces bankability. When lenders, insurers, and rating agencies see that the Startup State has been anchored in a legitimate, consensual agreement with a credible partner documented, transparent, and free of taint, they will treat the project not as a geopolitical anomaly but as a structured asset class. That perception, more than anything, is what converts an ambitious idea into a venture that commands capital and confidence.

11.3 Shared Upside, Shared Protection

A hallmark of the Startup State model is its commitment to symbiotic arrangements that tie the fortunes of the new polity to those of its host, creating alignment rather than friction. The relationship is structured to ensure that the host country is not merely a distant regulator, nor a passive landlord, but an active stakeholder in the for-profit operating entity that may administer the new jurisdiction. At the same time, however, the host is not permitted to touch or dilute the sovereign corpus of the Startup State itself (distinguo). This distinction is crucial: sovereignty remains inviolate, while profit-sharing creates incentive.

This represents a marked departure from the architecture of many Special Economic Zones (SEZs) and Charter Cities, which often function as isolated enclaves (creatura legis), vulnerable to political winds because their hosts lack a direct economic incentive to defend them. The case of Próspera in Honduras illustrates the risks. While Próspera was lawfully established under the ZEDE framework enacted by the Honduran legislature, the Honduran government of the time was

not entirely "clean" in its governance practices. More critically, Honduras itself held no equity stake in the operating entities that administer Próspera. This lack of financial participation left the state indifferent to Próspera's long-term success. When domestic politics shifted, the ZEDE law became a convenient scapegoat, and the absence of shared upside hastened the political backlash and attempts at repeal.

The Startup State model is designed to invert this weakness. By ensuring that the partnering host government has a direct, vested interest in the profitability of the operating entity, the Startup State fosters a communitas utilitatis, a community of shared benefit. When the host state earns dividends, revenue shares, or equity appreciation alongside external investors, it develops a durable incentive to protect, defend, and promote the Startup State. In corporate finance terms, this is putting "skin in the game" where it matters most.

This principle recalls Gordon Gekko's now-famous critique in Wall Street (1987), where he observed that management often "has no stake in the company," thereby insulating themselves from the consequences of poor performance. The Startup State rejects that model outright. It insists that the host government, like any credible management team or cornerstone investor, must have a direct financial interest in the venture's success. The effect is a powerful, mutually reinforcing relationship (quid pro quo) that creates political durability and economic resilience.

Yet, alignment of incentives alone is not sufficient. Radical transparency, uberrima fides, the utmost good faith is equally indispensable.** From the first conversation with a host government to the finalisation of treaty language, Startup States must reject any perception of hidden agendas, coercive bargaining, or "back-room deals." By being explicit about the objective to establish a fully sovereign new country in lawful partnership with the host suspicions of clandestine motives are dispelled. Transparency, combined with co-creation, ensures that the Startup State emerges not as a parasite, but as a partner.

Put plainly: a Startup State prospers best when its host prospers. This is not concessionary charity but disciplined structuring. Incentives are calibrated so that the host has both political and financial reasons to champion the new country, while investors and citizens gain the stability that comes from knowing their project enjoys the protection of a state that profits directly from its endurance. When transparency, clean hands, and shared inducements converge, the Startup State ceases to be an abstract experiment and becomes a bankable sovereign venture, one that markets and governments alike can trust.

11.4 Citizen Selection and Security

The co-creation model extends beyond governmental agreements and financial structuring; it reaches into the very composition of the Startup State's citizenry. This is not a secondary matter but a primary feature of the model. The Startup State is not an open frontier to be overrun by whoever arrives; it is a carefully curated society, constructed in deliberate partnership with the host country, and populated through a process of rigorous vetting (diligentia maxima).

The rationale is simple and pragmatic. A sovereign experiment without stringent safeguards risks being exploited by extremist groups, cultic movements, or hostile factions (hostes humani generis), who might otherwise see in such a project an opportunity to establish a foothold outside the scrutiny of established states. The cautionary example of Jonestown, a community built on secrecy, extremism, and manipulation remains a stark reminder of what must be avoided. The Startup State model therefore insists that only those individuals and families who meet the highest standards of integrity, transparency, and alignment with the project's ethos are admitted.

In many ways, the screening process will echo and indeed exceed the most stringent citizenship-by-investment programmes operated by established nations. Whereas most countries today inherit citizens by blood (jus sanguinis) or by birth (jus soli), a Startup State begins with a clean slate. Initially, there are no automatic inheritors of citizenship; every entrant is subject to prior review, financial and legal due diligence, and ethical vetting. This proactive approach means that the Startup State's first generations of citizens will constitute not a random demographic sample but a deliberately composed, highly aligned, and deeply committed population. In effect, security is not reactive but designed into the very DNA of the project.

From the host country's vantage point, this is an unprecedented opportunity. In the conventional order of international relations, neighbours are a matter of accident (casus fortuitus): geography and history determine borders, leaving states to contend with whatever regimes, populations, or factions arise next door. By contrast, a Startup State allows a host nation to choose its neighbour, and not merely to tolerate it but to help design it. This is not the imposition of a buffer zone, client state, satellite, or tributary (status servitutis). Rather, it is the creation of a sovereign friend and ally, explicitly welcomed, carefully structured, and aligned by design.

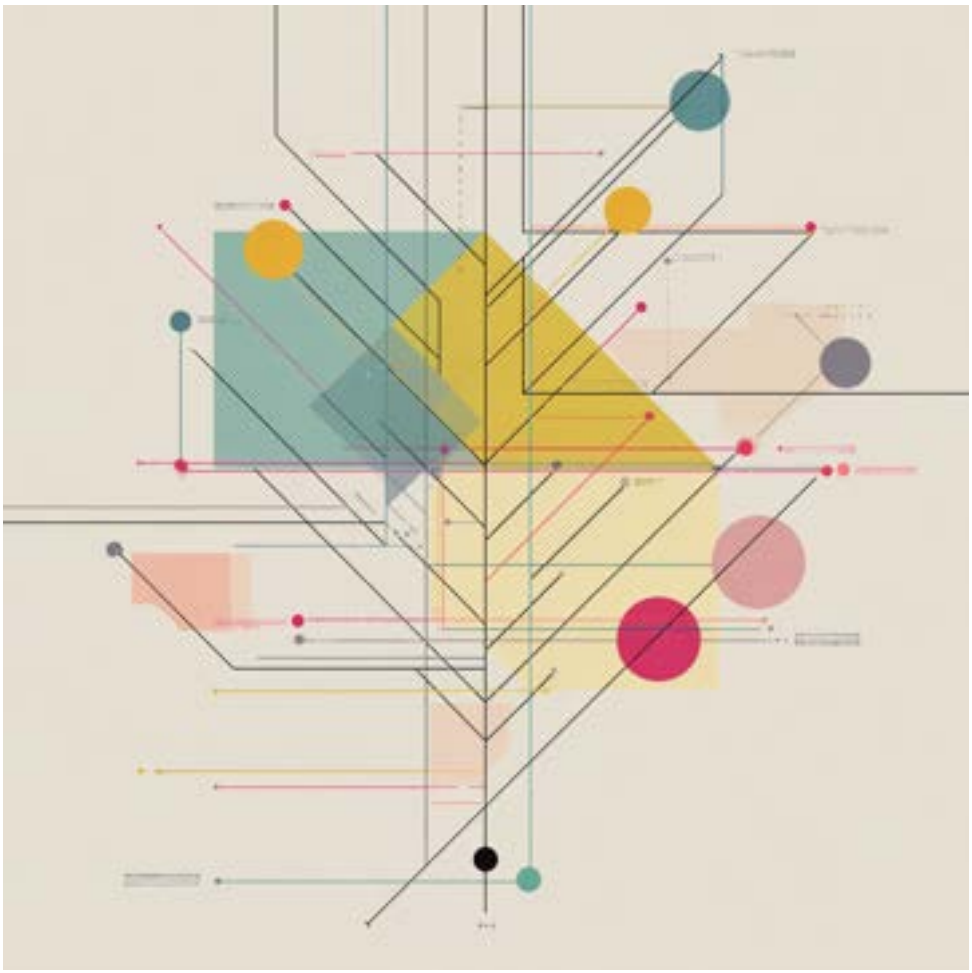
For a host country, the inducements are clear: the Startup State will not be

a source of instability but a well-vetted, well-capitalised, well-managed partner, whose citizens have all been admitted through deliberate processes of due diligence. The effect is the opposite of unpredictability. It is predictable stability, grounded in contractual arrangements, transparent obligations, and a population chosen for its alignment and constructive contribution.

This deliberate selection process ensures that the Startup State and its host begin their relationship not in suspicion or accident but in mutual respect, mutual benefit, and co-ownership of outcomes. From the outset, the relationship is cooperative and harmonious, laying the foundations for a durable and prosperous future, where the Startup State stands not as a liability or a wildcard, but as a reliable, friendly neighbour chosen, not chanced.

Chapter 12

Features and Prototypes of Startup States



The Startup State method or model is not a monolithic construct. It is best understood as a versatile framework for the deliberate creation of nations one that

can be adjusted to suit varying ambitions, geographical realities, and strategic imperatives. Where traditional states often emerge through the slow accretion of history or the unpredictable force of revolution, the Startup State is intentionally designed, much like a well-conceived enterprise or a meticulously structured investment vehicle.

This chapter undertakes an exploration of the distinctive features and potential prototypes of such polities. It will move beyond abstract theory to consider practical configurations: models of land tenure that secure capital certainty, governance structures calibrated for durability and investor confidence, and diplomatic arrangements that extend legitimacy while ensuring strategic alignment with existing powers. By doing so, we frame the Startup State not merely as a thought experiment, but as a bankable proposition, an asset class in its own right, capable of generating returns for founding stakeholders while providing a durable platform for national community.

History, both distant and recent, offers a number of instructive precedents. From the city-states of antiquity to the compact microstates of the modern era, examples abound of small, agile jurisdictions that have leveraged geography, governance, and diplomacy to punch above their weight. Similarly, contemporary arrangements, whether in the form of special administrative regions, associated statehoods, or innovative treaty partnerships, illustrate the spectrum of models available to those seeking to balance autonomy with collaboration. Each case underscores a key principle: the success of a polity rests less on its size or military capacity, and more on its ability to secure legitimacy, attract capital, and sustain trust among both its citizens and its neighbours.

The task before us, then, is to distil these lessons into a coherent framework for 21st-century state formation. We shall examine not only the architectural features of Startup States, but also their operational prototypes: compact, carefully engineered jurisdictions built for longevity, prosperity, and symbiotic relations with host and partner nations. In short, this chapter aims to move from concept to construction, from vision to viable blueprint showing how new countries can be responsibly designed, prudently financed, and strategically positioned for lasting success.

12.1 Long-Term Leases as a Foundation for Sovereignty

One of the defining innovations of the Startup State method is its reliance on long-term leases rather than outright territorial purchases or permanent cessions. At first sight this might appear unconventional. Some might say even timid when measured against the traditional symbols of sovereignty. Yet upon closer inspection, the leasing model represents not a limitation but an advancement of statecraft, an arrangement that offers flexibility, preserves sovereignty, and delivers stability. It is the equivalent, in political design, of what the long-term ground lease has been to finance and real estate: a mechanism that balances the interests of landlord and tenant, maximising value over time without surrendering ultimate ownership.

Just as a master lease in Manhattan may underpin the financial structure of an entire skyscraper allowing development, investment, and generations of prosperity without ever transferring fee simple title so too can a sovereign lease empower a new polity to govern, attract capital, and thrive, while leaving untouched the legal and symbolic sovereignty of the host state. It is, in short, a solution that satisfies all parties: the host retains what is most important, its territorial integrity while the Startup State secures what is most critical secure land tenure to build a functioning society.

12.1.1 Retention of Host State Ownership.

This principle cannot be emphasised enough: in a Startup State lease arrangement, the host country continues to own the land. There is no sale, no cession, no secession. The territory remains part of the host state's sovereign domain (dominium). Article 2(4) of the United Nations Charter protecting territorial integrity and political independence remains inviolate.

This is why the model has such diplomatic promise. Cession, even when consensual, is fraught with political risk. It invites domestic accusations of betrayal, it risks inflaming nationalist sentiment, and it may weaken a government's standing at home or abroad. Leasing, however, avoids these pitfalls. The map does not change. The flag continues to fly. The sovereignty of the host remains unimpaired. And yet, the Startup State enjoys durable rights of governance and development. This is why such agreements are best understood not as transfers of sovereignty but as partnerships in stewardship, a structure where one party lends use and control while the other contributes capital, vision, and governance capacity.

12.1.2 Avoiding Historical Precedents of Coercion

This approach is not only prudent; it is morally necessary. History is replete with examples of leases or concessions extracted under coercion, and none is more instructive or more infamous than that of Hong Kong. Following the Opium Wars, Britain compelled China to lease Hong Kong Island and the New Territories for ninety-nine years. These were not agreements entered into by equals; they were pacta iniqua, unequal treaties extracted under threat of force.

The long shadow of those treaties still hangs over the international system. For China, Hong Kong symbolised national humiliation, a wound to sovereignty inflicted at gunpoint. For Britain, Hong Kong's later success in laissez-faire economics and financial innovation could not erase the fact that its genesis was coercive. Startup States therefore consciously reject the "Hong Kong origin story". They admire its economic miracle, its non-interventionist government, and its role as a gateway for global commerce. But they refuse to repeat its coercive genesis.

The guiding maxim here is ex injuria jus non oritur: no right arises from injustice. Startup States are not opportunistic seizures in disguise. They are the opposite: projects of consent, respect, and mutual benefit. Their legitimacy comes not from military compulsion but from diplomatic partnership. This distinction is vital, for it signals that Startup States are designed to add value to the international order, not destabilise it.

12.1.3 Legal Certainty and Stability

A further advantage lies in the legal architecture of a sovereign lease. Properly drafted under the framework of the Vienna Convention on the Law of Treaties (1969), it becomes an international covenant. Pacta sunt servanda agreements must be kept, ensures that both host and Startup State can rely on its durability.

For investors, this matters enormously. They are not entering a grey-zone arrangement vulnerable to political whims. They are entering a structure as robust as any sovereign bond or long-term concession. It is the equivalent of an infrastructure concession where toll roads, ports, or airports are operated under century-long agreements: the host retains ownership, the lessee operates, and both parties share in the returns. This provides the predictability that capital requires. For the Startup State, it is a legal moat that safeguards against instability. For the host, it is proof that its sovereignty has not been eroded.

12.1.4 The Raphael Fishing Company and St Brandon

The Raphael Fishing Company case provides a fascinating, if contentious, precedent. In 1901, a deed purported to grant the company rights over parts of the St Brandon (Cargados Carajos) archipelago, then part of Mauritius. The rights were described as a "permanent lease" for fishing and guano exploitation. For over a century, the nature of this arrangement remained contested. Did it constitute a lease? A grant? An alienation of sovereignty?

The matter culminated in 2008 when the Judicial Committee of the Privy Council, the highest court of appeal for Mauritius, ruled that the 1901 deed amounted to a "permanent grant" rather than a conventional lease. Under Mauritian law, which follows the Code Napoléon, perpetual leases are not normally recognised. Yet the court concluded that this deed conveyed enduring rights akin to ownership without extinguishing the sovereignty of Mauritius itself.

The Raphael Fishing case illustrates both the opportunities and the dangers of long-term arrangements. On the one hand, it demonstrates that a private entity can, through a long lease, secure rights that last for generations. On the other hand, it highlights the importance of clarity. Ambiguous drafting can fuel decades of litigation. For Startup States, the lesson is clear: sovereign leases must be negotiated with precision, codified under international law, and structured to avoid any suspicion of backdoor cession. Done right, they can provide rights tantamount to ownership without ever undermining the host's sovereignty.

12.1.5 Sensitivity to History and Culture

But law and precedent are not enough. Startup States must also show cultural and diplomatic tact. Leasing land is not the same as arriving as conquerors. It is an act of partnership. That partnership must be visible in gestures of respect. A Startup State may, for example, adopt the host nation's language as a co-official language, incorporate its culture into public life, or align its civic symbols with those of the host. These are not mere courtesies. They are the fabric of legitimacy. They transform the Startup State from an outsider into a neighbour who honours the house rules of the landlord.

Examples already exist. Steve Clancy, an Advisor to the Startup States Society and principal behind the Eleutheria initiative, is advancing the idea of a "sovereign lease" a structure built on peaceful negotiation (ex consensu advenit vinculum), not

force. I have met Steve personally, and his approach is one of the most thoughtful and proactive in this emerging field. His work, detailed at, is pioneering precisely because it seeks legitimacy at the inception, not after the fact.

Another example is Anthemism, inspired by Ayn Rand's Anthem and her Objectivist teachings, headed by my friend Boris Reitman. This movement, described further at, represents a distinct effort to show how principles of philosophy and voluntarism can be translated into actual polity without resorting to coercion. Both Clancy's and Reitman's projects illustrate that new polities can be engineered with the blessing, rather than the suspicion, of their neighbours.

Section Synthesis

In the final analysis, the long-term lease is not a half-measure. It is a keystone of modern sovereignty. It allows Startup States to secure land without destabilising existing borders. It enables host states to retain full ownership and pride in their sovereignty. And it gives investors the clarity and stability they require.

Unlike coercive precedents such as Hong Kong, where territory was leased under duress, Startup States are founded on choice, respect, and mutual advantage. Unlike the ambiguities of Raphael Fishing, their agreements will be drafted with precision, avoiding litigation and securing legitimacy. And unlike cessions, which provoke nationalist backlash, Startup States by lease allow host governments to reassure their people: we have lost nothing, we still own the land, but we have gained a partner who will invest, build, and flourish alongside us.

This is why sovereign leasing may prove to be the most elegant, bankable, and enduring foundation for new nations in the 21st century. Just as great financial districts from Midtown Manhattan to Canary Wharf are built upon the solidity of century-spanning ground leases, so too may the nations of tomorrow be founded upon leases that respect sovereignty, generate prosperity, and endure across generations.

12.2 Condominia

If long-term leases supply the territorial substrate for Startup States, the question of how sovereignty is exercised supplies the constitutional superstructure. The dominant assumption of the modern international system, dating from the Peace of Westphalia (1648), is that sovereignty is unitary, absolute, and exclusive. Yet

international law and state practice demonstrate that sovereignty, like property, admits of degrees, partitions, and joint exercises. The doctrine of the condominium (dominium pro indiviso) offers a compelling pathway for Startup States to institutionalise their relationship with host countries while avoiding the zero-sum logic of secession.

A condominium entails the joint exercise of sovereignty by two or more states over the same territory. Unlike cession, where title is transferred, or secession, where sovereignty is fractured, a condominium preserves the legal personality of all parties. Each sovereign retains its status while agreeing to share certain attributes of governance in a defined space. In the language of civil law, it is sovereignty held in indivision, not alienated but co-exercised (suzerainty in partibus).

12.2.1 Scaling Sovereignty, Not Surrendering It

The beauty of the condominium model, when applied to Startup States, lies in its ability to demonstrate that no sovereignty need be relinquished. On the contrary, sovereignty can be scaled, extended, and layered. A host country does not become less sovereign by entering into a condominium; it becomes more sovereign, for it demonstrates an ability to deploy its sovereignty in flexible and innovative ways.

To borrow a biological analogy: when a child is born, the parents do not become less human. Their humanity is neither diminished nor diluted. Instead, it is extended into a new generation. Similarly, when a company launches a subsidiary, the parent does not forfeit its corporate personality; it multiplies its reach and diversifies its portfolio. The same logic applies in international law: when a state participates in the creation of a Startup State through condominium, it does not fragment its sovereignty but rather exercises it in an additional modality. The sovereignty of the parent remains intact; the child is fully human upon birth.

Thus, a Startup State created through condominium is not a secessionist fragment but a sovereign co-creation. The host state has not surrendered its sovereignty; it has leveraged it, flexed it, and extended it in partnership. This is sovereignty as a scalable asset, not as a finite resource.

12.2.2 Layering and Functional Allocation

Condominial arrangements also permit sovereignty to be layered. Jurisdictional authority can be distributed by subject matter (ratione materiae), by person (ratione

personae), or by function. The host state might retain criminal jurisdiction over grave delicta, particularly concerning its own nationals, while the Startup State exercises primary competence over economic regulation, civic administration, and local governance. Such arrangements are not alien to international practice. They mirror the functional layering of authority seen in the European Union, in joint development zones under UNCLOS, and in cross-border compacts governing rivers, fisheries, or airspace.

Layering sovereignty in this manner avoids the binary choice of "full retention" versus "full alienation." Instead, it allows host and Startup State to co-design a matrix of competences. The host can assure its domestic constituencies that it has retained the essential attributes of sovereignty, while the Startup State can demonstrate to its citizens and investors that it possesses the necessary autonomy to govern effectively.

12.2.3 Precedents in International Law

The practice of condominium, though rare, has ample precedent.

- The New Hebrides (1906–1980): Perhaps the most frequently cited condominium, the Anglo-French co-rule of the New Hebrides (now Vanuatu) stands as an extraordinary experiment in joint administration. For nearly three-quarters of a century, British and French authorities governed side by side, maintaining parallel administrative, judicial, and policing systems. This created complexity bordering on dysfunction, residents often had to choose whether to be governed under French or British law, and infrastructure was frequently duplicated. Yet the New Hebrides demonstrated the ratio decidendi that coexistence was possible without formal cession. In this respect, the arrangement showed that sovereignty could be pooled, albeit awkwardly, in order to prevent territorial disputes from escalating.

- Andorra: The co-principality of Andorra remains one of Europe's most curious survivals. Its two heads of state, the President of France and the Bishop of Urgell (Spain) jointly exercise symbolic sovereignty over the Pyrenean microstate. What began in the Middle Ages as a practical compromise to avoid conflict over frontier lands has evolved into a durable and peaceful arrangement. Andorra demonstrates that shared sovereignty, if properly circumscribed, can endure for centuries, even in the heart of a modern international system built on exclusive sovereignty.

- Neutral Moresnet (1816–1920): This 3.5 km territory on the Belgium–Germany border is a particularly fascinating case. Created by the Congress of Vienna when the Netherlands and Prussia could not agree over a zinc-rich region, Neutral Moresnet became a condominium jointly administered by both powers. Yet in practice, its small size and light oversight allowed it to flourish as a haven of low taxation, smuggling, and commercial arbitrage, a forerunner of freeports and special economic zones. The territory's quasi-sovereign status made it attractive to utopians as well: in the late 19th century, Esperantists under Dr Wilhelm Molly proposed transforming Moresnet into Amikejo, the world's first Esperanto-speaking state. Though the experiment ended with its annexation to Belgium in 1919 under the Treaty of Versailles, Neutral Moresnet shows how a condominium can create regulatory arbitrage opportunities and serve as a laboratory for governance innovation.

- The Anglo-Egyptian Sudan (1899–1956): A more complex and fraught example, the Anglo-Egyptian Sudan was established as a condominium following Britain's reconquest of Sudan, nominally under joint British and Egyptian authority. In practice, British control was predominant, and Egypt's role was marginal. The case illustrates the dangers of unequal power-sharing arrangements, where one partner dominates to the point of undermining the legitimacy of shared sovereignty. For Startup States, the lesson is clear: condominia must be structured with clarity, balance, and enforceable mechanisms for dispute resolution, lest they degenerate into disguised hegemony.

Each case affirms a critical point: sovereignty is not a brittle, indivisible essence, but a flexible construct capable of joint exercise. The condominium is not an anomaly but a recognised category in international law, one that can be repurposed for Startup States.

12.2.4 Why This Matters for Startup States

For Startup States, the condominium model achieves three vital objectives:

1. It dispels the spectre of secession. Because the host retains co-sovereignty, there is no perception of a breakaway or partition.

2. It enhances legitimacy. Rooted in treaty law (pacta sunt servanda), the condominium signals a consensual, lawful, and durable framework.

3. It aligns incentives. By making the host a shareholder in sovereignty, it ties the host's prestige and interest to the Startup State's success.

This is the genius of the Startup State model: when territory is leased, there is no secession of land. When governance is shared, there is no secession of sovereignty. Instead, sovereignty is flexed, extended, and layered in ways that both respect tradition and accommodate innovation.

Section Synthesis

Condominia remind us that sovereignty is not static but dynamic. Just as parents remain whole when they give life to a child, and just as corporations remain intact when they launch subsidiaries, so too do states remain sovereign when they co-create new polities. Their sovereignty is not diminished; it is exercised in new dimensions.

The Startup State, far from threatening sovereignty, demonstrates that sovereignty can be scaled like capital, diversified like an investment portfolio, and layered like corporate governance. It is not about loss but about leverage, not about fragmentation but about multiplication. In this sense, condominia embody a profound insight: sovereignty is not only indivisible; it is also infinitely extensible. And it is in that extensibility that the future of Startup States lies.

12.3 Historical Proto-Startup States

History offers several intriguing examples of entities that, while not fully fledged Startup States, exhibited characteristics that make them proto- or beta-versions of the concept. Examining their successes and limitations provides critical insights into the elements required for true permanence and evergreen status (perpetuitas juris).

Tangier: This city, particularly during its international zone period (1923–1956), serves as a major historical example. Governed by an international administration involving multiple powers (including France, Spain, Britain, Italy, Portugal, Belgium, and the Netherlands), Tangier enjoyed a unique status as a free port with a liberal economic regime and a diverse population (sui generis).

During this period, Tangier was notably characterised by its lack of significant immigration controls, allowing for a relatively free flow of people, and a highly advantageous taxation regime: no tariffs on imported or exported goods or gold,

no exchange controls, no income or revenue taxes, and unlimited freedom of establishment (libertas commercii).

This made it a magnet for international business and a haven for expatriates. It functioned as a hub for trade, finance, and culture, demonstrating the potential for a small, internationally managed territory to flourish.

Its success in fostering economic activity through minimal regulation and a cosmopolitan environment makes it a compelling proto-Startup State. However, its eventual reintegration into Morocco highlights the fragility of such arrangements when not underpinned by a fundamental, enduring sovereign agreement that transcends geopolitical shifts (clausula rebus sic stantibus).

Startup States aim to achieve the economic dynamism and liberal policies of Tangier but with a more robust and permanent legal foundation (de jure conditio).

Sark: The Channel Island of Sark, a self-governing part of the Bailiwick of Guernsey, provides a fascinating example of a polity with a high degree of internal autonomy (lex loci), despite lacking its own independent foreign policy, which is managed by the United Kingdom. Until recent reforms instigated by the late Barclay brothers, Sark was the last feudal fiefdom in the Western World, where the Lord of Sark held significant power and the local legislature, the Chief Pleas, operated with a unique blend of hereditary and elected members. The 2008 reforms introduced a fully elected legislature, a significant step towards modern-day democracy (vox populi suprema lex). Sark's distinctiveness and uniqueness lie in this historical journey from feudalism to a more democratic, but still highly autonomous, system. It demonstrates that a high degree of internal sovereignty (imperium in imperio) can exist within a larger constitutional framework and that the evolution of governance can be both slow and deliberate, or swift and instigated by external forces.

Morazán: The other prominent ZEDE in Honduras is Morazán, a testament to what can be achieved when a dedicated proprietor is given jurisdictional leeway (ex lege delegation). Thanks to the genius of its Italian businessman proprietor, Massimo Mazzone, Morazán has delivered quality, affordable housing, as well as a low tax rate, high-grade infrastructure, and easy business formation.

While suffering from the same constitutional vulnerabilities as Próspera (ultra vires challenges possible in Honduran courts), Morazán is an example of what can be achieved through a laissez-faire approach. Its model is built on an interesting dynamic where all properties are owned by its proprietor and are all rentals, though

for less than $200/m USD at the time of writing this book.

A scalable version of Morazán were it an independent country, could deliver housing and opportunity to millions of people, a modern-day, mass Levittown in the form of a free market Marshall Plan. Startup States should strive for this level of tangible, beneficial delivery (ratio utilitatis).

The Holy See (Vatican City): Statehood by Treaty: A highly significant, albeit unique, historical precedent for the conferral of statehood through the conclusion of a treaty is the establishment of the Vatican City State via the Lateran Treaty of 1929. This bilateral agreement, signed between the Kingdom of Italy and the Holy See on 11 February 1929, resolved the "Roman Question" that had lingered since the annexation of the Papal States by Italy in 1870.

The treaty formally recognised the sovereignty and independence of the Holy See as a distinct international legal entity, granting it full ownership and exclusive jurisdiction over the territory of Vatican City.

While one of the signatory parties, Fascist Italy, was a controversial regime at that historical juncture, the result of the Lateran Treaty, the enduring existence and international legal personality of the Holy See (Vatican City) demonstrates the feasibility of such an outcome, notwithstanding its historical context (ex turpi causa non oritur actio).

This case illustrates that juridical statehood, complete with defined territory and the capacity for international relations (ius tractatuum), can be legitimately established through a formal treaty between an existing sovereign and a distinct entity.

This is not to suggest that Startup States have the same kind of history, spiritual authority, or global adherents as the Roman Catholic Church; rather, it underscores the technical point that the conferral of statehood can be effected through the conclusion of a treaty (pacta sunt servanda), thereby illustrating the feasibility of such an outcome.

Indeed, there is even contemporary discussion about a proposed Sovereign State of the Bektashi Order in Tirana, Albania, which, if it ever comes about, would further demonstrate the possibility however remote of non-traditional entities achieving a form of statehood through consensual, treaty-based arrangements with existing nations.

12.3.1 Honourable Mentions: Proto–Startup States

The history of sovereignty is littered with anomalies jurisdictions that emerged not through conquest or revolution, but through oversight, accident, or opportunistic circumstance. These "proto–Startup States" did not fully embody the deliberative, treaty-based model of the Startup State, yet they offer valuable lessons in how even the smallest of entities can achieve recognition, prosperity, or longevity.

- The Republic of Cospaia (1440–1826): Perhaps the most charming example of an accidental polity, Cospaia came into being not through rebellion or design but through a cartographic error. In 1440, a treaty between the Papal States and the Republic of Florence inadvertently left the hamlet of Cospaia unassigned. Discovering that they were outside the reach of any sovereign, the villagers declared themselves free, proclaiming Perpetua et firma libertas, "Perpetual and steadfast liberty."

Cospaia was striking not for what it had, but for what it lacked. It had no taxes, no written laws, and no formal bureaucracy. Authority was vested in local family heads who governed communally. In modern parlance, it was an early experiment in "minimal governance," existing for nearly four centuries as a micro-jurisdiction. Its unique legal position made it a haven for smuggling and arbitrage, particularly of tobacco, which Cospaia helped pioneer in Italy, free from Papal tariffs. When its sovereignty ended peacefully in 1826 absorbed by the Papal States and the Grand Duchy of Tuscany, the villagers secured lifetime tax exemptions and the right to continue cultivating tobacco. In its quiet way, Cospaia proved that even accidental sovereignty can foster prosperity, liberty, and innovation.

- The Free Territory of Trieste (1947–1954): Born out of the post–Second World War settlement, Trieste was envisioned as an internationalised city-state under the supervision of the United Nations Security Council. Its strategic Adriatic port and contested Italian–Yugoslav frontier made it an ideal candidate for neutral governance. Yet despite the promise, Trieste proved too fragile amidst Cold War tensions. The intended independence gave way to partition, with the city ultimately divided between Italy and Yugoslavia. Trieste demonstrates that even carefully negotiated internationalised zones require broad and durable geopolitical consensus if they are to survive.
- The Free State of Fiume (1920–1924): Fiume emerged in the aftermath of the First World War, born of nationalist fervour and artistic idealism. Led by

Gabriele D'Annunzio and other visionaries, Fiume sought to exist as a free city-state, independent from both Italy and the nascent Kingdom of Serbs, Croats, and Slovenes. Yet without sustained recognition or protection, it remained vulnerable. Within four years it was annexed by Italy. Fiume's short life illustrates the perils of charismatic but fragile state-building, especially when it lacks the institutional depth or international backing that Startup States aim to secure from the outset.

- The Republic of Ragusa (1358–1808): Ragusa, the Adriatic maritime republic centred on modern Dubrovnik, is a reminder that small states can survive and prosper for centuries through astute diplomacy and trade. Facing powerful neighbours, the Ottoman Empire, Venice, and later Austria, Ragusa maintained its autonomy by careful neutrality, skilful treaty-making, and economic ingenuity. Its merchants carried Ragusan flags across the Mediterranean and beyond, leveraging neutrality as a shield and commerce as a lifeline. Ragusa's centuries-long survival shows how even a diminutive republic can achieve remarkable endurance by balancing between great powers, an art Startup States must master in a different century.

- The Free City of Danzig (1920–1939): Established under the Treaty of Versailles, Danzig was granted semi-autonomy under League of Nations supervision, with Poland guaranteed certain economic rights. It became a city of hybrid sovereignty: self-governing, yet internationally constrained. Its demise, absorbed into Nazi Germany in 1939, underscores the limits of weak international guarantees when confronted by aggressive powers. Danzig remains a cautionary tale: without durable backing and enforcement, autonomy can quickly collapse under geopolitical pressure.

Synthesis

Taken together, these examples illustrate both the possibilities and fragilities of proto–Startup States. Cospaia shows how liberty can flourish in a governance vacuum; Ragusa demonstrates the power of diplomacy and commerce; Fiume and Danzig highlight the perils of insufficient recognition; Trieste proves that internationalisation alone cannot guarantee permanence.

Startup States seek to distil the positive attributes of these experiments the ingenuity, the openness, the commercial dynamism, while embedding them in a framework that is modern, lawful, and durable. Where Cospaia had liberty but

no legal architecture, Startup States aim for liberty with law. Where Fiume had passion but no recognition, Startup States pursue passion through recognition. Where Danzig had protection in theory but not in practice, Startup States will seek protections embedded in enforceable treaties.

In short, Startup States are designed to be evergreen, avoiding the pitfalls of historical anomalies by replacing chance with design, fragility with durability, and improvisation with structure.

12.4 Startup State Archetypes

The vision of Startup States is, at its core, pluralistic and inclusive. Unlike the traditional nation-state, which often emerged through conquest, colonisation, or accident of geography, the Startup State is consciously designed to reflect the values, identities, and aspirations of its founding community. The "who" of Startup States refers to the varied archetypes or flavours that such new polities might embody. The "where" speaks to geography not merely as a backdrop, but as a deliberate choice. While opportunities may one day extend into oceans or even orbit, for reasons of both legal clarity and practical viability, Startup States at this stage emphasise a focus on dry land.

The diversity of Startup States lies not only in location but in purpose and ethos. They are capable of becoming sanctuaries of safety, hubs of innovation, oases of culture, or bridges of diplomacy. This plurality is their strength, offering communities and nations alike an expanding menu of possibilities for self-determination, cooperation, and peaceful coexistence.

12.4.1 The Sanctuary State

One of the most compelling archetypes is the Sanctuary State, envisioned as a safe haven for communities fleeing persecution, violence, or systemic exclusion. It is not merely a territorial refuge but a new beginning, an intentional homeland created with humanitarian design principles. Such a polity would prioritise trauma-informed governance, rapid integration, and essential services such as healthcare, housing, and education.

The Sanctuary State embodies the conviction that displaced peoples deserve more than temporary camps or precarious asylum they deserve a permanent home in dignity, with institutions built to uplift them rather than marginalise them. In

this sense, it becomes a living experiment in social inclusion, restorative justice, and human security.

12.4.2 The Tech-Hub

At another end of the spectrum lies the Sovereign Tech-Hub, a Startup State conceived by technologists, innovators, and digital pioneers. This model imagines the Startup State as the ultimate regulatory sandbox (forum speciale), providing a bespoke legal environment where emerging technologies, blockchain, artificial intelligence, biotechnology, decentralised finance can be tested, refined, and scaled.

But this vision is not only about commerce. Done thoughtfully, such a polity could serve as a model for ethical innovation, embedding sustainability and data responsibility into its governance code. It could offer a transparent yet protective regulatory environment, ensuring that technologies serve humanity without eroding privacy, dignity, or social cohesion. In this sense, the Sovereign Tech-Hub becomes more than a playground for entrepreneurs, it becomes a responsible steward of the digital commons.

12.4.3 The Diplomatic Microstate

Another archetype is the Diplomatic Microstate, designed as a neutral platform for dialogue, peacebuilding, and arbitration. This Startup State would not measure itself in GDP or population size but in the trust it cultivates as a venue for negotiation and reconciliation. Its neutrality would be its capital; its infrastructure, secure facilities, impartial arbitration centres, robust communications would be its currency.

By hosting international peace talks or providing standing mechanisms for dispute resolution (compromissum), such a polity could play an outsized role in global affairs. In a world where too many conflicts go unresolved, the Diplomatic Microstate would offer something rare: a safe space for adversaries to meet as equals, outside the shadow of larger powers.

12.4.4 The Lifestyle Destination

A fourth archetype is the Lifestyle Destination: a Startup State dedicated to high-quality living, sustainability, and cultural enrichment. It could provide exclu-

sive services and privacy for discerning residents while foregrounding eco-friendly infrastructure, cultural diversity, and holistic wellbeing. Though tailored to high-net-worth individuals and cosmopolitan communities, it could model a balanced, green approach to prosperity: renewable energy, zero-waste systems, locally-rooted architecture, and a thriving arts scene.

This archetype reminds us that Startup States can also be about joy, beauty, and human flourishing about cultivating a space where people come not only to accumulate wealth but to live meaningful, connected lives in harmony with their environment.

Synthesis

These archetypes, Sanctuary, Tech-Hub, Diplomatic, Lifestyle are not exhaustive but illustrative. They show the breadth of possibility within the Startup State model. Each is animated by different values: one by humanitarian compassion, another by innovation, another by peace, another by culture and lifestyle. Together, they demonstrate that Startup States are not a single project but a plurality of futures.

"The genius of Startup States is that they can be as diverse as humanity itself safe spaces for the vulnerable, testbeds for innovation, neutral grounds for peace, or sanctuaries for culture and nature."

In the long arc of history, traditional states often struggled to reconcile diversity, often privileging uniformity at the expense of inclusion. Startup States reverse this logic: they are born diverse, intentionally so, designed to celebrate difference, preserve cultures, and nurture ecological balance. By doing so, they hold out the possibility of a more plural, humane, and sustainable international order.

12.5 Lessons from Existing Special Relationships

Beyond the anomalies of history, contemporary international relations present a set of structured special relationships between sovereign states that offer valuable precedents for Startup States. These arrangements exist in the grey space between pure independence and full integration: they fall short of merger, yet they go beyond conventional diplomacy. They embody various forms of cooperation and interdependence that demonstrate the versatility of sovereignty in practice (ultra vires considerations).

For Startup States, these models are particularly instructive. They show that sovereignty is not an "all or nothing" proposition. Rather, it can be calibrated, negotiated, and flexibly deployed to meet the needs of both large and small states. The lesson is that independence need not be isolating, and partnership need not be subordinating.

12.5.1 The Compacts of Free Association (COFA)

Perhaps the clearest example of this dynamic is found in the Compacts of Free Association (COFA) maintained between the United States of America and three Pacific island states: the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Under these compacts, the island states are fully sovereign and self-governing. They legislate independently, conduct their own internal affairs, and hold membership in the United Nations. Yet the compacts provide for extensive mutual support and interdependence. The United States assumes responsibility for defence and security, extends financial assistance, and provides access to U.S. domestic programmes such as postal services, disaster relief, and certain educational initiatives. In return, the U.S. gains strategic access to the islands' territories, particularly for defence and military positioning in the Pacific.

This arrangement illustrates how a large power can both buttress and respect the sovereignty of smaller partners. It is not annexation, nor is it dependency in the colonial sense. Rather, it is an enduring quid pro quo: the small states receive stability and resources; the large state gains strategic depth. For Startup States, this model underscores the possibility of designing partnerships that both safeguard independence and provide tangible security guarantees.

12.5.2 Associated Statehood with New Zealand

A different but equally revealing example is New Zealand's relationship with the Cook Islands and Niue, both of which are recognised as Associated States.

The Cook Islands and Niue possess full legislative and executive competence; they make their own laws, elect their own governments, and administer their own territories. New Zealand, however, retains responsibility for defence and foreign affairs, though in practice both island nations conduct their own foreign relations to a significant extent. What makes this arrangement distinctive is the fusion of autonomy

and shared identity: citizens of the Cook Islands and Niue are simultaneously New Zealand citizens.

This hybrid status illustrates how sovereignty can be layered and pluralistic. These islands are not colonies, nor are they provinces. They are self-governing states whose sovereignty is amplified not diminished by association with a larger power. They enjoy the security umbrella of New Zealand, the benefits of shared citizenship, and access to global diplomacy, while retaining their political independence. For Startup States, this model suggests that one can achieve the best of both worlds: autonomy combined with connection, sovereignty balanced with solidarity.

12.5.3 France and Monaco

A third instructive relationship is that between France and Monaco. Monaco is a fully sovereign state, recognised as such in international law and seated within the community of nations. Yet the relationship with France is one of deep integration and mutual reliance.

Monaco's defence is entrusted to France. Economically, the two states are closely intertwined, with a customs union, shared monetary arrangements, and an absence of hard borders. Culturally and socially, there is free movement of French citizens into Monaco and of Monegasques into France, though without automatic rights of residence ipso iure. The result is a symbiotic pairing: Monaco enjoys its sovereignty and global profile as a microstate, while France benefits from the prestige and stability of a prosperous, friendly neighbour embedded within its sphere of influence.

This model illustrates how a small state can be both sovereign and deeply enmeshed in the systems of a larger partner, without fear of absorption. For Startup States, Monaco shows that sovereignty need not mean isolation; it can coexist with intimate integration when built upon trust and reciprocity.

Synthesis

These examples from the Pacific Compacts to New Zealand's Associated States to Monaco's relationship with France demonstrate that sovereignty can be nuanced, flexible, and symbiotic. They reveal that sovereignty is not compromised by partnership but, in fact, can be enhanced by it.

For Startup States, the message is clear: new nations do not need to emerge

in a vacuum, nor do they need to fear that association with larger powers will inevitably erode their independence. Instead, they can design mutually beneficial agreements that provide security, resources, legitimacy, and integration without sacrificing their core autonomy.

In this light, special relationships become more than anomalies; they become templates for future polities. They show that sovereignty in the 21st century is not about walls and separations but about networks, compacts, and cooperative architectures. Startup States, by drawing upon these models, can position themselves not as fragile anomalies but as trusted partners within an interconnected international order.

12.6 Emulating Successful Small States

While Startup States are new creations, they need not invent their playbook from scratch. They can draw profound lessons from existing small states that have, against all odds, achieved remarkable prosperity, security, and global stature. These states demonstrate that size, geography, or population is not destiny. With strategic governance, lean institutions, and intelligent positioning within the international system, even the smallest polities can achieve outsized influence.

Indeed, the historical record shows that small states, far from being anomalies, are often laboratories of innovation, pioneers in diplomacy, finance, and governance. Startup States would be well advised to study their precedents carefully, not as models to be copied wholesale, but as case studies to be distilled and adapted to the unique circumstances of intentional, treaty-based state creation.

12.6.1 The European Models: Monaco, Liechtenstein, Switzerland, Andorra, San Marino, and Malta

Europe offers a particularly instructive set of examples. These states, some city-sized, others scarcely larger than counties have thrived for centuries by balancing sovereignty with integration, independence with openness. Their success illustrates not only strategic positioning but also a tradition of governance that leaves ample space for civic life, pluralism, and individual initiative.

- Monaco has leveraged its geography and its proximity to France into a model of prosperity rooted in high-value services, finance, tourism, and cultural capital.

Its compact governance structures, efficient administration, and strategic alignment with France have allowed it to thrive while maintaining full sovereignty. Monaco exemplifies the principle that close integration with a larger neighbour need not compromise independence when managed through careful treaty arrangements.

- Liechtenstein, though landlocked and tiny, has become a global leader in finance and trust law. Its sovereignty was consolidated through the Pressburg Treaty of 1805, demonstrating once again the power of treaty law (pacta sunt servanda) to anchor small states within the international system. What makes Liechtenstein particularly instructive is its adaptability: from an agrarian principality in the 19th century to a 20th-century financial hub and a 21st-century model of innovation. Its success rests on rule of law (lex fundamentalis), fiscal prudence, and a governance style that is lean, responsive, and outward-looking.

- Switzerland, though larger than the two, offers lessons in neutrality, federalism, and international diplomacy. For centuries, it has survived as a small state surrounded by larger powers, in part because it cultivated a reputation for armed neutrality, legal stability, and financial discretion. Switzerland demonstrates that strategic restraint combined with institutional excellence can yield a disproportionate global role.

- Andorra and San Marino, though smaller and less prominent, illustrate that sovereignty can endure for centuries when paired with communal governance, pragmatism, and diplomacy. Their long continuity highlights the resilience of small polities that adapt while preserving strong civic traditions.

- Malta, perched at the crossroads of the Mediterranean, offers another lesson. By parlaying its strategic location, EU membership, and service-oriented economy into global influence, it has shown that even modest-sized states can sustain pluralistic democracies with active political cultures, while drawing on their historical and cultural assets to engage the wider world.

Collectively, these European states demonstrate a consistent pattern: small size has not precluded them from cultivating diverse societies, resilient governance, and enduring institutions. Their trajectories suggest that Startup States, if designed wisely, can likewise balance sovereignty with openness, and independence with pluralism.

12.6.2 The Modern Developmental States: Singapore and the United Arab Emirates

Beyond Europe, other contemporary examples stand out: Singapore and the United Arab Emirates (UAE). Both illustrate how small states can achieve rapid transformation and global prominence through strategic vision, long-term planning, and adaptive governance.

- Singapore, expelled from Malaysia in 1965, might have seemed destined for obscurity. Instead, it became a global powerhouse through strategic investment in infrastructure, meritocratic governance, and economic diversification. By positioning itself as a hub for shipping, finance, and later technology, Singapore transformed geographical vulnerability into geopolitical advantage. Its long-term urban planning, efficient public services, and incorruptible institutions make it an exemplar of state capacity at small scale.

- The UAE presents a parallel but distinct trajectory. Once a cluster of desert sheikhdoms, it rapidly emerged as a leading centre for trade, aviation, finance, and tourism. Its secret has been diversification: moving beyond oil into infrastructure, culture, and innovation. Sovereign wealth funds transformed resource rents into enduring capital. Its governance, though not democratic in the Western sense, has been pragmatic, technocratic, and future-oriented, ensuring that short-term resource wealth was converted into long-term resilience.

Both Singapore and the UAE illustrate that size is not a limitation when paired with vision and execution. For Startup States, they provide concrete lessons: invest in human capital, maintain lean but capable governance, diversify early, and anchor national identity in forward-looking narratives of progress.

12.6.3 Distilling Best Practices for Startup States

From these examples, European and beyond several key lessons emerge for the intentional design of Startup States:

1. Economic Policy: Embrace business-friendly regulation, low but predictable taxation, and the judicious use of sovereign wealth funds to ensure long-term stability.

2. Lean Governance: Build institutions that are efficient, minimal, and incorruptible, focused on delivering high-quality services rather than sustaining bloated bureaucracies.

3. Strategic Positioning: Carve out niches whether in finance, technology, arbitration, or culture that allow a Startup State to punch above its weight.

4. Diplomatic Agility: Cultivate neutrality or strategic partnerships that make the Startup State indispensable rather than vulnerable.

5. Rule of Law: Maintain clarity and stability in legal systems, which will be the magnet for global talent, capital, and trust.

12.7 Conclusion: The Emergence of New Polities

The goal for Startup States is not to replicate Monaco, Liechtenstein, Switzerland, Singapore, or the UAE, but to distil the essence of their success and embed it within a modern, treaty-based framework. Yet a subtle observation emerges: some states demonstrate not only economic strength but also an enduring ability to host pluralistic societies, diverse opinions, and civic freedoms alongside prosperity.

It is this combination economic excellence married to openness of thought and civic life that makes certain models particularly appealing as reference points for Startup States. Europe's microstates and xsmall republics show that sovereignty can be secure while societies remain open; that economic specialisation need not crowd out cultural or intellectual diversity; and that freedom and prosperity are not adversaries but allies.

In short, the novus ordo of Startup States will stand not on accident or inheritance but on design. By blending the efficiency and strategic clarity of modern developmental states with the pluralism and civic traditions of Europe's enduring small states, Startup States can emerge as thriving, resilient polities, fully recognised within the international community and capable of enduring for generations.

12.8 Montenegro: Peaceful Statehood

The case of Montenegro's independence in 2006 stands as one of the most carefully choreographed examples of state creation in modern international law. It is neither

the only path, nor necessarily the gold standard, but it is a gold standard a model that demonstrates how statehood can emerge through constitutionalism, popular sovereignty, and international endorsement rather than violence or unilateralism.

Montenegro's trajectory is instructive precisely because it unfolded after the turbulence of the Yugoslav dissolution, when the region had already witnessed secessionist declarations, wars of independence, and contested recognitions. In contrast, Montenegro charted a course that was both procedurally rigorous and diplomatically astute.

12.8.1 The Referendum and Its Legal Foundations

On 21 May 2006, Montenegro held its independence referendum. This was no mere plebiscite: it was conducted under a lex specialis, a referendum law crafted for this singular purpose. The statute required not just a simple majority, but a 55% supermajority threshold for independence, a figure negotiated with the European Union itself to ensure that the outcome would not rest on a knife-edge of legitimacy. In doing so, the referendum embodied both intra vires legality (rooted in Montenegro's own constitutional order) and inter partes agreement with international guarantors.

The turnout was extraordinary: over 86% of eligible voters participated. Of these, 55.5% voted for independence just enough to clear the supermajority requirement. This precise compliance with the negotiated threshold underscored the principle of strictissimi juris: adherence to the letter of the law, leaving no ambiguity as to the mandate.

12.8.2 Recognition and International Validation

The results were swiftly acknowledged. Within days, Montenegro received recognition from all five permanent members of the United Nations Security Council. On 3 June 2006, Montenegro formally declared independence. By 28 June 2006, it was admitted as the 192nd member of the United Nations through General Assembly Resolution A/RES/60/264.

The speed of recognition was not incidental. It was the product of international observation and procedural transparency. The OSCE and the Council of Europe both deployed missions to ensure compliance with democratic norms, reporting that the process met international standards. This external validation provided

what might be called auctoritas externa: the legitimising force of international oversight, which translated the domestic will of the people into international acceptance.

12.8.3 Core Legal Principles Illustrated

Montenegro's case exemplifies several cardinal doctrines of international law:

- Constitutional and Legal Basis (intra vires): The process was grounded in Montenegro's constitutional framework and in a referendum law enacted by its legislature. This satisfied the requirement that secession or dissolution not be ultra vires, but firmly within the legal competence of domestic authority.
- Democratic Mandate (voluntas populi): The high-turnout referendum provided an unambiguous expression of the popular will. This aligned with the principle of self-determination in its internal dimension jus cogens insofar as it requires respect for fundamental democratic choice.
- International Observation (fides publica): The presence of international observers, and their affirmation of fairness, transformed the referendum into a process that could not be credibly impugned as fraudulent or coercive.
- Peaceful and Consensual Dissolution (ex consensu): The separation from Serbia was achieved without violence, coercion, or unilateral imposition, but through negotiated procedure. This aligns with the principle that states may emerge not only by war or revolution but through peaceful agreement.
- Uti Possidetis Juris: Montenegro inherited its republican boundary within the State Union of Serbia and Montenegro, and that administrative boundary became its international border. This demonstrates the stabilising role of uti possidetis juris in preserving territorial continuity during transitions.
- Jus Cogens: By adhering to peaceful self-determination and respecting human rights throughout the process, Montenegro avoided violations of peremptory norms. Its compliance reinforced the legitimacy of its claim to statehood.
- Pacta Sunt Servanda: The principle that agreements must be kept, codified in Article 26 of the Vienna Convention on the Law of Treaties (1969), was honoured as Serbia, Montenegro, and international partners all abided by the referendum agreement and its outcome. This mutual fidelity transformed the referendum from a domestic event into an internationally binding commitment.

12.8.4 The Broader Lesson

Montenegro's independence reminds us that statehood can be engineered as much through law as through power. It demonstrates that the novus ordo of state creation in the 21st century does not depend upon force majeure, unilateral declarations, or faits accomplis. Rather, it can and ideally should be rooted in jus cogens, pacta sunt servanda, and uti possidetis juris: the cornerstones of legality, good faith, and territorial continuity.

For Startup States, this precedent is invaluable. It shows that:

- Land need not be seized to become sovereign if leased under treaty.
- Sovereignty need not be divided to be compromised if layered through condominium.
- And, most crucially, new states can emerge peacefully, lawfully, and with recognition when democratic mandate, constitutional legality, and international oversight converge.

Montenegro stands not as the gold standard but as a gold standard: proof that statehood, when disciplined by law and consent, commands both domestic legitimacy and international recognition.

The Startup State model, by design, seeks to replicate and even refine these virtues. It aims to build on Montenegro's lesson that sovereignty achieved through process rather than rupture is the most durable form of sovereignty and apply it to a framework of treaty-based creation, co-designed governance, and intentional permanence. In this way, the Startup State carries forward the best of modern precedents, while transcending their limitations to establish a new paradigm for lawful and peaceful nationhood.

Chapter 13

Benefits for Partnering Host Countries

The twentieth century was largely defined by hard borders, inherited maps, and a rigid understanding of sovereignty as a finite, indivisible resource. The prevailing

assumption was simple: one country's gain in power or territory must come at the expense of another. For decades, this "zero-sum" worldview framed the international order, shaping not only political doctrines but also economic planning and diplomatic posture.

Yet in the twenty-first century, this paradigm no longer reflects either the real needs of nations or the immense opportunities presented by globalisation, digitalisation, and financial innovation. Today, the logic of sovereignty has shifted: it is no longer a closed, fixed commodity, but a strategic resource capable of being leveraged, modularised, and deployed in novel ways.

We now inhabit an era of modular sovereignty. Technology, finance, law, and diplomacy are being replatformed in ways that grant governments new agility. Jurisdictions can now be co-developed, co-governed, and even co-owned, much like sophisticated joint ventures or sovereign wealth investments. Sovereignty, once treated as a fragile heirloom to be guarded against loss, has become a dynamic asset: a tool of diplomatic agility, economic diversification, and reputational elevation (res publica utilitas).

It is within this environment that Startup States emerge as a strategic option. They are neither breakaway republics nor rogue micronations born of defiance. Instead, they represent sovereign ventures: deliberately formed, treaty-based, legally recognised, and co-created in partnership with existing nations. In effect, they combine the best of entrepreneurial design, constitutional clarity, and lawful integration into the international system.

And here lies the central proposition for any government or economic ministry: for the partnering sovereign host country, the benefits of engaging in such a venture are not marginal, they are transformative. Startup States are not designed as parasitic enclaves; they are structured to be multipliers of national prosperity and prestige. This chapter therefore serves not merely as an academic exploration, but as a practical blueprint: a roadmap for how states, particularly small island nations, microstates, and diplomatically agile emerging economies can harness the Startup State model to profit, lead, and thrive.

And for the sovereign partner or host country, the benefits are not marginal they are transformative.

Through this model, host nations acquire a rare power: the ability to select their neighbours. This is not about buffer states or imposed settlements, but about choosing allies by design alliances that are lawful, mutually beneficial, and eco-

nomically generative. Partner states can unlock new streams of sovereign revenue that are both innovative and sustainable:

- Lump-sum payments for underutilised or idle land;
- Recurring lease revenues structured on long-term, sovereign-to-sovereign arrangements;
- Dividend-yielding equity stakes in Startup State service providers and strategic utilities.

Taken together, these mechanisms create a Silicon Valley-style upside at sovereign scale. Unlike foreign loans or extractive concessions, the model is free of debt, free of dispossession, and designed with built-in safeguards to avoid geopolitical risk (ex abundanti cautela).

For a Finance Minister evaluating balance-of-payments pressure, or for an Investment Promotion Agency tasked with diversifying national portfolios, the message is clear: Startup States are not a drain on sovereignty, they are an amplification of it. They represent the next frontier of lawful statecraft, and a once-in-a-century opportunity for nations bold enough to co-create the future.

13.1 Sovereign Revenue Without Tax or Debt

For a Finance Minister, the central question is always the same: how can the state responsibly increase revenue without burdening its citizens, without raising unsustainable debt, and without compromising sovereignty? Startup States answer that question directly.

They offer a rare formula: the ability to transform dormant or underutilised national assets, unused islands, underdeveloped hinterlands, or legally ambiguous frontier zones into productive sovereign infrastructure. And critically, they do so without imposing new taxation, without accumulating fresh sovereign liabilities, and without ceding ultimate control (imperium et dominium).

What distinguishes Startup States from conventional foreign investment or donor-driven projects is their structure: treaty-based, sovereign-to-sovereign partnerships. This model ensures that the host country is never reduced to a passive landlord, nor subjected to the fiscal strings often attached to development loans. Instead, the host becomes an active shareholder in a new national venture, with revenue

flows that are sustainable, diversified, and strategically aligned with long-term prosperity.

Key Fiscal Benefits for the Partnering Host Country

- Multi-century land leases (99–999 years): These long-term agreements provide the best of both worlds: substantial upfront capital injections paired with predictable, recurring revenue. An island or territory that might otherwise remain idle can yield immediate payments in the hundreds of millions at inception, while simultaneously delivering annual rents for centuries to come. Furthermore, leases can be structured with capitalised participation, ensuring that the host nation enjoys the upside as the Startup State appreciates in value over time without any need for outright land sales or the dispossession of local populations (contra bonos mores).

- Equity stakes in the Startup State's chartered management entity or sovereign services platform: Beyond land leases, host nations can receive direct equity participation in the entities managing the Startup State. This transforms the government into a dividend-receiving shareholder aligned with the Startup State's success. Such stakes can be tied to GDP growth, real estate appreciation, tokenised asset performance, and other high-value economic drivers, creating a pipeline of sovereign dividends that grows in proportion to the Startup State's prosperity (pacta sunt servanda).

- Joint Sovereign Wealth Funds (SWFs): A Startup State can serve as a magnet for foreign capital, which can then be channelled into co-managed SWFs. These funds can be dedicated to the host nation's own strategic priorities such as infrastructure modernisation, renewable energy, education, or healthcare. Unlike conventional funds, these SWFs are capitalised not by taxpayers, but by foreign investment inflows, lease payments, and jurisdictional service fees generated by the Startup State itself.

- Exclusive Economic Zone (EEZ) co-licensing and lease-back structures: For coastal or island states, the ability to leverage Startup States within EEZs is particularly powerful. Maritime sovereignty remains intact, while governance over a defined area can be delegated under treaty. This enables the host to unlock maritime value through carefully structured co-licensing, fisheries management, energy exploration, or data cable hosting, all while retaining economic control of its blue economy.

- Participation in construction, services, and digital infrastructure: The birth of a Startup State necessitates massive investment in construction, logistics, utilities, and digital infrastructure. By treaty (lex loci contractus), host nations can guarantee preferential contracting for local businesses and workers. They can also negotiate profit-sharing arrangements on everything from smart grid deployment to telecommunications hubs, ensuring that the development footprint directly benefits the domestic economy.

13.1.1 The Broader Fiscal Promise

Taken together, these models create a portfolio of sovereign revenue streams diverse, recurring, debt-free, and legally enforceable. They protect against the volatility of commodity cycles, reduce reliance on donor aid, and provide a steady foundation for fiscal planning.

Unlike the conditional loans, structural adjustments, and austerity measures often imposed by multilateral institutions (condicio sine qua non), Startup State revenues are earned, not borrowed; shared, not imposed; and aligned with prosperity, not austerity.

For a Finance Minister tasked with stabilising debt ratios, or an Economics Minister seeking sustainable GDP growth, the appeal is unmistakable: Startup States unlock new money without new burdens. They represent a form of economic statecraft that is self-sustaining, lawful, and profoundly advantageous.

13.2 Soft Power Through Recognition

For many nations, particularly those with smaller populations or limited economic weight, hard power resources, military or industrial, are constrained. Yet in the twenty-first century, soft power and diplomatic leverage increasingly determine a country's global relevance. Few acts elevate a state's standing more decisively than extending treaty-based sovereign recognition to a newly created nation especially one that has been co-designed by the host itself. This is not mere symbolism; it is diplomatic creativity at its apex: peaceful, productive, and precedent-setting.

Startup States empower their host nations to move from being rule-takers to becoming rule-makers, framing new norms of lawful, consensual state creation. In an international arena often dominated by legacy powers, such first-mover boldness commands attention, influence, and respect.

13.2.1 Benefits for the Host Country

- Recognition multiplier effects: By being the first sovereign to recognise and co-develop a Startup State, the host secures disproportionate influence over the new nation's foundational architecture. This includes input into treaty provisions, regulatory frameworks, and alignment of bilateral preferences. Recognition at this early stage yields a geometric return, as subsequent recognitions by other states naturally flow through the pioneering host's initial framework. This multiplier effect cements the host's role as the Startup State's senior partner in diplomacy, with long-term influence over its alignments.

- Global visibility: Every new Startup State is, by definition, a global event. Press, scholars, investors, and international organisations will examine it closely as a case study in sovereign innovation. By co-authoring this story, the host nation shares the limelight. It gains recognition as a thought leader in post-colonial innovation, sovereign diplomacy, and forward-thinking governance. This heightened visibility extends well beyond the diplomatic arena: it enhances the host's profile with investors, philanthropists, academics, and global civil society alike.

- Bilateral engagement catalysts: Startup States act as magnets for engagement. New embassies, venture capital delegations, infrastructure firms, fintech pilots, and philanthropic initiatives converge on the emerging jurisdiction. As co-steward, the host nation enjoys a privileged role as a gateway and proxy, often becoming the first stop for new investors and diplomats seeking access. This dynamic increases foreign direct investment (FDI) into the host country, deepens bilateral exchanges, and positions the host as a hub of innovation diplomacy (amicus curiae dynamics).

- Soft power extension: Unlike traditional soft power, which requires substantial cultural exports or financial sponsorship, Startup States provide an amplification mechanism. The new country can embed the host's language, legal traditions, cultural values, and regional interests within its institutions. This is soft power by design, multiplying the host's voice in international forums without the costs of direct intervention. Over time, the Startup State becomes a cultural and diplomatic megaphone for its founding partner, extending influence far beyond its population or GDP.

13.2.2 A New Diplomatic Identity

Through such partnerships, the host nation assumes a new and prestigious role: that of sovereign architect, trusted elder, and diplomatic venture partner. This role carries weight far beyond traditional measures of power. Even a microstate, through the sponsorship of a Startup State, can become a pivotal voice in international law, investment diplomacy, and regional governance reform.

In effect, Startup States allow smaller or emerging countries to punch far above their weight on the world stage. They can gain a level of prestige, influence, and diplomatic leverage once thought possible only for much larger powers (ultra vires).

13.3 Institutional Governance Spillovers

Startup States are not simply neighbours; they are adjacent laboratories of governance, purpose-built to generate institutional spillovers for their host nations. Unlike abstract seminars or donor-funded technical assistance, these partnerships produce a living model of sovereign knowledge transfer, one that is rooted in practice, tested under market conditions, and continuously refined through treaty-defined collaboration.

For a host government, this represents an unparalleled opportunity: to upgrade its civil service, modernise its legal and administrative frameworks, and access frontier technologies without bearing the full cost or risk of experimentation. The Startup State effectively becomes the nation's sovereign partner in governance R&D, a testbed whose breakthroughs can be swiftly translated into domestic reform.

13.3.1 Strategic Gains for the Host Country

- Civil service co-training and secondments: Treaty-embedded exchange programmes allow civil servants from the host nation to work directly alongside Startup State administrators. This creates hands-on training in digital governance, advanced compliance frameworks, cybersecurity standards, and e-residency systems. Instead of theoretical workshops, civil servants return with applied experience strengthening ministries, regulators, and public agencies across the host nation.

- Legal harmonisation and system upgrades: Joint legal projects can align the host's frameworks with international best practices, such as the UNCITRAL

Model Law on Electronic Transferable Records or advanced arbitration mechanisms modelled on Swiss and Singaporean precedents. Such harmonisation reduces friction for cross-border investment, lowers compliance costs, and modernises the judiciary's toolkit all while preserving national sovereignty (ex aequo et bono).

- Joint infrastructure development: Startup State partnerships can extend into shared infrastructure projects, smart grids, secure digital registries, streamlined land titling systems, and advanced audit protocols. Crucially, these systems are co-developed to be interoperable, meaning the host country inherits cutting-edge infrastructure without reinventing it from scratch, and with cost-sharing built into the treaty.

- AI, blockchain, and e-governance pilots: Where other nations must take costly technological risks, the Startup State provides a secure sandbox environment for experimentation. Artificial intelligence in public service delivery, blockchain in property registration, or digital identity in elections can all be piloted under treaty-defined safeguards. If successful, these innovations can then be adopted nationally, giving the host first-mover advantage in the region.

- Enduring digital and administrative capacity: Exposure to modular statecraft and cloud-native governance equips the host nation to leapfrog legacy systems. This is not temporary capacity-building; it is the acquisition of a new governance operating system, preparing the state for the demands of twenty-first-century administration and investment attraction.

13.3.2 Beyond Aid: Toward Co-Governance

This model is not traditional foreign aid. It is not consultancy-driven, donor-dependent, or conditional. Rather, it is strategic co-governance, where the host nation gains enduring institutional benefits simply by virtue of being the Startup State's partner.

Put plainly: the Startup State functions as the host nation's adjacent Research & Development campus for governance innovation (sub specie aeternitatis). What was once the preserve of wealthy OECD nations, permanent innovation units within government becomes available to any sovereign willing to co-create.

For a Finance or Economics Minister, the calculus is straightforward: such arrangements future-proof national administration, reduce long-term costs of governance,

and enhance the country's global competitiveness in investment promotion, trade, and diplomacy.

13.4 Risk Containment Without Sovereignty Loss

For an Attorney-General or a Minister of Justice, the central concern is always the same: where does legal liability begin and end? Startup States are designed to answer this question with clarity.

Far from eroding sovereignty, these treaty-based arrangements actually buttress the host nation's legal integrity. By establishing Startup States as separate and distinct sovereign entities with their own international legal personality, treaties ensure that accountability lies squarely with the Startup State not the host. In international law terms, the Startup State steps onto the stage as a full actor: able to sue and be sued, enter into treaties, legislate, and accept responsibility for its own wrongs. This makes the Startup State the ultimate liability firewall: the host shares in its upside but not in its exposure (ne bis in idem).

13.4.1 Treaty Mechanisms for Risk Containment

- Environmental protocols: Founding treaties can embed binding environmental safeguards from day one: carbon ceilings, net-zero trajectories, mandatory environmental impact assessments, and oversight by multilateral ecological review boards. These obligations make the Startup State legally accountable under international law for its environmental footprint. Any failure to meet its commitments falls squarely on the Startup State, not the host. In effect, environmental liabilities are externalised into a distinct sovereign personality, shielding the host's record under climate accords while preserving ecological integrity in the shared geography.

- Citizenship and migration firewalls: The most sensitive area for any Attorney-General is the sovereign right to control borders and electorates. Startup State treaties therefore hard-code citizenship firewalls: Startup State nationality confers no automatic right of residence, voting, or naturalisation in the host country. If the host wishes to exclude citizenship by investment altogether, it may do so, while the Startup State, fully independent, may choose to operate such a programme under its own laws. This preserves the host's demographic sovereignty and electoral integrity, while allowing the Startup State to innovate in global

mobility and migration frameworks.

- Legal firewall clauses: Startup States must stand on their own feet before courts and tribunals. By treaty, it is stipulated that lawsuits, treaty breaches, or institutional disputes involving the Startup State cannot "pierce the veil" into host sovereign structures. The Startup State, as a separate legal person under international law, sues and is sued in its own name. It cannot hide behind the host, nor can plaintiffs or creditors extend their reach into the host's institutions. This firewall provides a stronger guarantee of sovereign immunity than any domestic subnational arrangement, ensuring that the host remains untouched by external liability.

- Leasehold frameworks with irrevocable reversion clauses: Where physical territory is leased to a Startup State for long periods (99–999 years), treaties can include reversionary clauses. At the end of the lease term, or upon breach of agreed conditions, the territory automatically reverts. During its operational life the Startup State enjoys legal self-rule, but the territorial substratum remains protected in perpetuity (cuius est solum, eius est usque ad coelum et ad inferos). For Ministers of Justice, this is the definitive safeguard: there is no alienation of land, only stewardship with built-in expiry.

13.4.2 The Startup State as the Ultimate Regulatory Container

The independence of a Startup State provides the host with something no other arrangement can: a sovereign-scale sandbox. Unlike special economic zones or subnational concessions, a Startup State can craft entire legislative frameworks for frontier domains AI, longevity research, biotechnology, digital assets without being constrained by the host's domestic politics or bureaucratic bottlenecks.

This means the Startup State can act where the host cannot or will not:

- Enacting a streamlined citizenship programme where the host declines to adopt one;

- Crafting cutting-edge AI regulation without burdening the host's domestic system;

- Serving as the world's regulatory testbed for fintech, health tech, or digital governance.

The Startup State is thus not only a liability firewall but also the ultimate regulatory container: a self-contained sovereign vessel that shields the host while generating knowledge, innovation, and lawful returns.

13.4.3 Sovereignty Preserved, Liability Exported

In this light, sovereignty is not diluted but strategically deployed. The Startup State accepts responsibility for its conduct, just like any other sovereign. The host enjoys reputational and financial upside while exporting risk environmental, legal, and political into a separate and accountable legal personality.

For an Attorney-General, the reassurance is clear: this is not a loophole nor a grey zone. This is sovereignty as shield and scalpel, deployed with precision pro bono publico.

13.5 Employment, Upskilling, and Local Economic Integration

Startup States are not designed as insulated enclaves. Properly structured through treaty, they function as powerful engines of employment, vendor activation, and human capital development for their host nations. Unlike the old model of foreign investment zones that created narrow corridors of opportunity while leaving surrounding populations under-employed, the Startup State is architected to deliver broad-based labour market benefits from its inception.

When embedded in law, these mechanisms make job creation not a by-product, but a contractual obligation. This ensures that the Startup State becomes a labour multiplier, skills incubator, and SME stimulator for its host.

13.5.1 Treaty-Enforced Local Benefits

- Employment preference clauses: Host country citizens can be granted first access to a wide spectrum of roles: from construction and logistics in the early phases, to government administration, education, health, tourism, and the high-growth technology sector as the Startup State matures. These clauses transform the Startup State into a direct jobs pipeline for the host nation, anchoring growth pro bono publico.

- Scholarship and internship quotas: Treaties may mandate that a fixed percentage of Startup State scholarships, apprenticeships, and internships are reserved for host country students and civil servants. This creates a two-way ladder of advancement: young people gain exposure to cutting-edge legal, digital, and entrepreneurial systems, while civil servants sharpen their skills in governance, compliance, and digital administration. The result is human capital uplift that strengthens the host economy long after the first jobs are filled.

- Vendor onboarding protocols: Procurement is one of the most powerful levers of local integration. Treaty-mandated onboarding ensures that local businesses, large and small are given preferential access to Startup State supply chains. Everything from food service and transport to construction, telecoms, and medical technology can be sourced locally. This transforms SMEs into trusted sovereign vendors, stimulating domestic enterprise and embedding the Startup State into the host's wider economy.

- Remittance optimisation: By employing host country citizens and paying them in stable or appreciating currencies whether Euros, Bitcoin, gold-pegged tokens, or sovereign stablecoins, Startup States can lift real wages above local baselines. This enhances household purchasing power, reduces vulnerability to inflation, and increases savings rates. As employees remit part of their income home, financial inclusion broadens and living standards rise across the host nation.

- Training funds: Beyond immediate jobs, Startup States can be required to endow training institutes, vocational academies, or university programmes in high-demand disciplines such as technology, engineering, digital finance, and legal studies. These investments produce a virtuous cycle: as labour demand grows, the host country already has a trained, locally available workforce to meet it.

13.5.2 Contractual Inclusion

This model is not trickle-down economics. It is contractual inclusion: every element of labour, education, and procurement is designed to uplift the host country's workforce and enterprises directly.

The Startup State thus becomes not only a magnet for foreign capital, but also a jobs engine, a skills accelerator, and a platform for national economic integration.

For policymakers evaluating employment outcomes, the conclusion is clear: a Startup State is not a gated community of outsiders, but a generator of inside

opportunities, creating jobs, skills, and prosperity at sovereign scale.

13.6 Sovereign Economic Diversification

Many small and emerging nations remain trapped in monoculture economies. Their fiscal lifeblood is tied disproportionately to a single sector: petroleum extraction, mineral exports, low-margin cash crops, remittances from citizens abroad, or a fragile dependence on seasonal tourism. While these revenue streams may provide temporary stability, they leave nations dangerously exposed to external shocks commodity price swings, currency volatility, pandemics, or shifts in global travel patterns.

Startup States provide a structural solution. By creating a parallel sovereign economy under treaty, they unlock entirely new geoeconomic frontiers, insulating the host from dependency while injecting dynamism into the national economy. This is not diversification by hope; it is diversification by contractual design.

13.6.1 Strategic Wins for the Host Country

- Sovereign Foreign Direct Investment (FDI) inflows: Startup States act as magnets for a new class of capital venture investors, sovereign wealth funds, family offices, and decentralised organisations (DAOs) entities that are rarely attracted to conventional aid projects or legacy industries. The clean-slate jurisdiction and treaty-based legal certainty of a Startup State offer low entry risk with high return potential. The inflow of sovereign-scale FDI spills over into the host's banking system, service providers, and domestic capital markets, broadening financial resilience and liquidity.

- New export markets: Every Startup State becomes a captive market for its host. Its population, institutions, and service providers will import food, logistics, education, transport, telecoms, and consulting, much of which can be sourced from the host nation. For a country reliant on bananas, sugar, or tourism, this creates new export corridors that are sovereign-secured, non-commodity, and high-value.

- Technology transfer and commercial exclusivity: Treaties can reserve first rights of adoption or exclusive distribution channels for host companies in frontier domains: fintech, agri-tech, energy storage, or legal-technology platforms piloted

inside the Startup State. This provides the host with an unfair competitive advantage, access to innovations before they scale globally. By positioning itself as the preferred early adopter, the host transforms into a regional innovation hub.

- Digital asset integration: In the digital economy, Startup States may issue sovereign-backed digital assets or stable currencies. Host nations can negotiate equity stakes or minority ownership positions in these digital infrastructures. This allows them to share directly in the wealth appreciation of digital economies, tying fiscal health to the growth of tokenised finance, jurisdictional services, and next-generation banking innovations.

- Market-friendly taxation spillover: Startup States are also living laboratories of taxation and regulation. They can trial low-friction tax codes, simplified business registration, or modular regulatory frameworks. The host does not need to overhaul its entire domestic regime overnight; it can selectively adopt proven innovations to attract new businesses, while maintaining continuity in legacy sectors. This creates a flexible path to modernisation, allowing gradual transition without destabilising existing tax bases.

- From Fragile Monocultures to Sovereign Nodes The result is transformational. What were once forgotten or underutilised zones, unused land, overlooked maritime space, or marginal regions become high-performance sovereign nodes, integrated into the host economy yet operating with their own diversified growth engine. For nations weary of dependence on oil, remittances, cash crops, or tourism, the Startup State offers a sovereign hedge against volatility: a self-financing, treaty-backed model that expands the host's economic portfolio, unlocks new markets, and positions it as a co-creator of global growth rather than a price-taker in commodity cycles.

13.7 Regulatory and Legal Innovation Spillover

Startup States serve as jurisdictional testbeds providing host nations with a safe, modular, and reversible way to trial next-generation legal frameworks without destabilising or overburdening their existing domestic systems (sub specie aeternitatis). Instead of risking controversial reforms in the national legislature, host countries can observe, measure, and selectively import only what proves effective.

- Incentives for the Host Country Smart contract legislation, e-ID frameworks,

decentralised dispute resolution, and tokenised corporate registries:

- These are the frontier instruments of twenty-first-century governance. Within Startup State boundaries, they can be piloted under real market conditions, producing lessons and efficiencies that would otherwise take years of domestic debate. For the host, this is an opportunity to observe cutting-edge reforms in practice without assuming political or legal risk.

- Treaty-encoded code adoption: Treaties can be structured with accelerated harmonisation protocols, enabling the host country to selectively adopt Startup State laws and administrative protocols once they have been tested and proven. This creates a pipeline for rapid, low-risk legal modernisation, keeping the host nation's regulatory frameworks competitive and internationally credible.

- International legal positioning: By sponsoring and co-creating a Startup State, the host nation positions itself as an originator of globally relevant legal innovations. Its name becomes attached to pioneering reforms in trade law, corporate governance, and digital infrastructure, raising its prestige in international fora such as UNCITRAL, the WTO, or UNDP. This reputational dividend strengthens its influence well beyond its economic weight.

- A Law Accelerator In this way, Startup States become law accelerators: governance sandboxes that deliver high institutional reward at no domestic political cost. For the host, the advantage is dual to modernise without destabilising, and to lead internationally without overextending domestically.

13.8 Security Through Neutrality

Startup States do not dilute the geopolitical security of their partners; they reinforce it. Properly structured, they serve as stabilisers in a region rather than flashpoints, embedding treaty-encoded safeguards that uphold neutrality, reduce risks of escalation, and prevent exploitation by external powers. The result is an arrangement that strengthens both the host's regional credibility and its multilateral security posture.

13.8.1 Key Features

- Non-militarisation clauses: Founding treaties enshrine non-militarisation provisions, explicitly barring the establishment of foreign military bases, permanent

troop deployments, or covert intelligence hubs within the Startup State's borders. This guarantees that the Startup State remains a neutral, peaceful entity, incapable of becoming a proxy for great power rivalry. Such clauses provide certainty to neighbouring states and reinforce the host's reputation as a responsible steward of regional peace (ex abundanti cautela).

- Joint security councils: To ensure vigilance without compromising sovereignty, joint security councils may be created under treaty. These bodies allow the host and the Startup State to coordinate on risk monitoring, information-sharing, and treaty enforcement, providing a collaborative framework for security governance. By institutionalising cooperation, they help contain risks before they escalate, while also signalling to external partners that the region is subject to orderly and lawful oversight.

- Arbitration mechanisms for dispute resolution: Disputes are inevitable, but escalation is not. Treaties embed robust arbitration mechanisms, ensuring that disagreements between host and Startup State are resolved through rapid, rules-based processes. With final oversight retained by the host, disputes can be de-escalated peacefully, preventing minor conflicts from spiralling into political crises (ne bis in idem).

- Treaty-aligned neutrality: Startup States can commit, by treaty, to remain non-aligned in major geopolitical conflicts. This allows the Startup State to build global partnerships in trade, technology, and investment without dragging the host into entangling alliances. In practice, this neutrality enhances the host's multilateral credibility: it positions the host as the architect of a peaceful, non-aligned jurisdiction that strengthens, rather than destabilises, the wider order (jus inter gentes).

13.8.2 A Buffer, Not a Breach

The Startup State thus becomes a buffer, not a breach. It is a stabilised, self-policing jurisdiction that expands lawful presence into what might otherwise be vulnerable or under-governed zones. By suppressing criminal or informal activity, while embedding neutrality and cooperative security measures, Startup States contribute directly to regional peace, order, and predictability.

For states concerned about the volatility of their borders or the pressure of great power politics, the Startup State provides an elegant solution: a sovereign partner

that absorbs risk, exports stability, and reinforces diplomatic security without compromising national independence.

13.9 Designing a Sovereign Ally

Perhaps the most compelling benefit of co-creating a Startup State is relational rather than transactional. Beyond rents, dividends, or market spillovers, what a host nation gains is the rare opportunity to help birth an ally, a country whose very existence is linked by treaty, gratitude, and shared lineage to its partner.

This ally is:

- Loyal by design: The Startup State owes its founding to the host. Its constitution, treaties, and international recognition trace back to that act of sovereign sponsorship. This creates a bond of loyalty anchored in legal origins (fiducia) and reinforced by enduring gratitude, an alliance that is difficult to replicate through conventional diplomacy.
- Profitable by structure: Unlike traditional allies, whose partnerships may be symbolic or one-sided, the Startup State is structurally engineered to deliver recurring financial benefits. Dividends, royalties, lease revenues, and business spillovers flow back to the host on a contractual basis. Prosperity is not incidental, it is embedded in the very design of the partnership.
- Aligned by ethos: Startup States are conceived not as satellites, but as beacons of shared values. They are oriented toward regional stability, lawful innovation, and post-colonial self-determination. Their ethos naturally reflects and amplifies the host's, promoting a model of cooperative statecraft that strengthens credibility at the multilateral level.

13.9.1 A Sibling, Not a Subordinate

Crucially, the Startup State is not a dependency. It is not a protectorate. It is a co-authored sovereign sibling, designed to uplift both partners equally and to deliver mutual prosperity over generations.

It is not a dependency. It is not a protectorate. It is a co-authoured sovereign sibling, designed for long-term mutual uplift and shared prosperity.

In the crowded and competitive world of global diplomacy, alliances often prove

fragile. But a host–Startup State bond, anchored in shared origins and treaty-based reciprocity offers something rare: a durable partnership that combines kinship, economic gain, and political stability. It is, in essence, a new archetype of post-national harmony and permanent co-prosperity.

13.10 The Nation-as-a-Service Model

In an era of mounting fiscal pressure, institutional fragility, and environmental volatility, most nations find themselves grappling with rising expectations and dwindling resources. Traditional tools, borrowing, taxation, and resource extraction can only stretch so far before they erode sovereignty rather than strengthen it. What is needed is a positive-sum sovereign strategy: one that adds capacity without debt, multiplies prestige without conflict, and deepens prosperity without compromise.

Startup States represent exactly this kind of strategy. They are not revolutions, but resolutions. Not separatism, but sovereign synergy. They allow nations to grow their power, expand their influence, and diversify their economies without surrendering their independence.

13.10.1 The Dividend of Partnership

When a nation co-creates a Startup State whether by leasing a parcel of land, sharing its treaty signature, or providing structured oversight, it secures a portfolio of extraordinary benefits:

- Recurring national income: Lease payments, equity dividends, and service fees provide predictable sovereign revenue without taxation or debt.
- Diplomatic prestige: The act of founding a new nation confers global visibility and influence, elevating the host in international forums.
- Legal modernisation: Startup States function as sovereign testbeds, enabling rapid adoption of next-generation laws and institutions.
- Job creation and upskilling: Employment preference clauses, training funds, and procurement pipelines ensure direct uplift of the host's workforce.
- Risk-managed innovation: Legal firewalls and treaty clauses contain liability, while innovation thrives within a separate sovereign container.

- Geopolitical stabilisation: Neutrality clauses, arbitration mechanisms, and non-militarisation provisions enhance regional security.

- An ally born of friendship, not force: A Startup State is a sibling republic, loyal by origin, profitable by design, and enduring by ethos.

These outcomes are not speculative. They are contractual, enforceable, and structured for long-term delivery. They provide governments with something almost no other strategy can: recurring revenue and strategic capacity without raising taxes or assuming debt burdens. This is sustainable development in its purest form development that pays for itself (quid pro quo).

13.10.2 Sovereignty Retained, Sovereignty Deployed

This model does not require secession of territory, nor any cession of sovereignty. Instead, it relies on long-term lease arrangements combined with condominium-style governance structures. The host retains sovereign title, while the Startup State operates under its own international legal personality. This creates a firewall of responsibility, the Startup State can sue and be sued, legislate and regulate, innovate and transact without exposing the host to unwanted liability.

By design, this allows the Startup State to scale in areas where the host may not be willing, able, or politically positioned to move: from citizenship regimes and fintech regulation to longevity research and digital governance. The host nation gains the benefits of innovation without the risks of overextension (salus populi suprema lex).

13.10.3 A Next-Generation Diplomatic Instrument

This is not science fiction. It is already underway. Startup States represent the next chapter of diplomacy, a lawful, treaty-based instrument of national growth. They do not ask for charity; they offer opportunity. They are built to perform, governed by principle, and anchored in international law.

For nations with ambition greater than their geography, the door is open. What was once unthinkable, the creation of new countries can now be done legally, peacefully, and profitably. Not to replace the world order, but to improve it. Not to conquer the future, but to co-design it (pari passu).

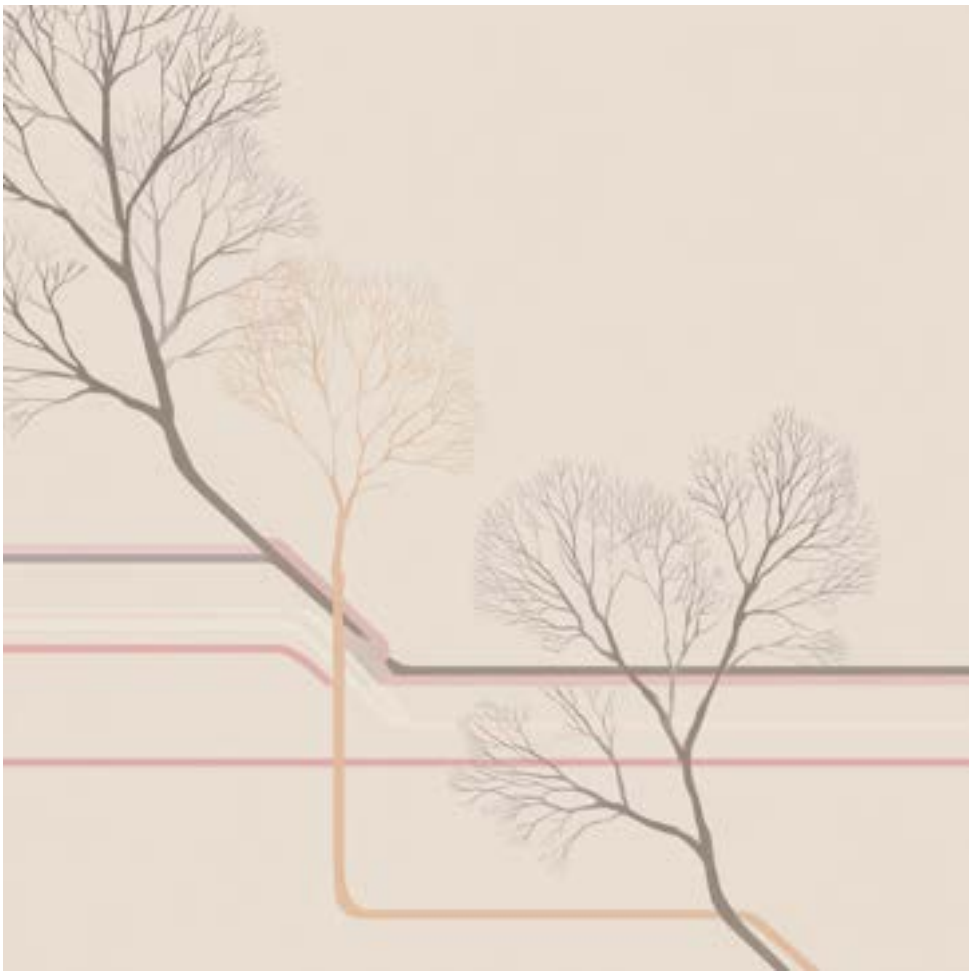
13.10.4 The Call to Action

The choice before nations today is clear: to continue relying on fragile monocultures and external aid or to step boldly into intentional sovereignty, co-creating Startup States as loyal allies, profitable partners, and enduring sources of strength.

To partner with a Startup State is to create the world's first intentionally allied nations designed not out of war or necessity, but out of vision, foresight, and mutual uplift.

Chapter 14

Benefits for Individuals and Businesses



For too long, companies have been forced to operate within archaic legal landscapes, relics of empires, revolutions, or bureaucracies that no longer exist in spirit, yet

still rule in statute. These are jurisdictions defined not by vision but by accident, legal codes written in another century, for another world, serving purposes long since irrelevant (leges antiquae non aptae temporibus). The result? A mismatch between the speed of innovation and the drag of governance, where entrepreneurs find themselves running faster just to stay compliant with rules that were never designed for them.

Startup States flip the script. They are sovereign, treaty-backed countries built intentionally not by conquest or inertia, but by design. They are conceived to meet the needs of entrepreneurs, investors, and builders directly: offering legal clarity, regulatory predictability, and fiscal integrity from day one. Instead of businesses contorting themselves to fit outdated laws, these nations are structured so that laws and institutions fit the businesses, technologies, and industries of tomorrow.

And this is not abstract theory. It is the logical evolution of governance in a world where agility, precision, and economic velocity matter more than historical baggage. Capital flows to clarity. Talent gravitates to opportunity. Innovation thrives in environments where risk is managed but not strangled.

Startup States are that environment. They are not stopgaps or shortcuts, they are platforms for scale, purpose-built to host the next generation of industries. Their jurisdictions are not cages; they are launchpads.

Their jurisdictions are not cages, they are launchpads.

This is where law meets velocity, sovereignty meets scalability, and governance meets design thinking. For founders, for investors, and for nations bold enough to co-create them, Startup States are the new frontier of enterprise, creativity, and capital formation.

14.1 Choosing Your Nation

The promise of Startup States is not limited to governments or investors. It extends profoundly to individuals, offering nothing less than a transformation in how people relate to the nations they call home. For centuries, the lottery of birth has determined citizenship, locking people into systems that may not reflect their values, aspirations, or way of life. Startup States turn this paradigm on its head.

This model is not about exit in the narrow sense of abandonment (ipso facto). It is about realignment and optimisation, empowering individuals to live in countries of their own choosing, and in many cases, of their own making.

Imagine feeling a closer, deeper connection to your country, not just voting once every few years, but knowing that you could participate in its design, governance, and evolution if you wish. Imagine, too, the freedom to choose a lighter touch: to live in a jurisdiction where government is minimal, transparent, and respectful of your personal autonomy. Both paths are valid, and both are at the heart of this model.

Startup States are built on the principle of consent, explicit opt-in and opt-out, a governance framework grounded in voluntary association (consensus ad idem). For individuals, this means remarkable fluidity and agency: the freedom to align yourself with a polity that resonates with your values, your ambitions, and your lifestyle, rather than being bound indefinitely to an accident of geography.

Equally important, Startup States provide something traditional subnational experiments cannot: legal certitude and continuity. Special zones and autonomous regions often exist at the mercy of domestic politics, their status can be amended, revoked, or dissolved (status in statu). By contrast, a Startup State is a fully recognised sovereign country, with the permanence and predictability that recognition under international law provides. This means your rights, your property, and your long-term plans are safeguarded by the full weight of sovereign legitimacy, not dependent on the shifting winds of local or national politics.

In an increasingly interconnected yet often rigid world, Startup States open new pathways for individuals: the ability to find or help create a nation that genuinely fits. They offer not just a passport, but a sense of security, belonging, and agency, a chance to be part of the next chapter in human governance.

14.2 Sovereign Platform for Business

For businesses, Startup States change the game entirely. They are not enclaves within another jurisdiction, nor experimental zones subject to the whims of a central government. They are full-fledged countries treaty-backed, internationally recognised, and intentionally designed to align with the pace of global enterprise.

In today's world, companies face mounting regulatory uncertainty, shifting tax regimes, and political volatility that can upend strategic plans overnight. Special Economic Zones (SEZs) have been heralded as solutions, but in reality they are fragile halfway houses, subnational enclaves whose autonomy can be revoked by central governments, leaving investors exposed to sudden reversals.

Where jurisdictions often weigh companies down with outdated statutes and regulatory unpredictability, Startup States offer clarity, agility, and permanence. They provide the foundation that entrepreneurs, builders, and corporations crave: a jurisdiction that moves as quickly as markets move, yet with the credibility of law.

Unlike Special Economic Zones, whose frameworks can be rewritten overnight, Startup States are built to last. Their independence means that once rules are set, they cannot be revoked by domestic politics or bureaucratic inertia. That permanence translates into confidence for corporate strategy: confidence to build headquarters, launch R&D hubs, structure treasury operations, and scale new industries with the knowledge that the jurisdiction itself will endure.

Just as importantly, Startup States act as magnets for capital and talent. They attract global investors, frontier technologies, and high-skill professionals, not as exceptions carved out from a larger state, but as part of a nation purpose-built for innovation. This makes them not only safer harbours for existing businesses but also launchpads for the companies of the future.

The result is a strategic advantage unlike any other: a sovereign partner that can adapt to industry needs, amplify global competitiveness, and provide legal and fiscal environments designed for growth from day one.

For businesses, Startup States are not just new jurisdictions. They are the next great platform where enterprise doesn't merely survive, but scales at sovereign velocity.

14.3 Law as an Operating System

In most jurisdictions today, law feels like an obstacle course, a maze of archaic statutes, contradictory rulings, and shifting interpretations. For entrepreneurs and investors, this creates uncertainty, friction, and wasted capital. In a Startup State, law is none of these things. It is treated as what it should always have been: an operating system.

Built from first principles (tabula rasa), these frameworks are clean, deliberate, and future-facing. They are designed to eliminate the costly inefficiencies of legal ambiguity, regulatory drag, and interpretive chaos. For companies and builders, that means less time waiting on approvals or parsing conflicting rules and more time scaling, innovating, and executing.

14.3.1 Key Advantages for Businesses

- **Codified clarity:** Legal codes are drafted in plain, commercial English with the option to anchor in globally trusted traditions like common law or Swiss codes. Instead of an accumulation of outdated statutes, the frameworks are streamlined for the twenty-first century. The effect is radical transparency and simplicity, reducing compliance costs and accelerating time-to-market.

- **Immutable protections:** Core rights: private property, shareholder protections, intellectual property, and investment agreements are not left to judicial discretion. They are hard-coded into organic law and reinforced by bilateral treaties (lex specialis derogat legi generali). For long-term investors, this creates rock-solid predictability: contracts are enforceable, ownership is secure, and innovation is protected against arbitrary interference.

- **Contractual predictability:** Business thrives on certainty, and Startup States provide it through modern arbitration forums, smart contract execution, and open legal code repositories. Agreements are binding, transparent, and auditable, whether written in legal text or executable code. This creates a culture of trust through clarity, where companies can rely on frameworks that scale as smoothly as infrastructure.

14.3.2 From Legal Archaeology to Legal Infrastructure

In many places, entrepreneurs must practice legal archaeology, digging through outdated statutes and awaiting unpredictable court rulings or ministerial clarifications. Startup States end this wasteful dynamic.

Instead of cobwebs, they offer clean, modular, and scalable frameworks, designed to operate like infrastructure: reliable, predictable, and optimised for commerce.

For businesses, this means that law is no longer a brake on ambition. It is a platform for acceleration as essential and dependable as electricity or broadband.

14.4 Regulatory Predictability

In most legacy jurisdictions, regulation grows like ivy: sprawling, tangled, and often shaped more by accident, politics, or public emotion than by coherent design. For businesses, this means unpredictability. A law drafted decades ago might

suddenly be applied to a technology that didn't even exist when it was written. Policy shifts can arrive overnight, reshaping entire industries with no warning.

Startup States turn this upside down. Here, regulation is architecture carefully designed, modular, and transparent. It is not reactive improvisation, but deliberate construction. It is always accountable to the people and firms who rely on it.

14.4.1 What This Unlocks

- **Regulatory sandboxes for frontier industries:** Fintech, biotech, artificial intelligence, and digital assets all face uncertainty in legacy systems. In a Startup State, these industries are given safe, treaty-backed sandboxes where innovators can build without fear of premature prohibition or sudden crackdowns. History shows why this matters: projects like E-Gold, a precursor to Bitcoin, were strangled not by technological failure but by regulatory hostility. A Startup State ensures the next breakthrough doesn't die in infancy, it has space to grow.

- **API-style policymaking:** Imagine regulation built with the same clarity as a software API. Entrepreneurs receive advance notice of changes, consistent timelines, and transparent consultation processes. Policy shifts are not surprises; they are communicated, debated, and refined in dialogue with the very innovators they affect. This creates a collaborative environment where businesses can plan ahead with confidence.

- **Standards-aligned frameworks:** Innovation cannot thrive in isolation. Startup States ensure that their frameworks are aligned with global standards from FATF in financial integrity, to ISO in technical protocols, to UNCITRAL in commercial law. This means that businesses operating in Startup States gain both regulatory flexibility at home and interoperability abroad, the best of both worlds.

14.4.2 Policy as Product

Governance here is not improvised. It is intentional. In Startup States, policy is not politics, it is product design. Clear, adaptive, and feedback-driven. For businesses, this delivers what legacy jurisdictions rarely can: confidence that the rules are understandable today, stable tomorrow, and adaptable for the future.

14.5 Fiscal Policy as Contract

For most companies, the greatest fear is not paying taxes, it is not knowing what comes next. Surprise audits, retroactive tax claims, shifting compliance demands: these create uncertainty that strangles planning and undermines confidence. In Startup States, fiscal rules are not political weapons or bureaucratic mazes. They are clear contractual terms, set at the outset, enforceable under international law. Fiscal policy here functions less like a trapdoor and more like a term sheet: transparent, reliable, and aligned with business growth.

14.5.1 Business Benefits

- **Constitutionally capped tax rates:** Startup States can hard-code low, zero, or pre-agreed tax rates directly into their constitutional or organic laws, enforceable for 10, 20, even 50 years. These commitments are not empty promises: they can be backed by international arbitration clauses (clausula compromissoria), giving businesses legal recourse if rules are breached. This transforms taxation from a moving target into a stable foundation for multi-decade planning.
- **Transparent fee-for-service models:** Rather than opaque levies or complex codes, Startup States often prefer straightforward fee-for-service structures. Companies pay for the actual services they consume licensing, compliance support, dispute resolution much like a software subscription. This model ensures costs are tied to value, not politics, creating trust-based fiscal relationships rather than adversarial ones.
- **No creeping compliance burdens:** Legacy jurisdictions frequently pile on reporting requirements year after year, slowly suffocating businesses in paperwork. Startup States commit to lean, predictable compliance compacts, defined in advance and resistant to bureaucratic creep. This means firms can focus resources on building products, not fighting forms.
- **Digital asset–ready regimes:** In many countries, innovators in decentralised finance or blockchain run into hostility or uncertainty. Startup States instead design digital-asset friendly regimes that explicitly recognise Decentralised Autonomous Organisations (DAOs), tokenisation models, and borderless capital flows. These frameworks treat digital finance not as a threat to be suppressed, but as a frontier to be cultivated allowing financial innovation to flourish within predictable rules.

14.5.2 Beyond Financial Centres

It is important to note: not every Startup State will seek to become a global financial services hub. That market is already crowded with successful incumbents: Luxembourg, Singapore, the Cayman Islands, Mauritius, Liechtenstein, and others. Instead, some Startup States may choose to focus on niche sectors - healthcare, longevity research, green energy, space industries, or digital governance while maintaining tax neutrality as a baseline.

Tax neutrality here is not ideology. It is necessity. Startup States must be competitive from the outset. By keeping taxes low, simple, or post-tax, they attract the first wave of residents, investors, and enterprises essential to long-term viability. In some cases, they may fund themselves primarily through leases, equity stakes, or service revenues, using taxation only as a secondary, stabilising tool.

14.5.3 Fiscal Clarity as Competitive Edge

In short, Startup States replace the uncertainty of shifting tax regimes with fiscal integrity by design. Terms are clear. Costs are predictable. Innovation is welcomed, not penalised. Whether designed as financial nodes or as specialised hubs for other industries, Startup States ensure that fiscal policy is transparent, contractual, and scalable; never arbitrary, never retroactive, never a trapdoor.

For businesses, this is nothing less than a competitive edge at the level of jurisdiction itself.

14.6 Instant Company Formation

In most jurisdictions, incorporating a company still feels like an act of masochism. Stacks of paper, endless signatures, opaque delays, and Kafkaesque loops between ministries. Weeks, sometimes months, are wasted before a business even takes its first breath. In a world where time is capital, this is not just inefficient; it is unacceptable.

Startup States are built to be the opposite: fast, digital-first, and frictionless. Here, incorporation is not a bureaucratic ordeal, it is a seamless transaction, designed with the same precision and simplicity as world-class fintech products.

14.6.1 What to Expect

- **Same-day incorporations:** Incorporating a company should be as simple as ordering an espresso. In Startup States, founders can launch within hours, complete with KYC compliance, banking integration, and digital certificates of incorporation. Everything is digitised, secure, and instantaneous so a new company can open its doors before the coffee cools.

- **Unified licensing portals:** Instead of navigating 14 agencies with 14 different systems, Startup States offer one intuitive, unified portal. It is a single dashboard where businesses can apply, track, and manage all licences, approvals, and renewals. The result is clarity, speed, and the confidence that nothing gets lost in bureaucratic translation.

- **Executive mobility at speed:** Scaling requires talent on demand. Startup States provide **fast lanes for executive visas, digital residencies, and tiered access for founders, employees, and investors.** No more months of waiting or mountains of paperwork, talent moves at the same velocity as capital.

14.6.2 Acceleration as Design

Startup States are built on a simple truth: time is capital, and capital hates to wait. Every aspect of their onboarding architecture from corporate registries to visa issuance is designed to accelerate. Where legacy jurisdictions stall growth with paperwork and delays, Startup States create velocity: moving businesses from concept to launch in days, not months.

This is not bureaucracy; this is product design for governance.

For entrepreneurs, that speed is priceless. For investors, it is proof that Startup States are not just jurisdictions, they are platforms built for scale at the speed of innovation.

14.7 Cloud-Native Jurisdictions

Why tether your business to the landlocked logic of the twentieth century, where incorporation still assumes a fixed geography and endless paperwork? The world's leading companies are already remote-first, global-native, and digitally distributed, but most jurisdictions haven't caught up.

Startup States are built differently. They may also be cloud-native nations, designed to scale alongside the borderless ambitions of modern enterprise. Instead of forcing companies to adapt to the weight of outdated systems, they offer a jurisdictional framework that moves at the speed of the internet.

14.7.1 What They Offer

- **Legal presence without physical presence:** In Startup States, businesses can secure full legal personality and enforceable contracts without needing bricks-and-mortar offices. A firm headquartered in New York or Nairobi can anchor its contracts, IP, and governance under Startup State law seamlessly and remotely (lex loci contractus). The company gains the protection of a modern jurisdiction while remaining free to operate worldwide.

- **Digital-first citizenship and administration:** E-residency platforms, smart IDs, and online notarisation systems are built into the core infrastructure. Founders and employees can open accounts, sign contracts, notarise agreements, and manage compliance from anywhere in the world. This creates the holy grail for global-native firms: a jurisdiction that travels with you, instead of one that ties you down.

- **Recognition for frontier finance:** Where legacy systems treat blockchain-native models with suspicion, Startup States lean in. They offer legal recognition for DAOs, tokenised assets, and blockchain-based governance structures under wrappers that banks, investors, and courts understand. This alignment bridges the gap between innovation and legitimacy, allowing cutting-edge financial technologies to integrate with the global economy, not remain at its margins.

14.7.2 Jurisdictional Modernity

This isn't cyberspace cosplay or a metaverse fantasy. It is jurisdictional modernity: a digital-first legal order designed to integrate with the real world without being confined by it.

For global-native companies, this means operating with the speed, reach, and flexibility of the cloud but backed by the predictability and enforceability of real-world law. Startup States are not experiments in virtual governance. They are the operating systems of a new global economy.

14.8 Beyond Special Economic Zones

What truly separates Startup States from Special Economic Zones (SEZs)? The answer is simple yet decisive: treaty-based legitimacy.

There is no denying the historic success of SEZs. They have played a pivotal role in global development attracting investment, creating jobs, and lifting tens if not hundreds of millions of people out of poverty. Their impact on China, the Gulf, and parts of Africa is undeniable. Yet SEZs operate under an inherent limitation: they are subordinate entities (sub lege parentis). They remain creatures of domestic law subject to the will, whim, or political winds of their parent states.

Proponents of SEZs often argue that subordination offers protection: that by being nested within a larger country, an SEZ enjoys shelter from external threats, instability, or the isolation faced by unrecognised micro-polities. This may be true in a narrow sense but protection comes at a cost. Security is purchased at the expense of ultimate autonomy. SEZs are not masters of their own fate. Their charters, privileges, and very existence can be unilaterally revoked at any time by the central government (revocatio ex nunc).

History shows the fragility of this arrangement. Many SEZs have collapsed or stagnated, not because their economics failed, but because politics intruded. A new administration, a policy reversal, or a sudden shift in domestic priorities can unwind decades of investor confidence overnight. For businesses, this creates the very uncertainty they sought to escape: frameworks that can be rewritten at the stroke of a pen (mutatis mutandis).

Startup States, by contrast, are founded on a different legal plane. Their legitimacy derives not from domestic statute but from international treaty, which grants them full legal personality on the global stage (persona juris gentium).

14.8.1 Why This Matters

- Anchored in international law: Their rules and frameworks are not subject to unilateral alteration. They are protected under the hierarchy of law (lex superior derogat legi inferiori), giving investors confidence that commitments cannot be swept away by domestic decree.

- Enforceable in global arbitral forums: Disputes are not confined to local courts. They are adjudicated in recognised venues such as the Permanent Court of Arbi-

tration (PCA), the International Centre for Settlement of Investment Disputes (ICSID), or under UNCITRAL rules. Businesses know that their contracts are enforceable under neutral, internationally recognised mechanisms not hostage to local politics.

- Legal portability across systems: Corporate structures and contracts created under Startup State law are recognised across the world's banking, insurance, and capital markets. This portability ensures that businesses can transact internationally with confidence, integrating seamlessly into global trade and finance (erga omnes recognition).

14.8.2 From Subnational Zones to Nations

The world already has thousands of SEZs. They have done their work, and more will surely follow. But the logical next step is clear: why not increase the number of countries too? A Startup State offers what no SEZ can:

- Permanence, because countries endure where zones expire.
- Certainty, because treaties bind where statutes can be repealed.
- Recognition, because only nations hold a seat at the table of nations.

With their sui generis status, Startup States represent the natural evolution beyond zones: full jurisdictions, evergreen in permanence, better for business, and better for individuals who seek clarity, continuity, and global recognition.

14.9 Co-Designing Governance

Why fight a bureaucracy when you can co-build the state itself?

In Startup States, businesses are not passive actors forced to navigate red tape. They are stakeholders, shareholders, and co-designers of the very frameworks they operate within. Instead of lobbying for reforms in systems built a century ago, firms gain a direct role in shaping the environment where they grow. Governance here is not a constraint; it is a competitive advantage.

14.9.1 What This Unlocks

- **Skin-in-the-game governance:** Companies don't just comply with rules, they help write them. Through governance tokens, land rights, or board seats in hybrid public-private structures, business leaders gain direct influence in shaping the policies they live under. This creates alignment by design: firms succeed when the jurisdiction succeeds, and vice versa. This isn't theory; it's jus cogens in practice, a model where rules evolve with input from those creating real value.

- **Capital-aligned urban planning:** In most countries, zoning and infrastructure follow political expediency or bureaucratic inertia. Startup States flip this logic. Capital drives planning. Roads, ports, telecoms, and urban design grow in tandem with investment flows, creating cities that scale like companies. Infrastructure is not a sunk cost, it's a multiplier, built to amplify both capital and community.

- **Dynamic rule refinement:** Instead of waiting years for legislators to modernise laws, Startup States enable continuous iteration. Founders, firms, and residents can participate directly in legal refinement through advisory assemblies, token voting, or structured consultative processes. The result is a living regulatory framework - adaptive, responsive, and entrepreneur-friendly.

14.9.2 From Lobbying to Co-Founding

This is not lobbying. This is design participation. Traditional lobbying burns energy in adversarial processes, fighting for marginal change in slow systems. Startup States replace this with partnership models, where the state isn't an opponent but a co-founder in growth.

For governments, this alignment delivers what countless investment summits and reform agendas have promised but rarely delivered: a direct bridge between business energy and national prosperity. For firms, it means operating in an environment where the incentives of capital, community, and governance are finally aligned.

14.10 Don't Just Mitigate Risk - Outperform It

In today's volatile global environment, regulatory stability is no longer a luxury, it is a strategic necessity. Businesses are forced to navigate sudden tax reforms, shifting compliance regimes, and political or ideological swings that can upend entire markets overnight. What companies need is not just insulation from instability, but an environment that allows them to outperform it.

Startup States offer precisely that: a jurisdictional hedge against volatility, a legally recognised framework designed to provide continuity, clarity, and resilience in the face of global uncertainty.

14.10.1 Use Cases

- Second-domicile options for IP, treasury, or asset protection: Firms can anchor intellectual property, corporate treasuries, and strategic assets within Startup State jurisdictions. This creates a secure second domicile, shielded by treaty law and enforceable protections under international arbitration. If instability strikes elsewhere, continuity is preserved.

- Strategic continuity hubs: Startup States provide reliable bases for R&D centres, token launches, and cloud infrastructure. By anchoring mission-critical operations in a stable legal environment, businesses ensure that innovation pipelines remain uninterrupted, no matter what shocks disrupt other markets.

- Firewalls against unpredictable shifts: From sudden capital controls to restrictions on speech or abrupt compliance crackdowns, businesses in legacy jurisdictions face mounting uncertainty. Startup States embed legal firewalls that protect against these shocks. Contracts, investments, and operations are governed by predictable, treaty-backed rules, not the volatile impulses of political cycles.

14.10.2 From Freedom to Resilience

The true strength of Startup States lies not only in the freedom they extend, but in the resilience they institutionalise. By design, they act as durable safe harbours jurisdictions where companies can plan decades ahead, confident that their legal and operational foundations will not be arbitrarily undermined.

For businesses, this is not defensive hedging. It is strategic outperformance: leveraging Startup States not merely to survive instability, but to outcompete in environments where others falter.

14.11 The New Gold Standard for Builders

Startup States are not governance experiments. They are economic operating systems jurisdictions engineered for the builders of the future, where ambition aligns with structure, innovation aligns with law, and scale aligns with security.

This is not about fleeing broken systems. It is about deliberately migrating to better ones (animus manendi). It is a conscious choice to work within frameworks that are faster, smarter, and built to last.

Where old jurisdictions extract, Startup States empower. Where legacy regimes stall, Startup States accelerate. Where traditional states demand submission, Startup States offer partnership.

They are built for those who refuse to wait for permission those who create, innovate, and shape markets before others even see them coming. They are the jurisdictions of choice for people who build things that matter.

And if you're reading this, that probably means you. Startup States are not the alternative. They are the upgrade. The upgrade from taxation without clarity to fiscal certainty with integrity. The upgrade from legal cobwebs to legal code. The upgrade from bureaucratic drag to onboarding velocity. The upgrade from political volatility to regulatory predictability. The upgrade from lobbying against the state to co-founding with it.

For builders, investors, and nations ready to seize the future, Startup States are the new gold standard, a once-in-a-century chance to design prosperity at the jurisdictional level, to hardwire growth into governance, and to make history not as a passenger but as a co-architect.

Chapter 15

Citizenship & Identity

Imagine being a founding father, a pioneer getting in on the ground floor, leaving a positive mark on world history, and securing your legacy as a key player in the birth of a new state. All while enjoying its fruits.

For centuries, citizenship has been dictated by accident, not intention. Where you

happened to emerge from the womb defined the flag you carried, the taxes you paid, the obligations you shouldered, and the ceiling above your potential. You did not choose your polity, it chose you. Governance, in this way, was less a social contract than a legacy operating system: clunky, inflexible, riddled with bugs, and resistant to any genuine uninstall.

But a new horizon is opening. Startup States change everything.

These are not nostalgic experiments in retro-ideology, nor hollow declarations scribbled on paper islands. They are purpose-built jurisdictions, designed with the precision of engineers and the imagination of founders. They offer something radical yet disarmingly intuitive:

- Governance as a product.
- Citizenship as a service.

This flips the script. In a Startup State, the citizen is not a passive subject bound by invisible chains of geography and history. Instead, you are treated as a partner in progress, a stakeholder in the very architecture of your nation.

Opt-in communities replace accidents of birth. Borders become bridges to opportunity rather than barriers to aspiration. You are no longer conscripted into a jurisdiction, you are invited. You choose, and by choosing, you invest yourself.

This invitation carries profound consequences:

- You can reimagine your identity, no longer bound to inherited dysfunctions or arbitrary allegiances.
- You can select your nation the way one selects a home, a career, or a company whose mission resonates with your own.
- You can co-own the systems - legal, economic, cultural that define your future.

In this light, citizenship transforms from an accident of fate into an act of authorship. It becomes an extension of your will, your ambition, and your values. No longer a shackle, it becomes a lever of empowerment.

And that is the promise: to pioneer not just a new community, but a new way of belonging. To become part of a nation by consent rather than coercion. To write your name, indelibly, into the ledger of a country designed not to control you but to help you flourish.

15.1 Voluntary Affiliation: The Opt-In Nation

In legacy states, you were born in and bound to a flag. That flag claimed you before you could even speak, conscripting your identity by accident of birth. Your only so-called "choice" was to comply, submit, and adapt, or to leave, often at great personal cost, and always under conditions set by others.

Startup States begin from a different premise. They invert the inherited logic: you belong because you choose to. No accidents, no impositions, no invisible chains. This fundamental re-alignment of citizenship transforms the relationship between the individual and the community. Instead of coerced allegiance, there is voluntary affiliation. Instead of compliance under threat, there is participation by desire.

This shift carries profound consequences. It fosters a deeper and more authentic connection to one's chosen polity, because belonging is not a burden, it is an act of authorship. A Startup State is not your inherited fate, it is your selected platform for flourishing.

15.1.1 Key features of citizenship in a Startup State include:

- **Opt-in citizenship and residency.** Individuals apply because a Startup State's vision, mission, and ethos resonate with them not because geography or accident forced them into allegiance. This creates a high-signal citizenry from day one: people who want to be there, who opted in with full intention. When you strip away coercion, what remains is motivation. And a motivated citizenry is not only more cohesive, but more dynamic, innovative, and resilient.

- **Easier and faster attainment.** Compare this to traditional jurisdictions like Monaco, Liechtenstein, Switzerland, the UAE, or Singapore, where citizenship is a prize locked behind labyrinthine bureaucracy, generational timelines, or eye-watering financial hurdles. Startup States are engineered differently: the path to belonging is streamlined, transparent, and efficient.

- This does not mean lax standards, quite the opposite. Initial vetting is rigorous: background checks, bona fides, due diligence (ratio legis). But once alignment is confirmed, the path to naturalisation accelerates. This ensures the new polity attracts people who are both committed and free from the inertia of outdated systems. The result: a population that is less transient, more rooted, and deeply

invested in the long-term prosperity of the nation.

- **Clear criteria for naturalisation.** Forget opaque waiting periods or arbitrary quotas. Startup States operate on merit, transparency, and contribution. The criteria are simple: add value, uphold the community's principles, and commit to its long-term flourishing. This model not only inspires trust but also rewards initiative. Citizens become more than passport holders, they become co-architects of their national story.

- **Multiple levels of affiliation.** Flexibility is baked into the system. One can choose full citizenship, long-term residency, digital participation, investment affiliation, or lighter-touch community membership. The Startup State respects diverse levels of engagement, offering a menu of affiliation rather than a binary choice. In practice, this builds layered networks of loyalty and participation, ensuring vibrancy without compulsion.

- **Unmatched exit rights.** Perhaps the most radical departure: in a Startup State, the door is always open both in and out. Citizens and residents retain the right to leave freely, without penalty or political retaliation (jus migrandi). One can change jurisdictions with the same ease as changing platforms, ensuring genuine autonomy. No longer does one live under the spectre of "love it or leave it." Here, one loves it because they chose it, and if that love fades, they can move on without shackles, without stigma.

In this model, belonging is not imposed, it is earned. And if alignment fades, you are free to chart another course. That is not only real autonomy; it is the essence of dignity. It is the idea that your relationship with a nation should resemble a partnership, not a prison.

Startup States elevate citizenship from an accident of fate to an act of freedom.

15.2 Rights, Responsibilities, and Yield

Citizenship in a Startup State is not a hollow status, it is a living contract. It comes with a clear articulation of rights and responsibilities, designed not merely to check boxes, but to foster a thriving, self-directed community. These typically include fundamental liberties, secure property rights, contractual certainty, and the right to participate in governance. Balanced against these rights are responsibilities: adherence to the laws that the community has freely adopted, contribution to

the collective well-being, and support for long-term economic sustainability (pacta sunt servanda agreements must be kept).

Yet what makes Startup States distinct and compelling is that they do not stop at enumerating rights and duties. They go further: they introduce positive alignment mechanisms, ensuring that prosperity is not a trickle-down hope, but a direct and tangible benefit of citizenship itself.

15.2.1 The Citizen Dividend

Borrowing inspiration from the Alaska Permanent Fund, where oil revenues are invested into a common pool and dividends flow back annually to every Alaskan, Startup States can expand this concept into the digital age. Instead of natural resource rents alone, a Startup State might use returns from:

- Strategic investments in infrastructure,
- Profits from state-backed enterprises,
- Tokenised platforms and services that citizens themselves co-create,
- And diversified holdings in global capital markets.

From these pools can emerge the Citizen Dividend: a periodic distribution paid directly to citizens, not as a welfare transfer, but as a rightful return on joint stewardship and collective enterprise.

15.2.2 Forms This May Take:

- Tokenised ownership. Citizens earn equity in the infrastructure they help build, from digital platforms to physical utilities. They hold tokens that grant not just usage rights but a share in growth. In this way, the citizen is not just a user but an owner.
- Direct distributions. Through a Sovereign Wealth Fund, or more aptly, a Citizen Wealth Fund, profits are periodically returned in cash or tokenised credits. This reinforces communitas: a sense that we rise together because our fortunes are structurally aligned.
- Voluntary Universal Basic Income. Startup States may even experiment with a form of UBI, but without the coercion of taxation, inflationary seigniorage, or

debt-financed redistribution. Instead, dividends are funded from real surpluses, productive yields, or decentralised profit-sharing. The result: a base layer of financial dignity for all members, without punishing success or penalising productivity.

- Negative Income Tax experiments. For those on the margins, Startup States can design automatic top-ups that kick in once income falls below a threshold. Again, not as a subsidy funded by expropriation, but as a voluntary, rules-based mechanism tied to citizen dividends and surplus yields.

- Tax-negative competition. In the future, polities may not only compete to be tax-neutral havens where burdens are minimised, they may compete to be tax-negative, where citizens receive annual dividends exceeding their contributions. Imagine jurisdictions vying not to see how much they can extract, but how much they can return. This inversion flips the fiscal arms race on its head, transforming states from extractive monopolies into competitive service providers.

15.2.3 Why This Matters

When citizens have a direct material stake in the prosperity of their community, the incentive structures transform. Compliance is replaced by cooperation. Apathy is replaced by alignment. Citizens become advocates for the flourishing of their polity because they quite literally hold a piece of it. This is ownership applied not to abstract shares of distant corporations, but to the very framework of one's civic identity.

And here lies the bold inversion: where President John F. Kennedy once urged, "Ask not what your country can do for you, ask what you can do for your country," Startup States gently flip the maxim. They do ask what your country can do for you. Not out of paternalism, but out of partnership. Because in this model, the citizen and the community rise together.

15.2.4 Global Identity and Inclusion

Startup States also commit to clarity on complex issues like dual citizenship, acknowledging that modern identity is globalised and fluid. Policies on lex loci domicilii versus jus sanguinis are written transparently, respecting individuals' desire to belong to multiple communities. At the same time, Startup States will

actively work to mitigate or eliminate statelessness, ensuring no individual is left without a national home, in alignment with international human rights norms.

In this model, citizenship is no longer an obligation you are born into, but an opportunity you opt into, an opportunity that pays you back. It is both responsibility and reward, both discipline and dividend. By aligning the citizen's incentives with the nation's success, Startup States create not only a fairer community but a freer one where prosperity is a partnership, not a privilege.

15.3 Governance, Legal Clarity, and Agency

The Startup State model redefines the relationship between the individual and governance, placing the individual not the bureaucracy at the centre. Here, governance exists to serve, not to subjugate. It is built with the responsiveness of a good product, the transparency of open code, and the flexibility of voluntary association.

15.3.1 Governance as a Product - Not a Threat

In most countries, governance is something that happens to you. It arrives top-down: decrees, taxes, restrictions, all imposed without your consent, slowly grinding forward, indifferent to feedback. You may shout, but the machinery rarely listens.

Startup States flip this script. Governance becomes an interactive service layer - auditable, responsive, and user-optimised. You are not a spectator; you are a participant, and the system is designed to hear you.

This means:

- Real-time policy feedback. Citizens interact through dashboards, issue polling, and algorithmic weighting that calibrates law to the actual will of participants instantly, not decades later.
- Participatory lawmaking. Smart referenda, rotating assemblies, and opt-in deliberation clusters let citizens directly co-author the laws they live under. This is not abstract "representation." This is hands-on authorship.
- Issue-based affiliation. You can engage deeply on the issues that affect you and ignore the ones that don't. No more being dragged into battles irrelevant to

your life. Participation becomes efficient, focused, and voluntary.

In short: Startup States do not govern for you, they govern with you. It is self-rule, updated for the digital age.

15.3.2 Legal Clarity, Contractual Precision

Traditional legal systems are cluttered, opaque, and archaic. Citizens stumble through layers of statutes, exceptions, and contradictions. Judges dredge up precedents from the 1940s and attempt to stretch them over blockchain disputes or cross-border DAOs. It is law as fog - thick, confusing, insider-driven.

Startup States wipe the slate clean. They offer transparent, modular, human-readable frameworks that anyone can understand and everyone can use.

- Plain-language law. Statutes are written in accessible language, available in multiple translations, and updated in real time. No more jargon as gatekeeping. Law becomes a public tool, not an elite puzzle.
- Smart contract integration. Leases, business agreements, even dispute resolution can be automated. Transactions settle instantly. Contracts enforce themselves. The need for armies of lawyers evaporates.
- Forward-looking justice. No precedent-shackled rulings where a case about telegram wires decides the fate of internet commerce. Startup States build precedent-light systems, adaptable by design, always looking ahead, never backward.

This is rule of law stripped of fog, predictability without complexity (certiorari sine confusion). A legal environment built not for insiders but for everyone: builders, creators, freelancers, and families.

15.3.3 Flexible Citizenship: Physical and Digital

Not every citizen will need or want to live full-time in a Startup State. Some will be part-time residents, others may hold residency without right of abode, and others may connect purely through digital portals.

This flexibility allows Startup States to offer any number of affiliation categories:

- Digital residents and e-residents, unlike today's Estonia or Palau programmes, could hold not only administrative access but also a voice and a vote in the governance of their programmes. This creates a genuine bond between digital participants and the terrestrial state, addressing the concerns raised in Nottebohm (Liechtenstein v. Guatemala) by ensuring that citizenship reflects an authentic link of participation and belonging.

- The territorial footprint of the Startup State functions as a launchpad, a base camp capable of scaling upward into the digital domain.

- Cloud servers, VPNs, and digital infrastructure can be housed within Startup State territory, extending its jurisdiction into cyberspace and multiplying its reach far beyond its landmass.

The Startup State, then, is both place and platform: a territory you can visit and a network you can inhabit.

15.3.4 Personal Autonomy and Digital Freedom

In today's world, data monopolies track your every move and governments treat your privacy as an afterthought. Surveillance is default; permission is required to live free.

Startup States invert this dynamic. They treat the individual's autonomy not as a privilege to be granted, but as a baseline to be protected.

- Self-owned identity systems. You hold your keys, your credentials, your records. They cannot be seized, sold, or altered without your consent.

- Privacy by default. No bulk surveillance, no centralised databases, no invisible dragnet. Privacy is not a loophole to be exploited, it is a *constitutional design feature.*

- Digital residency. You can live anywhere in the world and still fully participate in your Startup State. A click connects you to your governance, your community, your rights.

- Consent-based data sharing. You decide when, what, and how much to disclose. Information is yours, not the State's. Volenti non fit injuria: to the willing, no harm is done.

And perhaps most importantly: transparency should flow upward, not downward. Governments of Startup States must be radically transparent open books, auditable processes, visible budgets. But private citizens should enjoy the greatest possible privacy.

In this model, your freedom is not tolerated, it is safeguarded like a core asset.

Whether you are a remote worker in Bali, a family in Zurich, a nomad in Nairobi, an activist in Buenos Aires, or an investor in Dubai, Startup States ensure that the systems governing your life are not hostile intrusions but trustworthy tools.

This is governance rebuilt for the individual. Not government as parent, but governance as partner. Not law as labyrinth, but law as clarity. Not identity as dependency, but identity as self-possession.

Startup States protect your freedom not as rhetoric, but as infrastructure.

15.4 Lifestyle, Culture, and Global Mobility

Startup States offer individuals the opportunity to live in communities intentionally designed around shared values and aspirations, transcending the limitations of geographical happenstance. Instead of inheriting a culture by accident, you choose the environment that resonates with your vision of the good life.

15.4.1 Lifestyle Freedom and Intentional Living

Tired of living in cities that neither reflect your values nor respect your autonomy? Frustrated by governments that seek to regulate what you eat, how you build, whom you associate with, or how you raise your family?

Startup States rewrite that script. They are built intentionally around alignment, not accident.

This results in:

- Tailored societies. You can choose a Startup State centred around wellness, sustainability, low-regulation entrepreneurship, creative flourishing, or quiet simplicity. Whether you want an entrepreneurial hub buzzing with innovation, a community that prizes ecological stewardship, or a society that treasures minimal interference, there is a place designed for you.
- Walkable cities, clean energy, quiet beaches. Environments crafted for dignity,

balance, and health. Think livable neighbourhoods, breathable air, quiet coasts, flourishing green spaces not as policy afterthoughts, but as founding design principles.

- Hands-off government. No intrusive nanny-state micromanagement, no endless surveillance of personal choices. Instead: well-scoped services, voluntary offerings, and minimal but effective frameworks.

- Celebrated difference. Startup States allow you to live among your people, not a forced homogeneity, but a coherent community of intent. Here, your way of life is not merely tolerated, but celebrated.

This intentional crafting of community fosters a strong sense of belonging while still respecting diversity. Cultures emerge organically, driven not by bureaucratic fiat but by the free choices of citizens aligned around shared purpose.

15.4.2 Real Tools for Global Living

Startup States are built for the global individual: mobile, savvy, and weary of being trapped in systems that don't work. They do not merely offer symbolic rights; they provide practical, portable tools to navigate the world.

- Functional digital passports and e-identities. These are not gimmicks, they are gateways. Banking, travel, mobility, and global access become streamlined across networks and borders.

- Fair, fast dispute resolution. No need to rely on corrupt, slow, or biased domestic courts. Startup States build systems that are international, neutral, and enforceable, removing the uncertainty of forum shopping (forum non conveniens avoided).

- Optimised legal domiciles. Businesses, estates, and assets can be structured with predictability and protection. Startup States become jurisdictions of choice for entrepreneurs, families, and investors alike.

- Consular tools and cloud embassies. Stateless individuals or those trapped in unstable regions will not be abandoned. Startup States deploy digital-first consular services and cloud embassies that provide real-time support wherever you are.

15.4.3 A Usable Citizenship

Where old regimes burden you with obligations while giving little in return, Startup States empower you with rights and tools that actually work.

Here, the passport is not a mere symbol of allegiance, it is a functional asset. The community is not an accident of birth, it is a chosen home. And governance is not an obstacle, it is an enabler of freedom and mobility.

This is citizenship you can actually use.

15.5 Complementarity and Strategic Choice

Startup States are additive, not subtractive. They are not built on coercion or exclusivity. They do not demand that you erase your past, burn your bridges, or sever ties with the world you came from. Nemo tenetur ad impossibilia - no one is bound to do the impossible.

You do not need to renounce your current citizenship. You do not need to "start over." Instead, you gain something more.

- A hedge. A Startup State is optionality embodied. If your primary country falters politically, economically, or socially, you are not trapped. You already hold a key to another door, another system, another opportunity. That alone can mean the difference between vulnerability and resilience.
- A legal base for your ventures. Entrepreneurs, investors, and creators can operate under a framework of regulatory clarity, without having to abandon their roots or sacrifice global reach. Startup States give you a compliant, predictable jurisdiction that welcomes innovation, while letting you maintain connections to existing markets.
- A backup plan. Families, capital, ideas all deserve a safe harbour. Startup States offer a portus refugii, a place of refuge and renewal. A second home not just for your money or passport, but for your very sense of security and continuity.

Think of Startup States as a second citizenship for your values.

You don't have to reject your past, but you can choose your future. They give you freedom of alignment, freedom of movement, and freedom of identity without penalties, ultimatums, or exclusions.

Startup States are not about escape. They are about choice.

They exist so that you can live not only where you were born, but where you truly belong.

15.6 Conclusion: Citizenship by Choice

Startup States are not toys for the rich, or playgrounds for the elite. They are platforms for dignity, operating systems for freedom, and sanctuaries for human agency.

If you have ever felt out of place...

If you have ever longed for a fresh start...

If you are finished waiting for outdated systems to adapt to your life...

Then Startup States were built for you.

You are not just a voter ticking a box every few years. You are not just a user locked into a system designed decades ago. You are a stakeholder. A co-creator. A pioneer.

In Startup States, governance does not smother your life, it amplifies it. Your consent is not assumed, it is encoded (consensus facit legem). Laws exist because you agreed to them, not because they were imposed without your will. Here, the line between government and governed dissolves. This is not politics as usual, it is performance, precision, and partnership. It is not revolution, it is reinvention.

Startup States are living proof that community can be chosen, not inherited. That prosperity can be shared, not extracted. That identity can be aligned, not imposed.

Live among the aligned.

Work without friction.

Build with clarity.

Thrive by design.

Think of what we have already seen:

- Voluntary affiliation. Citizenship you choose, not citizenship forced upon you.
- Citizen dividends. Shared prosperity made tangible, not promises that never materialise.

- Governance as a product. Responsive, auditable, user-first.
- Global mobility. Passports, e-residencies, and consular services that actually work.
- Complementarity. Optionality without renunciation a second citizenship for your values.

Each of these elements points toward one truth: in Startup States, belonging is not an accident, it is alignment.

Startup States are the blank canvas. You are the brush. And the world you want to live in? You can start painting it now.

Because in Startup States, belonging is not imposed, it is earned. And if alignment fades, you can move on, freely.

That is real autonomy.

Chapter 16

Sustainable Development and Innovation

The vision for Startup States extends far beyond novel governance models or economic prosperity. At their core, these new polities represent a fusion of responsibil-

ity and possibility: environmental stewardship paired with relentless innovation, ecological care combined with entrepreneurial daring.

Because they start with a blank canvas, Startup States are uniquely positioned to avoid the baggage of the past: no crumbling grids, no outdated zoning codes, no calcified bureaucracies. They can leap directly into the twenty-first century and beyond by integrating sustainability and innovation from the ground up.

This chapter explores how Startup States can embed ecological responsibility and cutting-edge technology into their very DNA, creating jurisdictions that are not only freer and more prosperous but also cleaner, healthier, and more responsive to both people and the planet.

16.1 Sustainable Development: Building for the Future

Traditional nations often struggle with entrenched environmental problems, locked into decades-old infrastructure that resists change. Startup States, by contrast, can design ab initio systems that prioritise resource efficiency, ecological stewardship, and quality of life. By integrating these principles from inception, they can aspire not only aspirationally, but practically to be carbon-neutral or even carbon-negative.

This is not wishful thinking; it is simply a matter of designing well from the start.

16.1.1 Advanced Agricultural Practices

Food security is central to resilience. Startup States can pioneer closed-loop, high-yield agricultural systems that use fewer resources while producing more abundance:

- Hydroponic farming. By growing plants in nutrient-rich water rather than soil, hydroponics uses up to 90% less water than traditional farming. Compact systems can be scaled vertically, producing high yields in small footprints ideal for island, coastal, or arid Startup States.
- Greenhouse farming. Climate-controlled greenhouses ensure year-round cultivation, protect against pests, and allow precision climate management. This maximises output while conserving resources.

- Aquaponics. Fish and plants exist in symbiosis: fish waste fertilises plants, while plants clean the water for fish. It is circular, efficient, and elegant.

- Aquaculture. Sustainably farmed fish and seafood provide reliable protein while relieving pressure on wild fisheries, ensuring marine ecosystems can recover and thrive.

16.1.2 Water and Energy Independence

Water and power are lifelines for sovereignty, stability, and resilience. Startup States can integrate renewable, distributed, and self-sufficient systems from the beginning:

- Desalination. With cutting-edge reverse osmosis and renewable energy integration, Startup States can convert abundant seawater into fresh, drinkable supply.

- Solar power. With no legacy grid to dismantle, Startup States can deploy large-scale solar photovoltaic systems, concentrated solar plants, and battery-backed microgrids. The result is not only carbon neutrality but energy independence, immune from fossil fuel volatility.

- Smart grids. Distributed, flexible, and digitally optimised networks make blackouts rare and resilience the norm.

16.1.3 Modern Connectivity and Infrastructure

In a networked world, connectivity is the lifeblood of prosperity. Startup States can prioritise global integration from day one:

- Satellite internet (e.g., Starlink). High-speed, low-latency access ensures immediate global connectivity even in remote territories.

- Airstrips and ports. Strategically placed infrastructure ensures access to global supply chains, tourism, and emergency services.

- Offshore anchorage. Well-planned anchorage points support trade, yachting, and tourism while embedding Startup States into maritime routes.

By weaving these systems together, Startup States demonstrate that advanced development does not have to come at the expense of the environment. They embody a future where prosperity and stewardship reinforce, rather than undermine, one another.

16.2 Innovation Hubs: The Ultimate Regulatory Sandbox

If sustainability is one side of the Startup State coin, innovation is the other. These polities are uniquely positioned to become the world's most fertile testbeds for the industries of tomorrow.

In established countries, innovation is often stifled by entrenched interests, outdated legislation, and bureaucratic inertia. Laws written for the telegraph are stretched to govern the blockchain; health regulations built for aspirin are applied to gene therapies. Reform is possible, but it is slow, costly, and compromised.

Startup States are different. Lex posterior derogat priori, the new can override the old. Because they are designed ex nihilo, they can create agile frameworks that support, not strangle emerging industries.

16.2.1 Domains of Innovation

- Artificial Intelligence (AI). With clear ethical guidelines, auditable datasets, and supportive regulatory frameworks, Startup States can attract leading AI firms and researchers. Instead of suspicion and red tape, they offer clarity and accountability.
- Longevity Science. From responsive bioregulation to fast-tracked clinical trials, Startup States can become hubs for life extension and human enhancement research. Here, progress is accelerated without being reckless, balancing innovation with ethical oversight.
- Blockchain & Web3. With programmable legal systems, decentralised finance frameworks, and digital-first governance, Startup States can bake in *lex cryptographica.* Instead of bolting blockchain onto old systems, they can build systems that assume its existence.
- Experimental governance. From open-source civic platforms to AI-augmented

institutions, Startup States can treat governance itself as an iterative product, subject to prototyping, testing, and improvement.

16.2.2 Accelerators, Not Administrations

Startup States are optimised for clarity, creativity, and execution.

- Interoperable frameworks ensure global compatibility.
- Transparent governance builds trust.
- Experimental policies allow quick iteration without destabilising the system.

They function less like traditional states and more like accelerators for human progress. They are laboratories where law, technology, and community can co-evolve faster, fairer, freer.

16.3 Safe Spaces for People and Planet

The marriage of sustainability and innovation culminates in the Startup State vision: safe spaces not only for capital, but for people and the planet.

- For enterprise. With legal clarity, regulatory predictability, and fiscal integrity (pacta sunt servanda), Startup States attract investment and entrepreneurial talent. They are safe havens for innovation capital.
- For people. Startup States are intentionally designed to prioritise dignity, freedom, and agency. Privacy, self-sovereign identity, and lifestyle choice are foundational. Here, communities are chosen, not imposed.
- For the environment. By embedding carbon-neutral or carbon-negative systems and ecological technologies, Startup States ensure that growth is responsible, regenerative, and restorative.

The result is not a compromise but a synthesis: a system where prosperity fuels stewardship, where innovation drives sustainability, where human flourishing is not the exception but the default.

By eliminating unnecessary drag and prioritising freedom, purpose, and trust, Startup States make human flourishing not the exception, but the default.

In such systems, innovation compounds, responsibility scales, and freedom flourishes. People are empowered not only to live well, but to build the future itself.

Startup States are more than jurisdictions. They are beacons of possibility - cleaner, freer, smarter, and more humane.

Interlude IV

A Letter to My *Free Cities Friends*

I am writing to you with genuine affection, admiration, and respect.

I have followed the Free Cities movement with deep interest and growing conviction. What you are attempting is not merely innovative governance, but something far more profound: a practical, humane, and voluntary rethinking of how people can live together peacefully, productively, and with dignity. I want you to know that I sincerely hope Free Cities succeed, flourish, and ultimately mushroom across the world.

At their best, Free Cities represent a rare convergence of moral clarity and operational realism. They take human diversity seriously. They respect consent. They replace ideological struggle with contractual certainty. They substitute politicised coercion with accountability, exit, and alignment of incentives. In doing so, they offer something that modern politics has largely lost: a calm, adult, workable framework for coexistence.

I also wish to share a vision of how I see Free Cities fitting into a broader and complementary future.

In many cases, I envision new Startup States, meaning newly established countries formed through lawful, treaty based, and consensual methods, being composed largely of Free Cities. In other words, when a new country is created as a Startup State, particularly when it begins as a tabula rasa or blank slate, it is highly likely

that its territorial, economic, and civic development would naturally take the form of Free Cities.

This is not accidental. It is symbiotic.

A Startup State that incorporates Free Cities as a core component of its internal structure gains enormous advantages. It avoids the temptation to recreate a large, bloated, and inflexible central bureaucracy. It resists the gravitational pull toward politicisation, rent seeking, and regulatory sprawl. Instead, it anchors itself in modular, accountable, and contract based governance units that already embody many of the principles such a new country should aspire to uphold.

At the same time, Free Cities operating within a Startup State benefit from deeper alignment and stability. They are less likely to be arbitrarily revoked or undermined, as has so often occurred with Special Economic Zones, precisely because they are no longer peripheral experiments but integral components of the new country's design. In this arrangement, the Free City is not merely tolerated by the state: it is part of the state's constitutional and economic architecture.

This does not mean that every Startup State will necessarily invite, license, subcontract, or host Free Cities within its borders. Nor does it suggest that Free Cities require Startup States in order to exist or succeed. Rather, my belief is that in many cases, out of both expediency and philosophical alignment, Startup States will naturally gravitate toward the Free Cities model as a default mode of development.

The areas of overlap are extensive and meaningful.

Both Free Cities and Startup States emphasise voluntarism over compulsion.
Both rely on clear, written rules rather than mutable political promises.
Both seek to align authority with responsibility and incentives with outcomes.
Both value exit, competition, and pluralism as stabilising forces.
Both reject the idea that one uniform system must be imposed on all people.

Where they differ, they do so cleanly and honestly.

Startup States are sovereign and independent countries. They bear the burdens

and responsibilities of statehood, including diplomacy, defence, and international legal personality. Free Cities do not seek this, and rightly so. By remaining non-sovereign, Free Cities are liberated from the immense costs, risks, and constraints associated with maintaining statehood. This makes them faster to establish, easier to iterate, and more immediately practical.

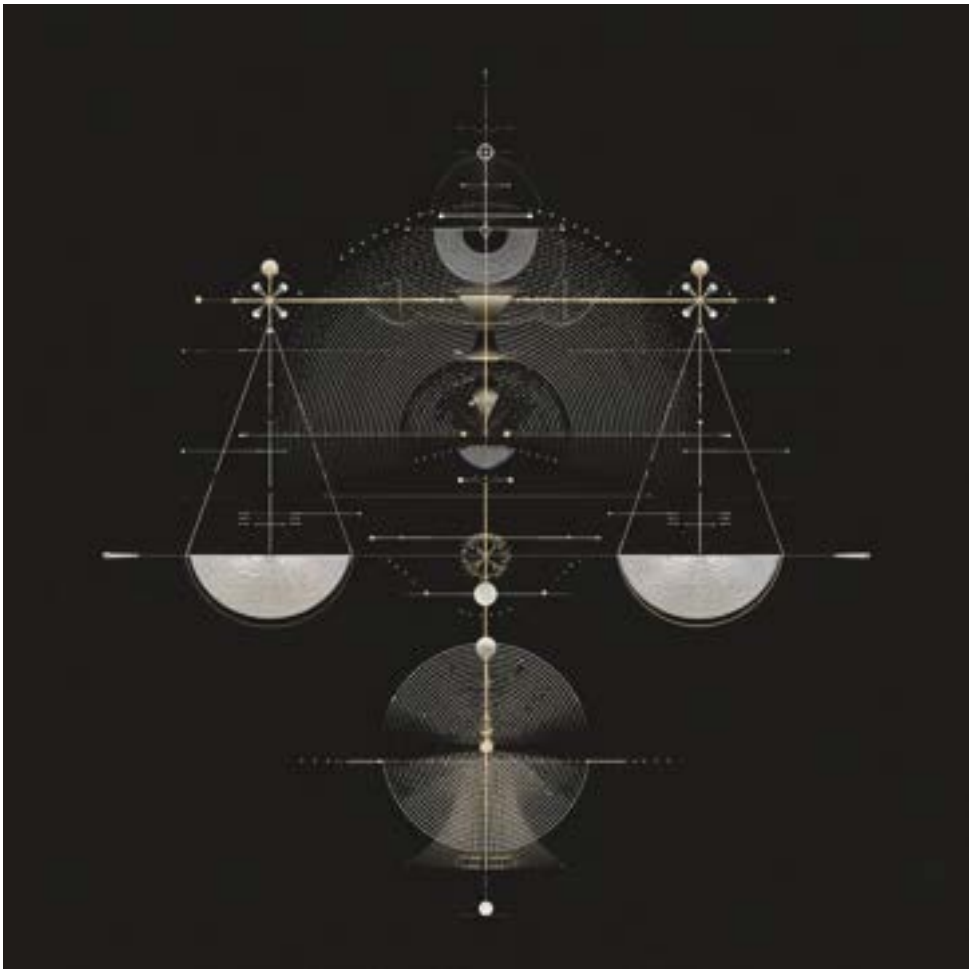
At the same time, this non-sovereign status makes Free Cities more vulnerable. Like Special Economic Zones, they can be revoked, constrained, or politically undermined by host states. This is not a criticism, but a structural reality. It is precisely why their alignment with Startup States, where appropriate, can be mutually reinforcing.

In short, I do not see Free Cities and Startup States as competing visions. I see them as complementary layers of the same broader evolution. Free Cities offer an extraordinarily elegant operating system for living together. Startup States offer a lawful, sovereign shell within which such systems can be protected, scaled, and diversified.

My hope is simple and sincere. I want Free Cities to thrive on their own merits. I want them to succeed in existing countries wherever space, courage, and imagination permit. And I very much hope that when new countries are formed, peacefully and consensually, they will look to Free Cities not as an experiment, but as a proven, aligned, and natural building block.

Chapter 17

Governance Models and Public Services



The fundamental question underpinning the Startup State model is not merely if new countries can be created, but what they will look like. This chapter delves into

the potential operational frameworks, constitutional designs, and public service philosophies that Startup States may employ, offering a comprehensive exploration of their "flavours" and "prototypes." The overarching goal is to present a vision of new nations that are not only legally grounded and economically vibrant but also highly efficient, citizen-centric, and adaptable to the challenges and opportunities of the twenty-first century.

17.1 Lean Governance and the Concierge State Philosophy

At the heart of the Startup State vision is a commitment to lean governance. Unlike the often sprawling and bureaucratic apparatus of legacy states, many Startup States will likely adopt a minimalist yet highly effective governmental structure. This approach is rooted in the belief that government, in its ideal form, should not only act as a service provider but also as a high-end concierge service, mutatis mutandis, like a butler or a cheerleader that helps its citizens and businesses thrive, rather than hindering them, or, crucially, simply leaves them alone when intervention is not required (ultra vires intervention being avoided).

This philosophy manifests in several ways:

- Concierge Services: Government functions are streamlined and responsive, designed to facilitate, rather than obstruct. This means simple, digital-first processes for business registration, licensing, and compliance. Citizens and businesses can expect personalised assistance in navigating regulations, accessing resources, and resolving issues, akin to a premium customer service experience.

- Coach and Cheerleader: Beyond mere service provision, the Startup State government actively supports innovation and economic growth. It acts as a coach by providing clear guidelines, fostering a predictable regulatory environment (lex certa), and offering strategic insights. It serves as a cheerleader by promoting the nation's unique advantages, attracting talent and capital, and celebrating the successes of its citizens and enterprises.

This proactive, supportive role contrasts sharply with traditional regulatory bodies often perceived as adversarial or even de facto punitive.

17.2 Public Services Provision

A defining characteristic of Startup States will be their approach to public services. It is unlikely that Startup States, given a clean slate and fresh start, will set up vast, state-operated education, healthcare, and pension systems. This is a deliberate choice, made not to burden or saddle such new countries with the massive, often unsustainable costs and unfunded liabilities (obligatio naturalis) that hamstring economic growth in many established nations, particularly in Europe and North America.

While it is ultimately up to individual Startup States to elect for themselves what to do, the rationale for avoiding these legacy models is compelling:

- Fiscal Prudence: Part of the rationale and justification for setting up new countries is to avoid inheriting gargantuan debts, unfunded liabilities, and mandates that stifle economic growth both in the short term and the long term. By sidestepping expansive, centrally managed welfare systems, Startup States can maintain fiscal agility and attract investment with promises of tax neutrality and stable financial environments (lex loci stabilis).

- Market-Aligned Principles: Many Startup States will likely use best practices for regulation and market principles when it comes to education and healthcare. This includes exploring public, private, or hybrid models for essential services, prioritising efficiency, quality, and choice. The belief is that the laissez-faire private sector can often deliver benefits more innovative and more responsive than the coercive public sector can (argumentum a contrario).

- Opt-In Choice for Citizens: As all Startup State citizens will be opt-in, they can avail themselves of a wide array of choices to meet their needs. This means individuals can select private providers for old-age insurance, employment insurance, or different educational and medical options tailored to their specific requirements. Whether employers in Startup States decide to incentivise workers by offering such benefits is up to the employer, fostering a dynamic and competitive benefits landscape.

-

This approach ensures that essential services are delivered effectively while maintaining the lean, agile, and fiscally responsible character of the Startup State.

17.3 Tailored Governance

The "flavours" of Startup States will be reflected in their diverse governance structures, allowing for tailored polities that align with the specific values and objectives of their founding communities. Most will likely have limited forms of government, focusing on core functions and empowering individual liberty.

Specific Governance Models:

- Some Startup States may employ Swiss-style direct democracy, where citizens have a direct say in legislative processes through frequent referendums and popular initiatives. This model fosters deep civic engagement and ensures governmental responsiveness to the popular will (voluntas populi).
- Others may even have constitutional monarchies, blending tradition with modern governance, where a monarch serves as head of state within the confines of a written constitution.
- Yes, republican forms of government will also be common, with elected representatives governing on behalf of the populace, albeit likely with strong emphasis on checks and balances (trias politica) and limited governmental powers.

Emulating Successful Small States: Startup States will draw inspiration from existing small states that have achieved remarkable success through lean governance and innovative economic policies:

- Hong Kong Special Administrative Region (SAR): While not a sovereign state de jure, its historical model of state-managed capitalism under "positive non-interventionism" offers lessons in fostering a dynamic economy with minimal government interference in markets, coupled with strong rule of law.
- Singapore: Another exemplar of well-run state-managed capitalism, Singapore's success lies in its long-term strategic planning, efficient bureaucracy, meritocratic civil service, and proactive economic diversification. Its emphasis on clean governance, robust infrastructure, and a pro-business environment offers invaluable insights.
- Dubai (UAE): Dubai's meteoric rise as a global hub for business, tourism, and innovation showcases the power of strategic vision, liberal economic policies, and massive infrastructure investment.

- Switzerland, and in particular Zug: Switzerland's federal structure, direct democracy, and strong cantonal autonomy offer a model for decentralised governance and fiscal federalism. Zug, known as "Crypto Valley", exemplifies a jurisdiction that has proactively embraced emerging technologies, becoming a global leader in blockchain and cryptocurrency innovation.
- Liechtenstein: This microstate's success in finance, its stable political system (a constitutional monarchy), and its ability to attract high-value industries demonstrate the viability of small, well-governed nations.

By comparing and contrasting these models, Startup States can selectively borrow best practices, adapting them to their unique contexts to create highly effective and attractive governance structures.

17.4 Crafting the Governance Operating System

The legal system forms the very operating system of a Startup State, dictating its internal order and its interactions with the world. Given a clean slate, Startup States have the unprecedented opportunity to design their legal architectures from the ground up, prioritising clarity, efficiency, and adaptability.

- Common Law vs. Civil Law: Many Startup States will likely adopt UK–US-style common law, known for its flexibility, reliance on judicial precedent (stare decisis), and emphasis on individual rights and contractual freedom. However, nothing precludes a Startup State from adopting civil law (codex juris), or even crafting its own unique code and canon, drawing from multiple legal traditions (lex nova).
- Malum in Se vs. Malum Prohibitum: Many Startup States may go with a regime that adopts malum in se as a primary criminal code. Malum in se refers to acts inherently wrong, evil, or immoral (mala per se), regardless of whether prohibited by law (e.g., murder, theft, assault). This aligns with a philosophy of limited government and a focus on protecting fundamental rights. Conversely, they may enact few, if any, laws that are malum prohibitum acts wrong only because prohibited by law. This minimalist approach reduces friction and enhances liberty. Yet Startup States may be pragmatic: they may enact malum prohibitum laws where necessary to avoid conflict with the partnering host country's legal framework (lex loci) or if their absence would cost the Startup State a crucial deal (pacta sunt servanda).

- Innovative Legal Systems:
    - **ULEX:** A proposed universal legal framework, often discussed in the context of blockchain and digital governance. ULEX aims to create a transparent, auditable, and potentially self-executing legal system, leveraging smart contracts and decentralised technologies.
    - **Open-Source Legal Code:** Some Startup States may invent their own open-source legal code, treating their laws as a governance operating system. This would involve publicly accessible, transparent, and iteratively developed frameworks, allowing for community input, rapid updates, and accountability.

17.5 The Future of Governance: By Design

The overall ethos of Startup States is one of **intentional design**. They are not accidental formations, nor the unintended consequences of imperial retreat or the by-products of civil war. Instead, they are consciously and deliberately constructed, founded on the belief that governance itself can be engineered with the same care, foresight, and entrepreneurial precision as any successful enterprise. This stands in sharp contrast to the prevailing condition of most existing polities, which are often reactive, carrying with them legacies of compromise, conquest, or inertia. The Startup State is the opposite of drift: it is *voluntas juris* a will to law made manifest in the form of a sovereign polity.

What distinguishes this model from traditional forms of statecraft is the rejection of improvisation and the embrace of foresight. Existing governments are too often forced into reactive policymaking, responding belatedly to crises of debt, climate, demographics, or legitimacy. Their structures are rarely the result of holistic planning, but rather of historical accidents layered upon one another until the resulting edifice resembles less a coherent design than a patchwork of contradictions. Startup States invert this trajectory. They begin with the premise that governance can be architected to avoid foreseeable pitfalls, that the institutional blueprints of tomorrow can be drafted with clarity today. The principle of **legal precision** *(certitudo juris)* ensures that laws are not ambiguous instruments of arbitrary rule but predictable frameworks that secure confidence from citizens, investors, and the international community alike.

The intentionality extends beyond law into the very fabric of civic life. Startup

States recognise that the legitimacy of governance in the twenty-first century is inseparable from transparency, participation, and adaptability. By treating citizens not merely as subjects of government but as stakeholders in a collective enterprise, these new polities can foster a culture of co-ownership. Decisions are not imposed from above by a distant bureaucratic elite; rather, they are mediated through open institutions, digital participation platforms, and clear lines of accountability. In this sense, intentional design does not end with the drafting of a constitution or the signing of treaties, it becomes a living ethos, continuously shaping how the state evolves in dialogue with its people.

This proactive approach is infused with an **entrepreneurial spirit** that distinguishes Startup States from both the stagnant bureaucracies of the old order and the utopian fantasies of micronations. Just as a start-up company does not seek merely to enter a market but to redefine it, a Startup State does not seek merely to replicate the familiar machinery of governance but to improve upon it. Institutions are streamlined rather than bloated, public services are delivered with the efficiency of concierge systems rather than the indifference of mass bureaucracy, and fiscal policy is grounded in sustainability rather than short-term expedience. The ethos is not one of managerial conservatism but of innovative audacity, tempered by legal rigour.

Intentional design also carries with it a moral dimension. By consciously avoiding the violent or coercive paths that birthed many historical states, Startup States embody an ethical alternative - one that renounces conquest, secessionist bloodshed, or debt-driven dependency. Their foundations are laid in treaties, consensual agreements, and transparent contracts, not in the rubble of conflict. This makes them not only more legitimate in the eyes of international law but also more attractive to global citizens seeking a polity that reflects the values of voluntarism and fairness. It is the difference between a house built on quicksand and one raised upon carefully surveyed ground.

Looking ahead, the intentionality of Startup States positions them as **truly next-generation polities**, uniquely suited to lead in an increasingly complex world. As global challenges from artificial intelligence to climate migration, from cyber warfare to shifting demographic patterns strain the adaptive capacity of legacy states, the Startup State is designed to meet change with agility rather than paralysis. Its modular governance allows for iterative reforms without the upheaval of constitutional crises; its financial models reject the unsustainable accumulation of debt; its diplomatic strategies favour consensual recognition over zero-sum con-

frontation. These features do not make Startup States perfect, but they make them *prepared.*

Thus, the future of governance as embodied in the Startup State is not a romantic retreat into imagined golden ages, nor a reckless leap into untested abstractions. It is a disciplined exercise in foresight, where law, ethics, and entrepreneurialism converge to produce states that are leaner, fairer, and more resilient. To call them new countries understates their significance. They are the prototype of a coming era, where sovereignty is not the residue of history but the result of deliberate design. They are, in every sense, polities of intention, architected for legitimacy, engineered for durability, and poised to provide leadership in a world that demands both innovation and responsibility.

Chapter 18

Financial Models and Strategies

The economic viability and long-term sustainability of Startup States are paramount to their success. Unlike traditional nation-building, which often relies on established tax bases, colonial rents, or historical debt accumulation, Startup States are meticulously designed to operate on **innovative financial models** that tran-

scend the constraints of legacy fiscal policy. This deliberate departure from the debt-and-taxation paradigm is not cosmetic but structural: it reflects the conviction that a newly founded polity must be insulated from the corrosive forces of debt servitude, opaque taxation regimes, and the constant temptation of deficit spending. The vision is to establish a nation whose financial system is not weighed down by obligations to the past but liberated to embrace the future.

The concept of a **post-taxation and post-debt state** signals an intentional break with centuries of conventional practice. Traditional states frequently emerged through conquest or colonial expansion, and their fiscal systems were designed to extract tribute or levy taxes to fund armies, wars, and the machinery of coercion. Over time, this evolved into bureaucratic taxation systems, compounded by mounting sovereign debt. Startup States, by contrast, can be launched on a clean balance sheet. They are conceived not as engines of extraction but as platforms of value creation. They can commit from inception to a principle of financial transparency, open books accessible to all citizens, and thereby inoculate themselves against the familiar ailments of corruption, deficit concealment, and fiscal mismanagement.

Funding for such polities must instead arise from diverse and innovative mechanisms. One model is the establishment of a **sovereign wealth fund** at the moment of founding, capitalised through citizen subscriptions, anchor investments by host states, or strategic partnerships with private actors. This fund, prudently managed, can generate returns sufficient to finance core government functions without resort to taxation. Such a model echoes the Alaska Permanent Fund or the sovereign wealth strategies of Norway, yet is purer in its design, for it is conceived at inception rather than retrofitted after decades of extractive revenue. The principle is simple: instead of taxing wealth, the Startup State co-creates it with its citizens, and instead of consuming capital, it grows it intergenerationally.

Another pathway lies in **land value capture and equity participation**. Startup States founded through treaty arrangements often involve long-term leases, co-development agreements, or equity stakes shared with the host state. Rather than treating land as a passive resource, it becomes a joint asset developed sustainably, monetised through long leases or public-private projects, and reinvested into the community. In this sense, land is not alienated or sold outright but retained as a perpetual store of value. This resonates with historical models of the British Crown Estates or Singapore's careful land management, but with the added advantage of starting free from inherited encumbrances.

Complementary to sovereign wealth and land strategies are **service-based rev-**

enue models. Startup States can position themselves as hubs for finance, arbitration, innovation, or specialised industries, jurisdictional platforms that generate income through usage fees rather than compulsory taxation. Just as Monaco sustains itself through luxury services and tourism, or Liechtenstein through trust law and fiduciary services, Startup States can define their niche: perhaps as centres for blockchain arbitration, high-tech research, or lifestyle residency. These niches are not accidents but deliberate choices in line with comparative advantage. Where legacy states often stumble into such roles, Startup States can design them from inception, aligning infrastructure, regulation, and branding to the chosen sector.

The adoption of **cryptocurrency and post-fiat models** offers additional resilience. A Startup State denominated in a basket of digital and hard assets, rather than in inflationary fiat currencies, can avoid the corrosive politics of devaluation and central-bank capture. Smart contract infrastructure allows for efficient disbursement of dividends, citizen dividends, and transparent accounting of every transaction. Moreover, programmable money can enforce fiscal rules that politicians cannot easily override. A rule embedded in the protocol that expenditures cannot exceed a certain percentage of fund yields, provides a guardrail against the kind of deficit spirals that have crippled many legacy states. In this sense, fiscal policy becomes a matter of code as much as law, securing financial discipline through architecture rather than mere aspiration.

Crucially, the **post-debt commitment** must be more than rhetorical. It requires a constitutional or treaty-level prohibition on sovereign borrowing. Such a ban shields the polity from debt traps, whether imposed by global markets or predatory bilateral lenders. Historical examples abound of small states overwhelmed by debt: nineteenth-century Greece placed under great-power financial control, post-colonial polities driven into IMF conditionality, or Caribbean microstates locked into cycles of external borrowing. Startup States, beginning with a blank slate, can refuse this inheritance. By eliminating sovereign borrowing, they establish an unprecedented kind of creditworthiness not the ability to borrow endlessly, but the assurance that they will never default, for they will never be indebted. This paradoxical inversion, solvency through abstention, offers a compelling narrative to investors and citizens alike.

The long-term sustainability of these models depends on prudence, diversification, and adaptability. A sovereign wealth fund must be managed with conservative principles, avoiding speculation while ensuring steady yields. Land development must be calibrated to avoid overexposure to tourism, real estate bubbles, or single

industries. Service niches must be flexible enough to pivot as global demand shifts. Startup States must also be resilient to black swan events, global financial crises, pandemics, or technological disruptions. Here, too, intentional design plays its part: by building modular financial systems that can be adjusted without destabilising the polity, Startup States embody a fiscal analogue to resilientia ex ante.

In practice, this means embedding constitutional safeguards such as mandatory reserves, spending caps tied to real returns rather than projected revenues, and sunset reviews of all financial instruments. It also means cultivating a culture of transparency, where citizens are not merely subjects of fiscal policy but stakeholders in the financial commons. If legacy states often treat fiscal policy as the secret province of technocrats, Startup States can instead treat it as a civic ritual: annual reports, public dashboards, even direct citizen dividends that link the success of the polity tangibly to the prosperity of its people.

In sum, the financial models of Startup States are not mere technical devices but expressions of their ethos. By renouncing taxation as compulsion, rejecting debt as bondage, and embracing transparency as creed, they redefine the fiscal social contract. They are not post-state in the anarchic sense, but post-taxation and post-debt in the ethical sense: nations that choose responsibility over coercion, solvency over servitude, and innovation over inertia. Their sustainability lies not in extracting from citizens but in aligning with them, not in mortgaging the future but in preserving it. If they succeed, they may offer not only a blueprint for new polities but also a rebuke to the fiscal practices of the old.

18.1 Post-Tax, Post-Debt State Finance

A core tenet of the Startup State model is to strategically avoid the fiscal burdens that hamstring many legacy nations. There is little strategic advantage in setting up new countries only to become immediately burdened with large, bureaucratic, and often inefficient state-operated education, healthcare, and pension systems from the outset. Likewise, there is minimal benefit in adopting complex, high-burden tax systems or accruing massive national debt. While the ultimate fiscal architecture is a sovereign decision (acta jure imperii) for each individual Startup State, the prevailing and most advantageous models will likely be post-tax and post-debt, engineered for economic dynamism and fiscal responsibility from day one.

Many Startup States, or at least the private business entities responsible for administering a significant portion of services within them, will likely operate on a for-profit basis. This entrepreneurial approach to governance fundamentally reshapes the revenue landscape, treating the nation's development as a large-scale, long-term enterprise.

The lion's share of revenue for a Startup State is projected to derive from:

- Real Estate Monetisation: Startup States, in many respects, function as sophisticated real estate development ventures or scaled, master-planned communities. The primary revenue driver will be generated from residential rental receipts and sales, along with other strategic real estate development endeavours. This includes ground rents from long-term leases, outright property sales, and value capture from the appreciation of developed land. This model is akin to the successful development of iconic master-planned communities globally, such as Irvine, California, known for its meticulously planned urban environment and robust economic base, or large-scale, integrated developments seen in Dubai and Singapore, which leverage strategic land use to drive economic growth and attract population. This provides a stable, substantial, and recurring income stream.

- Economic Citizenship and Residency Fees: Significant capital will be generated from programmes offering citizenship or long-term residency in exchange for direct investment or a one-time fee. These programmes are strategically designed to attract high-net-worth individuals and skilled professionals who not only align with the Startup State's core values but also contribute significantly to its economic and social fabric.

- Utility Services Fees: Revenue will also be generated from the efficient provision of essential utility services, including water, electricity, internet, and waste management. These services will often be operated by private entities, ensuring market efficiency and quality, with the Startup State receiving royalties or a share of the profits.

- Profits from Sovereign Wealth Investments: Similar to established nations managing sovereign wealth funds, Startup States will strategically invest accumulated capital from initial grants, lease payments, and other revenue streams into diversified global portfolios. This generates passive income and fosters long-term financial growth, acting as a robust balance sheet asset.

By maintaining a lean government apparatus from the outset and by structuring the relationship such that the sovereign entity receives royalties or a share of profits from the private development and administrative entities, the need for traditional, broad-based taxation and excessive public debt is effectively negated (ultra vires fiscal burdens avoided). Specific financial models and revenue-sharing agreements are highly bespoke, designed by individual Startup States to optimally induce investors and broker mutually beneficial deals with their co-creators, the partnering host countries.

It is crucial to note that the partnering host countries themselves will not become direct equity stakeholders in the new country or Startup State as a sovereign entity. Instead, their financial participation will be specifically structured as stakes in the for-profit entities that are undertaking the development and ongoing management of the new countries or Startup States. This clear distinction ensures that the host country benefits financially from the venture's success without compromising its own sovereignty (inviolata manet) or becoming entangled in the internal governance mechanisms (res inter alios acta) of the new state.

18.2 Capitalisation and Operating Finance

The initial capitalisation and ongoing operational funding for a Startup State will rely on a diverse array of innovative financial mechanisms, drawing heavily from sophisticated private sector investment models.

- Venture Capital (VC): Early-stage Startup States, particularly those with a strong focus on technological innovation, unique regulatory environments, or a compelling value proposition, are positioned to attract venture capital firms seeking high-growth, disruptive opportunities in the realm of governance and jurisdictional innovation.

- Private Investment: Substantial private capital from high-net-worth individuals, family offices, and private equity firms will be directly deployed into the infrastructure, real estate, and operational entities of Startup States. This investment is driven by the promise of unparalleled regulatory clarity, fiscal efficiency, and superior risk-adjusted long-term returns.

- Bonds: Once a Startup State establishes a credible track record of stability, fiscal prudence, and adherence to international legal norms, it may strategically issue sovereign bonds. These instruments would raise capital for large-scale in-

frastructure projects or strategic investments. It is important to qualify that some Startup States may opt to pursue this route specifically to induce partnering host countries by offering them bonds as a component of the co-creation agreement, thereby aligning financial incentives. Other Startup States, depending on their specific financial models and capital needs, may not choose to utilise sovereign bonds. These bonds would be meticulously structured, backed by the state's future revenue streams and its unwavering commitment to sound financial management (pacta sunt servanda).

- Direct Public Offerings (DPOs): Innovative Startup States might explore DPOs, allowing a broader base of individuals and smaller investors to directly participate in the financial development of the new country. This could involve tokenised assets representing fractional ownership in the operating entities or future revenue streams, democratising access to this novel asset class.

Other Innovative Models:

- Tokenised Real Estate: Fractional ownership of property within the Startup State through blockchain-based tokens, attracting a global investor base and enhancing liquidity.
- Jurisdictional Service Fees: Revenue derived from precisely defined fees for specific governmental or administrative services (e.g., expedited business registration, specialised licences, digital identity services).
- Public-Private Partnerships (PPPs): Extensive utilisation of PPPs for critical infrastructure development and public service delivery, leveraging private capital and expertise while maintaining strategic public oversight.

These diverse funding mechanisms enable Startup States to tap into global capital markets without relying on traditional taxation or incurring unsustainable debt, aligning their financial strategy with their entrepreneurial ethos and commitment to fiscal discipline.

18.3 Long-Term Economic Sustainability

Beyond initial capitalisation, the long-term economic sustainability of a Startup State hinges on its ability to strategically diversify its revenue streams and build inherent resilience against economic shocks and geopolitical volatility.

Economic Diversification: While initial revenue may heavily rely on real estate monetisation and economic citizenship programmes, a truly sustainable Startup State will actively cultivate a diversified economy to mitigate single-point-of-failure risks. This could include:

- Technology Hubs: Fostering innovation in AI, blockchain, biotech, quantum computing, and other emerging industries.
- Specialised Services: Becoming a global hub for niche, high-value services such as international arbitration (lex arbitri), secure data centres, advanced research and development, or highly specialised financial services.
- High-Value Tourism: Developing bespoke, high-end tourism offerings that align with the state's unique identity, environmental commitments, and privacy assurances.
- Sustainable Agriculture/Aquaculture: Implementing advanced, resource-efficient farming techniques (e.g., hydroponics, aquaponics) to ensure food security and develop potential export opportunities in premium agricultural products.

Fiscal Resilience:

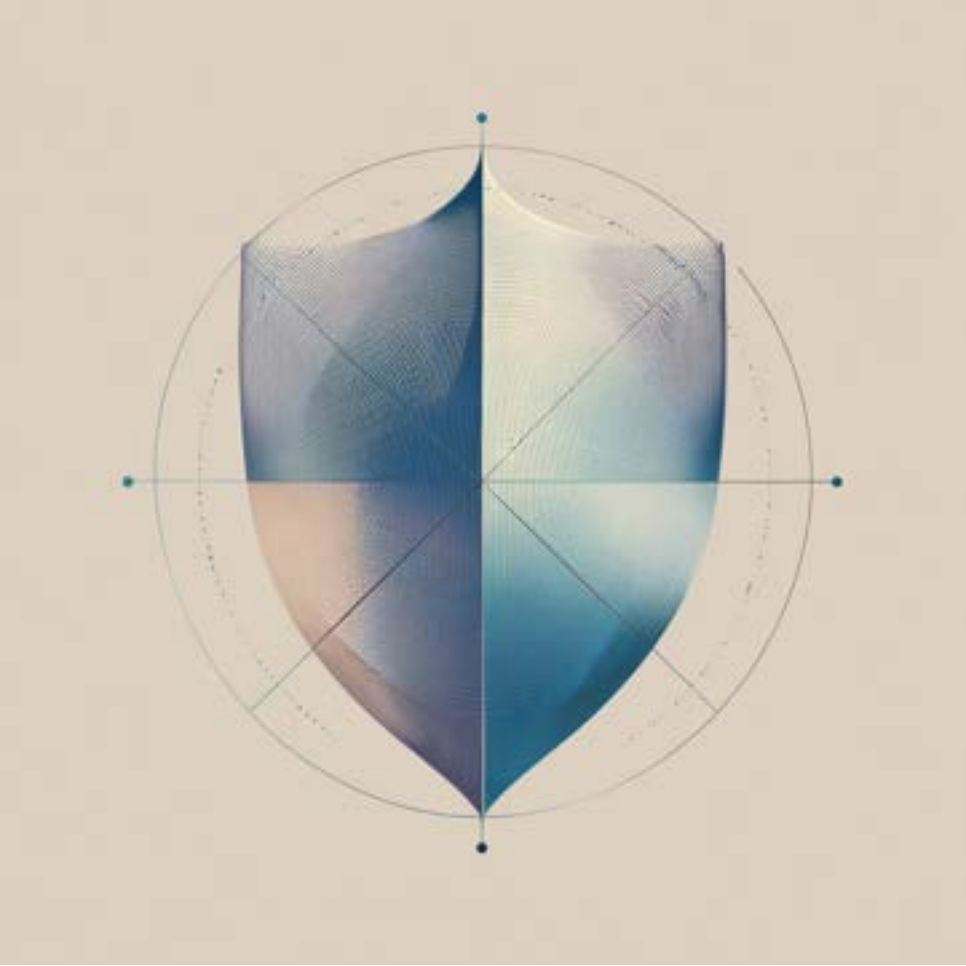
- Lean Operational Costs: Maintaining a minimalist, digitally-enabled government structure and strategically outsourcing non-core services to the private sector.
- Sovereign Wealth Fund Management: Prudent, professional management and strategic growth of a sovereign wealth fund.
- Flexible Regulatory Frameworks: The inherent agility to adapt regulations swiftly in response to global economic shifts, technological advancements, or market demands.
- Strong Rule of Law: A transparent, predictable, and internationally enforceable legal system, meticulously backed by bilateral and multilateral treaties.

By strategically planning for diversification and building inherent resilience into their economic and governance models, Startup States aim to create enduringly prosperous and stable nations, capable of weathering global challenges and serving as beacons of twenty-first-century statecraft and fiscal discipline.

Individual Startup States may or may not elect to have legal tender laws, and some might not have a central bank in the conventional sense, similar to the Republic of Panama, which does not have the same kind of central bank as the Federal Reserve, as it is a dollarised economy. Some new countries may create gold-backed or redeemable currencies, whilst others may adopt existing global reserve currencies, so individual Startup States may have different monetary policies, or a lack thereof, and the same is true of their respective business plans, they may differ. However, whether it is agreements and treaty templates with partnering host countries, or models of profitability for new countries, all that and much more will be explored by the Startup States Society.

Chapter 19

Security and Neutrality



The establishment of a new country inherently involves navigating complex questions of security and international relations. For Startup States, these are not afterthoughts but integral components of their foundational design. This chapter explores the strategic choices Startup States may make regarding their defence

posture, their engagement with global institutions, and their diplomatic roadmap, emphasising a philosophy of neutrality, cooperation, and responsible global citizenship.

19.1 The Strategic Imperative of Neutrality

For practical, economic, and diplomatic reasons, many Startup States are likely to adopt a policy of permanent neutrality and, akin to Costa Rica, may opt not to maintain a standing military. This strategic decision is not a sign of weakness but a calculated choice (dolus bonus), designed to enhance security, foster trust with partnering host countries, and maintain peace.

The rationale for this approach is multifaceted:

- Fiscal Prudence: Maintaining a modern military is an immense financial burden. By foregoing a standing army, Startup States can reallocate significant resources towards public services, infrastructure development, and economic growth, aligning with their lean governance philosophy.
- Threat Mitigation: A neutral stance inherently reduces the likelihood of being perceived as a threat by regional or global powers. This proactive non-aggression (pacta sunt servanda) helps secure crucial deals from partnering host countries, as they can be assured that their new neighbour will not become a military liability or a base for hostile foreign operations.
- Diplomatic Advantage: Neutrality can position a Startup State as an impartial actor on the global stage, making it an ideal venue for international arbitration, peace talks, or humanitarian initiatives.

"Peace, commerce, and honest friendship with all nations, entangling alliances with none." - Thomas Jefferson, First Inaugural Address (1801).

This commitment to neutrality does not, however, preclude the establishment of robust internal security. Startup States will maintain well-trained civil defence forces and police services to ensure domestic law and order, protect citizens, and respond to natural disasters or internal emergencies. These forces would be focused on public safety and civil protection, distinct from military functions (ratio legis).

A compelling precedent for this approach is Turkmenistan, whose permanent neutrality was formally recognised by the United Nations General Assembly in Resolution 50/80 A of 12 December 1995. This resolution acknowledged Turkmenistan's

commitment to non-interference in the internal affairs of other states, respect for sovereignty, and peaceful resolution of disputes. A Startup State seeking to emulate this model would enshrine its perpetual neutrality in its founding treaties and constitution, seeking similar international recognition to solidify its non-aligned status (erga omnes).

This philosophy aligns profoundly with the foreign policy ideal articulated by Jefferson. For Startup States, this means focusing on economic cooperation, cultural exchange, and mutual respect, rather than becoming embroiled in power blocs or ideological conflicts. This approach maximises their ability to engage with a wide range of international partners without compromising their independence or inviting external pressures.

19.2 Defence and Security Models

While foregoing a standing military, Startup States must still address their defence needs. The primary reliance will be on the security guarantees provided by the partnering host country, as stipulated in their founding treaties. This arrangement leverages the existing defence capabilities of a recognised sovereign, providing a robust security umbrella.

Beyond this, the discussion around the use of Private Military Contractors (PMCs) for defence purposes remains a controversial subject in international law and ethics. While some might suggest PMCs as an alternative for external defence, it is crucial to reiterate that such entities, if considered at all, would be for the defence of an already recognised and independent state, not for the illicit acquisition of statehood (ex injuria jus non oritur).

As highlighted in Chapter 8, using PMCs to obtain sovereignty is an unacceptable "bad pathway." Furthermore, it is highly improbable that reputable PMCs would agree to work for an unrecognised, aspiring state, given the immense legal and reputational risks involved. Therefore, the emphasis on neutrality and reliance on host country security guarantees remains the most advisable and legitimate course of action for Startup States (de jure rather than de facto security).

19.3 UN Membership as Strategic Choice

The question of United Nations (UN) membership is a strategic choice for each Startup State, not a mandatory prerequisite for statehood (sine qua non). While UN membership confers significant diplomatic standing and access to global forums, some Startup States may initially opt to remain outside the organisation, similar to the historical stance of Switzerland.

Switzerland's example is particularly instructive. Despite being a fully sovereign and prosperous nation, Switzerland maintained a policy of strict neutrality and only joined the UN in 2002, following a national referendum. Its reasons for joining included a desire for greater influence on global issues, a recognition that its neutrality could be more effectively pursued from within the UN system, and a shift in public opinion following the end of the Cold War. Switzerland's long history outside the UN demonstrates that a state can achieve stability, prosperity, and international respect without immediate membership, provided it adheres to international law and engages constructively with the global community.

For Startup States, the decision on UN membership may depend on several factors, including their specific foreign policy objectives, their economic models, and their relations with the five permanent members of the UN Security Council (P5). Startup States may seek to cultivate strong bilateral relations with one or more, or all, of the P5 members, whether they decide to join the UN or not. This strategic engagement can provide crucial diplomatic support, facilitate trade, and enhance their international standing.

The International Relations Roadmap for a Startup State seeking full UN membership and widespread bilateral recognition would involve several meticulous legal and diplomatic steps:

- Demonstrating Montevideo Criteria: Continuously proving the existence of a permanent population, defined territory, effective government, and capacity to enter into international relations (as outlined in Chapter 9).
- Bilateral Recognition: Actively engaging in diplomatic outreach to individual states, seeking formal bilateral recognition (opinio juris). This involves presenting their legal framework, governance model, and commitment to international norms.
- UN Application Process: If UN membership is sought, the Startup State would submit an application to the UN Secretary-General, which is then reviewed by

the Security Council. A positive recommendation from the Security Council (requiring the concurrence of the P5 members) is then put to a vote in the General Assembly, where a two-thirds majority is required for admission.

19.4 Multilateral Engagement Beyond the UN

Beyond the United Nations, Startup States will actively engage with a diverse array of international organisations and regional blocs to further their interests and contribute to global governance. This engagement will be tailored to their specific "flavour" and economic strategy.

- World Trade Organization (WTO): Startup States focused on trade and economic innovation would seek WTO membership to ensure fair and predictable access to global markets, adhering to international trade rules.

- Regional Blocs: Depending on their geographical location and economic orientation, Startup States would seek observer status or full membership in relevant regional blocs such as ASEAN, the AU, the OAS, or EFTA. This fosters regional integration and cooperation.

- Specialised Agencies: Engagement with other specialised UN agencies (e.g., UNESCO for cultural heritage, ITU for telecommunications) and non-UN bodies (e.g., Interpol for law enforcement cooperation, ICANN for internet governance) would be pursued based on the Startup State's specific needs and contributions.

The role Startup States would seek to play on the global stage is one of constructive contribution. They can serve as models for sustainable development, innovation hubs for emerging technologies, facilitators of specific international dialogues, and proponents of lean, efficient governance. Their unique genesis, rooted in consent and collaboration, positions them as credible and innovative actors capable of shaping the future of international relations (ex consensu ad validitatem).

19.5 Leveraging Linguistic and Cultural Blocs

Beyond formal intergovernmental organisations, Startup States can strategically leverage existing cultural and linguistic networks to amplify their diplomatic reach, foster economic ties, and enhance their soft power. Membership in organisations

such as the Commonwealth of Nations, La Francophonie, and the Community of Portuguese Language Countries (CPLP) offers distinct advantages.

The Commonwealth of Nations:

This voluntary association of 56 independent and equal sovereign states, mostly former territories of the British Empire, offers a unique platform for diplomatic and economic engagement. For a Startup State, joining the Commonwealth could provide:

- Economic Advantage: Member countries often experience a "Commonwealth advantage" in trade, with lower transaction costs due to shared legal systems (common law), language (English), and business practices. Intra-Commonwealth trade reached $854 billion in 2022 and is projected to exceed $1 trillion by 2026.
- Diplomatic Amplification: The Commonwealth provides a collective voice, particularly for smaller and more vulnerable states, enabling them to advocate for their interests on the world stage.
- Capacity Building: Access to shared expertise, best practices in governance, and technical assistance programmes across diverse sectors.
- People-to-People Links: Facilitation of cultural exchange, educational opportunities, and mobility for citizens across member states.

La Francophonie (OIF):

This international organisation comprises 88 states and governments that share French as a common language. For a Startup State, membership in La Francophonie can offer:

- Cultural and Linguistic Promotion: A platform to promote the French language and cultural diversity.
- Political and Diplomatic Cooperation: Engagement in multilateral dialogue on global issues, promoting peace, democracy, and human rights.
- Economic Opportunities: Participation in initiatives aimed at increasing trade and investment among member states.
- Educational and Research Support: Access to programmes and research collaborations within the Francophone academic network.

Community of Portuguese Language Countries (CPLP):

The CPLP is an international organisation of Lusophone nations across four continents. For a Startup State with Portuguese ties, CPLP membership could provide:

- Cultural and Linguistic Ties: A forum for promoting the Portuguese language globally.
- Political and Diplomatic Coordination: Strengthened cooperation among Lusophone nations.
- Economic Cooperation: Initiatives in agriculture, tourism, and natural resources.
- Mobility and Social Benefits: Facilitated visa procedures and enhanced social exchange.

For individual Startup States, aligning with one or more of these blocs provides a strategic pathway to enhance standing, diversify engagements, and unlock specific benefits that complement their core "treaty-first" approach to statehood.

19.6 When Law Meets Realpolitik

"The law may permit it, but politics determines whether it survives."

While lex lata may authorise consensual state creation, realpolitik sets the limits of feasibility. Legal capacity without political strategy risks creating a fragile or non-viable polity (res inter alios acta).

Avoiding the Traps of Crypto-Colonialism and Enclave Politics Investor-led or private jurisdictions risk accusations of neo-imperialism if perceived as extractive enclaves. To mitigate:

- Equitable benefit-sharing with local/national stakeholders
- Dual governance ensuring participatory oversight
- Codified human rights protections, consistent with jus cogens and regional instruments (e.g., African Charter on Human and Peoples' Rights)

Legitimacy requires consent, consultation, and reciprocity, mere legality is insufficient.

The "Floodgates" Concern and Global Stability Norms The fear that recognising one consensual Startup State will unleash waves of secessionist claims is misplaced. A treaty-based Startup State is founded on pacta inter partes, not on unilateral declarations of independence (UDI). The ICJ's Kosovo Advisory Opinion confirms that while UDIs are not inherently unlawful (ex injuria jus non oritur), they lack consequence absent recognition or agreement. The Startup State model is thus stabilising, not destabilising.

Role of Great Powers While declaratory theory holds recognition is not constitutive of statehood, P5 politics shape access to UN membership and international systems. Startup States must navigate:

- Affirmative recognition (e.g., Kosovo by the US)
- De jure opposition (e.g., Taiwan vis-à-vis China)
- Strategic ambivalence - functional bilateralism without formal recognition

Targeted diplomacy should cultivate plurilateral blocs, economic partners, and values-aligned allies (amicus curiae in practice).

Managing Domestic Law International treaty legality must align with domestic constitutional requirements. Many constitutions prohibit alienation of territory or delegation of sovereignty without stringent procedures. Startup States must:

- Obtain constitutional authorisation (amendment, interpretive opinion, enabling statute)
- Seek ex ante judicial review where available
- Secure parliamentary ratification in dualist systems

The Vienna Convention's systemic integration principle (Art. 31(3)(c) VCLT) supports harmonisation of treaty and domestic law.

The Stimson Doctrine and the Cost of Non-Recognition The Stimson Doctrine (1932) and UNGA Resolution 2625 prohibit recognition of territorial acquisitions by coercion or illegality (ex turpi causa non oritur actio). Startup States must therefore:

- Avoid any breach of territorial integrity without consent
- Eschew military force or economic duress in their foundation

- Ensure legal instruments are ratified, transparent, and free from vitiating defects (fraud, coercion, error under VCLT Arts. 49–52)

Recognition must be earned through legality, transparency, and good faith. Legality without legitimacy is insufficient; recognition without the rule of law is unsustainable.

19.7 Lex Lata, Lex Ferenda, and Power

Ultimately, the lawful formation of a Startup State exists at the intersection of lex lata and lex ferenda. The positive law of treaties, constitutions, and international custom (lex lata) provides the juridical scaffolding upon which recognition is constructed. Yet, the aspirational law of tomorrow (lex ferenda), the progressive acceptance of consensual, treaty-based sovereignty, offers the pathway for Startup States to transform what is innovative into what is normative. Still, the realpolitik of great powers, domestic constitutions, and regional sensitivities constitutes the forum non conveniens where legal ambition may falter against political constraints. Thus, the maxim applies: ubi jus, ibi remedium - law creates the right, but only politics ensures its remedy. For Startup States, survival demands not merely the invocation of law, but the cultivation of legitimacy, prudence, and strategic alignment within the global order.

Chapter 20

Addressing Criticisms and Challenges

The ambitious vision of Startup States, while offering compelling solutions to contemporary governance challenges, inevitably invites rigorous scrutiny and criticism.

Any novel paradigm, particularly one touching upon the fundamental concept of sovereignty, must withstand adversarial examination. This chapter directly addresses the most significant potential criticisms and challenges levelled against the Startup State model, providing a robust steelman defence and outlining the inherent safeguards designed to mitigate these risks.

20.1 The Adversarial Case: Steelmaning Startup States

From a prosecutorial perspective, the concept of Startup States could be framed not as innovation, but as a dangerous regression, fraught with ethical and practical pitfalls. The charges could be numerous and severe:

- Environmental Degradation: Critics might argue that Startup States, driven by profit motives and a desire for rapid development, could become havens for lax environmental regulations, leading to unchecked pollution, unsustainable resource extraction, and irreversible ecological damage, particularly in vulnerable coastal or remote areas.

- Neo-Colonialism and Imperialism: The model could be accused of being a sophisticated form of neo-colonialism, where wealthy foreign entities, under the guise of partnership, effectively acquire control over the territory and resources of developing nations. This, it could be argued, is a modern iteration of historical concessions, perpetuating economic dependency and undermining true sovereignty, echoing the unequal power dynamics of past empires. Except colonialism was often achieved by coercion not invitation.

- Racism and Segregation: Concerns could be raised that Startup States, with their opt-in citizenship and selective vetting processes, could become exclusive enclaves, effectively segregating populations based on wealth, ideology, or even ethnicity. This could lead to a two-tiered global system, where the privileged retreat into insulated "designer" or even private nations, exacerbating global inequalities. Except that the wealthy already have numerous enclaves and gated communities already.

- Exploitation and a "Race to the Bottom": The pursuit of lean governance and market-aligned systems could be decried as a thinly veiled attempt to create "race to the bottom" jurisdictions, where labour rights are eroded, worker pro-

tections are minimal, and social safety nets are dismantled, leading to the exploitation of labour for corporate profit. Except that as a condition of a treaty with a partnering host country such protections and standards could get codified.

- Fronts for Extremist Groups and Corrupt Corporations: The promise of regulatory sandboxes and streamlined legal systems might be perceived as an invitation for illicit activities. Critics could contend that Startup States could become fronts for money laundering, tax evasion, organised crime, or even extremist groups seeking a sovereign shield (paravent jurisdictionis) for their operations, undermining international security and financial integrity. Except that extremist groups and corrupt corporations already have plenty of places to hide and are unlikely to ever pass the muster to achieve their own Startup State and even if they did they would become pariahs and would also make themselves more visible in the process.

- Wealth Drain and Intensified Inequality: The model could be seen as a mechanism for the rich to get richer, allowing them to flee existing tax burdens and social obligations in their home countries, thereby draining resources from the poor and widening the global wealth gap. This "sovereignty for sale" could be viewed as a further entrenchment of global elitism. Except that the wealthy already have many places to minimise or eliminate their tax burdens so Startup States are not needed to achieve such a goal.

- Privatisation and Monetisation of Sovereignty: The very notion of "operating for profit" or "citizenship as a service" could be fundamentally challenged as an unacceptable commodification of sovereignty itself. This, critics might argue, reduces the sacred concept of nationhood to a mere business venture, fanning the flames of corporate greed under the guise of offering more choices and freedoms. Except that without new streams of revenue, like the kind Startup States can offer partnering host countries, many governments will stay or go broke and this may result in the curtailment of critical infrastructure and social services.

The adversarial case against Startup States may be fierce, but fiat justitia ruat caelum - justice must be done though the heavens fall.

These are not trivial criticisms. They demand a robust and transparent response, demonstrating that the Startup State model is not merely a theoretical construct but a meticulously designed framework that actively addresses and mitigates these profound challenges.

20.2 Designing for Inclusivity and Responsibility

The Startup State model is built on a foundation of intentional design, incorporating robust ethical and social safeguards to counter the criticisms outlined above. This intentionality is the hallmark distinction between Startup States and both the accidents of history and the contrived experiments of micronationalism. Unlike legacy states that emerged through conquest, dynastic inheritance, or colonial fiat, Startup States aspire to begin with a clean slate *tabula rasa juris et civitatis* and to ground their legitimacy in principles of inclusivity and responsibility.

20.2.1 Intentional Design as First Principle

1. **Ethical Engineering of Polity**

   The legitimacy of a Startup State cannot rest on brute facts alone, such as population or control of territory. It must also rest on the animus societatis, the deliberate and collective will to establish a polity that adheres to ethical norms. Intentional design requires a constitutional framework that anticipates and prevents abuses, ensuring that state power remains bounded, transparent, and consensual.

2. **Contrast with Historical States**

   Many existing states were not designed but improvised products of war, colonisation, or negotiated settlements. Their institutions bear the scars of these origins. Startup States, by contrast, can consciously adopt the best of existing models while discarding outdated or harmful practices. This mirrors the constitutional moments of post-colonial Africa or post-war Europe, but without the trauma of coercion or defeat.

20.2.2 Inclusivity in Citizenship and Belonging

1. **Access to Citizenship**

   Citizenship in a Startup State must be designed to avoid exclusivity or arbitrary exclusion. It may be tied to a nominal fee in cryptocurrency, waived for those fleeing violence or indigence, ensuring that entry is not restricted by wealth. This approach embodies aequitas equity as a guiding principle, balancing sustainability with accessibility.

2. **Diversity and Participation**

   Inclusivity also means ensuring representation across gender, faith, ethnicity, and orientation. Provisions such as a commitment to natural-born female heads of state, or the establishment of consultative assemblies, are more than symbolic. They embed diversity into the constitutional DNA of the polity. This responds to critiques that new states could simply replicate patriarchal, exclusionary, or elitist systems.

3. **Diasporic Engagement**

   Startup States may have more citizens abroad than at home. Inclusive design thus requires flexible mechanisms, digital assemblies, online arbitration, e-governance that allow diaspora members to participate fully. Just as Estonia's e-residency created a community beyond its borders, Startup States can harness technology to ensure that physical presence is not the sole measure of civic belonging.

20.2.3 Responsibility in Governance and Society

1. **Transparency and Accountability**

   Responsibility demands that government finances and decision-making be open-book - visible, auditable, and accessible. Transparency is not a rhetorical flourish but a systemic safeguard against corruption, mismanagement, or the silent accumulation of debt. The policy of "no taxation, no borrowing" is not only fiscal discipline but also a moral stance against burdening future generations.

2. **Jurisdictional Modesty**

   The Startup State does not seek to monopolise law. By restricting its jurisdiction to its own internal governance, and leaving personal, commercial, and civil disputes to private arbitration or transnational law, it avoids the hubris of overreach. Responsibility here is restraint: the recognition that the state is not the ultimate arbiter of all aspects of life but one actor among many in a pluralistic ecosystem of governance.

3. **Humanitarian Obligations**

   Responsibility also extends outward. Startup States must not become havens for illicit activity, corruption, or exploitation. Proactive safeguards due

diligence in financial systems, commitments to international humanitarian norms, respect for human rights conventions demonstrate that Startup States are not rogue actors but responsible members of the international community.

20.2.4 Comparative Lessons and Precedents

1. **Failures of Exclusionary Projects**

   History offers cautionary tales of exclusionary states and artificial polities. From Rhodesia's racially segregated franchise to the Bantustans of apartheid South Africa, exclusionary designs collapsed under the weight of their own illegitimacy. Startup States must therefore anchor their legitimacy in inclusion rather than exclusion, lest they face the same fate.

2. **Positive Precedents in Intentionality**

   By contrast, projects like the Swiss Confederation's incremental inclusivity, or the European Union's post-war insistence on social safeguards, show how intentional design for diversity and responsibility can produce resilience. Similarly, microstates like Liechtenstein, which reinvented itself in the twentieth century by rebalancing citizen involvement with external responsibility, illustrate how small polities can thrive when ethical safeguards are taken seriously.

20.2.5 Strategic Synthesis

In sum, designing for inclusivity and responsibility means:

- **Embedding equity and access** into citizenship frameworks;
- **Institutionalising transparency** and fiscal restraint;
- **Balancing restraint with responsibility** by narrowing jurisdiction but upholding global humanitarian standards;
- **Drawing lessons from history**, ensuring that intentionality avoids both exclusion and exploitation.

Startup States, if they are to endure, must prove themselves not merely legal novelties or economic experiments but moral actors, capable of sustaining a polity

that is open, fair, and accountable. Responsibility is the ballast, and inclusivity the compass, guiding the Startup State through uncharted waters.

20.3 Strategies for Inclusivity and Accessibility

The charge that Startup States are solely for the wealthy or privileged is a critical one. While initial investment or economic contribution may be a pathway to residency or citizenship, the model is designed to foster broader inclusivity:

- **Tiered Affiliation Models:** Beyond high-net-worth investment, Startup States can offer diverse pathways to residency and citizenship, including skills-based immigration for professionals, entrepreneurial visas for innovators, and even merit-based programmes for individuals contributing to the State's cultural or social fabric. This ensures a diverse talent pool beyond just capital.
- **Affordable Housing and Social Mobility**: Urban planning within Startup States will incorporate diverse housing options to ensure accessibility for a range of income levels. Policies promoting social mobility through education, job training, and entrepreneurial support will be central to their design, preventing the formation of rigid class structures.
- **Community-Centric Design:** The emphasis on "opt-in" communities means that individuals choose to align with a Startup State's values. This alignment can be based on shared purpose, cultural affinity, or specific lifestyle choices, not solely financial capacity. The goal is to build cohesive communities, not just exclusive enclaves.

20.4 Brain Drain: Reciprocal Benefit Models

The concern that Startup States will siphon talent and resources from existing nations is addressed through models of reciprocal benefit:

- **Capacity Building in Host Countries:** Treaties with host countries can mandate significant investments in local education, infrastructure, and technology transfer. This ensures that the Startup State's presence directly contributes to the development of the partnering nation's human capital and economic base.
- **Joint Ventures and Shared Prosperity:** Economic models will prioritise joint ventures and partnerships with businesses and individuals from the host

country, creating shared economic upside. Employment preference clauses (lex specialis) for host country citizens ensure direct job creation and skill development within the local economy.

- **Global Talent Attraction:** Startup States aim to attract global talent that may not be optimally utilised in their current jurisdictions, rather than simply draining resources. They offer environments where innovation can flourish, creating new value that can ultimately benefit the global economy.

20.5 Labour Rights and Worker Protections

The "race to the bottom" in labour standards is explicitly rejected by the Startup State model. Labour laws and worker protections will be designed to ensure fair conditions and uphold human rights:

- **Robust Legal Frameworks:** Startup States will enshrine strong labour laws in their foundational legal codes, drawing from international best practices and conventions (e.g., International Labour Organization – ILO standards). This includes minimum wage provisions, safe working conditions, limits on working hours, and protections against discrimination.
- **Transparent Enforcement Mechanisms:** Independent regulatory bodies and accessible dispute resolution mechanisms will ensure that labour laws are effectively enforced and that workers have clear avenues for recourse in iure.
- **Competitive Labour Markets:** By attracting diverse industries and fostering economic growth, Startup States will create competitive labour markets that naturally drive up wages and improve working conditions, as businesses compete for skilled talent.

20.6 Cultural Homogenisation vs. Diversity

Balancing a foundational culture or set of values with the need for diversity and inclusion is a key design challenge:

- **Values-Based Alignment:** Startup States are founded on a clear set of values or a specific purpose. This creates a foundational culture that attracts aligned individuals. However, this alignment is based on principles, not on narrow ethnic or nationalistic identities (contra exclusio).

- **Embracing Pluralism:** Constitutions and laws will explicitly protect individual freedoms, religious liberty, and cultural expression. The aim is to create vibrant, cosmopolitan societies where diverse backgrounds contribute to a rich and dynamic national identity.
- **Integration with Host Culture:** Adopting the host country's language or incorporating cultural tributes can foster integration and mutual respect, preventing cultural isolation or perceived arrogance.

20.7 Navigating Internal and External Pressures

Beyond ethical considerations, Startup States must be engineered for resilience against both internal and external pressures while remaining responsive (resilientia ex ante). The test of durability is not simply whether a new polity can be founded, but whether it can endure. Fragility is the common death sentence of experimental governance models, whether in the form of micronations that collapse under internal factionalism, or Network States that wither when external recognition is denied. To survive, Startup States must therefore cultivate a dual capacity: *the ability to absorb shocks from within and the ability to withstand pressures from without.*

20.7.1 Internal Pressures: Cohesion and Legitimacy

1. **Institutional Design and Rule of Law**

   A Startup State must guard against the centripetal forces of internal disunity. This requires robust yet lean institutions that are transparent, predictable, and legally credible. A government without debt, patronage, or coercive taxation may seem light, but such leanness must be balanced by predictable mechanisms of dispute resolution, citizen participation, and succession planning. The spectre of collapse often arises not from external invasion but from internal disputes left to fester.

2. **Social Compact and Citizen Buy-In**

   Startup States must secure fides publica (public trust). Citizens, whether resident or diasporic, must believe in the legitimacy of the enterprise and feel a stake in its continuity. Citizenship fees, open-book government, and transparency of public accounts can help establish this trust, but so too can

symbolic elements - rituals, ceremonies, even a consistent ethos of hospitality and fairness. In international law, effectivités often sustain claims of sovereignty; analogously, in Startup States, effectivités civium, the everyday loyalty and participation of citizens will sustain cohesion.

3. **Cultural Continuity and Identity**

   A Startup State that neglects cultural identity risks atomisation. While Startup States are ideologically neutral in principle, they must still offer a shared civic narrative: why this community exists, why its experiment matters, and how its citizens belong. Such a narrative is not propaganda but ballast, a stabilising story that can weather storms of doubt.

20.7.2 External Pressures: Recognition and Realpolitik

1. **Recognition and International Legitimacy**

   No Startup State exists in a vacuum. Even with a treaty-based foundation, it must navigate the complex field of external recognition, balancing between de jure acceptance and de facto toleration. Precedents such as the Turkish Republic of Northern Cyprus (TRNC), Abkhazia, or South Ossetia illustrate the perils of partial recognition, where international ambivalence translates into diplomatic vulnerability. Startup States must therefore pursue external relationships with prudence, cultivating alliances that reinforce their legitimacy rather than provoke suspicion.

2. **Geopolitical Pressures**

   A Startup State located in strategic waters or along contested borders may invite undue scrutiny. Even one established consensually, via treaty, can become an object of rivalry between great powers. The principle of non-intervention under Article 2(7) of the UN Charter offers legal protection, but political reality dictates that Startup States must proactively design neutrality policies, defensive partnerships, and resilience strategies against coercion or interference. The case of Monaco during the twentieth century illustrates how even a microstate can maintain sovereignty through neutrality, careful diplomacy, and treaties with larger neighbours.

3. **Economic Sustainability and External Shocks**

   Externally, markets can destabilise as surely as armies. A Startup State reliant on a single export, or overexposed to global downturns, risks implosion

when external demand falters. Thus, economic diversification is not mere prudence but existential necessity. Sovereign wealth funds, equity in host-state ventures, and resilient financial architecture can buffer against volatility. Startup States must learn from both the collapse of Lehman Brothers and the resilience of Singapore: fragility and robustness are functions of design.

20.7.3 The Dialectic of Responsiveness and Resilience

To be resilient is not to be rigid. A Startup State must practise *resilientia ex ante*: anticipating shocks and designing flexible institutions capable of adaptation. In international jurisprudence, the principle of *rebus sic stantibus* (treaties may lapse when circumstances change fundamentally) shows how even stable systems must adapt when reality shifts. So too with Startup States: rigidity invites irrelevance, while adaptability secures longevity.

Responsiveness must therefore be hardwired into governance: modular legal codes, sunset clauses, reviewable treaties, and clear mechanisms for citizen input. Startup States are startups in the truest sense not only in founding, but in their continuous capacity to pivot, iterate, and scale without losing their constitutional essence.

20.7.4 Strategic Synthesis

In sum, Startup States must:

- Fortify internal cohesion by building trust, legitimacy, and identity;
- Shield against external disruption by anchoring legitimacy in treaties, cultivating recognition, and diversifying risk;
- Embed adaptability through modular and reviewable governance structures.

Only by mastering these three fronts can Startup States escape the fate of becoming fragile curiosities. Resilience, in this sense, is not defensive but creative: it is the art of transforming shocks into renewal, crises into adaptations, and pressures into the very fuel of sovereignty.

20.8 Internal Stability and Social Cohesion

Newly formed entities are inherently vulnerable to internal instability. Startup States mitigate this through intentional governance design:

- **Constitutional Clarity:** A meticulously drafted constitution, agreed upon by its founding citizens, provides the ultimate legal framework, defining rights, responsibilities, and governance structures. This clarity minimises ambiguity and potential for conflict (ubi lex non distinguit, nec nos distinguere debemus).
- **Participatory Governance:** Mechanisms for direct democracy (e.g., referendums, citizen assemblies) and transparent policy feedback loops empower citizens, giving them a genuine voice and reducing the likelihood of widespread dissent.
- **Robust Dispute Resolution:** Accessible and efficient internal dispute resolution systems, including independent judiciaries and arbitration bodies, ensure that conflicts are resolved peacefully and fairly, preventing escalation.
- **Shared Prosperity and Social Cohesion:** Economic models designed for broad-based prosperity (e.g., citizen dividends, job creation) and social programmes that foster integration and shared identity contribute to long-term social cohesion.

20.8.1 External Pressures: Geopolitical Resilience

Beyond the risk of a host country reneging (addressed by robust treaties and mutual financial incentives), Startup States face broader geopolitical pressures:

- **Great Power Dynamics:** Larger powers might view new states with suspicion, seeing them as potential proxies or destabilising elements. The Startup State's commitment to neutrality, non-militarisation, and adherence to international law (e.g., UN Charter, Article 2(4) on non-intervention) is crucial for mitigating this.
- **Economic Sanctions:** Unrecognised or controversial states can face economic sanctions. The "treaty-first" approach and focus on gaining widespread bilateral recognition from the outset are designed to prevent this isolation. Diversified economic ties and strong relations with multiple trading partners reduce vulnerability to unilateral sanctions.

- **Regional Instability:** If located in a volatile region, a Startup State could be affected by conflicts or political upheavals. Strong security guarantees from the host country, coupled with regional diplomatic engagement, are vital for building resilience.

- **Cyber Threats**: As digitally native entities, Startup States will be prime targets for cyberattacks. Robust cybersecurity infrastructure and international cooperation on cyber defence are essential.

Resilience in Startup States is not incidental, but sui generis, deliberately engineered to minimise pressures from within and without.

20.8.2 Sustainability Beyond Initial Funding

The "startup" phase implies rapid growth, but long-term viability is critical to avoid becoming a failed state (status collapsus):

- **Diversified Revenue Streams:** Reliance on multiple income sources beyond initial capital (e.g., real estate, service fees, sovereign wealth investments) ensures fiscal stability.

- **Lean Operational Costs:** Maintaining a highly efficient, technology-driven government minimises ongoing expenses, ensuring that revenue outpaces expenditure.

- **Continuous Innovation:** The "ultimate regulatory sandbox" approach means Startup States remain agile and attractive to new industries, ensuring a dynamic and evolving economic base.

- **Strong Rule of Law and Investor Confidence:** A predictable legal environment and transparent governance are paramount for attracting and retaining long-term investment, which is the lifeblood of sustained growth.

20.8.3 Scalability: From Micro-Polity to Macro-Impact

The question of scalability is fundamental: can the "Startup State" model extend beyond small, specialised polities to accommodate larger populations or territories?

- **Modular Governance:** The design principles of modular governance, where services and administrative functions can be scaled independently, lend themselves to growth. As the population increases, new modules or administrative units can be added without overhauling the entire system.
- **Networked Approach:** While a single Startup State might start small, the model itself is inherently scalable through replication. The success of one Startup State could inspire the creation of others, forming a network of intentionally designed polities that collectively exert greater influence.
- **Specialised Focus:** Many Startup States may indeed remain small, specialised entities, focusing on niche industries or specific communities. However, their impact on global governance and innovation can be disproportionately large, serving as exemplars and testbeds for reforms that can then be adopted by larger, legacy nations. The objective is not necessarily to become a superpower, but to demonstrate a superior model of governance and human flourishing that can be emulated.

By proactively addressing these criticisms and challenges through intentional design, robust legal frameworks, and strategic diplomatic engagement, Startup States aim to carve out a legitimate, stable, and impactful place in the twenty-first-century global order. They are not merely speculative constructs but meticulously engineered solutions to the complex demands of modern statecraft.

Interlude V

A Letter to My *Network State Friends*

On the Strategic Necessity of a Treaty-First Path

Let me conclude by explaining why a treaty-first approach to state formation is not merely preferable, but strategically indispensable under the existing international system.

The core reason is straightforward. Absent formal recognition, it is extraordinarily difficult for an unrecognised entity, polity, or self-proclaimed state to interact with recognised state actors on anything approaching equal legal and institutional footing. While limited or informal engagement may occur in particular contexts, recognition remains the most reliable and comprehensive gateway to full participation in the contemporary international order.

In this regard, parent-state permission remains the gold standard of legitimacy. This is why Montenegro and South Sudan, for all of their imperfections and challenges, are generally regarded as more firmly legitimate within the international system than Kosovo. This observation is not intended to disparage or diminish Kosovo in any way, but simply to acknowledge the structural preferences of the existing world order. When statehood is achieved through negotiated consent rather than unilateral declaration, the resulting polity begins life with fewer legal and diplomatic liabilities.

An instructive analogy may be drawn from the domain of religious identity and recognition. There is nothing that prevents an individual from self-identifying as Jewish, observing Jewish religious practices, learning Hebrew, attending services,

or participating fully in communal life. Indeed, it is quite possible that such a person may be more knowledgeable of Torah, more meticulous in the observance of the mitzvot, and more personally righteous than someone who is widely and almost universally recognised as Jewish. None of that, however, necessarily obliges rabbinic authorities to confer formal recognition for institutional purposes, even if they were personally inclined to do so. Within such systems, recognition is governed not by subjective merit alone, but by established procedural criteria.

Similarly, a supremely competent and highly skilled driver may be demonstrably safer, more disciplined, and more capable than many licensed drivers. That fact does not compel a licensing bureau to confer legal driving status outside its prescribed framework. Even a bureaucrat who privately acknowledges such competence is exceedingly unlikely to issue a licence in defiance of institutional rules. At most, such qualifications may make eventual recognition easier to obtain. They do not substitute for the recognition process itself.

The possession of the outward attributes commonly associated with statehood, such as flags, coats of arms, constitutions, currencies, passports, populations, and even substantial informal regard, functions in precisely the same manner. However impressive or substantial these attributes may be, they do not in themselves establish a state's legal personality within the existing international system. Absent recognition by other states, such entities remain excluded from many of the core mechanisms of international law, including accession to multilateral treaties, participation in international organisations, the deposit of instruments with the United Nations, and the full exercise of diplomatic privileges and immunities. These processes are governed by institutional frameworks that do not admit unilateral substitution by self-assertion, however sincere, competent, or well-developed.

Different systems in the world have gatekeepers. There are times when deference to those gatekeepers, even if reluctant, is necessary and pragmatic. For those who refuse to do so, that refusal is both understandable and worthy of respect. What follows from that choice, however, is not injustice but divergence. One creates one's own party, one's own system, one's own club. That alternative path is legitimate. One may exist independently of rabbinic authority, independently of a licensing bureau, and independently of the nation-state system. What one should not expect is that such institutions will be compelled to recognise or accommodate those who consciously reject their rules, even if the alternative system achieves critical mass, superior quality, market success, or widespread social appeal.

This principle applies with equal force to the contemporary relationship between

nation-states and network states. Let nation-states be nation-states, and let network states be network states. There is neither necessity nor wisdom in attempting to force one form to become the other. Network states need not contort themselves into traditional nation-states, and existing nation-states need not abandon their character in order to emulate network states. If, in particular cases, an entity manages to embody elements of both, so much the better. There is nothing incoherent in using network-state theory as a model of state formation to establish new nation-states, just as there is nothing objectionable in existing nation-states adopting the ethos, tools, or innovations associated with network-state models. What is counterproductive is the expectation that one model can be compelled to conform to the other against its nature or interests.

At the same time, the community-first approach characteristic of many network-state projects introduces its own strategic complications. Recognised states are likely to conduct extensive due diligence on any aspiring polity. Off-colour, unhinged, or poorly considered statements made within network-state communities, particularly in public forums and social media, are almost certain to become points of concern. In this respect, the radical openness of such communities can be both a strength and a liability. If a recognised state can look past such raw or uncouth behaviour, then so much the better. There will be fewer surprises later. In some respects, this process is more honest and transparent, producing a more battle-tested and institutionally legible community than would otherwise be the case.

That said, there is also less to defend and less that must be explained or sold when there is no chequered past. It is often better to have no social media presence than a poor one, just as it is preferable to have no credit history rather than a bad credit history. A treaty-first approach, sometimes described as the Startup States model of state formation, mitigates these risks by prioritising cooperation with existing states from the outset. It allows the recognised state to know precisely what it is entering into and what it should expect from the new polity.

If entry into an established institutional order is desired, its rules must be followed, at least for the purposes of gaining entry. Whether those rules are adhered to thereafter, and whether they are enforced or withdrawn, are separate questions.

The same logic appears in contemporary debates over gender identity. Individuals may live in ways that align with their deeply held sense of self and should ordinarily be treated with dignity and respect. Yet no person, institution, or state can be compelled to adopt a classification against its will, any more than one state can be compelled to recognise another as sovereign. Even here, definitional boundaries

continue to exist that cannot be altered by assertion alone. However uncomfortable or painful that reality may be to acknowledge, it remains operative.

Reality remains reality. Truth remains truth.

This is not to deny anyone the freedom to self-identify, whether religiously, politically, or personally. Individuals are free to call themselves Jewish, another gender, or even a country. Others are equally free to accept or reject those claims according to whatever standards they choose, or no standard at all. What one cannot ethically or practically do is compel unwilling recognition.

The same principle governs international politics. Frustration with the nation-state system is understandable and legitimate. One may seek to build alternative structures. Perhaps, one day, humanity will indeed move beyond the nation-state. That day, however, is unlikely to arrive soon.

Bitcoin provides a revealing parallel. As revolutionary as Bitcoin has been, and despite its profound technological and economic impact, the existing global monetary and financial systems remain largely intact. They have absorbed Bitcoin rather than been replaced by it. While it is conceivable that Bitcoin may someday function as the world's primary monetary system, that transformation has not yet occurred. At present, Bitcoin functions primarily as a store of value rather than as the dominant peer-to-peer transactional system envisioned in its original design.

If even Bitcoin has not displaced the world's monetary architecture, it is uncertain that network states will displace the world's geopolitical and diplomatic architecture. Network states may grow large, prosperous, and influential. They may even coordinate among themselves. They may yet render aspects of the nation-state obsolete. But size, wealth, and technological sophistication alone do not guarantee recognition as sovereign states. Bitcoin itself is legal tender in only a small number of jurisdictions. That fact, even if legal-tender regimes are themselves imperfect, remains a useful benchmark.

It is reasonable to celebrate both Bitcoin and network states and to wish them success. The deeper question is what success ultimately entails, and whether it produces outcomes meaningfully superior to the present order. That is a question each individual must answer freely.

For as long as human beings remain social and organisational creatures, nation-states continue to represent the most developed legal form of large-scale human coordination available, at least until a demonstrably superior alternative emerges. Until there exists a faster, safer, and more economical means of long-distance travel

than the aeroplane, there is little shame in flying and no contradiction in working to improve aviation. The same holds for political systems.

Let us build better, safer, more comfortable aircraft at better prices, at least until an entirely new mode of transport appears. That is where we presently stand with respect to the nation-state system. That is precisely why a treaty-first model of state formation remains not merely preferable, but indispensable. For now.

Conclusion: Charting Your Own Destiny

This journey through the burgeoning landscape of Startup States has illuminated a profound truth: the future of governance is not merely about incremental improvements to inherited systems, but about intentional design, collaborative creation, and the audacious pursuit of human flourishing on a sovereign scale. This book has meticulously laid out the foundational elements, addressing the who, what, where, why, and, most importantly, the how of bringing these visionary polities to fruition.

The who of Startup States encompasses the diverse communities and visionary individuals who can coalesce around shared principles, leveraging collective intelligence and capital to forge new nations that reflect a myriad of values and purposes. These are the pioneers, the builders, and the dreamers who refuse to accept the status quo as the final word on human organisation.

The what is the Startup State itself: a new sovereign entity, meticulously conceived and born from a business-like approach to statecraft. It is committed to ethical formation, operating with unparalleled clarity, and fostering symbiotic relationships with existing nations. This is not a rebellion, but a reinvention – a nation engineered for optimal performance.

The where emphasises dry land as the most viable and legally sound foundation for these new countries in the current international legal framework. While acknowledging the complexities and future potential of other frontiers – from the high seas and Antarctica to the vast expanse of outer space – the immediate focus remains on tangible, undisputed territory, providing a stable anchor for nascent sovereignty. Even as people increasingly spend the bulk of their day working or playing in cyberspace, their physical presence remains anchored on dry land. What better way to live, then, than in a new country of their choosing, which best aligns

with their ideas and values, rather than being in a walled garden in someone else's yard, dressed up as a safe space for capitalism but without the requisite social freedoms, or only those social freedoms but not as many economic liberties?

The why is unequivocally clear: to offer more profound choices for individuals to live in countries that genuinely align with their values and aspirations. It is about providing greater legal certainty and continuity for both citizens and businesses, fostering an environment where innovation can thrive, and sustainable development becomes the default, not an afterthought.

The when is difficult to speculate on precisely, but it is likely to accelerate once there is greater awareness and widespread realisation that, yes, individuals can indeed come together to form their own countries, and in many instances, should do so if they so choose. The confluence of technological advancement, global interconnectedness, and a growing desire for intentional communities sets the stage for this transformative era.

The how is the core message of this volume: a methodical, transparent, and profoundly collaborative process, founded on the bedrock of international law, mutual consent, and an unwavering pioneering spirit. It is about co-creation with host countries, ensuring clean, ethical land acquisition through mechanisms like long-term leases, and structuring partnerships that benefit all stakeholders through innovative profit-sharing models and shared governance. This "how" is the path to building new countries with clean, immaculate conceptions, establishing strong and impeachable foundations for generations to come. This includes the adoption of post-taxation and post-debt financial models, ensuring fiscal agility and sustainability. It embraces lean and efficient governance, acting as a concierge service that empowers rather than hinders. It champions diverse legal and public service frameworks, allowing for custom-built societies. And it mandates a strategic approach to security and international relations, prioritising neutrality and symbiotic alliances.

International law is not a closed book. It is a living manuscript, authored by consent and amended by precedent. The creation of new states on terra firma through lawful, treaty-based means is not only permissible under the corpus juris gentium but also harmonious with established opinio juris, international custom, and conventional treaty instruments. This process does not require belligerent secession or subterfuge; rather, it demands pactum, due process, and juridical prudence.

Startup States are not acts of sedition; they are peaceful manifestations of consensual sovereignty, legally instantiated through pacta inter nationes. They do not disrupt the international legal order; instead, they function as jus novum, rejuvenating the international system via contractual delegation and sovereign innovation. In this regard, they are evolutionary not revolutionary, being part of a continuum of terrae nullius abstention, post-colonial succession of states, condominium agreements, and differentiated sovereignty.

When duly constituted inter partes, Startup States fulfil not only legal criteria but also strategic imperatives. They offer:

- To host states: a lawful mechanism for territorial optimisation and economic revitalisation via treaty-based cession, usufruct, or limited sovereignty sharing
- To private actors: a jurisdictional substrate with enhanced legal certainty, regulatory clarity, and investment protection under international law
- To international institutions: prospective member entities aligned with the telos of the UN Charter and committed to jus cogens norms
- To the global order: a normative model that circumvents unilateral secessionism, precludes non-recognition, and reinforces procedural legitimacy

By being instantiated through instrumentum publicum and governed by pacta sunt servanda, Startup States reconcile public and private, domestic and international, lex lata and lex ferenda. They inaugurate a new vector within the societas gentium, wherein states may be constituted ab initio by mutual consent, governed by codified constitutionalism, and integrated via legal harmonisation.

The requisites are now prima facie established:

- The legal substratum is well-founded in customary and conventional norms
- The strategic pathway conforms to established modalities of state creation
- The jurisprudential precedents (e.g., Kosovo, South Sudan, Montenegro) are illustrative, not exhaustive; the omission of specific examples is not intentional
- The geopolitical demand for lawful, stable, and ethically sound jurisdictions is tangible and growing

What remains is the animus contrahendi: the sovereign will to formalise a new subject of international law. The capacity exists. The instruments exist. The moment is ripe.

This book is not intended to be a complete and exhaustive anthology, but rather a foundational text, a launchpad for further exploration and action. We invite you to join this growing movement, to become part of the vanguard shaping the next chapter of human organisation. Follow the work of the Startup States Society and consider becoming a member once membership opens up, contributing your unique insights and energy. Spread the word about Startup States, sparking conversations and inspiring others to envision a better future. Research and develop models of not only governance but also of how deals with partnering host countries can look in a peaceful, legal, and symbiotic manner.

By embracing the Startup State mentality and mindset and applying it to the grand challenge of building new countries and upgrading governance, we may unlock unprecedented potentials to enhance the quality of life for end-users or citizens, while simultaneously delivering handsome returns to stakeholders. This is all part of the great realignment of humanity and the world, the great healing of the world, and indeed, the great rearranging of subatomic particles, a fundamental reordering of how we live, work, and interact.

Therefore, let us rise to the ultimate challenge: let us become the founding fathers and mothers of a new era, leaving an indelible mark on history. Let us forge our own destinies and legacies through the creation of brand new countries. For whilst setting up new businesses and accumulating wealth is commendable, and winning an athletic or artistic award or a political contest is likewise laudable, the true test of vision and courage lies in establishing new nations and propelling humanity forward. So, we ask you: what will your new country look like, how will it operate and generate wealth, who will inhabit it, what purposes or problems will it solve?

The future is firmly in your hands, dear reader, and the possibilities are endless. So let us embark on this extraordinary journey together and create a tomorrow that is truly worthy of our highest aspirations. The res publica gentium is not static, it evolves through acts of will, duly constituted and lawfully promulgated. Startup States are not anomalies; they are, potentially, the next lexicon of lawful sovereignty. The question now is not whether it can be done, but whether you will be among those bold enough to do it.

Appendix A

Hong Kong

A.1 Introduction: The Rise of a Global Financial Powerhouse

Hong Kong's transformation from a modest colonial port to one of the world's leading global cities is a testament to what can be achieved through minimalist governance, market openness, and institutional clarity (Cheung, 2022). For much of the 20th century, Hong Kong stood as a laboratory of liberalised commerce, streamlined regulation, and cosmopolitan pragmatism. The result was not merely economic growth, but systemic credibility: a jurisdiction that consistently ranked among the freest economies, most competitive business environments, and highest rule-of-law performers.

As a Special Administrative Region (SAR) under the "One Country, Two Systems" principle, Hong Kong enjoyed a high degree of autonomy from the People's Republic of China after its handover in 1997 (Lin & Fei, 2023). This autonomy granted it full discretion over its fiscal policy, customs enforcement, immigration system, monetary regime, and legal framework, the core levers of modern sovereignty. These instruments enabled Hong Kong to sustain its status as Asia's preeminent financial hub, gateway to China, and magnet for international business.

A.2 Features of Success: Policy Architecture That Worked

Hong Kong's enduring success was built on a confluence of structural advantages that mirror the aspirations of many modern jurisdictions and Startup States:

- Flat, predictable tax structure: Corporate profits tax capped at 16.5%, no value-added tax (VAT), and no capital gains tax.
- Sound monetary architecture: A currency board system with the Hong Kong Dollar pegged to the US Dollar, ensuring stability and convertibility.
- Independent judiciary under common law: One of the few places in Asia to maintain legal continuity with British commercial jurisprudence, reinforcing contract enforceability and investor protection.
- Customs and immigration autonomy: Ability to regulate cross-border flows according to its own policy objectives, enabling efficient trade facilitation and talent mobility.
- Lean government: Public expenditure has consistently remained below 20% of GDP, reflecting restrained bureaucracy and efficient public service delivery.

These policies were not imposed by ideology but emerged from necessity: limited land, scarce natural resources, and an outward-facing economy forced Hong Kong to optimise for speed, clarity, and institutional trust.

A.3 Hong Kong's Golden Era: 1980s to 2010s

Between the 1980s and 2010s, Hong Kong consistently outperformed regional and global benchmarks. It became the world's third-largest financial centre, a leading IPO destination, and a top-tier arbitration hub. Its port, airport, and legal services infrastructure served as the connective tissue between China and the international economy.

Even amid the rise of neighbouring cities like Shanghai or Singapore, Hong Kong remained a preferred base for multinational headquarters, high-net-worth individuals, and it combined East and West, not just geographically, but in institutional DNA.

Crucially, this performance was possible because of, not despite, its special status. Autonomy was not ornamental; it was operational.

A.4 Autonomy with an Expiration Date

And yet, for all its success, Hong Kong's model is bound by an immutable legal fact: its autonomy is temporary.

The "One Country, Two Systems" framework, codified in the 1984 Sino-British Joint Declaration and embedded into Hong Kong's Basic Law, grants it a high degree of self-rule for 50 years following the 1997 handover until 2047 (Yeung & Huang, 2015). After that, the extent and character of Hong Kong's autonomy is entirely subject to the discretion of the central government in Beijing.

This expiry is not a matter of speculation or political rhetoric; it is codified in legal architecture and reinforced by precedent (Yufei, 2024). Since 2020, Beijing has already exercised overriding authority through the National Security Law, bypassing Hong Kong's local legislature. Whether such interventions are deemed just or unjust, necessary or excessive, misses the point. The underlying issue is structural vulnerability: autonomy contingent on continued central tolerance.

Despite its independent tax system, separate immigration policy, and unique monetary regime, Hong Kong is not sovereign. Its Constitution is not supreme. Its autonomy is not irrevocable. Its future, post-2047, is not self-determined.

A.5 High-Performance, High-Dependency

For global enterprises and institutional investors, Hong Kong has long represented a high-trust jurisdiction, one that offered legal reliability and regulatory maturity within Asia's most dynamic geography. But the prospect of eventual reintegration into a unitary political system creates tail risk.

That risk is not hypothetical. It has materialised:

- Law firms and media outlets have faced closures or relocation.
- Financial institutions have reviewed contingency plans for regional headquarters.
- Capital flows and talent mobility have subtly, but unmistakably, adjusted course.

These are not overreactions. They are rational portfolio adjustments in light of

the fact that no matter how successful or efficient a subnational entity may be, if it is structurally subordinate, its autonomy is always at risk of revision.

A.6 The Larger Lesson: Constraints of the SAR Model

Hong Kong's trajectory offers two powerful lessons:

1. Jurisdictional excellence is achievable through autonomy, policy clarity, and lean governance.
2. But when that autonomy is revocable, when legal supremacy resides elsewhere, it introduces long-term fragility.

The SAR model, like Special Economic Zones (SEZs) or Charter Cities, grants some of the levers of sovereignty but withholds the right to hold them unconditionally. No matter how strong the economy, how efficient the governance, or how globally integrated the jurisdiction becomes, it remains a dependent variable within the host state's political calculus.

A.7 From Revocable Autonomy to Designed Sovereignty

Where Hong Kong's autonomy ends, Startup States begin. These treaty-based, independently governed jurisdictions are sovereign by design, not merely administratively separate, but legally autonomous. They retain full control over their legal frameworks, monetary regimes, immigration policies, and dispute resolution mechanisms. Not by delegation, but by inherent authority. Key differentiators include:

- Perpetuity: No expiration date or at least not in the lifetime of any living person or their grandchildren. Startup States are not subject to sunset clauses or political handovers unless specific thresholds get crossed such as non-payment of rent to the partnering host country or breaching a neutrality clause.
- Constitutional supremacy: Their organic laws are not subordinate to another nation's legislature or executive authority in areas outside of the scope of any condominium with a partnering host country.

- Bilateral or multilateral recognition: They establish international legal personality through treaty, not through constitutional exception.

- Exit protection: Treaties often include arbitration clauses and external oversight mechanisms, insulating them from arbitrary override.

Unlike Hong Kong, whose special status was the outcome of geopolitical imposition following a war and a series of unequal treaties, the Treaty of Nanking (1842), the Convention of Peking (1860), and the Convention for the Extension of Hong Kong Territory (1898). Startup States seek to arise through voluntary and respectful negotiation. Their creation is not premised on the humiliation of any partner state, large or small, but on mutually beneficial collaboration rooted in dignity, legality, and sovereignty.

Startup States also aim to synthesise cultural elements from both founding and partner states. Just as Hong Kong's success was not solely a product of British institutions but also a reflection of its deeply Chinese character, its Confucian work ethic, mercantile heritage, and social networks, Startup States are culturally contextual. They are not cultural blank slates or neo-colonial projects, but bridges between traditions, economies, and values.

For businesses, citizens, and institutions seeking the best of Hong Kong without the limitation of 2047, Startup States offer an upgraded model: equally lean, equally liberal, equally global, but with the critical addition of legal continuity and sovereign assurance.

A.8 Conclusion: From Exception to Blueprint

Hong Kong's story is a triumph of policy over geography, governance over ideology. It showed the world what minimalist, efficient, rights-respecting administration could achieve. But it also revealed the moral and structural limitations of a polity born out of conquest and treaties imposed under duress.

Startup States mark a civilisational progression: a shift from imposed autonomy to designed sovereignty, from geopolitical spoils to diplomatic partnerships. They embody a higher ethical foundation, never forged through humiliation or coercion, but through respect, consensus, and lawful agreement. Where Hong Kong was handed over, Startup States are co-created.

Advocates of positive non-intervention, open markets, and legal clarity are right to

celebrate Hong Kong as a lodestar. But if Hong Kong was a masterpiece painted on a borrowed canvas, Startup States offer a blank canvas of their own: cleaner, freer, and forged through consent.

They do not erase Hong Kong's legacy; they extend it. With roots in voluntaryism, treaties, and mutual recognition, Startup States are the next iteration in the evolution of self-governing jurisdictions: born independent, framed in law, and engineered for permanence.

The question is no longer whether such jurisdictions are needed. It is who will host them, build them, and lead them, and who will benefit from a sovereignty finally made durable, ethical, and free by design.

Appendix B

Próspera

B.1 Introduction: A Breakthrough With Bounds

Nestled along the northern coastline of Roatán, the largest of Honduras's Bay Islands, lies Próspera: a jurisdictional anomaly whose boldness has captured the imagination of governance reformers, entrepreneurs, and investors alike. Positioned strategically in the Caribbean Sea, just 65 kilometres off the Honduran mainland, this compact enclave aspires not merely to improve governance, but to reimagine it (Ebner & Peck, 2021).

Próspera is many things at once: a Zona de Empleo y Desarrollo Económico (ZEDE) or "Zone for Employment and Economic Development" with constitutionally embedded autonomy; a regulatory sandbox for legal and fiscal innovation; and a venture-backed governance project operated in part by a Delaware-based private entity, Próspera Inc. It has offered itself as a jurisdictional product, promising low taxes, pro-market regulation, and choice of law to entrepreneurs who prefer rulebooks over rulers and platforms over parliaments.

From a policy innovation perspective, Próspera is an undisputed breakthrough. Its regulatory code is digitised, modular, and auditable. Its administrative structures are intentionally minimalistic. And its economic framework leans heavily on free-market principles, offering ultra-light licensing regimes, rapid company formation, and decentralised service delivery. This is governance, redesigned for performance, accountability, and velocity (Romer, 2010).

And yet, despite these architectural triumphs, Próspera remains fundamentally bounded not by geography alone, but by law, legitimacy, and lingering questions of sovereignty.

For all its innovation, Próspera operates within the legal territory of Honduras, and its autonomy is derived from a national constitutional amendment introduced under a presidency later marred by allegations of criminal conduct and political coercion. The ZEDE regime, while ambitious in legal scope, has faced popular backlash, judicial challenges, and, most recently, an attempt at statutory repeal by the very Congress that once authorised it. Próspera has since filed a high-profile arbitration claim under international treaty law. A move that, while legally astute, may deepen its reputational complexity abroad.

This paradox of regulatory brilliance trapped within a fragile host-state relationship now defines Próspera's public image. On one hand, it has achieved a level of operational elegance few governments can rival. On the other, it is tethered to a sovereign that has reconsidered the legitimacy of the project and may lack the political will to defend it long-term.

Even if Próspera prevails in its arbitration proceedings, the signal sent to the world is unmistakable: a high-performance zone can still be suspended at the whim of a legislature, caught in the crosswinds of domestic politics. For countries considering similar ventures, Próspera's experience may induce caution rather than confidence. The question becomes not whether such zones can function, but whether they can endure.

As such, Próspera has re-ignited a deeper conversation not merely about charter cities or special zones, but about the possibility of building entire countries that are legally independent, internationally recognised, and diplomatically entrenched from the start.

Startup States represent that next evolutionary step: retaining the entrepreneurial spirit of Próspera while removing the structural ceiling imposed by subnational status (Frazier, 2018). Próspera opened the frontier. Startup States intend to cross it.

B.2 Geography, Structure, and Governance

Próspera occupies a modest tract of land on the northeast shore of Roatán, a tropical island located within the territorial jurisdiction of the Republic of Honduras. Roatán itself forms part of the Bay Islands Department (Departamento de Islas de la Bahía), approximately 65 kilometres from the northern mainland and falling squarely within the maritime and political boundaries of the Honduran state (Sut-

ton, 2015). Despite its limited geographic footprint, Próspera's implications for legal theory, economic governance, and international investment law are anything but insular.

The ZEDE known as Próspera is a creature of national law. Its creation was authorised by the Honduran National Congress pursuant to Decreto No. 120-2013, which operationalised earlier constitutional amendments to Articles 294, 303, and 329 of the Constitution of the Republic of Honduras (Mason et al., 2021). These amendments allowed for the establishment of special territorial jurisdictions, Zones for Employment and Economic Development (ZEDEs) to pursue accelerated economic development and legal experimentation. Under this framework, ZEDEs were permitted to adopt autonomous legal and regulatory systems, enter into contractual agreements, establish their own judicial forums, and collect administrative revenues independent of the central government.

Próspera, as a ZEDE, accordingly enjoys substantial autonomy with regard to civil law, commercial regulation, tax policy, infrastructure planning, and dispute resolution. However, its jurisdiction remains explicitly derivative: it exists within a constitutionally defined delegation of authority from the central state. It is neither a federated unit nor a sui generis state, and possesses no capacity for international legal personality or sovereign treaty-making.

Adding a further layer of complexity is the involvement of Próspera Inc., a privately-held corporation formed under the laws of the State of Delaware in the United States. Próspera Inc. serves as the primary promoter, administrator, and investor in the ZEDE of Próspera, operating under concessionary authority and contractual agreement. While the two entities, Próspera the zone and Próspera Inc. the corporate body are not legally identical, they are functionally entangled. The governance model employed within the zone incorporates shareholder structures, private dispute resolution, and limited democratic participation, heavily shaped by the operational policies of Próspera Inc (Colindres, 2021).

This hybrid structure part constitutional innovation, part venture capital experiment has no global precedent. Próspera is governed not by conventional electoral accountability or bureaucratic oversight, but by a layered framework in which private entities play a central role in the provision of public goods. This includes the issuance of permits, regulation of land use, and resolution of civil disputes, functions traditionally reserved to the state.

In terms of substantive governance, Próspera adheres to a model of "governance-as-a-service." Its administrative code is maintained digitally; its regulations are de-

signed to be minimal, transparent, and auditable; and its legal framework permits parties to select their governing law from among various jurisdictions, including Delaware corporate law, Anglo-American common law, or civil law codes. In practice, this means companies can incorporate and operate under legal assumptions wholly distinct from the host country's dominant legal tradition (Moon, 2021).

Taxation within the ZEDE is similarly decoupled from national norms. Próspera imposes minimal corporate and personal income tax rates, emphasises user fees over broad-based taxation, and relies on modular pricing for administrative and regulatory services. This fiscal model is designed to encourage capital formation and reduce compliance burdens, hallmarks of a pro-market, investor-friendly jurisdiction.

However, for all its ingenuity, the ZEDE structure remains vulnerable to constitutional and political pressures. The Honduran state retains exclusive authority over matters such as foreign relations, defence, monetary policy, immigration, and customs enforcement. Próspera cannot control who enters or exits its territory; it cannot issue travel documents or visas; and it lacks all instruments of sovereignty. Nor can it bind the central government in international law.

Thus, while Próspera may functionally resemble a city-state or special administrative region, it remains, in the strictest legal sense, a delegated appendage of a unitary state, one whose continued existence depends not on international entrenchment or legal parity, but on domestic forbearance.

B.3 The Legal Architecture of ZEDEs

The foundation of Próspera lies not only in its regulatory ingenuity, but in a fraught and contested legal history that traces back more than a decade. Before there were ZEDEs, there were REDs (Regiones Especiales de Desarrolloa), first attempt by the Republic of Honduras to create autonomous zones for governance experimentation. Initially proposed in 2010, REDs attracted the intellectual support of then–World Bank Chief Economist Paul Romer, who envisioned a new model for charter cities: autonomous jurisdictions with legal and regulatory frameworks separate from the host state, but embedded with global best practices in law, infrastructure, and transparency.

Romer's theory was ambitious. It postulated that poor countries could leapfrog institutional stagnation by ceding territory to zones co-managed with international

partners. However, Romer's affiliation with Honduras unravelled in 2012, when the process to create REDs collapsed amid allegations of procedural irregularities and opaque agreements. Romer publicly distanced himself from the project and resigned from his advisory role, citing concerns over lack of transparency and the apparent exclusion of formal international oversight.

That same year, the Supreme Court of Honduras declared the RED initiative unconstitutional, holding that it violated fundamental provisions concerning national sovereignty, territorial integrity, and the separation of powers. The judicial decision, delivered in 2012, halted the first wave of charter city aspirations and forced the Honduran government to regroup.

Rather than abandon the concept, however, the National Congress, under the administration of President Juan Orlando Hernández (commonly referred to as JOH), pursued a constitutional workaround. In 2013, constitutional amendments were passed revising Articles 294, 303, and 329 of the Honduran Constitution, specifically authorising the creation of new special zones, now rebranded as Zonas de Empleo y Desarrollo Económico (ZEDEs) with sweeping legislative, judicial, administrative, and fiscal autonomy. This new legal framework was operationalised through Decreto No. 120-2013, known as the Organic Law of the ZEDEs.

The ZEDE model purported to be constitutionally immune to the same legal challenges that sank the REDs. Unlike their predecessor, ZEDEs were not conceived as international protectorates or co-managed jurisdictions but as internal delegations of national power, ratified through formal constitutional reform.

Still, their passage was not without controversy. The constitutional amendments were rushed through a polarised Congress with little public consultation, and many of the judiciary's prior objections were circumvented rather than resolved. The role of President Hernández in securing these reforms cannot be overstated. His administration was marked by a highly centralised style of governance, allegations of democratic backsliding, and in subsequent years, criminal indictments. In 2022, the former president was extradited to the United States to face charges including drug trafficking and corruption. A development that retroactively tainted the legitimacy of many policy initiatives passed during his tenure, including the ZEDE law.

Within this constellation of legal, political, and reputational complexities, Próspera emerged as the most advanced and certainly the most visible ZEDE. Although several other ZEDEs were legally established under the 2013 framework, most have remained dormant or minimally active. Próspera became the de facto represen-

tative of the ZEDE project, a position that amplified both its acclaim and its scrutiny. As a result, the name "Próspera" is often colloquially conflated with ZEDEs in general whether in courtrooms, policy papers, or political protests.

Próspera's operational structure also deepens the legal entanglement. While it maintains a Honduran-appointed Technical Secretary, the formal authority recognised by the national ZEDE commission, the daily administration and financial structuring of the zone is carried out by Próspera Inc., a privately held company registered in the State of Delaware, United States.

This bifurcation between public delegation and private management has raised concerns in both legal and diplomatic circles.

Though the incorporation of Próspera Inc. under Delaware law may be an industry standard for governance startups seeking U.S. capital, it inadvertently exposes the zone to geopolitical misinterpretation. In an increasingly multipolar and ideologically charged world, the appearance of American corporate dominance even in projects formally invited by host nations can complicate local legitimacy and international neutrality. Próspera Inc. is not flying a flag of technocratic detachment; it is visibly tied to U.S. legal and financial infrastructure. Whether this proves advantageous or detrimental depends largely on evolving perceptions of American influence in Latin America.

In this regard, Próspera differs not only from traditional special economic zones, but also from its ZEDE counterparts. It is, in the eyes of many, the face of the ZEDE model praised for its ambition and derided for its symbolism. Its unique legal form, its public–private hybrid governance, and its foreign incorporation have made it the most studied, litigated, and contested ZEDE to date.

Yet its very prominence has also made it a lightning rod for criticism, both in domestic political debates and international arbitration forums. The legal scaffolding that undergirds Próspera may have passed constitutional muster after 2013, but whether it can withstand political reversal, reputational erosion, and juridical resistance remains a question yet to be resolved.

B.4 Romer, Honduras, and the Road to Próspera

To understand Próspera's intellectual roots, one must begin with the theory of "Charter Cities," proposed in 2009 by economist Paul Romer, then a professor at New York University and later Chief Economist of the World Bank. Romer posited

that many developing countries were caught in a cycle of institutional dysfunction not due to a lack of resources, but due to an absence of credible, rules-based governance. His proposed remedy was bold: allow countries to designate a portion of their sovereign territory for the establishment of entirely new cities, governed under an alternate legal system ideally administered in partnership with a credible third party or guarantor state.

These "Charter Cities" would function as laboratories of institutional modernity. Romer imagined them attracting investment and human capital by offering predictable rule of law, transparent regulations, and a clean break from legacy corruption. The host country would retain sovereignty, but the new city would enjoy sufficient autonomy to import high-quality legal systems sometimes with foreign administrators to help jump-start development. The vision drew inspiration from historical antecedents such as Hong Kong under British rule, or even earlier examples like the Hanseatic League's autonomous trading cities.

Honduras, emerging from political instability following the 2009 coup d'état and searching for novel development strategies, appeared willing to embrace Romer's radical proposal. In 2010, the government passed enabling legislation to permit the creation of Regiones Especiales de Desarrollo (REDs), or "Special Development Regions," and in 2011 Romer was appointed to an oversight committee. The plan was to develop REDs as zones with distinct judicial, fiscal, and administrative regimes potentially managed in partnership with foreign entities such as Mauritius or Canada, which were floated as third-party legal anchors.

However, the honeymoon was short-lived. By 2012, the Honduran government signed memoranda of understanding with private development groups without consulting Romer or securing third-party oversight, prompting his public disavowal of the project. "I was not consulted," Romer famously said, accusing the government of violating transparency protocols. That same year, the Supreme Court of Honduras declared the RED framework unconstitutional, citing violations of the principles of sovereignty, judicial independence, and separation of powers.

Rather than abandon the vision, the government under President Juan Orlando Hernández responded by rewriting the Constitution. In 2013, Congress passed constitutional amendments and enabling legislation to resurrect the concept under a new name: Zonas de Empleo y Desarrollo Económico (ZEDEs). This rebranding was not cosmetic. The ZEDE law stripped away the international administrative components of the original REDs and embedded ZEDEs fully within the domestic constitutional framework, thus avoiding the judicial criticisms that had invalidated

their predecessor.

President Hernández, who served from 2014 to 2022, was instrumental in pushing the ZEDE agenda through the legislature. He marketed ZEDEs as engines of economic transformation, autonomous zones capable of attracting foreign capital and reversing endemic poverty. Yet Hernández's later fall from grace, culminating in his 2022 extradition to the United States on charges of narco-trafficking and corruption, cast a long shadow over the legitimacy of his policy initiatives. Critics have since pointed to the ZEDE legislation as emblematic of a governance model built on opaque lobbying, elite capture, and weakened democratic processes.

By 2017, the first serious effort to implement a ZEDE took shape on Roatán. Unlike the earlier RED proposal, this project soon to be known as Próspera, was not framed as an international trust or co-governed zone. Instead, it was spearheaded by a group of investors and legal engineers backed by a Delaware-based private company, who worked within the ZEDE framework to build a jurisdiction premised on Romer's ideals, albeit without his participation or endorsement.

It is notable that Romer, though no longer directly involved, has never returned to support Próspera or any ZEDE publicly. His academic silence on the matter speaks volumes: though Próspera may embody aspects of the Charter City theory, it does so under a cloud of legal circumvention and political instability. The road from Romer's theory to Próspera's reality is one of profound transformation from principled internationalism to strategic domestic delegation; from transparent oversight to opaque concession; and from public legitimacy to legal arbitration.

Nonetheless, the foundational aspiration remains: to build cities and perhaps countries designed for human flourishing through better rules, not just better rulers. Whether Próspera fulfils that vision or betrays it remains a live debate.

B.5 Próspera Inc. vs. Próspera the ZEDE

The zone known as Próspera is often discussed in monolithic terms, but in legal and institutional reality, it is composed of two interdependent entities: the Próspera ZEDE, a territorial jurisdiction authorised under Honduran constitutional and statutory law and Próspera Inc., a private corporation domiciled in the State of Delaware, United States.

The ZEDE is the legally recognised administrative unit, enjoying special status under the Organic Law of the ZEDEs (Decreto No. 120-2013). It operates un-

der the oversight of a Technical Secretary, a position formally appointed by the national ZEDE commission. This role is responsible for ensuring that the zone operates within the scope of Honduran constitutional and statutory provisions, even while enjoying wide latitude in lawmaking, taxation, dispute resolution, and public administration.

Próspera Inc., by contrast, is not a public entity and not formally part of the Honduran state apparatus. It is a privately held corporate entity formed under Delaware corporate law. It serves as the principal promoter, financier, developer, and administrative engine of the ZEDE. It enters into agreements with investors, designs legal frameworks, manages infrastructure projects, and delivers public services effectively performing many of the functions typically reserved to state or municipal authorities.

This public–private fusion is neither incidental nor cosmetic. It reflects a deliberate architectural choice to blend entrepreneurial capital with quasi-governmental authority. The zone's bylaws and regulatory frameworks were largely drafted by Próspera Inc. personnel and affiliates. Dispute resolution is offered via privately administered arbitration centres. Regulatory enforcement, property titling, and permitting are often subcontracted through special-purpose vehicles controlled by the company.

While this hybrid model may strike admirers as a virtuous form of "governance-as-a-service," it also raises fundamental questions of sovereignty, legitimacy, and transparency. The average Honduran citizen has no electoral oversight over Próspera Inc. Shareholders and early investors, rather than local stakeholders, wield significant influence over the zone's direction. Public perception is further complicated by the company's foreign incorporation, a detail which, though not unusual in startup ecosystems, becomes geopolitically charged when layered atop domestic legal delegations.

For critics, the involvement of a U.S.-based company in administrating Honduran territory revives historical anxieties around foreign influence, extractive enclaves, and the erosion of national sovereignty. Even among international observers sympathetic to charter city models, the use of a Delaware entity as the operational core of a foreign jurisdiction raises questions about accountability, regulatory arbitrage, and enforceability of obligations under Honduran or international law.

Moreover, the dual structure creates a legal ambiguity in international proceedings. In the investor–state arbitration case currently pending (filed under ICSID auspices), it is not the Próspera ZEDE as a legal zone but affiliates and investors

linked to Próspera Inc. who are asserting claims against the Republic of Honduras. This reinforces the perception fair or not, that Próspera Inc., rather than the zone itself, is the true claimant in the legal dispute.

Such entanglement has made it difficult to draw clear lines of responsibility or accountability. When challenges arise, be they administrative, reputational, or legal, it is unclear whether redress should be sought through the Honduran state, the ZEDE's Technical Secretary, or a private company registered in the United States.

Próspera Inc. may thus find itself in an impossible dual role: celebrated as a frontier innovator while simultaneously cast as a foreign actor entangled in domestic constitutionalism. This duality is not inherently disqualifying, but it does impose reputational, legal, and diplomatic costs especially when the political winds shift, or when treaty-based protections become the focal point of litigation.

B.6 Treaties, BITs, and Arbitration

The legal and diplomatic future of Próspera cannot be fully understood without reference to international investment law, specifically, the role of Bilateral Investment Treaties (BITs) and their enforcement through mechanisms such as the International Centre for Settlement of Investment Disputes (ICSID). Though Próspera is a subnational zone, its stakeholders have pursued protection and redress through supranational legal channels, leveraging treaties not originally designed for such hybrid governance entities.

The most prominent such treaty is the Bilateral Investment Treaty between the Government of the Republic of Honduras and the Government of the State of Kuwait, signed in 2014 and entering into force in 2016. This treaty, like many BITs, offers reciprocal protections to investors from either country, including: Fair and equitable treatment;

- Protection against unlawful expropriation;
- Non-discrimination and national treatment;
- Access to international arbitration, including ICSID.

Although the treaty was not drafted with ZEDEs in mind, certain investors and affiliated entities within Próspera have invoked its Most-Favoured-Nation (MFN)

clause to argue that protections extended to Kuwaiti nationals must likewise be extended to them. This creative but legally contentious approach hinges on treaty interpretation, jurisdictional standing, and the legal character of the claimants (e.g., whether they qualify as foreign investors under the BIT).

This line of reasoning has culminated in a pending arbitration case before ICSID: Próspera Development Group v. Republic of Honduras. Although the full legal filings have not been publicly disclosed, the claim generally alleges that the Honduran government's 2022 repeal of the ZEDE enabling law (Decreto No. 32-2022) constitutes unlawful expropriation and breach of treaty obligations. The claimants seek damages or injunctive relief under international law for what they assert is a politically motivated repudiation of prior commitments.

However, Honduras's counter-position is not without merit. The government may argue that the ZEDE framework, though originally enacted by constitutional amendment and statute, was never intended to confer irrevocable rights to private foreign parties. The repeal was conducted through a legitimate act of Congress, exercising sovereign legislative authority. Furthermore, Honduras may contest the standing of the claimants and deny that the BIT protections intended for Kuwait extend to third-country nationals through the MFN provision.

Even if Próspera-affiliated claimants ultimately prevail at ICSID, victory may be pyrrhic. Enforcement of arbitral awards, particularly against sovereigns with weak institutional compliance mechanisms can be protracted or symbolic. Moreover, the optics of the case already carry diplomatic and reputational consequences. The very fact that a subnational zone is suing its own national government on the international stage raises fundamental questions about consent, legitimacy, and the bounds of delegated autonomy.

This situation also highlights a broader structural tension. BITs and international investment treaties were designed to protect foreign investors from arbitrary state actions not to uphold quasi-sovereign zones against their hosts. When entities like Próspera seek treaty protection under BITs, they must navigate a delicate contradiction: they wish to enjoy the benefits of sovereignty without its burdens, to claim international standing without actual statehood. This may serve immediate investor interests but complicates their legal theory and moral narrative.

Additionally, the invocation of BITs particularly by a Delaware-registered entity whose founders and affiliates include U.S. and international investors has geopolitical consequences. It reinforces the perception that Próspera is not merely an autonomous Honduran zone, but a U.S.-engineered project leveraging international

law to override domestic political will. In a region with long memories of foreign intervention and resource extraction, such optics are difficult to ignore.

For future jurisdictions considering ZEDE-like arrangements, the precedent is sobering. Even a legally drafted framework ratified constitutionally and implemented for several years can be overturned or revoked through subsequent legislative action. And while international legal recourse exists, it is costly, slow, and politically fraught.

The lesson is not that treaty enforcement is futile, but that treaty reliance alone is insufficient. It must be paired with deep legitimacy, durable local partnerships, and structural independence. For Startup States formed through express treaties with sovereign co-signatories, not statutory delegation such durability can be built from inception. But for zones like Próspera, whose international posture rests on treaties negotiated by a different branch of government for a different purpose, the legal architecture may always be mismatched.

B.7 Reputation and Political Fragility

Próspera's legal foundations may be entrenched in statutory text and constitutional amendment, and its operational model may be admired in venture capital circles as a frontier of regulatory innovation, but its reputational trajectory has been far more uneven. In the complex and often misunderstood space where law, politics, and public opinion intersect, Próspera finds itself trapped in a paradox: legally sound in form, economically promising in function, yet politically fragile in perception.

Since its inception, Próspera has struggled to control its narrative. On one hand, it has been heralded as a high-performance enclave combining startup-style governance with the security of common-law predictability, low taxes, and administrative efficiency. On the other, it has faced sharp scrutiny, suspicion, and outright misinformation. Despite its formal invitation by the Honduran government and its compliance with Honduran law, the zone is still viewed by segments of the public and political class as an alien imposition, divorced from national identity and democratic consensus.

In some circles, particularly on social media and in anti-ZEDE political rhetoric, Próspera has been falsely analogised to a "United Front" entity, drawing irresponsible comparisons to Chinese Communist Party–linked firms that allegedly operate

under the guise of private enterprise for geopolitical leverage. While such claims are unfounded, inaccurate, and arguably libellous, their persistence underscores the reputational challenge Próspera faces. No credible evidence links Próspera Inc. to any foreign government or ideological mission, and its financial backers are known figures from the Western venture capital and governance innovation space.

Nevertheless, the damage done by perception often outpaces the speed of legal rebuttal. In the political imagination, particularly in a country with a legacy of foreign intervention and extractive concessions, it is not difficult for critics to frame Próspera as yet another instance of "sovereignty for sale." This makes rational discourse difficult and renders the project vulnerable to populist narratives that exploit latent anxieties about neocolonialism, elite capture, or territorial secession.

These dynamics matter, not only for Próspera, but for the broader ecosystem of governance entrepreneurs seeking to strike partnerships with sovereign states. The ongoing arbitral dispute between Próspera-linked investors and the Republic of Honduras is now a cautionary reference point. Even if the claimants prevail in ICSID, the optics are complex: a private actor leveraging treaty law to compel a democratic state to reverse or compensate a sovereign legislative decision. For foreign governments evaluating whether to host similar experiments, the episode may cause hesitation.

This is not to blame Próspera for having pursued legal remedies. It was invited by the state of Honduras under a duly enacted legal framework, with constitutional backing and administrative endorsement. Its investors relied in good faith on a state's commitment to uphold its laws. To penalise Próspera for seeking protection against what may have been an unlawful rollback would be unjust. But at the same time, the broader diplomatic consequence is real: governments now see that the ZEDE model, if unwound, carries not only political but also legal liabilities.

Moreover, the perception of foreignness is compounded by the fact that Próspera Inc. is incorporated in Delaware, and that many of its senior figures, advisors, and early backers are non-Honduran. While this is standard practice in startup law, particularly in the Americas, it adds to the impression that Próspera is a project of the United States, not merely in the United States' legal envelope. In today's polarised geopolitical climate, where alignment with U.S. entities can be read as politicised or strategic rather than neutral, this can become a barrier rather than an asset.

These perceptions also affect day-to-day operations. Entities formed under Próspera's legal regime have reportedly encountered difficulties in securing basic financial ser-

vices, such as opening business bank accounts, owing to institutional unfamiliarity with the ZEDE structure. Compliance departments, hesitant to engage with jurisdictions they do not understand or that are flagged as controversial, may reject or delay onboarding even for fully legitimate enterprises. This inhibits economic scale, deters external investment, and weakens the very commercial confidence Próspera was designed to cultivate.

Most damaging of all is the chilling effect this has on future jurisdictional innovation. Próspera's experience however meritorious in legal design and administrative execution may render governments more cautious about hosting similar projects. Even if a Startup State or ZEDE-type initiative offers robust economic upside, the memory of Honduras being sued by one of its own delegated zones may weigh heavily on ministerial minds. It is not a matter of whether Próspera acted correctly, it is a matter of whether the political and diplomatic cost of such arrangements can be managed at scale.

Thus, even if Próspera proves legally victorious or economically resilient, its name may now carry diplomatic baggage a shorthand for risk, complication, and the unintended consequences of partial sovereignty. For innovators seeking to strike clean deals, negotiate new forms of autonomy, or develop treaty-based startup jurisdictions, the pathway forward may be narrower, not because the idea is flawed, but because the perception has been polluted.

And that perception, unlike law, is not easily reversed.

B.8 The Superior Pathway: Startup States

If Próspera represents the cutting edge of delegated jurisdictional innovation, then Startup States represent the next frontier, a class of sovereign micro-polities intentionally designed from the ground up, born not from subnational carveouts but from treaty-based state formation grounded in international law.

The key distinction is simple but profound: Startup States are independent countries. They are not special zones, nor experiments, nor provinces operating under domestic forbearance. Their authority does not derive from statutory delegation or discretionary grace. Rather, it is embedded in international treaties, recognised by partner states, and governed by constitutional frameworks immune to unilateral repeal.

Where Próspera innovates within the shadow of Tegucigalpa, Startup States stand

outside that shadow entirely.

But sovereignty alone does not confer legitimacy. What sets the Startup State model apart is its capacity to forge symbiotic arrangements with partner governments, turning potential rivals into stakeholders. In contrast to the ZEDE framework, where the host state assumes political risk but receives no structural equity, the Startup State model proposes an alignment of incentives from inception. Under this model, a partnering government (such as Honduras in the hypothetical case of Próspera-as-Startup-State) would not merely authorise the zone, but become a co-owner or equity participant.

Such a structure could take the form of:

- Dividend-sharing agreements from publicly listed Startup State enterprises;
- Royalty payments based on economic activity or resource utilisation;
- Land lease or freehold rent flowing directly into the treasury or sovereign wealth fund of the partner state;
- Board representation or treaty-enshrined governance participation, ensuring political buy-in.

The implications of this shift are substantial. When the partner government becomes an active participant, legally and financially, in the success of the new polity, it is far less likely to obstruct, revoke, or politicise the arrangement. What was once a discretionary concession becomes a mutual enterprise. And what was once subject to the volatility of parliamentary reversals becomes entrenched in the binding architecture of international diplomacy.

Such alignment also transforms public perception. Citizens of the host state are more likely to tolerate, or even champion, a Startup State when their own government benefits visibly and tangibly, not only in abstract growth metrics, but in sovereign revenues, infrastructure gains, and strategic leverage.

This is not a speculative theory. Historical analogues exist. The Principality of Liechtenstein, the Canton of Geneva's special role in the UN system, and even Andorra's unique co-prince model illustrate how complex sovereignty-sharing arrangements can be designed to entrench peace, balance power, and encourage co-ownership between asymmetric actors. The Startup State model merely updates these precedents for the 21st century with greater legal clarity, economic fluidity, and technological transparency.

By contrast, Próspera, even in its best-case scenario offers the Honduran state no such stake. The Republic of Honduras shoulders the geopolitical and reputational consequences, but its treasury receives no automatic dividends; its population receives no national return on capital gains; and its courts remain largely bypassed. Its only guarantee is the legal obligation to tolerate an increasingly foreign-seeming jurisdiction, an arrangement that may be legally sound but politically unsustainable.

Crucially, Startup States do not seek to usurp their host or partner nations. They are not predicated on secession, displacement, or constitutional defiance. Rather, they arise from voluntary, contractual, and mutually advantageous agreements that preserve the dignity of the host and offer the birthright of sovereignty to the new. They do not seek to nullify existing governance but to add another column to the global ledger of recognised nations, this time with transparency, premeditation, and stakeholder alignment.

Had Próspera been born under such a framework, its story might look radically different (Lamoreaux & Rosenthal, 2023). Its existence would have been enshrined not by a repealable domestic statute, but by a treaty co-signed and ratified by both parties. The Republic of Honduras would have enjoyed formal equity in the project. Its Supreme Court would have recognised the treaty as a binding international accord. Its citizens would have seen the Startup State not as a threat or foreign body, but as a sovereign joint venture, a living experiment that pays dividends into the national account and sends signals of modernity and innovation.

Instead, we are left with a different image: a legal marvel, built atop an unstable foundation; a project of brilliance, haunted by perception; a vision of better governance, undermined by legacy constraints.

Startup States aim to resolve this trilemma, not by dismissing Próspera's achievements, but by institutionalising them under stronger scaffolding. They inherit the principles of voluntarism, legal plurality, and modular governance, but re-anchor them within the unshakeable structure of sovereign statehood.

In this way, Startup States do not compete with traditional sovereignty, they complete it.

B.9 Conclusion: A Model with Merit and Limits

Próspera is not a failure. It is, by any serious measure, one of the most ambitious governance innovations of the early 21st century. It has transformed the idea of public administration into a product; reframed legal systems as configurable platforms; and reintroduced the possibility that governance itself may be redesigned, reprogrammed, and selectively opted into. It has challenged the assumption that the only way to fix broken institutions is from within. And it has demonstrated through real code, real capital, and real community that there are viable alternatives to inherited dysfunction.

It is not hyperbole to say that Próspera has reshaped the contours of the possible. Its legal framework is intellectually rigorous. Its service delivery model is operationally lean. Its approach to regulation is digitally native and radically auditable. And its tax, incorporation, and arbitration regimes are on paper among the most investor-friendly in the hemisphere.

But while Próspera succeeded in design, it remains structurally constrained in status. Its autonomy is derivative, not original. Its durability is reliant on political forbearance, not legal parity. And its international standing, despite arbitral claims and treaty invocations, remains that of a zone, not a state. Its sovereignty is at best partial, and at worst illusory.

These limits are not academic. They are felt in the courtroom, where its affiliates now argue against the very state that authorised it. They are felt in geopolitics, where incorporation in Delaware is interpreted not as benign standard practice, but as American encroachment. They are felt in banking, where institutions hesitate to underwrite entities governed by unfamiliar legal codes. And they are felt most acutely in public opinion where even well-meaning citizens question the legitimacy of an enclave that operates like a foreign body within their national territory.

The damage is not necessarily of Próspera's own making. It was invited by the Honduran government. It followed the rules as written. It built systems that many governments would do well to study, let alone replicate. But the facts of its origin cannot be unbound from the facts of its entanglement. It is an experiment nested inside a contradiction: a post-sovereign model born inside a sovereign system that later revoked its consent.

Even if Próspera's investors prevail at ICSID, the road ahead remains steep. The precedent of revocation has been set. The perception of politicised autonomy has taken root. The model, while brilliant, is now burdened by its own visibility.

It is from this vantage that Startup States must proceed not by discarding Próspera's insights, but by elevating them into a form that can endure.

Where Próspera demonstrates what governance could look like under optimised conditions, Startup States aim to show what governance can look like under fully sovereign ones. They do not seek to be tolerated, they are negotiated. They are not dependent, they are independent. They are not experiments, they are entities. And they are not zones, they are nations by design, structured not only for economic performance, but for diplomatic recognition, legal continuity, and institutional legitimacy.

Crucially, Startup States do not repeat the mistakes of structural isolation. They invite participation. They forge treaties. They offer co-ownership. In a Startup State, a partnering nation does not merely play host it becomes a shareholder, a beneficiary, a diplomatic guarantor. The fiscal flows dividends, royalties, rent, do not bypass the state, but replenish it. Sovereignty is not a concession, it is a collaboration.

If Próspera was the most advanced version of what a subnational jurisdiction can be, then Startup States are what new countries should be. Purpose-built, legally sound, diplomatically secure, and ethically aligned.

Let us then give Próspera its due not as a failed project, but as a pathbreaker whose trajectory illuminated the terrain ahead. It raised the ceiling of what a jurisdiction could offer. It challenged old assumptions. And it suffered the consequences of being first.

But the future now belongs to those willing to move beyond the ceiling.

Próspera showed us the boundaries. Startup States exist to transcend them.

Appendix C

Doctrinal Context and Authoritative Foundations

C.1 Statehood Criteria, Legal Personality, and Orthodox International Law

Purpose and scope of this chapter

This chapter situates the arguments advanced in *Startup States* within the orthodox law of statehood as articulated by leading international legal authorities. Its purpose is neither promotional nor polemical. Rather, it seeks to demonstrate that the analytical framework employed in *Startup States* is continuous with the dominant doctrinal, jurisprudential, and practice-based understanding of how statehood is assessed, recognised, and stabilised under contemporary international law.

The discussion that follows draws on nine works that are widely regarded as authoritative in the field. These works are routinely cited in judicial decisions, arbitral awards, academic literature, and governmental legal advice. Collectively, they represent the mainstream legal grammar of statehood, recognition, territorial title, and effectiveness.

The principal authorities: authorship, significance, and relevance

- **James Crawford**

James Crawford was a Judge of the International Court of Justice, a former Whewell Professor of International Law at the University of Cambridge, and counsel in numerous cases concerning statehood, recognition, and territorial disputes. His book *The Creation of States in International Law* is widely regarded as the definitive modern treatment of the subject.

Crawford's central contribution lies in his disciplined synthesis of doctrine and practice. He treats statehood neither as a purely factual phenomenon nor as a political concession, but as a legal status assessed through effectiveness, legality, and acceptance. His work is directly relevant to *Startup States* because it provides the most authoritative articulation of how new states are evaluated in law.

Crawford famously observes that "statehood is a matter of fact and law", and that no single criterion is determinative in isolation. This methodological caution underpins the analytical posture adopted throughout *Startup States*.

- **Ian Brownlie (as edited by James Crawford)**

Sir Ian Brownlie was one of the most influential international lawyers of the twentieth century. *Brownlie's Principles of Public International Law*, now edited by Crawford, remains the leading single-volume treatise in the field.

Brownlie's work is authoritative because it distils judicial decisions, state practice, and treaty law into careful doctrinal propositions. Courts and legal advisers rely on it not for speculation, but for statements of where the law stands. Its chapters on statehood, recognition, and international personality are directly relevant to the legal claims made in *Startup States*.

Brownlie emphasises that "the existence of a state is a question of fact", while also recognising that law supplies the criteria by which those facts are assessed. This balanced formulation mirrors the design-oriented approach adopted in *Startup States*.

- **Malcolm N. Shaw**

Malcolm Shaw is a leading scholar of international law and the author of *International Law*, one of the most widely used textbooks at graduate level. Shaw's work is particularly valued for its systematic treatment of case law and for its careful exposition of judicial reasoning.

Shaw's analysis of statehood and recognition is notable for its clarity and restraint. He stresses that international law does not prescribe a mechanical process for creating states, but does impose constraints and evidentiary expectations. His work supports the proposition that intentional compliance with orthodox criteria materially improves the legal position of aspiring states.

- **Lassa Oppenheim**

Lassa Oppenheim's *International Law: A Treatise* is a foundational work whose influence persists despite its early twentieth-century origins. Later editions, edited by distinguished scholars, continue to be cited for their articulation of core concepts such as recognition, sovereignty, and international legal personality.

Oppenheim's enduring relevance lies in his clear statement of first principles. He famously described states as "the normal subjects of international law", and emphasised that recognition is the means by which states enter into the society of states. This conceptualisation provides historical depth to the modern framework employed in *Startup States*.

- **Thomas D. Grant**

Thomas D. Grant is a scholar and practitioner whose work *The Recognition of States* focuses on recognition as both law and practice. Grant's contribution is particularly important because it bridges the gap between doctrine and diplomacy.

Grant demonstrates that recognition is expressed through conduct, including treaties, diplomatic relations, and organisational membership. His analysis directly supports the treaty-centred approach advanced in *Startup States*, while also cautioning against treating recognition as a purely formal act.

- **Stefan Talmon**

Stefan Talmon is a leading authority on the recognition of governments and representation in international organisations. His work shows how disputes over statehood often hinge on questions of governmental legitimacy rather than abstract sovereignty.

Talmon's analysis is relevant to *Startup States* because it underscores the importance of effective, stable governance structures capable of representing the state externally. His work reinforces the manuscript's emphasis on institutional design and continuity of authority.

- **Marcelo G. Kohen**

Marcelo Kohen is a specialist in territorial disputes and secession, and the editor of *Secession: International Law Perspectives*. This volume is widely cited in debates over the legality of secessionist movements and remedial self-determination.

Kohen's work is particularly relevant because it demonstrates the international legal system's strong preference for territorial stability and consensual change. This preference underlies the manuscript's insistence on treaty-based, non-secessionist pathways to statehood.

- **Nina Caspersen**

Nina Caspersen's work on unrecognised states examines entities that exercise de facto control but lack general recognition. Her analysis is grounded in empirical case studies and is widely used in both legal and political scholarship.

Caspersen's work provides a cautionary backdrop for *Startup States*, illustrating the costs of remaining outside formal recognition frameworks. It supports the manuscript's emphasis on legal and diplomatic integration rather than functional autonomy alone.

- **Akande, Milanović, and others**

The work of Dapo Akande, Marko Milanović, and their co-authors represents a contemporary synthesis of statehood, self-determination, and international adjudication. Their analyses of cases such as Kosovo integrate doctrinal reasoning with close attention to judicial language.

Their relevance lies in their demonstration of how modern courts approach contested statehood claims with restraint, precision, and sensitivity to institutional consequences. This reinforces the manuscript's cautious, law-first orientation.

The Montevideo Convention and the orthodox criteria of statehood

The Montevideo Convention on the Rights and Duties of States (1933) identifies four criteria of statehood: permanent population, defined territory, government, and capacity to enter into relations with other states. Although regional in origin, these criteria are widely treated as reflecting customary international law.

Crawford describes the Montevideo criteria as "a convenient summary" of the requirements of statehood, while cautioning that they are not exhaustive and must be applied in context. Shaw similarly notes that "the existence of a state is not dependent upon recognition", but upon the factual satisfaction of these criteria as assessed through law.

The framework employed in *Startup States* adopts this orthodox position. It treats the Montevideo criteria as necessary but not self-executing, and emphasises that effectiveness, legality, and acceptance operate together.

Permanent population

The requirement of a permanent population does not entail numerical thresholds or ethnic homogeneity. Oppenheim observed that "a state without people is inconceivable", but recognised that population may be small and mobile.

Crawford confirms that what matters is the existence of a stable community capable of sustaining social and governmental organisation. Brownlie similarly treats population as a factual predicate rather than a political test.

The emphasis in *Startup States* on actual settlement and residence aligns with this orthodox understanding and avoids the conceptual difficulties associated with purely notional or virtual populations.

Defined territory and lawful title

International law does not require perfectly delimited boundaries. Shaw notes that "many states have emerged with disputed frontiers", yet nonetheless qualified as states.

What is required is a reasonably defined territorial base and a lawful claim to title. Crawford emphasises that modern international law strongly disfavors unilateral acquisition of territory and privileges consensual arrangements.

This doctrinal position supports the manuscript's insistence on treaty-based territorial arrangements and its rejection of claims grounded in terra nullius or unilateral occupation.

Brownlie reinforces this by stressing that territorial sovereignty is protected by the prohibition on force and by principles of stability.

Government and effectiveness

The existence of an effective government remains central. Crawford writes that "effectiveness is the primary criterion for the existence of a government", even as international law increasingly takes account of normative considerations.

Talmon's work demonstrates how effectiveness operates in practice, particularly in disputes over representation and recognition. Shaw likewise emphasises that government must be capable of exercising authority internally and representing the entity externally.

The institutional design emphasis in *Startup States* reflects this doctrinal reality.

Capacity to enter into relations with other states

The fourth Montevideo criterion concerns external capacity. Oppenheim treated

this as the ability to engage in international intercourse, while Crawford and Shaw treat it as evidence of international legal personality.

Grant's work shows that treaties are among the clearest expressions of such capacity, particularly when concluded with recognised states acting in their sovereign capacity. Recognition is not strictly constitutive, but it is highly evidentiary.

The treaty-first approach advanced in *Startup States* therefore aligns with orthodox recognition practice, provided it is understood as part of a broader pattern of external engagement.

Recognition and doctrinal balance

The long-standing debate between declaratory and constitutive theories of recognition has largely given way to a pragmatic synthesis. Crawford notes that recognition does not create a state, but that it "plays a critical role in consolidating statehood".

Grant and Brownlie similarly emphasise that recognition operates through practice rather than proclamation. Caspersen's work on unrecognised states illustrates the consequences of failing to achieve that consolidation.

The framework adopted in *Startup States* reflects this balanced understanding by treating recognition as neither irrelevant nor omnipotent, but as a process that can be influenced by lawful design and consensual engagement.

Concluding assessment of doctrinal alignment

Taken together, the nine authorities examined in this Part articulate a coherent and stable understanding of statehood in international law. They emphasise effectiveness, legality, territorial stability, and integration into the society of states. They exhibit strong scepticism toward unilateral or symbolic claims, and a strong preference for consensual, treaty-based arrangements.

The analytical framework employed in *Startup States* is consistent with this mainstream position. It does not propose an alternative theory of statehood. Rather, it operationalises orthodox doctrine in a deliberate and structured manner.

On this basis, the core legal premises of *Startup States*, as they relate to statehood criteria and international legal personality, are supported by the leading authorities in the field.

C.2 Recognition Mechanics, Diplomatic Practice, and Treaty-Based Pathways

Recognition as a legal and practical process

Recognition occupies an unusual position in international law. It is neither a purely legal determination nor a purely political act. Rather, it is a process through which states signal acceptance of a new entity as a participant in the international legal order. The leading authorities converge on a pragmatic synthesis in which recognition does not create statehood as such, but plays a decisive role in consolidating and operationalising it.

Crawford formulates the orthodox position succinctly when he observes that recognition is "not constitutive of statehood, but is an important factor in the consolidation of statehood and the exercise of rights attaching to it". Brownlie similarly notes that recognition is best understood as evidence of acceptance, rather than as a juridical act that brings a state into existence.

This position is critical for understanding the framework advanced in *Startup States*. The manuscript does not treat recognition as an afterthought, nor does it treat it as a discretionary favour detached from law. Instead, it approaches recognition as a foreseeable outcome of lawful conduct, institutional effectiveness, and consensual engagement.

Declaratory and constitutive theories revisited

The traditional debate between declaratory and constitutive theories of recognition has long structured discussions of statehood. Under the declaratory theory, a state exists once the objective criteria of statehood are met. Under the constitutive theory, recognition by other states is necessary for statehood to arise.

The contemporary consensus reflected in Crawford, Shaw, and Brownlie is that neither theory, taken in isolation, accurately captures state practice. Crawford writes that the declaratory theory "states the better view as a matter of principle", but immediately qualifies this by emphasising the practical effects of recognition on the enjoyment of rights and participation in international relations.

Grant's work is especially instructive here. He demonstrates that recognition is rarely articulated through formal declarations alone. Instead, it is expressed through a range of practices, including the conclusion of treaties, the exchange of diplomatic missions, support for admission to international organisations, and participation in multilateral processes. Recognition is therefore incremental, contextual, and cumulative.

The relevance for *Startup States* is clear. A treaty-first approach is not an attempt to short-circuit doctrine, but a way of engaging directly with the recognised modes through which recognition is manifested in practice.

Recognition through treaties and bilateral relations

One of the most consistent findings across the literature is that treaties play a central role in recognition practice. Grant notes that "treaty-making is among the clearest ways in which states acknowledge the international legal personality of another entity". Crawford similarly treats the capacity to conclude treaties as strong evidence of statehood, particularly when treaties are concluded with recognised states acting in their sovereign capacity.

Historically, bilateral treaties of friendship, commerce, navigation, or boundary settlement have functioned as vehicles through which new states were gradually accepted into the international community. This practice predates the United Nations and continues in modified form today.

Brownlie observes that recognition "may be express or implied, and is often inferred from conduct", with treaty relations constituting one of the most probative forms of such conduct. Shaw reinforces this point by noting that courts and legal advisers routinely look to treaty practice when assessing whether an entity has been treated as a state.

The treaty-based pathways described in *Startup States* align closely with this established practice. By foregrounding negotiated instruments, the framework situates recognition within a legal grammar already familiar to diplomats and international lawyers.

Diplomatic practice and the role of ministries of foreign affairs

Recognition is ultimately implemented through diplomatic machinery. Decisions are taken by ministries of foreign affairs, advised by legal departments whose internal memoranda often rely explicitly on the treatises discussed in Part I.

Grant provides detailed analysis of how recognition decisions are framed within governments. He notes that legal advisers typically assess a combination of factors, including effectiveness, legality of territorial acquisition, respect for international obligations, and the potential consequences of recognition or non-recognition. Recognition is therefore rarely a binary decision, but rather a managed process shaped by precedent and risk assessment.

This observation is supported by state practice. In many cases, states delay formal recognition while engaging in limited forms of interaction, such as technical agreements or unofficial contacts. Over time, these interactions may mature into full diplomatic relations.

The manuscript's emphasis on gradual, treaty-based engagement reflects this reality. It avoids the assumption that recognition must be immediate or universal, and instead treats recognition as something that can be cultivated through lawful design and sustained diplomatic practice.

Non-recognition, collective responses, and the limits of effectiveness

While recognition consolidates statehood, non-recognition can impede it. Crawford devotes significant attention to cases in which entities met many factual criteria of statehood yet remained unrecognised due to illegality, particularly where territorial acquisition involved the use of force.

The obligation of non-recognition, articulated in cases such as *Namibia* and reaffirmed in subsequent jurisprudence, illustrates that effectiveness alone is insuffi-

cient when an entity's emergence violates peremptory norms. Brownlie and Shaw both stress that illegality at the point of origin can contaminate claims to statehood, regardless of subsequent effectiveness.

Akande and his co-authors build on this jurisprudence in their analysis of Kosovo, emphasising the Court's careful avoidance of endorsing a general right of unilateral secession, and its sensitivity to the institutional consequences of recognition.

The relevance for *Startup States* is twofold. First, it underscores the importance of lawful origin and consensual arrangements. Second, it explains why the framework places such emphasis on avoiding secessionist rupture and unilateral appropriation.

Recognition of governments and representation

Recognition disputes frequently shift from questions of statehood to questions of governmental legitimacy. Talmon's work demonstrates that even where statehood is undisputed, recognition of the government may be withheld or contested, with significant implications for representation and treaty-making.

Talmon observes that recognition of governments is "primarily concerned with effectiveness", but that international practice also takes account of constitutional legitimacy and international obligations. Representation disputes at the United Nations, for example, often turn on which authority is regarded as competent to speak for the state.

This analysis reinforces the manuscript's focus on institutional clarity and continuity. A Startup State that emerges through treaty-based arrangements and maintains stable governance is better positioned to avoid the ambiguities that have plagued entities with competing authorities or unclear constitutional foundations.

Admission to international organisations and the United Nations

Admission to international organisations, particularly the United Nations, is among the most visible forms of recognition. Crawford and Shaw both emphasise that UN membership is not constitutive of statehood, but constitutes powerful evidence of general acceptance.

Grant notes that UN admission is often treated by third states as a signal that recognition is politically safe and legally uncontroversial. Conversely, the absence of UN membership does not negate statehood, as illustrated by historical examples such as Switzerland prior to 2002.

The manuscript's treatment of UN membership as a strategic choice rather than a prerequisite aligns with this orthodox understanding. It reflects the reality that states may choose to delay or avoid UN membership for policy reasons, while nonetheless enjoying international legal personality.

Case law and recognition practice

Judicial decisions provide important insight into how recognition is assessed and weighed. In *Tinoco*, the arbitral tribunal focused on effectiveness rather than formal recognition. In *Namibia*, the International Court of Justice articulated the obligation of non-recognition in cases of serious illegality. In *Kosovo*, the Court confined itself to the narrow question posed, avoiding broad pronouncements on secession or recognition.

Crawford emphasises that such cases demonstrate judicial caution and institutional restraint. Courts rarely purport to recognise states. Instead, they assess the legal consequences of recognition or non-recognition by others.

This jurisprudence supports the manuscript's avoidance of claims that courts or legal doctrines can be used to compel recognition. Rather, it reinforces the view that recognition emerges through state practice guided by law.

Concluding assessment of recognition mechanics

The leading authorities converge on a view of recognition as a legally informed, practice-driven process. It is shaped by effectiveness, legality, treaty relations, and diplomatic conduct. It is constrained by peremptory norms and collective obligations, and operationalised through bilateral and multilateral engagement.

The framework advanced in *Startup States* is consistent with this understanding. By emphasising treaty-based pathways, lawful territorial arrangements, and institutional effectiveness, it situates recognition within the established mechanics

described by Grant, Talmon, and Crawford. It does not promise recognition, but it aligns itself with the conditions under which recognition has historically been granted and sustained.

C.3 Governmental Legitimacy, Representation, and Institutional Durability

The centrality of government in the law of statehood

While territory and population provide the material substrate of a state, it is the existence of a government that renders statehood operational. The leading authorities converge on the view that government is the pivot around which recognition, representation, and durability ultimately turn.

Crawford identifies government as the criterion through which the other elements of statehood are activated. He observes that a state may possess territory and population, but without an authority capable of exercising effective control and representing the entity externally, statehood remains incomplete in practical terms. Brownlie similarly emphasises that government is the means by which a state "enters into relations with other states", and thus the conduit through which international legal personality is exercised.

Startup States places particular emphasis on institutional design and governmental capacity. This focus is consistent with the doctrinal literature, which treats government not merely as a formal organ, but as a system of authority that must be effective, continuous, and intelligible to external actors.

Effectiveness, legitimacy, and the evolution of doctrine

Classical international law placed overwhelming emphasis on effectiveness. The *Tinoco* arbitration remains emblematic of this approach, with the tribunal holding that effectiveness, rather than constitutional regularity, was decisive in determining whether a government could bind the state internationally.

Crawford notes that effectiveness remains the primary criterion for the existence of a government, but he also recognises that contemporary international law increasingly takes account of legitimacy considerations, particularly where governments emerge through gross violations of peremptory norms. Shaw echoes this view, observing that while effectiveness remains central, it now operates within a normative environment shaped by the United Nations Charter and human rights law.

Talmon's work is particularly instructive in tracing this evolution. He demonstrates that recognition of governments is no longer automatic upon the seizure of effective control. Instead, states increasingly assess whether a government is capable of fulfilling international obligations and providing stable representation.

The relevance for *Startup States* is that it does not rely on the seizure of authority or revolutionary rupture. By foregrounding consensual formation and treaty-based establishment, it situates governmental legitimacy within the accepted boundaries of contemporary international law.

Recognition of governments and external representation

Talmon's central contribution lies in his analysis of how governments are recognised and how representation is determined in international organisations. He observes that recognition of governments is often implicit rather than express, and is manifested through conduct such as diplomatic engagement, treaty-making, and acceptance of credentials.

Talmon notes that representation disputes frequently arise where there are competing authorities claiming to speak for the same state. In such cases, international practice tends to favour the authority that exercises effective control and demonstrates continuity, unless overriding legal considerations intervene.

This analysis has direct implications for the institutional architecture envisaged in *Startup States*. A government that emerges through treaty-based arrangements, with clear constitutional foundations and agreed competences, is less likely to face representation disputes than one arising from contested or unilateral processes.

Institutional durability and the avoidance of ambiguity

Durability is a recurrent theme in the leading literature. Crawford emphasises that international law values stability, particularly in matters of territorial title and governmental authority. Frequent changes of government or unclear constitutional arrangements undermine confidence and complicate recognition.

Grant reinforces this point by showing that states are reluctant to extend recognition or deepen relations where institutional fragility creates uncertainty. Caspersen's empirical work on unrecognised states further illustrates the costs of institutional ambiguity. Entities such as Somaliland exhibit high levels of internal governance and stability, yet remain unrecognised due in part to unresolved questions of origin and external acceptance.

Caspersen observes that de facto states often invest heavily in internal legitimacy and service provision, but that these efforts do not automatically translate into recognition. External actors remain cautious where institutional arrangements lack clear legal anchoring or where recognition would disrupt existing territorial settlements.

The manuscript's emphasis on clear institutional design, durable governance structures, and externally legible authority responds directly to these concerns. By prioritising durability from inception, the framework seeks to avoid the liminal status that characterises many unrecognised entities.

Comparative case studies: recognised and unrecognised entities

Comparative analysis underscores the importance of governmental legitimacy and representation. The Baltic states provide an example of entities whose governments-in-exile maintained continuity and international recognition despite occupation. Crawford notes that this continuity played a crucial role in their eventual restoration as recognised states.

By contrast, Northern Cyprus illustrates the limits of effectiveness without lawful origin or broad acceptance. Despite effective control and institutional capacity, it remains unrecognised by the vast majority of states due to the illegality of its establishment, as affirmed by the International Court of Justice in the *Namibia* advisory opinion and subsequent Security Council resolutions.

Somaliland presents a different pattern. Caspersen documents its high levels of internal legitimacy, democratic practice, and administrative effectiveness. Nevertheless, it remains unrecognised, largely because recognition would implicate broader regional and legal considerations concerning Somalia's territorial integrity.

These examples illustrate a consistent pattern identified across the literature. Effectiveness and legitimacy are necessary but not sufficient conditions for recognition. Lawful origin, consensual arrangements, and compatibility with the broader international order are equally decisive.

Representation in international organisations

Representation in international organisations provides a practical test of governmental legitimacy. Talmon analyses numerous cases in which credentials disputes at the United Nations served as proxies for recognition of governments. Such disputes are resolved not by abstract legal theory, but by reference to effectiveness, continuity, and the ability to discharge international responsibilities.

Crawford and Shaw both note that representation decisions are often conservative. International organisations tend to avoid precipitous shifts, favouring stability and continuity unless there is compelling reason to do otherwise.

The framework advanced in *Startup States* is attentive to this reality. By emphasising treaty-based establishment and clear allocation of competences, it seeks to present a governmental authority that is readily intelligible to international institutions and capable of assuming representational functions without controversy.

Governmental legitimacy and treaty obligations

The capacity to enter into and honour treaties is both a function and a test of governmental legitimacy. Brownlie notes that governments are presumed competent to bind the state where they exercise effective control and are recognised as such by other states.

Talmon's analysis reinforces this presumption, while also highlighting cases in which treaty-making authority is questioned due to contested legitimacy. Such disputes often arise where governments lack constitutional clarity or where their

authority is challenged internally or externally.

By embedding treaty-making authority within the founding architecture of a Startup State, and by grounding that authority in consensual arrangements, the framework aligns itself with the expectations identified in the leading literature.

Institutional design as a strategic legal choice

A recurring insight across Crawford, Talmon, and Caspersen is that institutional design is not merely an internal matter. It has external legal consequences. States and organisations assess whether a government is capable of sustaining obligations, managing territory, and representing the entity coherently over time.

The emphasis in *Startup States* on institutional durability, dispute resolution mechanisms, and continuity of authority reflects this insight. It treats governance as a legal interface with the international system, rather than as a purely domestic concern.

Concluding assessment of governmental legitimacy and durability

The leading authorities converge on a clear proposition. Governmental legitimacy, effective representation, and institutional durability are decisive factors in the consolidation of statehood. Effectiveness remains central, but it is assessed within a legal and normative framework that values stability, legality, and consensual arrangements.

The framework advanced in *Startup States* is consistent with this mainstream understanding. By prioritising durable institutions, clear authority, and treaty-based legitimacy, it aligns itself with the conditions under which governments have historically been recognised and sustained.

C.4 Avoidance, Territorial Integrity, and the Legal Privileging of Consent

Territorial integrity as a structural principle of international law

The principle of territorial integrity occupies a central position in the modern international legal order. It is expressed most prominently in the United Nations Charter, which affirms the sovereign equality of states and prohibits the threat or use of force against the territorial integrity or political independence of any state. The cumulative effect of Charter practice, judicial interpretation, and state conduct has been to entrench territorial stability as a foundational value.

Brownlie characterises territorial integrity as a principle that "operates to preserve the existing territorial framework of international relations", while Shaw notes that the international system is fundamentally conservative in matters of territorial change. Crawford similarly observes that international law "leans heavily in favour of the maintenance of established states and boundaries".

This conservatism does not render territorial change impossible. Rather, it channels such change into legally privileged pathways, foremost among them consensual arrangements expressed through treaties and other formal instruments.

Secession as a legally constrained phenomenon

Secession has long occupied an ambiguous position in international law. The dominant view, reflected in Crawford, Brownlie, and Shaw, is that international law neither expressly authorises nor categorically prohibits secession. Instead, it establishes a framework in which secession is tolerated only in limited and exceptional circumstances.

Kohen's edited volume provides the most comprehensive account of this position. He emphasises that the international legal system exhibits a "presumption in favour of the territorial integrity of existing states", and that secessionist claims are viewed with caution because of their potential to destabilise international order.

This presumption is reflected in judicial practice. In the *Reference re Secession of*

Quebec, the Supreme Court of Canada held that international law does not grant a general right of unilateral secession, and that any lawful separation would require negotiation and consent. While not an international court, the decision has been widely cited for its careful synthesis of international legal principles.

Similarly, in its Advisory Opinion on Kosovo, the International Court of Justice confined itself to the narrow question posed and explicitly refrained from endorsing a general right of secession. As Akande and his co-authors have noted, the Court's restraint reflects sensitivity to the systemic implications of legitimising unilateral territorial fragmentation.

Remedial secession and its limits

The doctrine of remedial secession has been advanced in academic literature as a possible exception to the general rule favouring territorial integrity. Under this theory, secession may be permissible as a remedy of last resort in cases of extreme and persistent violations of fundamental rights.

Crawford approaches this doctrine with caution, noting that while it has been invoked in argument, it has not crystallised as a general rule of customary international law. Brownlie similarly treats remedial secession as a contested and exceptional concept, rather than an established entitlement.

Kohen's analysis reinforces this scepticism. He observes that claims of remedial secession have rarely succeeded in practice, and that states remain reluctant to endorse them for fear of creating precedents that could be invoked elsewhere. Even in cases involving grave humanitarian concerns, the preferred responses have been international intervention, autonomy arrangements, or negotiated settlements, rather than recognition of unilateral secession.

This jurisprudential and practice-based scepticism underscores the strategic importance of avoiding secessionist framing where possible.

Consent as the legally privileged mechanism of territorial change

Across the leading authorities, a clear pattern emerges. Territorial change is most readily accepted where it occurs through consent, expressed in treaties or other

formal agreements between the relevant parties.

Crawford identifies consensual secession and negotiated separation as the least controversial modes of territorial change. Shaw similarly notes that boundary adjustments and transfers are "normally effected by agreement", and that such arrangements are accorded a high degree of stability under international law.

Brownlie emphasises the role of pacta sunt servanda in this context, observing that treaties settling territorial arrangements enjoy particular protection because of their importance to international stability. Once agreed, such arrangements are rarely reopened, and attempts to alter them unilaterally are viewed with suspicion.

This privileging of consent is evident in numerous historical examples. The peaceful separation of Czechoslovakia into the Czech Republic and Slovakia is frequently cited as a paradigmatic case of consensual state creation. The process was grounded in domestic constitutional arrangements and international agreement, and it attracted rapid recognition precisely because it did not challenge the principle of territorial integrity.

Estoppel, stability, and reliance interests

Judicial decisions reinforce the stability of consent-based territorial arrangements. In the *Temple of Preah Vihear* case, the International Court of Justice emphasised that states may be precluded from contesting arrangements to which they have previously acquiesced. While the case concerned boundary interpretation rather than state creation, its reasoning illustrates the broader principle that reliance and stability are legally protected.

Similarly, in the *North Sea Continental Shelf* cases, the Court highlighted the importance of good faith and consistency in state conduct. Crawford draws on these cases to demonstrate how principles of estoppel and legitimate expectations operate to preserve agreed arrangements.

The implication is that a state which has consented to a territorial or jurisdictional arrangement is constrained in its ability to repudiate it unilaterally. This doctrinal backdrop supports the emphasis placed in *Startup States* on negotiated, treaty-based foundations as a means of enhancing durability and reducing the risk of

future contestation.

Unilateral secession and non-recognition

Where territorial change occurs without consent and in violation of fundamental norms, the response of the international community has often been collective non-recognition. The Advisory Opinion on *Namibia* remains the leading authority in this regard, establishing that states have an obligation not to recognise situations created by serious breaches of international law.

Crawford and Brownlie both treat the obligation of non-recognition as a key mechanism through which the international legal order defends territorial integrity. Shaw similarly notes that non-recognition operates as a deterrent to unlawful territorial change, even where effective control is established.

The experience of entities such as Northern Cyprus illustrates the enduring effects of non-recognition. Despite decades of effective governance, the entity remains largely excluded from international relations due to the illegality of its origin. Caspersen's analysis of unrecognised states reinforces the conclusion that effectiveness alone cannot overcome a defective legal foundation.

Consent-based pathways and institutional design

The framework advanced in *Startup States* situates itself squarely within the legally privileged category of consent-based territorial change. By emphasising negotiated arrangements, long-term leases, shared sovereignty, and other consensual mechanisms, it avoids the legal and diplomatic obstacles associated with unilateral secession.

Kohen's work supports this orientation by demonstrating that international law is far more receptive to creative arrangements that preserve formal territorial integrity while reallocating competences by agreement. Such arrangements include autonomy regimes, condominium structures, or treaty-based transfers of jurisdiction.

Crawford similarly acknowledges that sovereignty is not a monolithic concept, and that states may agree to complex distributions of authority without undermining

their status under international law. This doctrinal flexibility provides space for the kinds of arrangements envisaged in *Startup States*, provided they are clearly articulated and lawfully constituted.

Jurisprudential restraint and systemic stability

A consistent feature of international jurisprudence is restraint. Courts and tribunals avoid pronouncements that would destabilise the international system or encourage fragmentation. Shaw notes that this restraint reflects an awareness of the broader consequences of legal reasoning in matters of statehood.

The preference for consent-based solutions is therefore not merely doctrinal, but institutional. It reflects a judgment that negotiated outcomes are more stable, more predictable, and more compatible with the collective interests of the international community.

The framework advanced in *Startup States* aligns with this institutional logic. It does not seek to challenge the principle of territorial integrity, but to work within it by offering pathways that are legally intelligible and politically acceptable.

Concluding assessment of secession avoidance and consent

The leading authorities converge on a clear conclusion. While international law does not forbid the emergence of new states, it strongly privileges consent-based pathways and exhibits deep scepticism toward unilateral secession. Territorial integrity remains a structural principle, and departures from it are tolerated primarily where they occur through agreement.

The framework advanced in *Startup States* is consistent with this orthodox position. By emphasising negotiated foundations, lawful territorial arrangements, and avoidance of secessionist rupture, it aligns itself with the conditions under which new states have historically been accepted and stabilised.

C.5 Unrecognised and Partially Recognised Entities as Cautionary Comparators

The analytical value of unrecognised and partially recognised entities

Unrecognised and partially recognised entities occupy a distinctive position in the international system. They often exhibit many of the empirical characteristics of statehood, including effective control over territory, stable populations, and functioning governmental institutions, yet they remain excluded from full participation in international relations. The study of such entities provides critical insight into the limits of effectiveness and the decisive role of legality, recognition practice, and geopolitical context.

Caspersen's work is particularly influential in this regard. She treats unrecognised states not as anomalies, but as structurally produced outcomes of an international legal order that privileges stability and consent. Her analysis demonstrates that de facto statehood, however robust internally, does not automatically translate into de jure acceptance.

Crawford similarly emphasises that the existence of effective institutions does not, by itself, overcome defects in legal origin or recognition. Grant adds that recognition practice is conservative and path dependent, with states reluctant to disrupt existing territorial settlements absent compelling legal justification.

Somaliland: competence without recognition

Somaliland is frequently cited as the paradigmatic example of an unrecognised entity that satisfies many functional criteria of statehood. Since declaring independence in 1991, it has maintained effective control over its territory, conducted multiple elections, and established relatively stable governmental institutions.

Caspersen documents Somaliland's internal legitimacy and administrative capacity, noting that it compares favourably with many recognised states in the region. Nevertheless, it remains unrecognised by any member of the United Nations. The principal obstacle is not a lack of effectiveness, but the broader legal and political implications of recognising a breakaway entity from Somalia.

Crawford treats Somaliland as an illustration of the limits of declaratory reasoning. While Somaliland may plausibly meet the factual criteria of statehood, recognition has been withheld due to concerns about territorial integrity, regional stability, and precedent. Grant reinforces this analysis by noting that recognition decisions are rarely taken in isolation, and that states consider the systemic consequences of their actions.

The Somaliland case underscores a central lesson. Internal competence and democratic governance, while important, are insufficient to secure recognition where the legal origin of the entity remains contested and where recognition would unsettle existing territorial arrangements.

Northern Cyprus: effectiveness constrained by illegality

The Turkish Republic of Northern Cyprus presents a contrasting pattern. It exercises effective control over a defined territory and population, and maintains functioning governmental institutions. However, it is recognised only by Turkey and remains subject to widespread non-recognition.

The International Court of Justice's Advisory Opinion on *Namibia* established the principle that states have an obligation not to recognise situations created by serious breaches of international law. Although the Northern Cyprus situation was not adjudicated directly by the Court, Security Council resolutions have applied similar reasoning, calling upon states not to recognise the entity.

Crawford and Brownlie both treat Northern Cyprus as a clear case in which illegality at the point of origin precludes recognition, regardless of subsequent effectiveness. Grant notes that non-recognition has been sustained over decades, demonstrating the durability of collective responses when grounded in legal principle.

Northern Cyprus illustrates that effectiveness, even when long-standing, cannot cure a defective legal foundation. The case reinforces the importance of lawful origin and consent, themes that are central to the framework advanced in *Startup States*.

Abkhazia and South Ossetia: partial recognition and geopolitical entan-

glement

Abkhazia and South Ossetia occupy an intermediate position as partially recognised entities. Both exercise effective control and have received recognition from a limited number of states, most notably the Russian Federation. However, they remain unrecognised by the vast majority of the international community.

Crawford analyses these cases as examples of recognition that is politically motivated and legally contested. Recognition by a small number of states does not, in itself, generate general acceptance or full international legal personality. Shaw similarly notes that partial recognition often entrenches liminality rather than resolving status disputes.

Grant's work is particularly relevant here. He emphasises that recognition is not additive in a simple numerical sense. Recognition by a few states does not necessarily lead to recognition by others, especially where recognition is perceived as inconsistent with international law or as the product of coercion.

Caspersen observes that partial recognition can create institutional fragility. Entities may become dependent on their recognising patrons, limiting their autonomy and complicating their external relations. This dependency can undermine both legitimacy and durability.

The experiences of Abkhazia and South Ossetia illustrate the risks associated with recognition that is not broadly grounded in law and consent. Rather than consolidating statehood, such recognition may entrench isolation and contestation.

Comparative patterns and shared constraints

Across these cases, several common patterns emerge. First, effectiveness is a necessary but insufficient condition for recognition. Second, legality of origin and compatibility with the principle of territorial integrity weigh heavily in recognition decisions. Third, recognition practice is conservative and resistant to fragmentation.

Crawford emphasises that international law places a premium on stability and predictability. Grant demonstrates that recognition decisions are shaped by prece-

dent and by concern for systemic effects. Caspersen's empirical findings reinforce the conclusion that unrecognised and partially recognised entities face enduring structural barriers.

These patterns explain why many de facto states remain trapped in a liminal condition. They may function internally, but they lack the legal and diplomatic foundations necessary for full participation in the international system.

Implications for intentional state formation

The comparative analysis of unrecognised and partially recognised entities provides a negative template against which intentional state formation models may be assessed. The cases discussed above illustrate what international law and practice tend to resist, namely unilateral secession, defective legal origin, and recognition driven by narrow geopolitical interests.

By contrast, the framework advanced in *Startup States* seeks to avoid these failure modes by emphasising lawful origin, consent-based territorial arrangements, and early integration into diplomatic and treaty networks. The cautionary cases examined in this Part help to explain why such an approach is strategically and legally prudent.

Recognition inertia and path dependence

A further insight emerging from the literature is the phenomenon of recognition inertia. Grant notes that once a pattern of non-recognition is established, it becomes self-reinforcing. States are reluctant to be first movers, particularly where recognition would contradict established positions or Security Council resolutions.

Caspersen similarly observes that unrecognised entities often find themselves locked into a status quo that is difficult to escape, even when internal conditions improve. This inertia underscores the importance of initial conditions and early legal positioning.

The emphasis in *Startup States* on foundational legality and early diplomatic engagement reflects an awareness of this dynamic. It seeks to shape recognition trajectories from the outset, rather than attempting to reverse entrenched patterns

of non-recognition.

Concluding assessment of cautionary comparators

The experiences of Somaliland, Northern Cyprus, Abkhazia, and South Ossetia illustrate the limits of effectiveness and the centrality of legality, consent, and recognition practice in the consolidation of statehood. These cases confirm the conclusions drawn by Caspersen, Crawford, and Grant: unrecognised and partially recognised entities face enduring structural barriers that are difficult to overcome once established.

The framework advanced in *Startup States* is attentive to these lessons. By aligning itself with the legally privileged pathways identified in the authoritative literature, it seeks to avoid the liminal outcomes that characterise many de facto states.

C.6 Treaty Design, Estoppel, Stability, and the Durability of Consent-Based Arrangements

Treaties as instruments of stability in international law

Treaties occupy a privileged position in the international legal order. They are the primary mechanism through which states allocate rights and obligations, settle disputes, and structure long-term relationships. Nowhere is this more evident than in matters concerning territory, jurisdiction, and sovereignty, where stability is treated as a systemic good.

Brownlie observes that treaties concerning territory and jurisdiction enjoy a "special position" in international law because of their role in maintaining order and predictability. Shaw similarly notes that boundary and territorial treaties are accorded a heightened degree of permanence, reflecting the international community's interest in stability. Crawford reinforces this view by emphasising that once territorial arrangements are settled by agreement, international law exhibits strong resistance to their unilateral revision.

The framework advanced in *Startup States* places treaty design at the centre of state formation. This emphasis aligns with the orthodox understanding that durable legal outcomes are most reliably achieved through consensual instruments that are clear in scope, intention, and effect.

Pacta sunt servanda and the binding force of consent

The principle of *pacta sunt servanda* is among the most fundamental norms of international law. Codified in the Vienna Convention on the Law of Treaties, it reflects the long-standing rule that agreements must be performed in good faith.

Oppenheim treated *pacta sunt servanda* as an essential condition of international society, without which legal relations between states would be impossible. Brownlie echoes this formulation, describing good faith performance as a cornerstone of treaty law and a prerequisite for stability in international relations.

Crawford situates *pacta sunt servanda* within a broader framework of reliance and expectation. He notes that states structure their conduct on the assumption that treaties will be honoured, and that the legal system protects these reliance interests precisely because of their systemic importance.

The relevance for consent-based state formation is direct. A treaty that establishes or enables a new sovereign entity does more than allocate competences. It creates expectations, induces reliance by third states, and embeds the arrangement within the fabric of international legal relations.

Estoppel, acquiescence, and consistency of conduct

Closely related to *pacta sunt servanda* are the doctrines of estoppel and acquiescence. These doctrines operate to prevent a state from acting inconsistently with its prior conduct where another state has relied upon that conduct to its detriment.

The International Court of Justice's judgment in the *Temple of Preah Vihear* case is frequently cited as a leading illustration. The Court held that Thailand was precluded from contesting a boundary line that it had previously accepted, emphasising the importance of consistency and reliance.

Crawford draws on this case to demonstrate how estoppel functions in international law as a stabilising doctrine. Brownlie similarly treats estoppel as an expression of good faith, noting that it serves to protect settled expectations and to prevent opportunistic reversals.

Shaw cautions that estoppel is applied with restraint, but acknowledges that where clear representations have been made and relied upon, international tribunals are willing to uphold stability over formalistic objections.

In the context of consent-based arrangements for state formation, these doctrines are significant. A state that has negotiated, concluded, and implemented a treaty establishing a new sovereign arrangement may find itself legally and politically constrained from later repudiating that arrangement, particularly where reliance by the new entity and by third states has accrued.

Territorial treaties and enhanced durability

Territorial treaties occupy a distinct category within treaty law. The Vienna Convention recognises that certain grounds for termination or suspension do not apply to treaties establishing boundaries. This reflects the view that territorial settlements are not merely contractual exchanges, but foundational arrangements underpinning international order.

Crawford emphasises that the stability of territorial arrangements is a "cardinal value" of international law. Brownlie reinforces this point by noting that boundary treaties are rarely reopened, even in the face of significant political change.

Shaw highlights that this enhanced durability extends beyond formal boundary treaties to other agreements that allocate jurisdiction or sovereign competences in a stable and long-term manner. The key determinant is the intention of the parties to settle matters definitively.

The treaty-based pathways envisaged in *Startup States* seek to benefit from this doctrinal preference. By framing foundational arrangements as deliberate, comprehensive, and permanent, they align with the category of agreements that international law is most reluctant to disturb.

Reliance interests and third-state effects

Treaties establishing new political and legal arrangements generate reliance interests not only for the parties themselves, but also for third states. Once a new arrangement is treated as operative, other states may adjust their conduct accordingly by entering into diplomatic relations, concluding treaties, or engaging in economic exchange.

Crawford notes that such third-state reliance strengthens the stability of the arrangement, even where third states are not formal parties to the founding treaty. Brownlie similarly observes that widespread acceptance and practice can reinforce the legal and political durability of treaty-based settlements.

While it would be incorrect to suggest that such arrangements automatically acquire *erga omnes* character, the accumulation of reliance and practice increases the costs, both legal and political, of unilateral reversal. This dynamic helps to explain why consensual arrangements tend to endure.

Jurisprudence on stability and good faith

Judicial decisions consistently reflect an aversion to destabilising settled arrangements. In the *North Sea Continental Shelf* cases, the International Court of Justice emphasised the importance of good faith negotiation and consistent conduct, even where no treaty obligation yet existed. The Court's reasoning underscored the broader principle that international law values predictability and mutual reliance.

Similarly, in cases concerning boundary disputes and treaty interpretation, the Court has repeatedly privileged interpretations that preserve stability over those that would unsettle long-established arrangements. Crawford and Shaw both highlight this jurisprudential tendency as evidence of the system's conservative orientation.

This pattern of reasoning provides further support for consent-based approaches to state formation. Where arrangements are carefully designed, clearly articulated, and implemented in good faith, they are more likely to be upheld and respected over time.

Treaty design as a strategic legal choice

The leading authorities converge on the view that treaty design is not a neutral technical exercise. Choices concerning clarity, scope, duration, dispute resolution, and termination have significant legal consequences.

Crawford emphasises that ambiguity in foundational arrangements invites dispute, while clarity promotes stability. Brownlie similarly stresses the importance of precision, particularly in matters touching on sovereignty and jurisdiction.

The emphasis in *Startup States* on careful treaty design reflects this insight. By treating the founding treaty as a constitutional instrument in international law, rather than as a provisional or informal arrangement, the framework aligns itself with the doctrinal conditions under which treaties achieve maximum durability.

Limits and safeguards

It is important to acknowledge the limits of treaty-based durability. No treaty is immune from challenge under all circumstances. Fundamental breaches, changes in circumstances, or violations of peremptory norms may give rise to legal consequences.

However, as Crawford notes, the threshold for invoking such doctrines is high, particularly in the case of territorial and jurisdictional arrangements. The legal system's reluctance to disturb settled arrangements acts as a powerful stabilising force.

This realism is reflected in the framework advanced in *Startup States*, which does not claim absolute immunity, but seeks to operate within the most legally protected category of arrangements available.

Concluding assessment of treaty durability and stability

The orthodox authorities examined in this Part converge on a clear proposition. Consent-based arrangements expressed through carefully designed treaties enjoy enhanced durability under international law. Principles of *pacta sunt servanda*, estoppel, acquiescence, and reliance operate together to protect settled expecta-

tions and to discourage unilateral reversal.

The framework advanced in *Startup States* is consistent with this understanding. By placing treaty design at the centre of state formation, it aligns itself with the mechanisms through which international law most reliably produces stable and enduring outcomes.

C.7 Applied Pathways to International Integration and Diplomatic Sequencing

Integration as a process rather than a moment

International integration is not achieved through a single juridical act. The leading authorities consistently treat it as a cumulative process through which a new state becomes embedded in the society of states. Recognition, diplomatic relations, organisational participation, and treaty practice operate together over time to normalise the state's presence and to consolidate its legal personality.

Crawford emphasises that statehood and recognition are best understood as "processual rather than instantaneous". Shaw similarly notes that the international system absorbs new states gradually, through patterns of interaction that confirm acceptance and capacity. Grant's analysis of recognition practice reinforces this view, demonstrating that recognition is often incremental and expressed through conduct rather than proclamation.

The framework advanced in *Startup States* reflects this understanding by treating international integration as a sequence of legally intelligible steps rather than as a single threshold event.

Bilateral recognition strategies

Bilateral recognition remains the foundational unit of international acceptance. While multilateral recognition and organisational membership are highly visible, it is bilateral relations that supply the practical infrastructure of diplomacy, trade,

and treaty engagement.

Grant notes that recognition is frequently implied through bilateral conduct, including the exchange of diplomatic missions, the conclusion of treaties, and the establishment of formal channels of communication. Crawford similarly observes that recognition may be inferred from "acts which presuppose the existence of the state".

Shaw highlights that courts and legal advisers routinely look to bilateral relations as evidence of acceptance. The existence of diplomatic relations, consular arrangements, or bilateral agreements is often treated as probative of recognition, even where no formal declaration has been made.

The emphasis in *Startup States* on early bilateral engagement is consistent with this practice. By prioritising negotiated relationships with a small number of states, particularly those with regional or functional relevance, a new state may establish a foundation upon which broader acceptance can be built.

The strategic role of initial recognising states

The identity of initial recognising states can have disproportionate influence on subsequent recognition trajectories. Grant's work demonstrates that recognition by states perceived as legally cautious or politically influential often reduces the perceived risk for others.

Crawford notes that recognition tends to cluster. Once a pattern of acceptance emerges, additional states are more likely to follow, particularly where no legal objections have been raised. Shaw reinforces this point by observing that early recognition by regional neighbours or by states with direct interests in stability can be especially significant.

This pattern underscores the importance of careful sequencing. Rather than seeking immediate universal recognition, the framework advanced in *Startup States* implicitly favours targeted engagement with states whose recognition would signal legal normalcy and regional compatibility.

Participation in international organisations

Participation in international organisations provides a further layer of integration. Crawford and Shaw both emphasise that organisational membership is not constitutive of statehood, but constitutes powerful evidence of acceptance and capacity.

Admission to specialised agencies, regional organisations, and functional bodies often precedes or substitutes for United Nations membership. Such participation enables a new state to demonstrate compliance with international standards, to assume obligations, and to engage in cooperative governance.

Grant notes that organisational participation can serve as a proxy for recognition, particularly where membership requires sponsorship or approval by existing states. The gradual accumulation of memberships contributes to the normalisation of the new state's status.

The framework advanced in *Startup States* treats organisational participation as a practical pathway to integration rather than as an end in itself. This reflects the orthodox view that engagement and performance reinforce legal personality.

United Nations membership in context

United Nations membership occupies a distinctive position in international integration. Crawford and Shaw both stress that while UN membership is neither necessary nor sufficient for statehood, it remains one of the most visible indicators of general acceptance.

Grant observes that UN admission often functions as a focal point in recognition practice, signalling that objections have been overcome or marginalised. At the same time, historical examples demonstrate that states may function fully in international relations without UN membership for extended periods.

The treatment of UN membership in *Startup States* as a strategic choice rather than a prerequisite aligns with this orthodox understanding. It reflects an appreciation of the political dynamics of Security Council recommendation and General Assembly approval, and of the possibility that premature pursuit of membership may provoke resistance.

Regional assurances and neighbourhood stability

Regional context plays a critical role in recognition decisions. Crawford notes that states are particularly sensitive to the reactions of neighbouring states and regional organisations when assessing recognition. Shaw similarly observes that regional acceptance often precedes global acceptance.

Regional assurances, whether formal or informal, serve to mitigate concerns about instability, precedent, or spillover effects. Grant highlights that recognition decisions are often conditioned on assurances concerning borders, minority rights, and compliance with regional norms.

The framework advanced in *Startup States* implicitly recognises the importance of regional integration by emphasising alignment with host and regional stakeholders. By situating new states within existing regional orders rather than outside them, the framework reduces the likelihood of opposition grounded in regional insecurity.

Sequencing and diplomatic pacing

A recurring insight across the literature is the importance of pacing. Crawford notes that premature assertion of full status can provoke resistance, while gradual engagement allows concerns to be addressed incrementally. Grant similarly emphasises that recognition practice rewards patience and consistency.

Diplomatic sequencing typically involves several stages. These may include informal contacts, technical agreements, limited treaty engagement, formal diplomatic relations, and organisational participation, and, where appropriate, multilateral recognition. The precise sequence varies, but the underlying logic is consistent.

The approach advanced in *Startup States* is compatible with this logic. By emphasising lawful foundations and incremental integration, it avoids the confrontational dynamics that have hindered other statehood projects.

Practice-based constraints and opportunities

International integration is shaped by both opportunity and constraint. Legal soundness creates opportunity by reducing objections, while geopolitical realities impose limits that must be navigated.

Crawford and Shaw both caution against assuming that legal compliance guarantees rapid acceptance. Grant's analysis underscores that recognition decisions are ultimately discretionary, albeit constrained by law and practice.

The strength of the framework advanced in *Startup States* lies in its realism. It does not promise automatic integration, but it aligns itself with the pathways through which integration has historically occurred.

Concluding assessment of applied pathways

The leading authorities converge on a pragmatic understanding of international integration. Recognition and participation emerge through cumulative practice, including bilateral engagement, organisational involvement, and regional accommodation. Legal soundness is a necessary condition, but strategic sequencing and diplomatic sensitivity are equally important.

The framework advanced in *Startup States* is consistent with this understanding. By treating integration as a process and aligning its strategies with orthodox practice, it situates itself within the established mechanics of international relations rather than outside them.

C.8 Alignment with Orthodoxy, Drafting Discipline, and Strategic Counsel to Prospective Founders

Purpose and orientation

This concluding Part draws together the doctrinal analysis undertaken in the preceding sections and translates it into practical guidance for those contemplating the intentional formation of new sovereign states through consensual and treaty-based pathways. . It is addressed not as advocacy, but as counsel grounded in the orthodox understanding of international law as articulated by the leading authorities examined throughout this chapter.

The central lesson that emerges from Crawford, Brownlie, Shaw, Oppenheim, Grant, Talmon, Kohen, Caspersen, and Akande et al. is consistency and unambiguousness. International law is conservative in matters of statehood. It rewards legality, stability, consent, and restraint. It disfavors unilateralism, ambiguity, and rhetorical overreach. Any project that seeks durable legitimacy must therefore remain closely aligned with this orthodoxy.

Doctrinal discipline as a strategic asset

A recurring theme across the nine authorities is the premium placed on doctrinal discipline. Crawford repeatedly emphasises that statehood is assessed through a combination of legal criteria and practice, not through aspiration or narrative. Brownlie and Shaw reinforce this by treating statehood as a matter of law applied to fact, rather than as a political claim to be asserted.

Prospective founders are therefore well advised to resist the temptation to frame their projects as challenges to the international system or as departures from existing legal categories. Caspersen's analysis of unrecognised states demonstrates the costs of such framing. Even entities with strong internal legitimacy and administrative competence may remain excluded where their claims are perceived as disruptive or legally unanchored.

The *Startup States* method is strongest where it presents itself not as an alternative to international law, but as an application of its most stable and widely accepted principles.

Foundational treaties as constitutional instruments

One of the clearest points of convergence among the authorities is the privileged status of treaties in structuring durable legal outcomes. Oppenheim's early insistence on *pacta sunt servanda* as a condition of international society is echoed and refined by Brownlie, Shaw, and Crawford, who emphasise the enhanced stability accorded to treaties concerning territory and jurisdiction.

Founders should therefore treat any founding treaty not as a preliminary memorandum or political understanding, but as a constitutional instrument in international law. Precision of language, clarity of intention, and comprehensive allocation of

competences are not merely technical virtues. They are determinants of durability.

Grant's analysis of recognition practice further underscores this point. Treaties are among the clearest forms of conduct through which recognition is implied and operationalised. A well-drafted founding treaty can therefore serve simultaneously as a legal foundation, a signal of seriousness, and an instrument of diplomatic engagement.

Avoidance of secessionist framing

Kohen's work on secession, reinforced by Crawford and Shaw, makes clear that international law exhibits deep scepticism toward unilateral secession and remedial claims that lack broad consensus. Even where secession is not expressly prohibited, it is rarely rewarded with recognition absent consent.

Prospective founders should therefore avoid secessionist rhetoric wherever possible. Framing matters. Projects that are presented as negotiated reallocations of authority, jurisdiction, or sovereignty are more likely to be received favourably than those framed as acts of rupture.

The *Startup States* model aligns with this insight by privileging consent-based arrangements, including leases, transfers, and shared sovereignty structures. Founders should preserve this alignment in both drafting and diplomacy.

Governmental clarity and institutional durability

Talmon's analysis of governmental recognition and representation demonstrates that ambiguity in authority is a persistent source of difficulty in international relations. Competing claims, unclear constitutional arrangements, and unstable institutions invite hesitation and contestation.

Crawford and Shaw similarly emphasise effectiveness and continuity as central to the assessment of government. Caspersen's empirical work shows that even highly functional entities may struggle where external actors perceive institutional fragility or legal uncertainty.

Founders should therefore prioritise governmental clarity from the outset. Con-

stitutional arrangements should be intelligible to external actors. Authority to represent the state, to conclude treaties, and to discharge international obligations should be clearly allocated and publicly documented.

Institutional durability is not merely an internal matter. It is a signal to the international community that the entity is capable of sustaining the responsibilities of statehood.

Recognition as practice, not proclamation

Grant's central insight is that recognition is rarely conferred through a single act. It is expressed through practice, accumulated over time, and reinforced through conduct. Crawford and Brownlie both caution against treating recognition as either purely declaratory or purely constitutive.

Prospective founders should therefore approach recognition as a process. Early bilateral engagement, technical agreements, and limited forms of cooperation may be as significant as formal recognition statements. Participation in international organisations, even at a technical level, can further reinforce external capacity.

Patience and consistency are virtues in this process. As Grant and Shaw observe, recognition trajectories are shaped as much by restraint as by initiative.

Lawful origin and the avoidance of non-recognition regimes

The jurisprudence examined by Akande and his co-authors, particularly in relation to Kosovo, Namibia, and other contested cases, illustrates the consequences of unlawful origin. Where the emergence of an entity is associated with violations of peremptory norms or the use of force, non-recognition may become entrenched and self-reinforcing.

Crawford and Brownlie treat the obligation of non-recognition as a structural feature of the international legal order. Caspersen's analysis shows how such regimes can trap entities in prolonged liminality.

The *Startup States* method seeks to avoid these outcomes by emphasising lawful origin, consent, and compatibility with territorial integrity. Founders should guard

this aspect of the model carefully. Short-term expedients that compromise legality may impose long-term costs that are difficult to reverse.

Drafting restraint and the avoidance of over-claiming

A final lesson emerging from the nine authorities is the importance of restraint in legal drafting and public articulation. International courts and legal advisers are wary of over-claiming, particularly where concepts such as *erga omnes* obligations, automatic recognition, or guaranteed permanence are invoked without precision.

Crawford and Shaw both demonstrate that international law operates through careful distinctions and incremental reasoning. Brownlie's work exemplifies a style of legal analysis that privileges understatement over assertion.

Founders and drafters should therefore favour formulations that emphasise alignment, consistency, and intention, rather than entitlement or inevitability. Such restraint enhances credibility and invites engagement rather than resistance.

Concluding counsel to prospective founders

Taken together, the nine authoritative works examined throughout this chapter articulate a coherent and conservative vision of statehood. New states are not created by declaration alone, nor by innovation detached from law. They emerge through effectiveness, legality, consent, and sustained engagement with the international community.

The *Startup States* model, as analysed in the preceding Parts, is compatible with this vision when it remains closely aligned with orthodoxy. Its emphasis on treaty-based foundations, avoidance of secessionist rupture, institutional durability, and incremental integration reflects the conditions under which international law has historically accepted new states.

Prospective founders who adopt this model are therefore counselled to remain disciplined, restrained, and legally grounded. In doing so, they maximise the likelihood that their projects will be received not as challenges to international order, but as lawful, credible, and constructive participants within it.

Appendix D

The Limits of Orthodoxy: A Systematic Response to the Critique of Intentional State Formation

D.1 Allegations of Colonialism, Neo-Colonialism, and Structural Exploitation

Critique

A recurrent and often visceral critique of treaty-based state formation initiatives facilitated by private, for-profit consortia is that such arrangements amount, in substance if not in form, to colonialism rearticulated for the contemporary era. This allegation is advanced even where the arrangement is formally consensual, non-coercive, and explicitly invited by the existing sovereign state. The presence of consent, compensation, and treaty formalities is said not to redeem the arrangement, but rather to camouflage its underlying character.

On this view, the objection is not confined to distributive outcomes or procedural defects, but is instead structural and ideological. Critics contend that sovereignty itself is being commodified and transferred to actors possessing capital, legal so-

phistication, and geopolitical reach. The model is characterised as elitist and supremacist in orientation, irrespective of the race or nationality of the participants. The alleged extraction is not material, but political. What is said to be extracted is the legitimacy of the international system itself, specifically the principle that statehood emerges organically from peoples, territory, and historical struggle, rather than through negotiated transactions involving private actors.

Consent, in this framing, is discounted. Where the inviting state is economically constrained, fiscally distressed, or institutionally weak, its consent is characterised as nominal rather than meaningful. Even where the arrangement is described as value-additive rather than extractive, critics assert that the primary value transfer lies in the reallocation of sovereign authority itself. The persistence of this critique suggests that the objection is not reducible to empirical outcomes, but rests on a deep discomfort with the notion that sovereignty might be intentionally designed, structured, or activated through administrative choice.

Counterpoint

This critique rests upon a conflation of sovereignty as an abstract moral artefact with sovereignty as a legally exercised administrative competence. International law does not require that statehood emerge only through historical accident, revolution, or prolonged ethnogenesis. States routinely exercise sovereign authority to reorganise territory, devolve jurisdiction, alter constitutional arrangements, and redefine the internal and external allocation of powers.

The designation of an unused, uninhabited, or economically inert portion of territory as a separate sovereign entity is, at its core, an administrative act. It does not dispossess a population, extinguish rights, or impose governance by force. The absence of coercion is not incidental, but central. Where a state voluntarily elects to reallocate sovereignty through treaty, the charge of colonialism loses analytical coherence. Colonialism, in its historical and legal sense, is defined by domination without consent, extraction without reciprocity, and governance imposed upon subject populations. None of these elements is present in the model under examination.

The objection that sovereignty is being commodified mistakes the presence of consideration for the absence of agency. States routinely make sovereign decisions

influenced by economic, strategic, and diplomatic incentives. The existence of compensation does not negate sovereignty. It is an expression of it. To deny this is to posit an implausible fiction in which sovereign discretion must be exercised in an economic vacuum to retain legitimacy.

D.2 Abuse of Self-Determination and the Doctrine of Recognition

Critique

The gravest accusation advanced by critics is that treaty-based state formation facilitated by private consortia constitutes an abuse of the right of self-determination and a distortion of the doctrine of recognition. Inducing an existing United Nations Member State to recognise and midwife the creation of a new sovereign entity at the behest of a private consortium is said to fatally compromise the normative foundations of international law.

Even where the consortium does not formally constitute the state, its role as architect, operator, and economic beneficiary is portrayed as rendering the distinction illusory. Recognition, on this account, is no longer exercised as a political and legal judgment, but is instead monetised. The recognising state is framed as having sold recognition itself, thereby transforming a core sovereign prerogative into a transactional output.

While critics often concede that such conduct may fall short of criminal corruption in a strict legal sense, they nonetheless characterise it as corrosive. The concern is not merely that recognition is influenced by compensation, but that recognition becomes derivative of it. From this perspective, the doctrine of recognition is hollowed out, reduced from a judgment grounded in legality and legitimacy to a function of private inducement.

Counterpoint

This critique mischaracterises both self-determination and recognition as static

moral absolutes rather than dynamic legal doctrines. Self-determination is not infringed where no population is coerced, displaced, or denied political agency. In the case of uninhabited or unused territory, there is no self to be denied determination. The doctrine does not require that all territory remain perpetually bound to its historical administrative unit irrespective of utility, governance capacity, or strategic reallocation.

Recognition, moreover, is not sold. It is exercised. States retain full discretion to recognise, to refuse recognition, to condition recognition, or to withdraw it. Compensation does not extinguish agency. States routinely take recognition decisions informed by strategic alliances, security considerations, economic integration, and diplomatic advantage. To insist that recognition must be insulated from all material considerations is to deny the empirical reality of international relations.

What matters is not the absence of consideration, but the legality, transparency, and voluntariness of the process. Where recognition is extended through a lawful treaty, entered into by a competent sovereign authority, the integrity of the doctrine remains intact. The presence of private actors as facilitators or developers does not negate the sovereign character of the recognising act.

D.3 Absence of Precedent and the Fear of Precedential Contamination

Critique

A further line of attack asserts that the absence of precedent is itself condemnatory. Critics argue that international law has deliberately avoided recognising arrangements in which private commercial actors play a formative role in the birth of sovereign states, precisely because such arrangements threaten to normalise the privatisation of state creation.

The concern is one of cascade. If a single such arrangement is legitimised, it is argued, economically vulnerable states will be incentivised to fragment their territory in exchange for short-term financial relief. Historical comparisons are marshalled

in support of this claim. In classical cases such as Louisiana or Alaska, territorial transactions occurred between fully sovereign, pre-existing states. They did not involve private consortia orchestrating recognition as a precondition for territorial transfer. The absence of historical analogues is presented not as accidental, but as evidence of systemic resistance.

Counterpoint

The absence of precedent is a descriptive fact, not a normative conclusion. International law evolves through state practice. Every recognised state was, at some point, unprecedented. The fact that no direct analogue exists does not establish illegality or impropriety. It merely reflects historical contingency.

Moreover, the fear of cascade presupposes that states lack agency and strategic judgment. It assumes that states will irrationally dismember themselves for short-term gain, notwithstanding long-term interests, reputational costs, and domestic political constraints. This assumption is neither empirically supported nor theoretically compelling.

International law does not prohibit innovation in institutional form. It constrains outcomes through doctrines of consent, effectiveness, recognition, and non-coercion. Where these conditions are satisfied, the novelty of the arrangement is not a defect, but an inevitable feature of legal development.

D.4 Overpayment, Temporal Asymmetry, and the Alleged Purchase of Sovereignty

Critique

Another strand of criticism asserts that the economic terms of such arrangements are inherently suspect. Land or rights, it is argued, would not be purchased or leased at the proposed valuations absent the prospect of sovereign recognition. Any overpayment is therefore characterised as a concealed price for statehood itself. Recognition, on this view, becomes a derivative financial instrument.

This concern is reinforced by the problem of temporal asymmetry. In historical cases, transactions occurred between established sovereigns. The proposed model reverses the sequence, with private actors facilitating recognition as a precondition to subsequent sovereign-to-sovereign transactions. This unfamiliar sequencing is presented as destabilising and ethically problematic.

Counterpoint

This argument collapses under scrutiny. States routinely create value through administrative action alone. The analogy to zoning is instructive. When a municipality rezones land, extraordinary value can be created without any physical transformation. Developers who partner with municipalities and compensate them generously are not regarded as corrupt for doing so. The value arises from regulatory change, not from extraction or dispossession.

The same logic applies to sovereignty. The administrative act of designating a new sovereign entity unlocks latent value. Compensation reflects the opportunity cost of foregone alternative uses, not the sale of sovereignty itself. Once recognition has occurred, subsequent transactions are, by definition, sovereign to sovereign. The temporal asymmetry is real, but it is not disqualifying. All states emerge at a moment in time. Initial asymmetry is not aberrant, but constitutive of state formation.

D.5 Extremism, Capture, and Moral Panic

Critique

The most alarmist extension of the critique warns that such models could be exploited by extremist movements, criminal syndicates, or ideologically hostile actors. If sovereignty can be structured, capitalised, and operationalised in this manner, critics ask why malign actors would not pursue the same pathway. The prospect of sanctions or intervention is dismissed as reactive rather than preventative.

Counterpoint

This concern rests on a category error. Malign actors benefit from opacity, informality, and plausible deniability. Overt state formation is the least attractive pathway for such groups. Any captured state, whether newly formed or long established, would predictably attract pariah status, sanctions, and external intervention. The risk is not materially increased by the model itself. International law already possesses mechanisms to address state capture. The existence of a lawful pathway to state formation does not meaningfully expand the threat surface.

D.6 Sovereign Spin-Offs, Administrative Choice, and Value Creation

Critique

The final critique returns to asymmetry and vulnerability. It is argued that such arrangements take advantage of weaker or fiscally constrained states, transforming sovereign prerogatives into instruments of private enrichment.

Counterpoint

This critique fails to distinguish exploitation from exchange. Conventional development projects routinely involve asymmetries of capital and capacity. The relevant question is not asymmetry, but consent, transparency, and reciprocity.

The corporate spin-off analogy is structurally precise. A parent company may create a new entity, retain strategic interests, and allow independent growth under a clean capital structure. This is not regarded as unethical, but as prudent stewardship. The same logic applies to states. A sovereign that designates unused territory as a new country, while retaining governance participation or ownership interests, is exercising sovereignty strategically, not relinquishing it.

D.7 The Irreversibility and Regret Problem

Critique

One of the most intuitively powerful objections to intentional state formation is the claim that sovereignty, once reallocated, cannot be meaningfully undone. Critics argue that while regulatory reforms, special economic zones, or subnational autonomy arrangements may be revised, suspended, or repealed, the creation of a new sovereign state is qualitatively different. Recognition, once extended and acted upon, tends to cascade. Diplomatic relations multiply, treaties accrete, populations settle, and international obligations crystallise. What begins as a bilateral act may rapidly become embedded within the broader international system.

From this perspective, the decision to facilitate the creation of a new state is framed as a high-risk, irreversible commitment. A host state may later come to regret the decision, whether due to domestic political change, economic miscalculation, or unforeseen geopolitical consequences. Yet reversal may prove prohibitively costly. Attempted retraction of recognition could expose the host state to claims of treaty breach, reputational damage, sanctions, or even conflict. Critics therefore contend that Startup States impose a form of sovereign path dependency, converting present-day incentives into permanent structural outcomes.

This objection is amplified by a precautionary intuition. Where uncertainty is high and reversal difficult, the burden of justification is said to increase. The absence of widespread precedent is thus recast as a warning rather than a neutral fact. On this view, prudence counsels restraint, not innovation.

Counterpoint

The irreversibility critique overstates the exceptionalism of sovereignty while understating the permanence of many existing sovereign decisions. States routinely undertake actions that are functionally irreversible. Entry into supranational organisations, adoption of constitutional settlements, recognition of borders, assumption of long-term debt obligations, and accession to binding treaty regimes all generate path dependencies that are politically and legally costly to unwind. Irreversibility is not an anomaly within international law. It is one of its defining features.

Moreover, the Startup States model does not deny irreversibility. It disciplines it. By insisting upon treaty-based formation, explicit consent, and upfront institutional design, the model seeks to front-load deliberation rather than defer it. The very fact that recognition is difficult to retract is not a flaw to be avoided, but a stabilising feature to be acknowledged and managed. Durable commitments are not inherently imprudent. They are the foundation of credible international order.

The alternative is not a world of reversible experimentation, but one in which sovereignty is eroded informally and incrementally through subnational arrangements, regulatory carve-outs, and exceptional zones that lack clear legal finality. Such arrangements often create the illusion of flexibility while generating hidden fragility. By contrast, a Startup State begins with clarity. The decision is explicit, bounded, and legible to all parties. Regret, where it occurs, is not a function of irreversibility alone, but of inadequate foresight. The model responds not by pretending reversibility exists, but by demanding a higher standard of initial decision-making.

It should also be noted that irreversibility need not be absolute, nor instantaneous. Treaty-based state formation admits of graduated architectures. States may agree upon phased milestones toward full sovereignty, with defined institutional, fiscal, or governance benchmarks that must be satisfied before subsequent competencies vest. Such gradualist approaches may be less attractive to founders seeking immediate plenary authority, but they provide an additional layer of prudence for host states concerned with long-term outcomes.

In addition, treaties may incorporate conditional reversibility clauses tied to material breach, failure to meet agreed benchmarks, or abandonment of core commitments. While such provisions may be unattractive to new country builders precisely because they temper sovereignty, their availability underscores a central point. Sovereignty is not seized in a single act, but constructed through negotiated allocation of competences over time.

This logic is most clearly illustrated in condominium arrangements. In such cases, sovereignty is not ceded outright but functionally shared. The host state may retain defined roles in defence, foreign affairs, currency, or judicial oversight during an initial period, while the new state exercises autonomous authority in other domains. Sovereignty is not surrendered, but scaled and leveraged. What emerges

is not a loss of sovereign authority, but its strategic redeployment through treaty.

D.8 The Two-Tier International Order Objection

Critique

A more structural concern holds that Startup States may contribute to the emergence of a two-tier international order. Critics fear a proliferation of small, newly formed states possessing formal sovereignty but lacking the material power, diplomatic reach, or strategic depth of established nations. Even if legally equal, such states may be treated as second-class participants in international affairs, dependent on sponsors, guarantors, or institutional patrons.

This objection is often framed as a warning against fragmentation. If the international system becomes populated by numerous micro-polities with limited recognition or constrained capacity, the formal equality of states under international law may mask a deeper hierarchy. Sovereignty, while nominally intact, could become stratified in practice. In the worst case, Startup States might resemble a new category of semi-sovereign entities, neither colonies nor fully autonomous actors, but something in between.

Critics further argue that early generations of Startup States may struggle to escape this condition. Initial recognition may be narrow. Diplomatic networks may be thin. Dependence on institutional backing may persist longer than anticipated. The result, it is argued, could be a class of permanently weak states, multiplying symbols of sovereignty without corresponding substance.

Counterpoint

This critique assumes that weakness is an intrinsic property of small or newly formed states, rather than a contingent outcome of institutional design and behaviour. The historical record does not support this assumption. Numerous small states have achieved outsized influence through reliability, neutrality, financial credibility, or diplomatic competence. Size is not destiny. Institutional quality matters more than territorial extent or population.

Startup States, by design, are not born institutionally naked. They begin life with negotiated treaties, defined governance frameworks, and, in many cases, significant institutional backing. This initial scaffolding does not diminish sovereignty. It enhances it. Far from producing permanent dependency, it accelerates institutional maturation. Over time, as these states demonstrate reliability, compliance with international obligations, and constructive participation in global affairs, their diplomatic networks naturally expand.

It is also necessary to consider the effect of origin and sponsorship on recognition dynamics. A Startup State formed with the express consent and participation of an existing sovereign does not enter the international system as a juridical orphan. The involvement of a parent or partner state functions as an initial credibility signal, reducing uncertainty for third states and international institutions. This may enable broader, clearer, and in some cases faster acceptance than is typical for states emerging through unilateral declaration or conflict.

This effect may be particularly pronounced where the new state is constituted, at least initially, as a condominium. In such arrangements, the continuing involvement of the partner state offers reassurance during the formative period, signalling stability, continuity, and legal clarity. It is true that such proximity may invite debate as to whether sufficient arm's-length distance exists. Yet this concern is transitional rather than structural. As competencies vest, institutions mature, and independent diplomatic practice develops, the relationship naturally attenuates. What begins as sponsorship evolves into parity.

The two-tier objection therefore collapses into a temporal anxiety. Initial differentiation does not imply permanent stratification. It reflects the ordinary process by which all states, regardless of origin, establish credibility over time.

D.9 Treaty Saturation and the Normalisation Risk

Critique

A final objection concerns scale and saturation. Critics warn that if treaty-based intentional state formation becomes commonplace, the international system may

experience diminishing returns. Sovereignty, once rare and weighty, could become routine. Recognition, once a solemn act, could be reduced to a technical procedure. In this scenario, the very success of the Startup States model would undermine the symbolic and normative gravity of statehood itself.

This concern extends beyond numerical proliferation. Critics speculate that the international community might respond defensively. States could seek to constrain the practice through new conventions, resolutions, or informal norms discouraging the formation of new countries via intentional design. What begins as innovation could provoke backlash, leading to ossification rather than adaptation.

Underlying this critique is a fear of dilution. If sovereignty becomes too accessible, it may lose its meaning.

Counterpoint

Properly understood, Startup States do not threaten the rules-based international order. They reaffirm it. The model is explicitly Westphalian in structure and temperament. It presupposes territorial sovereignty, treaty-making capacity, recognition, and participation in existing institutions. Far from rejecting the current order, it operates wholly within it.

In this sense, Startup States may be understood as an expansion rather than a disruption of the existing system. They function as a form of institutional exercise. Much as a polity in good constitutional health continues to rely upon courts, legislatures, and treaties in order to preserve that health, Startup States engage actively with the mechanisms of international law in order to keep them robust and responsive.

Sovereignty does not atrophy through use. It atrophies through neglect. When international frameworks cease to accommodate peaceful evolution, pressure accumulates elsewhere. History suggests that stagnation, not proliferation, is the greater risk. Bottlenecks that prevent lawful adaptation tend to give rise to rupture, confrontation, or the sudden emergence of entirely new and unpredictable orders.

Treaty saturation, properly framed, is therefore not a threat but a signal. It reflects

a system being used rather than bypassed. The relevant question is not how many states exist, but how they behave. A smaller number of dysfunctional or lawless states poses greater systemic risk than a larger number of well-governed ones.

If new norms or standards emerge in response, they are more likely to refine the practice than suppress it. Minimum procedural requirements, transparency expectations, or coordination mechanisms would not invalidate treaty-based state formation. They would confirm its legitimacy as a recognised mode of sovereign evolution.

D.10 Concluding Determination

When assessed in the aggregate, the critiques examined in this Appendix reveal a consistent pattern. The objections are not primarily legal. They are prudential, psychological, and institutional. They express anxiety about novelty, permanence, and systemic change rather than demonstrable violations of international law.

The irreversibility objection acknowledges a genuine feature of sovereignty, but misidentifies it as a defect rather than a condition. The two-tier order concern correctly notes transitional differentiation, but mistakes it for structural inferiority. The saturation critique fears dilution, yet overlooks the adaptive capacity of international law and the historical resilience of sovereignty as an organising principle.

In each case, the counterpoints do not deny the risks. They contextualise them. They demonstrate that the Startup States model does not introduce unprecedented dangers, but renders existing dynamics explicit and governable. Where traditional pathways to statehood relied on conflict, collapse, or imperial retreat, the treaty-based model substitutes consent, foresight, and design.

The absence of precedent is not a verdict. It is an invitation. International law has always evolved through the disciplined expansion of state practice. The question is not whether innovation carries risk, but whether the alternative is preferable. Incremental erosion of sovereignty through subnational arrangements, informal influence, and opaque dependency has proven neither stable nor just. Intentional

state formation, by contrast, confronts the problem directly.

The conclusion therefore follows with analytical clarity. Treaty-based intentional state formation, when conducted transparently, consensually, and lawfully, does not weaken sovereignty. It operationalises it. Startup States do not represent the commodification of statehood, but its modernisation. They are not a departure from international law, but a logical extension of its core principles under contemporary conditions.

In this light, the limits of orthodoxy are not barriers to progress, but markers of a system ready to evolve.

Afterword

Books, like the institutions they describe, rarely emerge in a straight line. *Startup States* is no exception. Its ideas were drafted, revised, redrafted, and sometimes reconstructed from fragments. If some readers find the references lighter than expected, part of the explanation lies in the editorial process itself. Earlier versions contained a richer set of citations, many of which were removed unintentionally during LLM-assisted proofreading.

At one point, a talented woman from Georgia was engaged through Upwork to assist with editing and formatting. Circumstances prevented her from completing the work. A gentleman from Pakistan then stepped in, rebuilt many of the references from scratch, carried out portions of the editing, and created the clickable table of contents using both his own skill and the tools available through my Jenni account. Later, Noemi from the Philippines, introduced by Eric Miki, took on the final rounds of formatting and polishing and designed all graphics except for the *Startup States* logo.

While the manuscript was forming, the outside world continued to remind me that *Startup States* is not an abstract academic exercise but an ongoing conversation. On 1 November 2025, at the Free Cities Conference in Prague, I met the President of "Liberland", who approached me without warning. Tall, self-possessed, articulate, and carrying a certain gravity, he seemed accustomed to navigating both attention and scrutiny. Whether he recognised my work or simply wished to engage in conversation is unclear. That same weekend, I met people who had been trespassed by Croatian police for visiting Gornja Siga. Some had received entry bans from Croatia. These were not theoretical disputes but lived consequences of jurisdictional friction, state capacity, and the contested nature of new sovereign initiatives.

Soon after, further reminders of the real-world stakes emerged. On 1 December 2025, former Honduran President Juan Orlando Hernández, whose administration created the ZEDE framework under which Próspera and Morazán operate, was pardoned by President Donald Trump and released from prison in the United States. Around the same time, Argentina, under President Javier Milei, despite pursuing market-driven reforms, received financial assistance from the United States. These events served as a reminder that even ambitious reformist agendas do not unfold in isolation from geopolitical realities, nor do they negate the continued role of large states and existing power structures.

Developments elsewhere during this period further illustrated the contingent and politically mediated nature of international recognition. In late 2025, the State of Israel formally recognised the Republic of Somaliland as a sovereign state. Somaliland had long been treated as a paradigmatic example of durable de facto statehood without de jure recognition. While bilateral recognition does not itself resolve Somaliland's international legal status, nor compel wider acceptance by the international community, it nevertheless carries symbolic and strategic weight. It demonstrates that recognition is not a binary condition bestowed once and for all, but a gradual process shaped by endurance, governance capacity, diplomatic engagement, and shifting geopolitical alignments. For scholars of state formation, this moment serves as a reminder that entities long excluded from formal recognition may still move incrementally toward it, not through declaration alone, but through sustained institutional performance and the slow accumulation of diplomatic relationships.

The pursuit of recognition, however, has not always been approached with restraint or responsibility. An earlier and far less prudent episode involved the now defunct Principality of Freedonia, which in the mid-2000s attempted to assert itself through a venture known as the Awdal Road project, seeking arrangements with authorities in Somaliland. Lacking institutional legitimacy, legal grounding, and operational seriousness, the initiative ended tragically with the loss of life. This episode stands as a stark reminder that experiments in sovereignty pursued without law, diplomacy, or accountable governance can produce consequences that are neither symbolic nor theoretical, reinforcing the argument that legitimacy is built through process and restraint, not shortcuts.

Contemporary discussions among established states further underscore that sovereignty,

territorial status, and political association remain active questions even within the existing international order. From late 2024 and continuing into 2025, senior figures in the United States publicly revisited the possibility of Greenland altering its political relationship with the Kingdom of Denmark. Scenarios discussed ranged from deeper association with the United States, to full independence under alternative constitutional arrangements, to more complex shared or tripartite frameworks. Whatever form such discussions may take, their legitimacy can arise only through the express and informed consent of the people of Greenland, together with the lawful and constitutional assent of the peoples of Denmark and the United States acting through their respective legal mechanisms. Any outcome must be voluntary, non-coercive, and grounded in law. Acquisition by force is categorically impermissible, whereas negotiated association, indemnification, or compensation, when freely agreed, falls within the long-standing practice of lawful statecraft.

Parallel diplomatic attention was also directed toward the South Caucasus. Proposals framed as part of a broader route for international peace and prosperity associated with President Donald J. Trump once again brought Armenia into focus. Long situated at the intersection of competing regional powers and unresolved historical grievances, Armenia exemplifies how questions of sovereignty in the contemporary world are increasingly shaped not by conquest but by alignment, guarantees, corridors, and negotiated frameworks intended to stabilise borders and unlock economic participation. Here as well, legitimacy rests not in external design alone, but in constitutional process, public consent, and adherence to principles of non-aggression.

Taken together, these developments reinforce a central theme of this book. Sovereignty in the twenty-first century is neither frozen nor arbitrary. It is increasingly discussed openly, negotiated procedurally, and constrained by law, public legitimacy, and international norms. Whether in the Arctic, the Horn of Africa, the Caucasus, or elsewhere, durable political arrangements now depend less on unilateral assertion than on consent, consideration, and institutional clarity. In this respect, contemporary geopolitical practice increasingly converges with the principles underlying Startup States, even when those principles are articulated outside the language of new state formation.

On 3 December 2025, a tweet from Balaji Srinivasan appeared in my personal Twitter feed. It touched on an idea that has been with me since adolescence, when

both its author and I happened to be on the same island. The tweet reads:

> "If a country stays small to remain true to its roots, it eventually gets absorbed by an empire. Conversely, if a country plays for empire, and truly achieves world domination, it absorbs so many that its subjects eventually outnumber the imperial core. And thus the empire, too, loses touch with its roots.
>
> Stay small and get conquered.
>
> Get big and get diluted."

Does this line of reasoning put an end to the very idea of establishing new countries, whether through the Network State model, theories of state formation, or the concept of Startup States itself. No, not in the least. We continue to see the emergence of new countries even in an age of globalisation and expanding regional blocs. Network States, Startup States, and new countries more broadly can be understood as nuanced and opposite reactions to the gravitational pull of empire, as the author of that tweet suggests.

It is important to recognise that Network States remain in their infancy, much as Bitcoin was in 2010 and 2011. Judging the entire concept by a handful of early or highly visible projects, particularly those that channel fascist, neo-colonialist, or otherwise illiberal memes, is neither fair nor analytically sound. Such associations are no more representative of the Network State ecosystem than David Duke endorsing a Republican candidate would be of the GOP as a whole, or a radical Marxist endorsing a Democrat would be of the Democratic Party. Early ecosystems are messy, experimental, and ideologically noisy. This is a feature of emergence, not proof of failure.

Startup States do not seek to challenge empires or to become empires themselves. They aim to work within the existing international order by offering more bespoke options and by helping existing countries, both large and small, to leverage and scale their sovereignties through the creation of new jurisdictions using the Startup States model. Part of the brilliance of Network States, and especially Startup States, is that they do not require vast swathes of territory. They can leverage technology to scale, often hosting more residents or citizens outside their analogue territorial landholdings than within them. Already, the Republic of Palau likely

has more digital residents than citizens. I have been a digital resident for many years.

The larger question is whether new countries, whether Network States, Startup States, or post-nation-state entities or polities, will ultimately become little different from what already exists. Will humanity undertake all this work only to find itself back where it began. The answer is no, because humanity benefits from the accumulated lessons of history and now knows, at least in part, what not to do. Major advances in many other fields have transformed human life, and it stands to reason that governance and human organisation will evolve as well. This is a new frontier, just as earlier revolutions in energy, education, medicine, industry, mechanisation, and agriculture once were.

If the ideas here resonate, I invite you to treat them not as a conclusion but as a beginning. Startup States will continue to emerge, falter, adapt, and evolve, often faster than books can be written about them. These reflections mark only a few recent moments in that continuing story. To learn more, to access additional resources, to connect and network with others building new countries, and to stay in contact as this field develops, please visit startupstates.swiss.

Glossary

Accreditation: Process by which a diplomat is certified to represent their state.

Acta jure gestionis: Acts performed in a private or commercial capacity by a state. Relevant to restrictive doctrine of state immunity.

Acta jure imperii: Acts performed in the exercise of sovereign authority; contrasted with acta jure gestionis (commercial acts). (See: Jurisdictional Immunities Case, ICJ, 2012)

Ad hoc: For this purpose; a body constituted for a specific case or matter. (See: ICJ Statute, Art. 26)

Aegean Sea Continental Shelf Case: Case between Greece and Turkey concerning maritime delimitation. (ICJ, 1978)

Antarctic Treaty: 1959 treaty establishing Antarctica as a scientific preserve and banning military activity. (402 UNTS 71)

Audi alteram partem: Hear the other side; principle of natural justice requiring fair hearing. (See: PCIJ, Interpretation of the Statute of the Memel Territory, 1932)

Balance of power: A principle of international relations whereby national security is maintained through equilibrium between competing powers.

Barcelona Traction Case: Established concept of obligations erga omnes. (ICJ, 1970)

Bir Tawil: A 2,060 km² area between Egypt and Sudan, effectively unclaimed due to border demarcation disputes; sometimes cited as modern terra nullius.

Bitnation: A blockchain-based experiment in digital nationhood; not recognised under international law and lacking territorial control.

Bona fide: In good faith; genuine, without intent to deceive. (See: Vienna Convention on the Law of Treaties, 1969, Art. 26)

British Overseas Territories: Jurisdictions under UK sovereignty but largely self-governing, such as Bermuda or the Cayman Islands; examples of devolved but non-sovereign polities.

Capacity to enter into relations: One of the Montevideo Convention criteria, requiring a state to possess the ability to conduct foreign relations.

Charter cities: Urban developments granted special jurisdictional status under host state sovereignty.

Charter of the United Nations: 1945 treaty establishing the UN and codifying principles of international law. (1 UNTS XVI)

Chartered Companies: Historical corporations (e.g., British East India Company) vested with governance powers; delegitimised as modern pathways to sovereignty.

Clausula rebus sic stantibus: Clause allowing withdrawal from treaties due to fundamental change of circumstances. (See: Vienna Convention on the Law of Treaties, 1969, Art. 62)

Clean slate doctrine: Principle that new states are not bound by predecessor's treaties unless they consent. (See: Vienna Convention on Succession of States, 1978)

Collective security: System where aggression against one is considered aggression against all. (See: UN Charter, Chapter VII)

Condominium: Territory jointly administered by two or more states. (See: Anglo-Egyptian Sudan, New Hebrides)

Consensual theory of statehood: Statehood depends not merely on Montevideo criteria but on recognition through consent by the international community. (See: ICJ, Kosovo Advisory Opinion, 2010)

Constitutive theory: Theory that statehood depends upon recognition by existing states, not solely on meeting objective criteria.

Corfu Channel Case: First ICJ case; established principles on innocent passage and state responsibility. (ICJ, 1949)

De facto: In fact; describing a state of affairs that exists in reality, though not formally recognised by law. (Contrast: Recognition de facto vs. Recognition de jure)

De jure: By law; referring to a state of affairs that is legally recognised, irrespective of whether it exists in practice.

Declaratory theory: Theory that statehood is determined by fulfilling objective criteria (Montevideo Convention), independent of recognition.

Defined territory: Criterion for statehood requiring a defined geographical area under control, even if borders are disputed.

Diplomatic asylum: Granting asylum in diplomatic premises. (See: Asylum Case, ICJ, 1950)

Doctrine of recognition: Legal doctrine concerning the acknowledgement of states and governments.

Doli incapax: Doctrine that certain persons (e.g., children) are incapable of forming criminal intent.

Dollar diplomacy: A U.S. foreign policy strategy of using financial power to extend international influence. (Term associated with President Taft, early 20th century)

Effectivités: Actual and continued display of state authority over a territory, used as evidence of sovereignty. (See: Island of Palmas, 1928; Minquiers & Écréhous, 1953)

Erga omnes: Towards all; obligations owed towards the international community as a whole. (See: Barcelona Traction, ICJ, 1970)

Estoppel: Doctrine preventing a state from denying facts or rights it has previously accepted to the detriment of another. (See: Temple of Preah Vihear, ICJ, 1962)

Ex abundanti cautela: Out of an abundance of caution; taking action more than is strictly necessary to prevent risk.

Ex ante: From before; predictive analysis conducted prior to an event or action.

Ex injuria jus non oritur: A legal right cannot arise from a wrongful act. (See: Stimson Doctrine, 1932)

Ex post: From after; analysis made subsequent to an event or action.

Ex turpi causa non oritur actio: From a dishonourable cause no action arises; principle that courts will not enforce claims founded on illegality.

Exequatur: Authorisation for a consul to perform duties in the host state.

Expressio unius est exclusio alterius: The express mention of one thing implies the exclusion of another.

Filibusters: Adventurers who attempted to seize foreign territory without state sanction, often condemned as unlawful under international law.

Freebooters: Private individuals engaging in piracy or unsanctioned territorial conquest; illegitimate actors in sovereignty formation.

Full powers: Document authorising a representative to negotiate or sign treaties. (See: Vienna Convention on the Law of Treaties, 1969, Art. 2)

Geoeconomics: Use of economic instruments to achieve geopolitical objectives.

Gornja Siga: Disputed territory between Croatia and Serbia on the Danube River; often mischaracterised as terra nullius though subject to competing claims.

Government: Criterion for statehood requiring an organised political authority exercising effective control.

Hard power: Use of military and economic means to influence behaviour of other states.

Hong Kong: Special Administrative Region of China, formerly under British sovereignty, offering a case study in autonomy under the 'one country, two systems' framework.

In claris non fit interpretatio: Where the text is clear, there is no room for interpretation.

In dubio pro reo: In doubt, for the accused; criminal law principle requiring ambiguity to be resolved in favour of the defendant.

Inter se: Between themselves; in treaty law, obligations binding only among the parties inter se.

Island of Palmas: Arbitral award establishing continuous and peaceful display of sovereignty as basis for title. (PCA, 1928)

Jus cogens: Peremptory norms of international law from which no derogation is permitted. (See: Vienna Convention on the Law of Treaties, 1969, Art. 53)

Kosovo Advisory Opinion: ICJ held Kosovo's declaration of independence did not violate international law. (ICJ, 2010)

Lex ferenda: The law as it ought to be; aspirational or proposed law reform.

Lex lata: The law as it exists; positive law in force.

Lex posterior derogat priori: Later law repeals earlier inconsistent law.

Lex specialis derogat generali: Specific law overrides general law; applied in conflicts between legal norms. (See: ICJ, Nuclear Weapons Advisory Opinion, 1996)

Liberland: Self-proclaimed Free Republic founded in 2015 on disputed land between Croatia and Serbia; unrecognised and without effective control.

Locus standi: The right to bring an action or appear in a court; legal standing. (See: South West Africa Cases, ICJ, 1966)

Mandates and Trust Territories: League of Nations mandates and UN trust territories for administration of dependent areas.

Marie Byrd Land: Sector of Antarctica not claimed by any state; governed by the Antarctic Treaty System.

Micronations: Small, self-declared entities claiming independence but lacking recognition, legal standing, or effective sovereignty. (Examples: Sealand, Hutt River)

Minquiers and Écréhous: Case between UK and France on sovereignty over islets, emphasising effectivités. (ICJ, 1953)

Montevideo Convention: 1933 treaty codifying declarative theory of statehood: permanent

population, defined territory, government, and capacity for international relations. (1933, Uruguay, 165 LNTS 19)

Mutatis mutandis: With necessary changes having been made; applying by analogy subject to modifications.

Nemo dat quod non habet: No one can give what they do not have; in sovereignty disputes, states cannot transfer greater rights than they possess.

Nemo judex in causa sua: No one should be judge in his own cause; principle of natural justice.

Network States: Concept advanced by Balaji Srinivasan envisioning online communities that leverage blockchain and digital tools to seek statehood; critiqued in international law for lacking effective control or recognition.

Nicaragua v. United States: Case on unlawful use of force and non-intervention. (ICJ, 1986)

Non liquet: A situation where law is uncertain or silent; historically debated in international adjudication.

Non-Aligned Movement: Group of states not formally aligned with any major power bloc, established 1961.

Non-recognition: Policy of withholding recognition from entities or territorial acquisitions deemed unlawful. (See: Stimson Doctrine, 1932)

North Sea Continental Shelf Cases: Clarified customary law formation; opinio juris and state practice. (ICJ, 1969)

Nottebohm Case: Case concerning nationality and genuine link. (ICJ, 1955)

Nulla poena sine lege: No penalty without law; corollary to nullum crimen sine lege in criminal law.

Nullum crimen sine lege: No crime without law; principle of legality in international criminal law. (See: Nuremberg Tribunal, 1946)

Obiter dictum: A remark made by a judge that is not essential to the decision, and thus not legally binding as precedent.

Odious debt: Doctrine that sovereign debt incurred without consent and not benefiting the population is unenforceable.

Opinio juris: Belief that a practice is carried out of a sense of legal obligation. (See: North Sea Continental Shelf Cases, ICJ, 1969)

Pacta sunt servanda: Agreements must be kept; binding force of treaties. (See: Vienna

Convention on the Law of Treaties, 1969, Art. 26)

Par in parem non habet imperium: Equals have no authority over each other; basis of sovereign immunity.

Permanent population: Criterion for statehood requiring a stable community of people residing permanently in the territory.

Persona non grata: Status whereby a diplomat is declared unacceptable and must leave the host state. (See: Vienna Convention on Diplomatic Relations, 1961, Art. 9)

Prima facie: At first sight; evidence sufficient to establish a fact unless rebutted. (See: ICJ, Bosnia Genocide Case, Provisional Measures, 1993)

Protectorate: Territory formally protected and partly controlled by a stronger state.

Ratio decidendi: The legal reasoning or principle underlying a judicial decision.

Realpolitik: Politics based on practical and material factors rather than moral or ideological considerations.

Rebus sic stantibus: Things thus standing; doctrine permitting withdrawal from a treaty due to fundamental change of circumstances. (See: Vienna Convention on the Law of Treaties, 1969, Art. 62)

Recognition: Formal acknowledgement of a state or government's existence; central to international legal personality.

Recognition de facto: Acknowledgement of a government or authority in fact, without granting full recognition de jure.

Recognition de jure: Formal recognition of a state or government as lawful, with legal and diplomatic consequences.

Recognition of governments: Formal acknowledgement of the legitimacy of a governing authority. (See: UK Practice, 1980s shift to 'recognition of states only')

Res judicata: A matter already judged; final and binding nature of a judgment.

Rouble diplomacy: A Russian strategy of securing influence or recognition through financial or monetary incentives in breakaway or allied regions.

Sanctions regimes: Coercive economic or political measures imposed by states or international organisations.

Secession: Unilateral withdrawal of a territory from an existing state to create a new state. (See: Quebec Secession Reference, Canada SC, 1998)

Self-determination: The right of peoples to freely determine their political status and pursue economic, social, and cultural development. (See: UN Charter, Art. 1(2); ICJ, Kosovo Advisory Opinion, 2010)

Soft power: Ability to influence others through attraction and persuasion rather than coercion.

Somaliland: Self-declared independent state since 1991, functioning with de facto governance but lacking de jure international recognition.

Sovereign equality: Principle of international law establishing all states as equal in rights and duties. (See: UN Charter, Art. 2(1))

Sovereign immunity: Doctrine whereby a state is immune from suit in foreign courts without its consent. (See: UK State Immunity Act 1978; ICJ Jurisdictional Immunities Case, 2012)

Sovereignty: Supreme authority of a state over its territory and independence from external interference. (See: UN Charter, Art. 2(1))

Sovereignty in trust: Concept that sovereignty may be exercised by another state or organisation on behalf of a people. (See: UN Trusteeship System)

Special economic zones: Designated areas with distinct economic regulations to attract investment.

Startup States: Treaty-based, deliberately designed sovereign entities, founded through consent and recognition by existing states.

Statehood: Status of being a state under international law, defined by the Montevideo criteria and shaped by recognition practice.

Stimson Doctrine: U.S. principle (1932) refusing recognition of territorial acquisitions made by force, applied notably to Manchuria.

Temple of Preah Vihear: Case awarding temple to Cambodia, emphasising estoppel. (ICJ, 1962)

Terra nullius: Land belonging to no one; historically invoked to justify territorial acquisition. (See: Western Sahara Advisory Opinion, ICJ, 1975)

Transparency: Principle of open governance and accountability, particularly relevant in treaty-based startup states.

Treaty of Westphalia: 1648 treaties ending the Thirty Years' War; foundation of modern state sovereignty.

Ubi jus ibi remedium: Where there is a right, there is a remedy.

Ultra vires: Beyond the powers; acts conducted beyond the scope of legal authority.

UNCLOS: United Nations Convention on the Law of the Sea, 1982, governing maritime zones and navigation. (1833 UNTS 397)

Ut res magis valeat quam pereat: An interpretation that enables a text to be effective is preferred over one that renders it void.

Uti possidetis de facto: Variant of uti possidetis; boundaries determined by actual possession at independence, even absent strict legal title.

Uti possidetis juris: As you possess under law; principle that newly independent states inherit colonial boundaries. (See: Frontier Dispute, ICJ, 1986)

Uti universi: Doctrine that the UN acts on behalf of the international community in decolonisation. (See: Namibia Advisory Opinion, ICJ, 1971)

Vienna Convention on Diplomatic Relations: 1961 treaty defining framework for diplomatic relations. (500 UNTS 95)

Vienna Convention on Succession of States: 1978 treaty addressing succession of states in treaties. (1946 UNTS 3)

Vienna Convention on the Law of Treaties: 1969 treaty codifying law of treaties. (1155 UNTS 331)

Volenti non fit injuria: To a willing person, no injury is done; voluntary assumption of risk.

Western Sahara Advisory Opinion: Rejected terra nullius in Western Sahara. (ICJ, 1975)

References

Foa, R. (2016). Ancient Polities, Modern States [Harvard University]. In *Digital Access to Scholarship at Harvard (DASH) (Harvard University)*. http://nrs.harvard.edu/urn-3:HUL.InstRepos:26718768

Schneider, N. (2022). Governable Stacks against Digital Colonialism. *tripleC Communication Capitalism & Critique Open Access Journal for a Global Sustainable Information Society*, *20*(1), 19. https://doi.org/10.31269/triplec.v20i1.1281

Albert, R. (2024). *Decolonial Constitutionalism*. https://doi.org/10.2139/ssrn.4930941

Coleman, T. P. W. D. (2000). International Institutions, Globalisation and Democracy: Assessing the Challenges. *Global Society*, *14*(3), 377. https://doi.org/10.1080/13600820050085769

Dieckhoff, A., Jaffrelot, C., & Massicard, É. (2022). Contemporary Populists in Power. In *The Sciences Po Series in International Relations and Political Economy*. https://doi.org/10.1007/978-3-030-84079-2

Gonzalez, T. M., & Nicolini, J. P. (2024). Argentina at a Crossroads. *Quarterly Review*, *44*(3). https://doi.org/10.21034/qr.4432

Kirlin, J. J. (1996). What Government Must Do Well: Creating Value for Society. *Journal of Public Administration Research and Theory*, *6*(1), 161. https://doi.org/10.1093/oxfordjournals.jpart.a024298

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. *Chapman University Digital Commons (Chapman University)*, *21*(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Giesen, K. (2018). "A Short Essay on Statelessness and Cosmopolitan Citizenship." *HAL (Le Centre Pour La Communication Scientifique Directe)*. https://uca.hal.science/hal-01981744

Hobbs, H., Hayward, P., & Motum, R. (2023). Cyber Micronations and Digital Sovereignty. *Digital Society*, *2*(3). https://doi.org/10.1007/s44206-023-00069-9

Romer, P. (2010). Technologies, Rules, and Progress: The Case for Charter Cities. *RePEc: Research Papers in Economics*.

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. *Chapman University Digital Commons (Chapman University)*, *21*(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Giannecchini, P., & Taylor, I. (2017). The eastern industrial zone in Ethiopia: Catalyst for development? *Geoforum*, *88*, 28. https://doi.org/10.1016/j.geoforum.2017.11.003

Kweka, J., & Farole, T. (2011). *Institutional best practices for special economic zones : an application to Tanzania*. 1. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/09/15/000386194_20110915033606/Rendered/PDF/644830BRI0Tanz00Box0361538B0PUBLIC0.pdf

McAslan, D., Arevalo, F. N., King, D. A., & Miller, T. R. (2021). Pilot project purgatory? Assessing automated vehicle pilot projects in U.S. cities. *Humanities and Social Sciences Communications*, *8*(1). https://doi.org/10.1057/s41599-021-01006-2

Moberg, L. (2018). The Political Economy of Special Economic Zones: Lessons for the United States. *Chapman University Digital Commons (Chapman University)*, *21*(2), 407. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/5

Pritchett, L., Woolcock, M., & Andrews, M. (2012). Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation. *The Journal of Development Studies*, *49*(1), 1. https://doi.org/10.1080/00220388.2012.709614

Romer, P. (2010). Technologies, Rules, and Progress: The Case for Charter Cities. *RePEc: Research Papers in Economics*.

Chan, C. (2022). From Legal Pluralism to Dual State: Evolution of the Relationship between the Chinese and Hong Kong Legal Orders. *Law & Ethics of Human Rights*, *16*(1), 99. https://doi.org/10.1515/lehr-2022-2004

Cheung, A. Y. H. (2014). Burying the Joint Declaration: Beijing's International Law Reaction to the Umbrella Movement. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.2540710

Chopra, S., & Pils, E. (2022). The Hong Kong National Security Law and the Struggle over Rule of Law and Democracy in Hong Kong. *Federal Law Review*, *50*(3), 292. https://doi.org/10.1177/0067205x221107410

Donald, D. C. (2011). History's Marks on Hong Kong Law - From British Colony, to Chinese SAR. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1953830

Fu, H. (2025). Managed freedom in precarious times: Maintaining academic freedom in transitional Hong Kong. *Global Constitutionalism*, *14*(1), 182. https://doi.org/10.1017/s2045381724000157

Hu, R. (2023). 'One country, two systems' in transition. In *ANU Press eBooks* (p. 37). ANU Press. https://doi.org/10.22459/dpmgca.2023.02

Lin, F., & Fei, M. (2023). A Paradigm Shift for Hong Kong's National Security Constitution – A Comparative Study of the Impact of Its National Security Law. *ICL Journal*, *17*(2), 135. https://doi.org/10.1515/icl-2022-0015

Lo, P. (2024). Constitutional Additives in China's Hong Kong: Could central constitutional decision-making for a region under a hybrid regime ever be illegitimate? *Asian Journal of Comparative Law*, *19*(3), 512. https://doi.org/10.1017/asjcl.2025.2

Rezvani, D. A. (2011). Dead Autonomy, A Thousand Cuts or Partial Independence? The Autonomous Status of Hong Kong. *Journal of Contemporary Asia*, *42*(1), 93. https://doi.org/10.1080/00472336.2012.634645

Anna, A., & Shishkova, A. (2021). EU's 'Europeanization' Policy and Sustainable Development in the Post-Soviet Space: Whither Sustainable? Whose Development? In *Nottingham Trent University's Institutional Repository (Nottingham Trent Repository)* (p. 525). Nottingham Trent University. http://irep.ntu.ac.uk/id/eprint/41442/1/1381367_Sahin.pdf

Colindres, J. (2021). *Honduran ZEDEs: From National Politics to Local Democracy*. *1*(2), 10. http://ojs.instituteforcompgov.org/index.php/jsj/article/view/29

Faguet, J.-P. (2013). Decentralization and popular democracy: governance from below in Bolivia. *Choice Reviews Online*, *50*(6), 50. https://doi.org/10.5860/choice.50-3489

Fredona, R., & Reinert, S. A. (2024). In the Zone: On Quinn Slobodian's Crack-Up Capitalism and the Spaces of Political Economy. *The Business History Review*, 1. https://doi.org/10.1017/s0007680523000958

Levine-Schnur, R., Megiddo, T., & Berda, Y. (2025). A Theory of Annexation. *Oxford Journal of Legal Studies*, *45*(2), 447. https://doi.org/10.1093/ojls/gqaf007

Méndez, D. F., & Dirkmaat, O. A. (2021). *A Follow-Up on the Economic Impact of Special Economic Zones in Honduras: 1*(2), 195. http://ojs.instituteforcompgov.org/index.php/jsj/article/download/23/15

Miller, M. C., & Shubin, L. G. (2020). Fostering justice and stability: rights protection and national sovereignty in the Honduran zones for employment and economic development. *A&C - Revista de Direito Administrativoe & Constitucional*, *20*(80), 49. https://doi.org/10.21056/aec.v20i80.1413

Romer, P. (2010). Technologies, Rules, and Progress: The Case for Charter Cities. *RePEc: Research Papers in Economics*.

Sandí, D. T. (2020). LAS ZONAS DE EMPLEO Y DESARROLLO ECONÓMICO (ZEDE), Y EL PERFECCIONAMIENTO DE LOS MECANISMOS DE DESPOJO EN HONDURAS. *Revista de Ciencias Sociales*, *167*, 97. https://doi.org/10.15517/rcs.v0i167.42980

Urueña, R., & Prada-Uribe, M. A. (2019). Constitucionalismo transformador y arbitraje de inversión: elementos para un estándar de revisión constitucional nacional estricto (Transformative Constitutionalism and Investment Arbitration: Towards a Strict National Standard of Review). *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3331056

Clegg, P., Harder, M. M. S., Nauclér, E., & Alomar, R. C. (2022). Parliamentary representation of overseas territories in the metropolis: a comparative analysis. *Commonwealth and Comparative Politics*, *60*(3), 229. https://doi.org/10.1080/14662043.2022.2065623

Daniel, J. (2014). Les territoires non indépendants de la Caraïbe à la croisée des chemins : la quête de nouveaux modèles de gouvernance Rapport établi dans le cadre du programme de recherche PO n° 31120 Les territoires non indépendants de la Caraïbe. *HAL (Le Centre Pour La Communication Scientifique Directe)*. https://hal.univ-antilles.fr/hal-01675024

Go, J. (2023). Reverberations of Empire: How the Colonial Past Shapes the Present. *Social Science History*, *48*(1), 1. https://doi.org/10.1017/ssh.2023.37

McCorkindale, C. (2024). UKIMA as red flag symptom of constitutional ill-health: devolved autonomy and legislative consent. *Northern Ireland Legal Quarterly*, *75*(1), 45. https://doi.org/10.53386/nilq.v75i1.1093

Schleiter, P., & Fleming, T. G. (2022). Radical departure or opportunity not taken? The Johnson government's Constitution, Democracy and Rights Commission. *British Politics*, *18*(1), 21. https://doi.org/10.1057/s41293-022-00206-x

Scott, P. F. (2020). The Privy Council and the constitutional legacies of empire. *Northern Ireland Legal Quarterly*, *71*(2), 261. https://doi.org/10.53386/nilq.v71i2.315

Wan, T. T. (2024). Unshackling from Shadows of the Anisminic Orthodoxy: Reconceptualising Approaches to Ouster Clauses in Hong Kong. *Asian Journal of Comparative Law*, 1. https://doi.org/10.1017/asjcl.2024.14

Yusuf, H. O., & Chowdhury, T. (2019). The persistence of colonial constitutionalism in British Overseas Territories. *Global Constitutionalism*, *8*(1), 157. https://doi.org/10.1017/s2045381718000369

Chaisse, J., & Ji, X. (2020). The Pervasive Problem of Special Economic Zones for International Economic Law: Tax, Investment, and Trade Issues. *World Trade Review*, *19*(4), 567. https://doi.org/10.1017/s1474745620000129

Colindres, J. (2021). *Honduran ZEDEs: From National Politics to Local Democracy*. *1*(2), 10. http://ojs.instituteforcompgov.org/index.php/jsj/article/view/29

Drope, J., Chavez, J. J., Lencucha, R., & McGrady, B. (2014). The political economy of foreign direct investment—Evidence from the Philippines. *Policy and Society*, *33*(1), 39. https://doi.org/10.1016/j.polsoc.2014.03.002

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. *Chapman University Digital Commons (Chapman University)*, *21*(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Ibrahim, J., Loch, C. H., & Sengupta, K. (2022). *How Megaprojects Are Damaging Nigeria and How to Fix It*. https://doi.org/10.1007/978-3-030-96474-0

Laryea, E., Ndonga, D., & Nyamori, B. (2020). Kenya's Experience with Special Economic Zones: Legal and Policy Imperatives. *African Journal of International and Comparative Law*, *28*(2), 171. https://doi.org/10.3366/ajicl.2020.0309

Newman, C., Page, J., Rand, J., Shimeles, A., Söderbom, M., & Tarp, F. (2016). The Pursuit of Industry : Policies and Outcomes. *Research Portal Denmark*, 1. https://local.forskningsportal.dk/local/dki-cgi/ws/cris-link?src=ku&id=ku-ba0732b2-365f-48f7-b31d-ae3d9997d98a&ti=The%20Pursuit%20of%20Industry%20%3A%20Policies%20and%20Outcomes

Pandya, F. H., & Joshi, Y. C. (2015). Impact of Fiscal Incentives on SEZs' Performance in Gujarat. *Foreign Trade Review*, *50*(3), 190. https://doi.org/10.1177/0015732515589442

Valderrama, I. M., & Balharová, M. (2021). Tax Incentives in Developing Countries: A Case Study—Singapore and Philippines. In *United Nations University series on regionalism* (p. 119). Springer Nature (Netherlands). https://doi.org/10.1007/978-3-030-64857-2_7

Zeng, D. Z. (2021). The Past, Present, and Future of Special Economic Zones and Their Impact. *Journal of International Economic Law*, *24*(2), 259. https://doi.org/10.1093/jiel/jgab014

Bräuer, J., & Haywood, R. (2011). Non-State Sovereign Entrepreneurs and Non-Territorial Sovereign Organizations. In *Palgrave Macmillan UK eBooks* (p. 294). Palgrave Macmillan. https://doi.org/10.1057/9780230295155_14

Castle-Miller, M. (2012). The Governance Market: A New Vision for Paul Romer's Charter Cities Concept. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.2458669

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. *Chapman University Digital Commons (Chapman University)*, *21*(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Huang, C., & Soete, L. (2025). Reconciling open science with technological sovereignty. *Economics of Innovation and New Technology*, 1. https://doi.org/10.1080/10438599.2025.2459764

Murphy, A. B. (2010). Identity and Territory. *Geopolitics*, *15*(4), 769. https://doi.org/10.1080/14650041003717525

Weyl, E. G., Ohlhaver, P., & Buterin, V. (2022). Decentralized Society: Finding Web3's Soul. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.4105763

Bedford, O., & Yeh, K. (2019). The History and the Future of the Psychology of Filial Piety: Chinese Norms to Contextualized Personality Construct. *Frontiers in Psychology*, *10*. https://doi.org/10.3389/fpsyg.2019.00100

Brebner, J. B. (1970). Canada, a modern history. In *Internet Archive (Internet Archive)*. Internet Archive. http://archive.org/details/canadamodernhist00breb

Burgelman, R. A., Snihur, Y., & Thomas, L. D. W. (2021). Why Multibusiness Corporations Split: CEO Strategizing as the Ecosystem Evolves. *Journal of Management*, *48*(7), 2108. https://doi.org/10.1177/01492063211027623

Cui, L., Lew, Y. K., Khan, Z., & Lu, J. (2024). International Entrepreneurial Spin-Offs: An Ambidextrous Approach to Internationalization. *Management and Organization Review*, 1. https://doi.org/10.1017/mor.2024.15

Mazzucato, M. (2015). Building the Entrepreneurial State: A New Framework for Envisioning and Evaluating a Mission-Oriented Public Sector. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.2544707

Mielly, M., Eyre, P. W., & Hubner, F. (2024). Sedentary settlers or nomadic opportunists? Diverging rationales in international entrepreneurial mobility. *Journal of Global Mobility The Home of Expatriate Management Research*, *12*(3), 417. https://doi.org/10.1108/jgm-11-2023-0090

Saeed, S., Gimenez-Jimenez, D., Calabrò, A., & Kraus, S. (2024). Preparing the successor through familial support and legitimacy: a multilevel framework. *Entrepreneurship and Regional Development*, 1. https://doi.org/10.1080/08985626.2024.2380418

Willy, C., & Faria, F. N. (2025). Techno-natalism: Geopolitical and socioeconomic implications of emerging reproductive technologies in a world of sub-replacement fertility. *Politics and the Life Sciences*, 1. https://doi.org/10.1017/pls.2025.10005

Carrera, L. N., & Angelaki, M. (2021). Bringing Back the State: Understanding Varieties of Pension Re-reforms in Latin America. *Latin American Politics and Society*, *63*(4), 22. https://doi.org/10.1017/lap.2021.36

Cheung, A. B. L. (2022). Can Hong Kong exceptionalism last? Dilemmas of governance and public administration over five decades 1970s-2020. *Public Administration and Policy*, *25*(1), 6. https://doi.org/10.1108/pap-12-2021-0064

Chu, L., Joly, E., & Moisan, M.-G. (2023). Child-to-parent intergenerational support and its association with subjective well-being among older adults: A cross-national comparison of American and Korean parents. *Wellbeing Space and Society*, *5*, 100177. https://doi.org/10.1016/j.wss.2023.100177

Colindres, J. (2021). *Honduran ZEDEs: From National Politics to Local Democracy*. *1*(2), 10. http://ojs.instituteforcompgov.org/index.php/jsj/article/view/29

Cross, M. K. D. (2023). The Net Zero Idea and the Race to Save the Earth. In *Oxford University Press eBooks* (p. 236). Oxford University Press. https://doi.org/10.1093/oso/9780192873903.003.0020

Ebner, N., & Peck, J. (2021). FANTASY ISLAND: Paul Romer and the Multiplication of Hong Kong. *International Journal of Urban and Regional Research*, *46*(1), 26. https://doi.org/10.1111/1468-2427.13060

Fenwick, M., & Vermeulen, E. P. M. (2016). Global Start-Up Communities. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.2864335

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. *Chapman University Digital Commons (Chapman University)*, *21*(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Gentner, D. (2010). Bootstrapping the Mind: Analogical Processes and Symbol Systems. *Cognitive Science*, *34*(5), 752. https://doi.org/10.1111/j.1551-6709.2010.01114.x

Holmes, I., & McDougall, R. (2024). The mutuality account of parenthood: a subjective approach to parent-child relationships. *Bioethics News*, *42*(1), 87. https://doi.org/10.1007/s40592-024-00198-y

Krisch, N. (2022). Jurisdiction Unbound: (Extra)territorial Regulation as Global Governance. *European Journal of International Law*, *33*(2), 481. https://doi.org/10.1093/ejil/chac028

Lin, F., & Fei, M. (2023). A Paradigm Shift for Hong Kong's National Security Constitution – A Comparative Study of the Impact of Its National Security Law. *ICL Journal*, *17*(2), 135. https://doi.org/10.1515/icl-2022-0015

Lynch, C. R. (2018). Representations of utopian urbanism and the feminist geopolitics of "new city" development. *Urban Geography*, *40*(8), 1148. https://doi.org/10.1080/02723638.2018.1561110

Mason, J., Peterson, C., & Cano, D. I. (2021). *The Honduran ZEDE Law, from Ideation to Action*. *1*(2), 107. http://ojs.instituteforcompgov.org/index.php/jsj/article/download/25/13

Moon, W. J. (2021). Delaware's Global Competitiveness. *Digital Commons at University of Maryland Carey Law (University of Maryland Francis King Carey School of Law)*. https://digitalcommons.law.umaryland.edu/fac_pubs/1650

Romer, P. (2010). Technologies, Rules, and Progress: The Case for Charter Cities. *RePEc: Research Papers in Economics*. http://www.cgdev.org/files/1423916_file_TechnologyRulesProgress_FINAL.pdf

Sutton, D. (2015). *Structural and geophysical interpretation of Roatan Island, Honduras, Western Caribbean*. http://pqdtopen.proquest.com/#viewpdf?dispub=10002482

Sybblis, M. (2023). Corporate Law as Decolonization. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.4531886

Yeung, H., & Huang, F. (2015). "One Country Two Systems" as Bedrock of Hong Kong's Continued Success: Fiction or Reality? *LIRA-BC Law (Boston College)*, *38*(2), 191. https://lawdigitalcommons.bc.edu/iclr/vol38/iss2/2

Yufei, G. (2024). Discursive Construction of Hong Kong's Future Beyond 2047: A Press Media-Based Study. *SAGE Open*, *14*(2). https://doi.org/10.1177/21582440241245188

Alessio, D. (2016). Filibustering from Africa to the Americas: non-state actors and empire. Small Wars and Insurgencies, 27(6), 1043. https://doi.org/10.1080/09592318.2016.1234114

Bieleń, S. (2021). Turbulence in the Post-Cold War Era. https://doi.org/10.31338/uw.9788323553205

Blanton, R. E., Feinman, G. M., Kowalewski, S. A., & Fargher, L. F. (2020). Moral Collapse and State Failure: A View From the Past. Frontiers in Political Science, 2. https://doi.org/10.3389/fpos.2020.568704

Brilmayer, L. (1991). Secession and Self-Determination: A Territorial Interpretation. Yale Law School Legal Scholarship Repository, 16(1), 5. https://digitalcommons.law.yale.edu/yjil/vol16/iss1/5

Brunk, I., & Hakimi, M. (2024). The Prohibition of Annexations and the Foundations of Modern International Law. American Journal of International Law, 118(3), 417. https://doi.org/10.1017/ajil.2024.26

Buchanan, A. (2002). Political Legitimacy and Democracy. Ethics, 112(4), 689. https://doi.org/10.1086/340313

Buzard, K., Graham, B. A. T., & Horne, B. D. (2015). Unrecognized States: A Theory of Self Determination and Foreign Influence. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2491944

C., J. W., & Hourani, A. (1946). Syria and Lebanon: A Political Essay. Geographical Journal, 107, 252. https://doi.org/10.2307/1788998

Campbell, S. P., & Matanock, A. M. (2024). Weapons of the weak state: How post-conflict states shape international statebuilding. The Review of International Organizations, 19(3), 469. https://doi.org/10.1007/s11558-024-09546-3

Craven, M. (2010). Statehood, Self-Determination, and Recognition. In Oxford University Press eBooks (p. 203). Oxford University Press. https://doi.org/10.1093/he/9780199565665.003.0008

Denton, A. (2015). Filibusterism and Catholicity: Narciso López, William Walker, and the Antebellum Struggle for America's Souls. U.S. Catholic Historian, 33(4), 1. https://doi.org/10.1353/cht.2015.0027

Foster, G. K. (2021). The Participation Principle and the Dialectic of Sovereignty-Sharing. SSRN Electronic Journal. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3849023

Gowder, P., & Gowder, P. (2023). The Networked Leviathan. In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781108975438

Hobbs, H., & Young, S. (2020). Modern treaty making and the limits of the law. University of Toronto Law Journal, 71(2), 234. https://doi.org/10.3138/utlj-2019-0131

Howitt, R. (2023). The company-microstate: The Auckland Islands and corporate colonialism in global history, 1849-52. Journal of Global History, 19(1), 37. https://doi.org/10.1017/s1740022823000128

Jeurgens, C., & Karabinos, M. (2020). Paradoxes of curating colonial memory. Archival Science, 20(3), 199. https://doi.org/10.1007/s10502-020-09334-z

Lamoreaux, N. R., & Rosenthal, J. (2023). Do Entrepreneurs Want Control? And Should They Get What They Want? A Historical and Theoretical Exploration. https://doi.org/10.3386/w31106

Lephakga, T. (2017). Colonial institutionalisation of poverty among blacks in South Africa. Studia Historiae Ecclesiasticae, 43(2). https://doi.org/10.17159/2412-4265/2016/1273

Maiangwa, B., Suleiman, M. D., & Anyaduba, C. A. (2018). The Nation as Corporation: British Colonialism and the Pitfalls of Postcolonial Nationhood in Nigeria. Peace and Conflict Studies. https://doi.org/10.46743/1082-7307/2018.1438

Mangipano, J. J. (2017). William Walker and the Seeds of Progressive Imperialism: The War in Nicaragua and the Message of Regeneration, 1855-1860. Aquila Digital Community (University of Southern Mississippi). https://aquila.usm.edu/dissertations/1375

Orakhelashvili, A. (2017). Kosovo and intersecting legal regimes: An interdisciplinary analysis. Global Constitutionalism, 6(2), 237. https://doi.org/10.1017/s2045381717000120

Pentassuglia, G. (2017). Self-Determination, Human Rights, and the Nation-State. International Community Law Review, 19, 443. https://doi.org/10.1163/18719732-12340007

Phillips, A., & Sharman, J. C. (2020). Outsourcing Empire. In Princeton University Press eBooks. Princeton University Press. https://doi.org/10.2307/j.ctvss3xd1

Robins, N. (2012). THE CORPORATION THAT CHANGED THE WORLD: HOW THE EAST INDIA COMPANY SHAPED THE MODERN MULTINATIONAL. Asian Affairs, 43(1), 12. https://doi.org/10.1080/03068374.2012.642512

Saeed, S., Gimenez-Jimenez, D., Calabrò, A., & Kraus, S. (2024). Preparing the successor through familial support and legitimacy: a multilevel framework. Entrepreneurship and Regional Development, 1. https://doi.org/10.1080/08985626.2024.2380418

Steytler, N. (2019). The Withering Away of Politically Salient Territorial Cleavages in South Africa and the Emergence of Watermark Ethnic Federalism (p. 219). https://doi.org/10.1093/oso/9780198836544.003.0012

Stolten, H. E. J. (2007). History making and present day politics: the meaning of collective memory in South Africa. Choice Reviews Online, 45(3), 45. https://doi.org/10.5860/choice.45-1614

Verver, M., & Koning, J. (2023). An anthropological perspective on contextualizing entrepreneurship. Small Business Economics, 62(2), 649. https://doi.org/10.1007/s11187-023-00774-2

Affairs, U. N. O. of L. (2023). Materials on the Responsibility of States for Internationally Wrongful Acts, Second Edition. In United Nations legislative series. United Nations. https://doi.org/10.18356/9789210566049

Bartoš, T. (1998). Uti Possidetis. Quo Vadis? The Australian Year Book of International Law Online, 18(1), 37. https://doi.org/10.1163/26660229-018-01-900000004

Case Concerning the Temple of Preah Vihear (Cambodia v. Thailand). (Merits.). (1967). International Law Reports, 33, 48. https://doi.org/10.1017/cbo9781316151600.015

Castro, V. B. de. (2022). The Principality of Hutt River (1970-2020) in Australia: Accounting for Sovereignty. https://doi.org/10.52843/cassyni.c6k11m

Distefano, G. (2006). The Conceptualization (Construction) of Territorial Title in the Light of the International Court of Justice Case Law. Leiden Journal of International Law, 19(4), 1041. https://doi.org/10.1017/s0922156506003748

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. Chapman University Digital Commons (Chapman University), 21(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Frost, T., & Murray, C. (2020). Homeland: Reconceptualising the Chagossians' Litigation. Oxford Journal of Legal Studies, 40(4), 764. https://doi.org/10.1093/ojls/gqaa033

Green, A. (2024). Statehood as Political Community. In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781009176309

Hobbs, H., Hayward, P., & Motum, R. (2023). Cyber Micronations and Digital Sovereignty. Digital Society, 2(3). https://doi.org/10.1007/s44206-023-00069-9

Hobbs, H., & Williams, G. (2021a). Micronations: A lacuna in the law. International Journal of Constitutional Law, 19(1), 71. https://doi.org/10.1093/icon/moab020

Hobbs, H., & Williams, G. (2021b). The demise of the 'second largest country in Australia': micronations and Australian exceptionalism. Australian Journal of Political Science, 56(2), 206. https://doi.org/10.1080/10361146.2021.1935450

Hobbs, H., & Williams, G. (2021c). Micronations and the Search for Sovereignty. Cambridge University Press eBooks. https://doi.org/10.1017/9781009150132

In Re Duchy of Sealand. (1989). International Law Reports, 80, 683. https://doi.org/10.1017/cbo9781316152089.028

Krasner, S. D. (2000). Sovereignty: organized hypocrisy. Choice Reviews Online, 38(1), 38. https://doi.org/10.5860/choice.38-0575

Martin, D. (2020). Emperor Norton I: the rise of a San Francisco cultural icon 1859-1880. https://doi.org/10.25710/psxp-mx43

Neudert, L. (2024). Reclaiming Digital Sovereignty. Journal of Information Policy, 14, 417. https://doi.org/10.5325/jinfopoli.14.2024.0013

O'Keefe, R. (2011). Legal Title versus Effectivités: Prescription and the Promise and Problems of Private Law Analogies. International Community Law Review, 13, 147. https://doi.org/10.1163/187197311x555223

Pillin, P. J. (2022). The Sovereignty of Micronations. Academia Letters. https://doi.org/10.20935/al1439

Rashid, A. (2024). Untitled. https://doi.org/10.55277/researchhub.vq5dnd6h

Siroky, D. S., Popović, M., & Mirilovic, N. (2020). Unilateral secession, international recognition, and great power contestation. Journal of Peace Research, 58(5), 1049. https://doi.org/10.1177/0022343320963382

Brother, M., & Mom, M. (2025). STARTUP STATES.

Thirlway, H. (2017). Territorial Disputes and Their Resolution in the Recent Jurisprudence of the International Court of Justice. Leiden Journal of International Law, 31(1), 117. https://doi.org/10.1017/s0922156517000553

Watson, I. (2014). Aboriginal Peoples, Colonialism and International Law. https://doi.org/10.4324/9781315858999

Balloun, O. S. (2010). The True Obstacle to the Autonomy of Seasteads: American Law Enforcement Jurisdiction Over Homesteads on the High Seas. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.1754234

Clevenger, M. (2021). Democratic Confederalism in North and East Syria (Rojava): The Contradictions of Non-State Sovereignty. Knowledge@UChicago (University of Chicago). https://doi.org/10.6082/uchicago.3182

Craven, M. (2014). 8. Statehood, Self-Determination, and Recognition. In Oxford University Press eBooks (p. 201). Oxford University Press. https://doi.org/10.1093/he/9780199654673.003.0008

DeLoughrey, E. (2022). Mining the Seas. In Routledge eBooks (p. 144). Informa. https://doi.org/10.4324/9781003205173-7

Flikkema, M., Lin, F.-Y., Plank, P. P. J. van der, Koning, J. J. de, & Waals, O. (2021). Legal Issues for Artificial Floating Islands. Frontiers in Marine Science, 8. https://doi.org/10.3389/fmars.2021.619462

Hadjigeorgiou, N., & Kapardis, D. (2023). Police Cooperation in Cases of Unrecognised Secessions: The Joint Communications Room in Cyprus. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4396222

Haqq‐Misra, J. (2024). A model for economic freedom on Mars. Space Policy, 101652. https://doi.org/10.1016/j.spacepol.2024.101652

Harrison, J. (2014). Safeguards Against Excessive Enforcement Measures in the Exclusive Economic Zone Law and Practice. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2458882

Ker‐Lindsay, J. (2015). Engagement without recognition: the limits of diplomatic interaction with contested states. International Affairs, 91(2), 267. https://doi.org/10.1111/1468-2346.12234

Khalid, U., Okafor, L. E., & Burzynska, K. (2021). Does the quality of health security of a country moderate the link between bilateral tourism flows and the COVID-19 death rate? Journal of Policy Research in Tourism Leisure and Events, 16(2), 227. https://doi.org/10.1080/19407963.2021.1998084

Kolstø, P. (2006). The Sustainability and Future of Unrecognized Quasi-States. Journal of Peace Research, 43(6), 723. https://doi.org/10.1177/0022343306068102

Mendenhall, A. (2020). Seasteading and Polycentric Law. In Palgrave studies in classical liberalism (p. 95). Springer International Publishing. https://doi.org/10.1007/978-3-030-39605-3_4

O'Keefe, R. (2011). Legal Title versus Effectivités: Prescription and the Promise and Problems of Private Law Analogies. International Community Law Review, 13, 147. https://doi.org/10.1163/187197311x555223

Oliveira, V. S. M. de. (2023). Statehood for Sale: Derecognition, "Rental Recognition", and the Open Flanks of International Law. Jus Cogens, 5, 277. https://doi.org/10.1007/s42439-023-00075-y

Ranganathan, S. (2019). Seasteads, land-grabs and international law. Leiden Journal of International Law, 32(2), 205. https://doi.org/10.1017/s092215651900013x

Relling, T., & Earthy, J. (2023). Legal, regulatory, and humans. In CRC Press eBooks (p. 31). Informa. https://doi.org/10.1201/9781003430957-5

Ricard, P., & Robin, D.-S. (2022). The Superposition of National Legal Regimes in Maritime Disputed Areas. HAL (Le Centre Pour La Communication Scientifique Directe). https://hal.science/hal-03904472

Ronfeldt, D., & Varda, D. (2018). Prospects for Cyberocracy Revisited. In Routledge eBooks (p. 130). Informa. https://doi.org/10.4324/9780203794142-7

Sempijja, N., & Brito, P. M. (2025). Colonial and Post‐Colonial War Legitimization and Peace Process Efficacy: The Cases of Angola and Mozambique. Politics and Governance, 13. https://doi.org/10.17645/pag.10022

South, N. (2019). Arcologies, Eco-shelters and Environmental Exemption: Constructing New Divisions and Inequalities in the Anthropocene. International Journal for Crime Justice and Social Democracy, 9(2), 60. https://doi.org/10.5204/ijcjsd.v9i2.1007

Steinberg, P. E., Nyman, E., & Caraccioli, M. J. (2011). Atlas Swam: Freedom, Capital, and Floating Sovereignties in the Seasteading Vision. Antipode, 44(4), 1532. https://doi.org/10.1111/j.1467-8330.2011.00963.x

Woldemariam, R. B. and M. (2014). Nurturing Democracy in the Horn of Africa: Somaliland's First Elections, 2002-2005. https://successfulsocieties.princeton.edu/sites/successfulsocieties/files/Policy_Note_ID147.pdf

Xylia, M., Passos, M. V., Piseddu, T., & Barquet, K. (2023). Exploring multi-use platforms: A literature review of marine, multifunctional, modular, and mobile applications (M4s) [Review of Exploring multi-use platforms: A literature review of marine, multifunctional, modular, and mobile applications (M4s)]. Heliyon, 9(6). Elsevier BV. https://doi.org/10.1016/j.heliyon.2023.e16372

1965-, K., James, & 1971-, P., Young-Kil. (2022). Emerging Technology and the Law of the Sea. In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781009042178

Barsbai, T., Rapoport, H., Steinmayr, A., & Trebesch, C. (2017). The Effect of Labor Migration on the Diffusion of Democracy: Evidence from a Former Soviet Republic. American Economic Journal Applied Economics, 9(3), 36. https://doi.org/10.1257/app.20150517

Bell, T. W. (2017). Your Next Government? In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781316676387

Bell, T. W. (2020). Ulex: Open Source Law for Non-Territorial Governance. SSRN Electronic Journal. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3605807

Besson, S. (2023). Consenting to International Law. In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781009406444

Bocco, R., & Roberts, N. (2025). An Israeli-Palestinian Federation: An Alternative Approach to Peace. In Graduate Institute Publications eBooks. https://doi.org/10.4000/13r63

Buckley, R. P., Arner, D. W., Didenko, A. N., & Zetzsche, D. A. (2022). Ukraine, Sanctions and Central Bank Digital Currencies: The Weaponization of Digital Finance and the End of Global Monetary Hegemony? SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4133531

Burke-White, W. W. (2014). Crimea and the International Legal Order. Survival, 56(4), 65. https://doi.org/10.1080/00396338.2014.941548

Buzard, K., Graham, B. A. T., & Horne, B. (2016). Unrecognized States: A Theory of Self-Determination and Foreign Influence. The Journal of Law Economics and Organization. https://doi.org/10.1093/jleo/eww017

Calzada, I. (2024). Decentralized Web3 Reshaping Internet Governance: Towards the Emergence of New Forms of Nation-Statehood? Future Internet, 16(10), 361. https://doi.org/10.3390/fi16100361

Chaumette, P. (2016). MARITIME AREAS: CONTROL AND PREVENTION OF ILLEGAL TRAFFICS AT SEA . HAL (Le Centre Pour La Communication Scientifique Directe). https://hal.science/hal-01525298

Dieckhoff, A. (2023). Self-Determination and National Sovereignty. In Cambridge University Press eBooks (p. 467). Cambridge University Press. https://doi.org/10.1017/9781108551458.023

Dörr, O., & Schmalenbach, K. (2011). Article 34. General rule regarding third States. In Springer eBooks (p. 605). Springer Nature. https://doi.org/10.1007/978-3-642-19291-3_37

Filippi, P. D., Mannan, M., & Reijers, W. (2022). Blockchain Technology and the Rule of Code: Regulation via Governance. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4292265

Finck, F. (2017). The State between Fact and Law: The Role of Recognition and the Conditions Under Which it is Granted in the Creation of New States. SSRN Electronic Journal. https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID3025607_code1927753.pdf?abstractid=3025607&mirid=1&type=2

Flikkema, M., Lin, F.-Y., Plank, P. P. J. van der, Koning, J. J. de, & Waals, O. (2021). Legal Issues for Artificial Floating Islands. Frontiers in Marine Science, 8. https://doi.org/10.3389/fmars.2021.619462

Friedman, P., & Taylor, B. R. (2012). Seasteading: Competitive Governments on the Ocean. Kyklos, 65(2), 218. https://doi.org/10.1111/j.1467-6435.2012.00535.x

Goddard, M. S. (2001). THE PRIVATE MILITARY COMPANY: A LEGITIMATE INTERNATIONAL ENTITY WITHIN MODERN CONFLICT. https://www.globalsecurity.org/military/library/report/2001/pmc-legitimate-entity.pdf

Goldman, M. I. (2016). Turkey, Cyprus, and the Turkish Republic of Northern Cyprus. SSRN Electronic Journal. https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2781735_code2487743.pdf?abstractid=2781735&mirid=5

Golia, A., & Teubner, G. (2021). Networked statehood: an institutionalised self-contradiction in the process of globalisation? Transnational Legal Theory, 12(1), 7. https://doi.org/10.1080/20414005.2021.1927608

Greece v. Turkey, ICJ,. (1978).

Haim, A. (2024). Myths and Misconceptions in Extraterritorial Torts. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4741760

Haqq‐Misra, J. (2024). Constraints on Interstellar Sovereignty. Journal of the British Interplanetary Society, 77(5), 167. https://doi.org/10.59332/jbis-077-05-0167

Heathcote, S. (2021). Secession, self-determination and territorial disagreements: Sovereignty claims in the contemporary South Pacific. Leiden Journal of International Law, 34(3), 653. https://doi.org/10.1017/s0922156521000236

Hobbs, H., & Williams, G. (2021). Micronations and the Search for Sovereignty. Cambridge University Press eBooks. https://doi.org/10.1017/9781009150132

Hope, J., & Ludlow, P. (2025). Farewell to Westphalia: Crypto Sovereignty and Post-Nation-State Governaance. https://doi.org/10.48550/ARXIV.2510.09840

Humphries, F., Horne, R., Olsen, M., Dunbabin, M., & Tranter, K. (2022). Uncrewed autonomous marine vessels test the limits of maritime safety frameworks. WMU Journal of Maritime Affairs, 22(3), 317. https://doi.org/10.1007/s13437-022-00295-x
ICJ,. (2001).

Kharman, A. M., & Smyth, B. (2024). Perils of current DAO governance. arXiv (Cornell University). https://doi.org/10.48550/arxiv.2406.08605

Kirkman, B. (2013). Rhodesia's Unilateral Declaration of Independence. An International History. The Round Table, 102(3), 314. https://doi.org/10.1080/00358533.2013.793569

Kohl, U. (2021). Jurisdiction in network society. In Edward Elgar Publishing eBooks. Edward Elgar Publishing. https://doi.org/10.4337/9781789904253.00013

Krasner, S. D. (1999). Sovereignty. In Princeton University Press eBooks. Princeton University Press. https://doi.org/10.1515/9781400823260

Krishnamurthy, V. (2024). Anchoring Digital Sovereignty. https://doi.org/10.2139/ssrn.4937457

Lachs, M. (1995). Aegean Sea Continental Shelf Case (Greece v. Turkey) (p. 227). https://doi.org/10.1163/9789004635067_019

Lefkowitz, D. (2023). State Consent and the Legitimacy of International Law. In Cambridge University Press eBooks (p. 49). Cambridge University Press. https://doi.org/10.1017/9781009406444.005

Legal Status of Eastern Greenland. (1945). Annual Digest of Public International Law Cases, 6, 430. https://doi.org/10.1017/cbo9781316151334.332

Loh, D. M. H., & Heiskanen, J. (2020). Liminal sovereignty practices: Rethinking the inside/outside dichotomy. Cooperation and Conflict, 55(3), 284. https://doi.org/10.1177/0010836720911391

Lombard, A. T., Clifford-Holmes, J. K., Goodall, V., Snow, B., Truter, H., Vrancken, P., Jones, P., Cochrane, K. L., Flannery, W., Hicks, C. C., Gipperth, L., Allison, E. H., Diz, D., Peters, K., Erinosho, B., Levin, P. S., Holthus, P., Szephegyi, M. N., Awad, A. M., … Morgera, E. (2023). Principles for transformative ocean governance. Nature Sustainability, 6(12), 1587. https://doi.org/10.1038/s41893-023-01210-9

Marsford, A. (2025). Sovereignty in the Cloud: Exploring Newrland as the First Digital Nation. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.5405742

Meehan, R. (2024). The Oxford handbook of digital diplomacy. International Affairs, 100(4), 1783. https://doi.org/10.1093/ia/iiae158

Montgomery, B. P., & Hennerbichler, F. (2020). The Kurdish Files of Saddam Hussein's Ba'ath Regime: Struggle for Reconciliation in Iraq. Advances in Anthropology, 10(3), 181. https://doi.org/10.4236/aa.2020.103011

O'Keefe, R. (2011). Legal Title versus Effectivités: Prescription and the Promise and Problems of Private Law Analogies. International Community Law Review, 13, 147. https://doi.org/10.1163/187197311x555223

Patel, B. N. (2000). The Mavrommatis Palestine Concessions (Greece v. UK) (p. 22). https://doi.org/10.1163/9789004481237_011

Pedrozo, P. (2020). Maintaining Freedom of Navigation and Overflight in the Exclusive Economic Zone and on the High Seas. Indonesian Journal of International Law, 17(4). https://doi.org/10.17304/ijil.vol17.4.796

Rodrik, D., & Walt, S. M. (2021). How to Construct A New Global Order. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3853936

Roth, B. R. (2015). The Virtues of Bright Lines: Self-Determination, Secession, and External Intervention. German Law Journal, 16(3), 384. https://doi.org/10.1017/s2071832200020915

Roth, B. R. (2021). Legitimacy in the International Order: The Continuing Relevance of Sovereign States. NDLScholarship (University of Notre Dame), 11(1), 60. https://scholarship.law.nd.edu/ndjicl/vol11/iss1/5

Saunders, I. (2019). Artificial Islands and Territory in International Law. ANU Open Research (Australian National University), 52(3), 643. http://hdl.handle.net/1885/202713

Simpson, I., & Sheller, M. (2022). Islands as interstitial encrypted geographies: Making (and failing) cryptosecessionist exits. Political Geography, 99, 102744. https://doi.org/10.1016/j.polgeo.2022.102744

Steinberg, P. E., Nyman, E., & Caraccioli, M. J. (2011). Atlas Swam: Freedom, Capital, and Floating Sovereignties in the Seasteading Vision. Antipode, 44(4), 1532. https://doi.org/10.1111/j.1467-8330.2011.00963.x

Tigroudja, H. (2010). International Crimes and the Principle "Nullum Crimen, Nulla Poena Sine Lege" (Crimes de Droit International et Principe 'Nullum Crimen, Nulla Poena Sine Lege') (French). SSRN Electronic Journal. https://doi.org/10.2139/ssrn.1720422

Vidmar, J. (2012). Territorial Integrity and the Law of Statehood. Data Archiving and Networked Services (DANS), 44(4), 697. https://cris.maastrichtuniversity.nl/en/publications/a22c286e-8815-47e3-a240-963d5f9383a9

Weyl, E. G., Ohlhaver, P., & Buterin, V. (2022). Decentralized Society: Finding Web3's Soul. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4105763

Zatti, F. (2024). The DAO Between the Nation State and the Network State. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4933647

Лукашук, И. И. (1989). The Principle Pacta Sunt Servanda and the Nature of Obligation Under International Law. American Journal of International Law, 83(3), 513. https://doi.org/10.2307/2203309

Albert, R. (2024). Decolonial Constitutionalism. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4930941

Brilmayer, L. (1991). Secession and Self-Determination: A Territorial Interpretation. Yale Law School Legal Scholarship Repository, 16(1), 5. https://digitalcommons.law.yale.edu/yjil/vol16/iss1/5

Calzada, I. (2018). Algorithmic Nations: Towards the Techno-Political (Basque) City-Region. Territories, 1(1). https://doi.org/10.5070/t21141508

Calzada, I. (2024). Decentralized Web3 Reshaping Internet Governance: Towards the Emergence of New Forms of Nation-Statehood? Future Internet, 16(10), 361. https://doi.org/10.3390/fi16100361

d'Aspremont, J. (2019). Statehood and Recognition in International Law: A Post-Colonial Invention. In HAL (Le Centre pour la Communication Scientifique Directe). Centre National de la Recherche Scientifique. https://sciencespo.hal.science/hal-03239216

Davies, G. (2005). “Any Place I Hang My Hat?” or: Residence is the New Nationality. European Law Journal, 11(1), 43. https://doi.org/10.1111/j.1468-0386.2005.00248.x

Fabry, M. (2012). The contemporary practice of state recognition: Kosovo, South Ossetia, Abkhazia, and their aftermath. Nationalities Papers, 40(5), 661. https://doi.org/10.1080/00905992.2012.705266

Finck, F. (2017). The State between Fact and Law: The Role of Recognition and the Conditions Under Which it is Granted in the Creation of New States. SSRN Electronic Journal. https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID3025607_code1927753.pdf?abstractid=3025607&mirid=1&type=2

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. Chapman University Digital Commons (Chapman University), 21(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Geenens, R. (2017). Sovereignty as Autonomy. Law and Philosophy, 36(5), 495. https://doi.org/10.1007/s10982-017-9295-3

Grewal, D. S. (2015). The Domestic Analogy Revisited: Hobbes on International Order. Yale Law School Legal Scholarship Repository, 125(3), 2. https://digitalcommons.law.yale.edu/fss_papers/5029

Grzybowski, J. (2017). To Be or Not to Be: The Ontological Predicament of State Creation in International Law. European Journal of International Law, 28(2), 409. https://doi.org/10.1093/ejil/chx031

Gümplová, P. (2021). Rights of Conquest, Discovery and Occupation, and the Freedom of the Seas: a Genealogy of Natural Resource Injustice. Isonomía - Revista de Teoría y Filosofía Del Derecho, 54. https://doi.org/10.5347/isonomia.v0i54.417

Gwagwa, A., & Mollema, W. J. T. (2024). How could the United Nations Global Digital Compact prevent cultural imposition and hermeneutical injustice? [Review of How could the United Nations Global Digital Compact prevent cultural imposition and hermeneutical injustice?]. Patterns, 5(11), 101078. Elsevier BV. https://doi.org/10.1016/j.patter.2024.101078

Kenwick, M., & Lemke, D. (2022). International Influences on the Survival of Territorial Non-state Actors. British Journal of Political Science, 53(2), 479. https://doi.org/10.1017/s0007123422000333

Klingler‐Vidra, R., & Pardo, R. P. (2025). Startup Capitalism. In Cornell University Press eBooks. https://doi.org/10.1515/9781501780301

Kolstø, P. (2011). Beyond Russia, Becoming Local: Trajectories of Adaption to the Fall of the Soviet Union among Ethnic Russians in the Former Soviet Republics. Journal of Eurasian Studies, 2(2), 153. https://doi.org/10.1016/j.euras.2011.03.006

Krishnamurthy, V. (2024). Anchoring Digital Sovereignty. https://doi.org/10.2139/ssrn.4937457

McConnell, F., Moreau, T., & Dittmer, J. (2012). Mimicking state diplomacy: The legitimizing strategies of unofficial diplomacies. Geoforum, 43(4), 804. https://doi.org/10.1016/j.geoforum.2012.01.007

Núñez, J. E. (2024). State Sovereignty: Concept and Conceptions. International Journal for the Semiotics of Law - Revue Internationale de Sémiotique Juridique, 37(7), 2131. https://doi.org/10.1007/s11196-024-10170-y

Powell, E. J., & McDowell, S. (2016). Islamic Sovereignty Norms and Peaceful Settlement of Territorial Disputes. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2744651

Pritchett, L., Woolcock, M., & Andrews, M. (2012). Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation. The Journal of Development Studies, 49(1), 1. https://doi.org/10.1080/00220388.2012.709614

Radin, A. (2012). A Laboratory for State Building: Police and Military Reform in East Timor. SSRN Electronic Journal. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2061165

Romme, A. G. L., Bell, J., & Frericks, G. (2023). Designing a deep-tech venture builder to address grand challenges and overcome the valley of death. Journal of Organization

Design, 12(4), 217. https://doi.org/10.1007/s41469-023-00144-y

Segger, M. C., & Schrijver, N. (2021). ILA Guidelines for Sustainable Natural Resources Management for Development. Netherlands International Law Review, 68(2), 315. https://doi.org/10.1007/s40802-021-00190-x

Simpson, I., & Sheller, M. (2022). Islands as interstitial encrypted geographies: Making (and failing) cryptosecessionist exits. Political Geography, 99, 102744. https://doi.org/10.1016/j.polgeo.2022.102744

Steinberg, P. E., Nyman, E., & Caraccioli, M. J. (2011). Atlas Swam: Freedom, Capital, and Floating Sovereignties in the Seasteading Vision. Antipode, 44(4), 1532. https://doi.org/10.1111/j.1467-8330.2011.00963.x

Stone, J., & Mittelstadt, B. (2024). Legitimate Power, Illegitimate Automation: The problem of ignoring legitimacy in automated decision systems. https://doi.org/10.48550/ARXIV.2404.15680

Vidmar, J., & Raible, L. (2022). State creation and the concept of statehood in international law. In Edward Elgar Publishing eBooks (p. 13). Edward Elgar Publishing. https://doi.org/10.4337/9781788971751.00008

Waal, A. de, & Nouwen, S. (2020). The necessary indeterminacy of self‐determination: Politics, law and conflict in the Horn of Africa. Nations and Nationalism, 27(1), 41. https://doi.org/10.1111/nana.12645

Worster, W. T. (2018). Territorial Status Triggering a Functional Approach to Statehood. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3111875

Aydos, M., Toledano, P., Brauch, M. D., Mehranvar, L., Iliopoulos, T. G., & Sasmal, S. (2022). Scaling Investment in Renewable Energy Generation to Achieve Sustainable Development Goals 7 (Affordable and Clean Energy) and 13 (Climate Action) and the Paris Agreement: Roadblocks and Drivers. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4309067

Biad, A., & Edynak, E. (2016). L'arbitrage relatif à l'aire marine protégée des Chagos (Maurice C. Royaume-Uni) du 18 mars 2015 : une décision prudente pour un litige complexe. HAL (Le Centre Pour La Communication Scientifique Directe). https://hal-normandie-univ.archives-ouvertes.fr/hal-02900698

Calzada, I. (2024). (Libertarian) Decentralized Web3 Map: In Search of a Post-Westphalian Territory. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4937294

Cook, T. I. (1942). Law, Arbitrariness and Ethics. California Law Review, 30(2), 151. https://doi.org/10.2307/3477523

Csik, M. B. L., & Torres, A. S. (2024). Emergent way: corporate-startup synergies in shaping the future of innovation. Journal of International Entrepreneurship, 22(2), 187. https://doi.org/10.1007/s10843-024-00362-9

Davydov, O. (2021). South Korea and the U.S. Strategy of Free and Open Indo-Pacific. World Economy and International Relations, 65(8), 31. https://doi.org/10.20542/0131-2227-2021-65-8-31-40

Forrest, J. Y., Zhao, H., & Shao, L. P. (2018). Engineering Rapid Industrial Revolutions for Impoverished Agrarian Nations. Theoretical Economics Letters, 8(11), 2594. https://doi.org/10.4236/tel.2018.811166

Friedmann, J., & Miller, J. J. (1965). THE URBAN FIELD. Journal of the American Institute of Planners, 31(4), 312. https://doi.org/10.1080/01944366508978185

Fu, R. (2020). Research on Motivation and Benefits of Hongdou Group's Investment in Sihanoukville Special Economic Zone in Cambodia. E3S Web of Conferences, 214, 1033. https://doi.org/10.1051/e3sconf/202021401033

Gowder, P., & Gowder, P. (2023). The Networked Leviathan. In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781108975438

Harris, C. L., Harris, T., & Siry, J. P. (2020). Timberland Investing and Private Property Rights in the United States of America. Open Journal of Forestry, 10(4), 428. https://doi.org/10.4236/ojf.2020.104027

Heinsch, R., & Pinzauti, G. (2020). To Be (a State) or Not to Be? Journal of International Criminal Justice, 18(4), 927. https://doi.org/10.1093/jicj/mqaa048

Hobbs, H., & Williams, G. (2021). Micronations and the Search for Sovereignty. Cambridge University Press eBooks. https://doi.org/10.1017/9781009150132

Howland, D. (2020). State Title to Territory—The Historical Conjunction of Sovereignty and Property. Beijing Law Review, 11(4), 856. https://doi.org/10.4236/blr.2020.114051

Jaffer, S., Dales, M., Ferris, P., Swinfield, T., Sorensen, D., Message, R., Madhavapeddy, A., & Keshav, S. (2024). Global, robust and comparable digital carbon assets. arXiv (Cornell University). https://doi.org/10.48550/arxiv.2403.14581

Kaiser, K.-A., & Viñuela, L. (2012). The political economy of investing resource wealth : transforming rents into productive physical infrastructure. 1. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/06/29/000426104_20120629094633/Rendered/PDF/703100WP0P11450esource0Wealth0Final.pdf

Keenan, S. (2018). From Historical Chains to Derivative Futures: Title Registries as Time Machines. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3190532

MacCormick, N. (2005). The Health of Nations and the Health of Europe. Cambridge Yearbook of European Legal Studies, 7, 1. https://doi.org/10.1017/s152888700000447x

Méndez, D. F., & Dirkmaat, O. A. (2021). A Follow-Up on the Economic Impact of Special Economic Zones in Honduras: 1(2), 195. http://ojs.instituteforcompgov.org/index.php/jsj/article/download/23/15

Ratner, S. R. (2017). Compensation for Expropriations in a World of Investment Treaties: Beyond the Lawful/Unlawful Distinction. American Journal of International Law, 111(1), 7. https://doi.org/10.1017/ajil.2016.2

Richards, R., & Smith, R. (2015). Playing in the sandbox: state building in the space of non-recognition. Third World Quarterly, 36(9), 1717. https://doi.org/10.1080/01436597.2015.1058149

Salter, A. W. (2019). Settling the Final Frontier: The ORBIS Lease and the Possibilities of Proprietary Communities in Space. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3331215

Singh, V. K. (2021). Policy and Regulatory Changes for a Successful Startup Revolution: Experiences from the Startup Action Plan in India. In World Scientific series in finance (p. 33). World Scientific. https://doi.org/10.1142/9789811235825_0002

Sykes, A. O. (2019). The Economic Structure of International Investment Agreements with Implications for Treaty Interpretation and Design. American Journal of International Law, 113(3), 482. https://doi.org/10.1017/ajil.2019.25

UTRATA, A. (2023). Engineering Territory: Space and Colonies in Silicon Valley. American Political Science Review, 118(3), 1097. https://doi.org/10.1017/s0003055423001156

Zahra, S. A., & Hashai, N. (2025). Contemporary transitions in the international activities of startups and their policy implications. Journal of International Business Policy. https://doi.org/10.1057/s42214-025-00226-6

Zhuk, A. (2022). States and Micronations in Cyberspace under Public International Law: A Legal Analysis of the Case of the Republic of Errant Menda Lerenda. Research Square (Research Square). https://doi.org/10.21203/rs.3.rs-2279227/v1

Brun, C., & Fábos, A. (2017). Mobilizing Home for Long-Term Displacement: A Critical Reflection on the Durable Solutions. Journal of Human Rights Practice, 9(2), 177. https://doi.org/10.1093/jhuman/hux021

Brunhart, A., & Dumienski, Z. (2015). Economic Development and Land Issues in Liechtenstein: Historical Dynamics, Current Challenges and Suggested Fiscal Remedies. RePEc: Research Papers in Economics. https://econpapers.repec.org/RePEc:lii:wpaper:49

Calzada, I. (2024). How Do Small Nations Cooperate? An Action Research Framework for Wales and the Basque Country. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4721962

Cheng, S. T. (2019). From special economic zones to greater special economic region – Hong Kong Special Administrative Region as a model for legal infrastructure design. RePEc: Research Papers in Economics. https://econpapers.repec.org/RePEc:unc:tncjou:31

Cherry, K. (2022). Conditional Authority and Democratic Legitimacy in Pluralist Space. In Cambridge University Press eBooks (p. 330). Cambridge University Press. https://doi.org/10.1017/9781009178372.020

Czubik, P. (2022). Sovereignty in International Law. In Central European Academic Publishing eBooks (p. 95). https://doi.org/10.54171/2022.ar.ilfcec_5

d'Hauteserre, A.-M. (2001). Bridging the culture nature divide in Monaco. Landscape and Urban Planning, 57, 209. https://doi.org/10.1016/s0169-2046(01)00205-5

Gruby, R. L. (2017). Macropolitics of Micronesia: Toward a Critical Theory of Regional Environmental Governance. Global Environmental Politics, 17(4), 9. https://doi.org/10.1162/glep_a_00426

Hassid, N., & Matania, E. (2024). Civilian knowledge industries and the ascendance of small and medium-sized states in world politics. Humanities and Social Sciences Communications, 11(1). https://doi.org/10.1057/s41599-024-03873-x

Hausken, K., & Knutsen, J. F. (2010). An Enabling Mechanism for the Creation, Adjustment, and Dissolution of States and Governmental Units. Economics, 4(1). https://doi.org/10.5018/economics-ejournal.ja.2010-32

Havard, L. (2016). Associated state : a proposal for a new form of State in the South Pacific. HAL (Le Centre Pour La Communication Scientifique Directe). https://tel.archives-ouvertes.fr/tel-01713497

Karki, S., & Dhungana, S. (2020). Soft Power in International Relations: Opportunities for Small States like Nepal. Journal of International Affairs, 3(1), 162. https://doi.org/10.3126/joia.v3i1.29092

Kim, D., & Kokuryo, J. (2024). Establishing altruistic ethics to use technology for Social Welfare—How Japan manages Web3 and self-sovereign identity in local communities. Electronic Markets, 34(1). https://doi.org/10.1007/s12525-023-00684-x

Noya, A. (2023). Regulatory sandboxes in artificial intelligence. In OECD digital economy papers. https://doi.org/10.1787/8f80a0e6-en

O'Grady, T., & Tagliapietra, C. (2017). Biological welfare and the commons: A natural experiment in the Alps, 1765–1845. Economics & Human Biology, 27, 137. https://doi.org/10.1016/j.ehb.2017.05.008

Quentin-Baxter, A. (1994). Sustained Autonomy - An alternative political status for small islands? Victoria University of Wellington Law Review, 24(1), 1. https://doi.org/10.26686/vuwlr.v24i1.6243

Reill, D. K. (2020). The Fiume Crisis. In Harvard University Press eBooks. Harvard University Press. https://doi.org/10.4159/9780674249714

Terrett, S. (2017). The Dissolution of Yugoslavia and the Badinter Arbitration Commission. In Routledge eBooks. Informa. https://doi.org/10.4324/9781315195049

Ulanowski, K. (2022). Record of Violence. The Socio-Political German-Jewish Relations in Free City of Danzig in the Years 1933–1939. Studia Historica Gedanensia, 13, 225. https://doi.org/10.4467/23916001hg.22.015.17435

Weder, B., & Weder, R. (2012). Switzerland's Rise to a Wealthy Nation. In Oxford University Press eBooks (p. 192). Oxford University Press. https://doi.org/10.1093/acprof:oso/9780199660704.003.0009

Wijffels, A. (2018). Central and Peripheral Courts: Changing Historical Perspectives. HAL (Le Centre Pour La Communication Scientifique Directe). https://hal.archives-ouvertes.fr/hal-03328352

Wivel, A., Bailes, A. J. K., Archer, C., Archer, C., Bailes, A. J. K., & Wivel, A. (2014). Setting the scene : small states and international security. Research Portal Denmark, 3. https://local.forskningsportal.dk/local/dki-cgi/ws/cris-link?src=ku&id=ku-89047df0-d13c-4ebd-8203-ddbee6555bea&ti=Setting%20the%20scene%20%3A%20small%20states%20and%20international%20security

Zegaoui, N. (2023). Authoritarian Development in Morocco: The 'Developmental State' without State Development. Rowaq Arabi - 1)28 ,رواق عربي). https://doi.org/10.53833/cqvg8111

1949-, M., Hans-Wolfgang, 1975-, P., Oreste, 1967-, R., Amnon, Andrea, S., 1959-, S., Giovanni, & Giovanni, D. G. (2021). Constitutional Challenges in the Algorithmic Society. In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781108914857

Ács, Z. J., Glaeser, E. L., Litan, R. E., Fleming, L., Goetz, S. J., Kerr, W. R., Klepper, S., Rosenthal, S. S., Sorenson, O., & Strange, W. C. (2008). Entrepreneurship and Urban Success: Toward a Policy Consensus. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.1092493

Alden, C., & Gu, J. (2021). China–Africa Economic Zones as Catalysts for Industrialisation. https://doi.org/10.19088/ids.2021.045

Anne-Marie, S. (2017). Global Government Networks, Global Information Agencies, and Disaggregated Democracy. In Routledge eBooks (p. 121). Informa. https://doi.org/10.4324/9781315245676-6

Arato, J. (2021). The Elastic Corporate Form in International Law. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3899631

Auer, R. (2022). Embedded Supervision: How to Build Regulation into Decentralised Finance. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4127658

Awonuga, K. F., Mhlongo, N. Z., Olatoye, F. O., Ibeh, C. V., Elufioye, O. A., & Asuzu, O. F. (2024). Business incubators and their impact on startup success: A review in the USA [Review of Business incubators and their impact on startup success: A review in the USA]. International Journal of Science and Research Archive, 11(1), 1418. https://doi.org/10.30574/ijsra.2024.11.1.0234

Bell, T. W. (2016). Special Economic Zones in the United States: From Colonial Charters, to Foreign-Trade Zones, Toward USSEZs. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2743774

Bell, T. W. (2020). Ulex: Open Source Law for Non-Territorial Governance. SSRN Electronic Journal. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3605807

Bretschger, L., & Soretz, S. (2021). Stranded Assets: How Policy Uncertainty affects Capital, Growth, and the Environment. Environmental and Resource Economics, 83(2), 261. https://doi.org/10.1007/s10640-021-00632-3

Briguglio, L., Persaud, B., & Stern, R. O. (2006). Toward an outward-oriented development strategy for small states : issues, opportunities, and resilience building. 1. https://www.um.edu.mt/library/oar/bitstream/123456789/42001/1/Toward_an_outward_oriented_development_strategy_for_small_states.pdf

Brunnschweiler, C. N., & Valente, S. (2011). International Partnerships, Foreign Control and Income Levels: Theory and Evidence. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.1951797

Cetrà, D., Casanas-Adam, E., & Tàrrega, M. (2018). The 2017 Catalan Independence Referendum: A Symposium. Scottish Affairs, 27(1), 126. https://doi.org/10.3366/scot.2018.0231

Čihák, M., & Demirgüç‐Kunt, A. (2013). Rethinking the State's Role in Finance. In World Bank, Washington, DC eBooks. https://doi.org/10.1596/1813-9450-6400

Clavey, C., Pemberton, J. L., Loeprick, J., & Verhoeven, M. (2019). International Tax Reform, Digitalization, and Developing Economies. In World Bank, Washington, DC eBooks. https://doi.org/10.1596/32530

Collins, D. (2011). Applying the Full Protection and Security Standard of International Investment Law to Digital Assets. The Journal of World Investment & Trade, 225. https://doi.org/10.1163/221190011x00184

Development, U. T. and. (2024). Double Taxation Treaties and Their Implications for Investment: What Investment Policymakers Need to Know. In United Nations eBooks. United Nations. https://doi.org/10.18356/9789213588123

Dragasevic, Mladen. (2007). "The Newest Old State in Europe. Montenegro Regaining Independence." ZEI Discussion Paper No. 174, 2007. Archive of European Integration (AEI) (University of Pittsburgh).

Erie, M. S. (2019). The New Legal Hubs: The Emergent Landscape of International Commercial Dispute Resolution. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3333765

Europe, U. N. E. C. for. (2023). Standard on Public-Private Partnerships/Concession Legal Framework in Support of the Sustainable Development Goals and its Accompanying Guide. In United Nations eBooks. United Nations. https://doi.org/10.18356/9789213585559

Evenett, S. J., & Pisani, N. (2023). Geopolitics, conflict, and decoupling: evidence of Western divestment from Russia during 2022. Journal of International Business Policy, 6(4), 511. https://doi.org/10.1057/s42214-023-00167-y

Eyal-Cohen, M. (2020). The Illusory Promise of Free Enterprise: A Primer for Promoting Racially Diverse Entrepreneurship. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3732998

Flikkema, M., Lin, F.-Y., Plank, P. P. J. van der, Koning, J. J. de, & Waals, O. (2021). Legal Issues for Artificial Floating Islands. Frontiers in Marine Science, 8. https://doi.org/10.3389/fmars.2021.619462

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. Chapman University Digital Commons (Chapman University), 21(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Gerner‐Beuerle, C., Mucciarelli, F. M., Schuster, E., & Siems, M. (2019). The Illusion of Motion: Corporate (Im)Mobility and the Failed Promise of Centros. European Business Organization Law Review, 20(3), 425. https://doi.org/10.1007/s40804-019-00157-9

Green, A. (2024a). Three Reconstructions of ‘Effectiveness’: Some Implications for State Continuity and Sea-level Rise. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4697909

Green, A. (2024b). Statehood as Political Community. In Cambridge University Press eBooks. Cambridge University Press. https://doi.org/10.1017/9781009176309

Ibarra‐Olivo, J. E., Neise, T., Breul, M., & Wrana, J. (2024). FDI and human capital development: a tale of two Southeast Asian economies. Journal of International Business Policy, 7(3), 314. https://doi.org/10.1057/s42214-024-00186-3

Jennejohn, M. (2006). Governing Innovative Collaboration: A New Theory of Contract. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.937127

Jones, E., Kira, B., & Tavengerwei, R. (2024). Norm Entrepreneurship in Digital Trade: The Singapore-led Wave of Digital Trade Agreements. World Trade Review, 23(2), 208. https://doi.org/10.1017/s1474745624000089

Kaiser, K.-A., & Viñuela, L. (2012). The political economy of investing resource wealth : transforming rents into productive physical infrastructure. 1. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/06/29/000426104_20120629094633/Rendered/PDF/703100WP0P11450esource0Wealth0Final.pdf

Kelly, C., & Snower, D. J. (2021). Capitalism Recoupled. RePEc: Research Papers in Economics. https://econpapers.repec.org/RePEc:iza:izadps:dp14509

Khalili, H. (2024). Transforming Health Care Delivery: Innovations in Payment Models for Interprofessional Team-Based Care [Review of Transforming Health Care Delivery: Innovations in Payment Models for Interprofessional Team-Based Care]. North Carolina Medical Journal, 85(3). North Carolina Medical Society Foundation’s Community Practitioner Program. https://doi.org/10.18043/001c.117089

Klimek, P., Aykaç, A., & Thurner, S. (2023). Forensic analysis of the Turkey 2023 presidential election reveals extreme vote swings in remote areas. PLoS ONE, 18(11). https://doi.org/10.1371/journal.pone.0293239

Knežević, S., Savić, M., & Vukićević, B. (2022). Preserving Peace in a Troubled Region: the Case of Montenegro. Lithuanian Annual Strategic Review, 19(1), 137. https://doi.org/10.47459/lasr.2021.19.6

Kotuby, C. T. (2022). Domestic Courts and the Generation of Norms in International Law. University of Pittsburgh Law Review, 83(2). https://doi.org/10.5195/lawreview.2021.857

Laoghaire, T. Ó. (2024). The Middle‐Income Kingdom: China and the Demands of International Distributive Justice. Philosophy &amp Public Affairs, 52(4), 430. https://doi.org/10.1111/papa.12269

Larsen, P. W., & Ferry, M. (2015). Understanding National Trajectories of Regionalism Through Legitimate, Political and Administrative Capital : A Comparative Case Study of the Institutional Degrees of Regionalism and the Actors' Abilities to Create Institutional Elements, Collaborate and Coordinate Policies in England, Poland And Denmark. Research Portal Denmark, 109. https://local.forskningsportal.dk/local/dki-cgi/ws/cris-link?src=aau&id=aau-39724590-d20d-404a-806f-4fc779a416c5&ti=Understanding%20National%20Trajectories%20of%20Regionalism%20Through%20Legitimate%2C%20Political%20and%20Administrative%20Capital%20%3A%20A%20Comparative%20Case%20Study%20of%20the%20Institutional%20Degrees%20of%20Regionalism%20and%20the%20Actors%2019%20Abilities%20to%20Create%20Institutional%20Elements%2C%20Collaborate%20and%20Coordinate%20Policies%20in%20England%2C%20Poland%20And%20Denmark

Madebwe, T. (2021). Tackling Issues of Global Concern by Revisiting the Justifications for State Approaches to Governance. Comparative Law Review, 27, 329. https://doi.org/10.12775/clr.2021.014

Manulak, M. W., & Snidal, D. (2021). The Supply of Informal International Governance. In Cambridge University Press eBooks (p. 182). Cambridge University Press. https://doi.org/10.1017/9781108915199.007

Marcus, A. A., Correa, J. A. A., & Pinkse, J. (2011). Firms, Regulatory Uncertainty, and the Natural Environment. California Management Review, 54(1), 5. https://doi.org/10.1525/cmr.2011.54.1.5

Mason, J., Peterson, C., & Cano, D. I. (2021). The Honduran ZEDE Law, from Ideation to Action. 1(2), 107. http://ojs.instituteforcompgov.org/index.php/jsj/article/download/25/13

Meegan, D. V. (2010). Zero-Sum Bias: Perceived Competition Despite Unlimited Resources. Frontiers in Psychology, 1. https://doi.org/10.3389/fpsyg.2010.00191

Mulligan, B. C., & Granados, N. (2025). Rightsizing Regulations to Foster Innovation and a Healthy Business Environment: Insights from Elite Executives. Engaged Management ReView, 9(1). https://doi.org/10.28953/2375-8643.1159

Murakami, D., & Viswanath-Natraj, G. (2021). Cryptocurrencies in Emerging Markets: a Stablecoin Solution? SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3949012

Narula, R., & Zhan, J. (2019). Using special economic zones to facilitate development: policy implications. RePEc: Research Papers in Economics. https://econpapers.repec.org/RePEc:unc:tncjou:1

O'Leary. (2021). Getting Ready: The Need to Prepare for a Referendum on Reunification. Irish Studies in International Affairs, 32(2), 1. https://doi.org/10.3318/isia.2021.32b.1

O'Reilly, T. (2011). Government as a Platform. Innovations Technology Governance Globalization, 6(1), 13. https://doi.org/10.1162/inov_a_00056

Paech, P. (2016). The Governance of Blockchain Financial Networks. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2875487

Raab, C. D. (2017). 3. Security, Privacy and Oversight. In Open reports series (p. 77). https://doi.org/10.11647/obp.0078.03

Ranganathan, S. (2019). Seasteads, land-grabs and international law. Leiden Journal of International Law, 32(2), 205. https://doi.org/10.1017/s092215651900013x

Røren, P., & Beaumont, P. R. (2018). Grading greatness: evaluating the status performance of the BRICS. Third World Quarterly, 40(3), 429. https://doi.org/10.1080/01436597.2018.1535892

Schramm, C. J. (2018). Blockchain: Leveraging a Trust Technology in Expeditionary Economics. Innovations Technology Governance Globalization, 12, 28. https://doi.org/10.1162/inov_a_00273

Shoker, A. (2022). Digital Sovereignty Strategies for Every Nation. Applied Cybersecurity & Internet Governance, 1(1), 1. https://doi.org/10.5604/01.3001.0016.0943

Singh, S., & Sengupta, S. (2025). Sovereign AI: Rethinking Autonomy in the Age of Global Interdependence. arXiv (Cornell University). https://doi.org/10.48550/arxiv.2511.15734

Spilimbergo, A. (2007). IMF Working Papers. 8(2), 10. https://doi.org/10.5089/9781451929805.026.a004

Spiro, P. J. (2018). A World Wide Web of Citizenship. In IMISCOE research series (p. 295). Springer International Publishing. https://doi.org/10.1007/978-3-319-92719-0_52

Strohmer, M. F., Easton, S., Eisenhut, M., Epstein, E., Kromoser, R., Peterson, E. R., & Rizzon, E. (2020). Introduction (p. 1). https://doi.org/10.1007/978-3-030-38950-5_1

Sundram, P. (2024). ASEAN cooperation to combat transnational crime: progress, perils, and prospects. Frontiers in Political Science, 6. https://doi.org/10.3389/fpos.2024.1304828

Uzougbo, N. S., Ikegwu, C. G., & Adewusi, A. O. (2024). Regulatory Frameworks for Decentralized Finance (DeFi): Challenges and opportunities. GSC Advanced Research and Reviews, 19(2), 116. https://doi.org/10.30574/gscarr.2024.19.2.0170

Walker, N. (2020). The sovereignty surplus. International Journal of Constitutional Law, 18(2), 370. https://doi.org/10.1093/icon/moaa051

Amjad, A., Almusaed, A., & Almssad, A. (2022). Sustainable Smart Cities - A Vision for Tomorrow. In IntechOpen eBooks. IntechOpen. https://doi.org/10.5772/intechopen.100727

Arruñada, B., & Andonova, V. (2008). Common Law and Civil Law as Pro-Market Adaptations. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.1154533

Austin, J. L., & Leander, A. (2021). Designing-With/In World Politics. Political Anthropological Research on International Social Sciences, 2(1), 83. https://doi.org/10.1163/25903276-bja10020

Balen, T. van, & Tarakci, M. (2023). Recruiting Talent Through Entrepreneurs' Social Vision Communication. Organization Science. https://doi.org/10.1287/orsc.2023.1671

Bianchi, I. (2024). The democratising capacity of new municipalism: beyond direct democracy in public–common partnerships. Policy & Politics, 53(2), 403. https://doi.org/10.1332/03055736y2024d000000033

Bollier, D. (2024). Challenges in Expanding the Commonsverse. International Journal of the Commons, 18(1), 288. https://doi.org/10.5334/ijc.1389

Chivers, E., & Curran, S. (2024). Ambiguity is the last thing you need. arXiv (Cornell University). https://doi.org/10.48550/arxiv.2410.20222

Falcke, S. (2020). Naturalization as a Catalyst for Integration: A Heterogeneous Picture. CESifo Forum/The EEAG Report on the European Economy, 21(4), 23. https://ideas.repec.org/a/ces/ifofor/v21y2020i04p23-24.html

Fort, T. L., & Schipani, C. A. (2003). Adapting Corporate Governance for Sustainable Peace. Deep Blue (University of Michigan). https://hdl.handle.net/2027.42/39917

Frazier, M. W. (2018). Emergence of a New Hanseatic League: How Special Economic Zones Will Reshape Global Governance. Chapman University Digital Commons (Chapman University), 21(2), 333. https://digitalcommons.chapman.edu/chapman-law-review/vol21/iss2/4

Gandorfer, D. (2022). Down and Dirty in the Field of Play: Startup Societies, Cryptostatecraft, and Critical Complicity. Law and Critique, 33(3), 355. https://doi.org/10.1007/s10978-022-09327-0

Giudici, P., Agstner, P., & Capizzi, A. (2022). The Corporate Design of Investments in Startups: A European Experience. European Business Organization Law Review, 23(4), 787. https://doi.org/10.1007/s40804-022-00265-z

Grinde, B., Nes, R. B., Macdonald, I., & Wilson, D. S. (2017). Quality of Life in Intentional Communities. Social Indicators Research, 137(2), 625. https://doi.org/10.1007/s11205-017-1615-3

Helbing, D., Mahajan, S., Hänggli, R., Musso, A., Hausladen, C. I., Carissimo, C., Carpentras, D., Stockinger, E., Sánchez–Vaquerizo, J. A., Yang, J. K., Ballandies, M. C., Korecki, M., Dubey, R. K., & Pournaras, E. (2022). Democracy by Design: Perspectives for Digitally Assisted, Participatory Upgrades of Society. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4266038

Khan, M. I., Yasmeen, T., Hadi, N. U., Asif, M., Farooq, M., Kurniawan, T. A., Khan, M., & Al‐Ghamdi, S. G. (2025). Digital Sustainability as an Emerging Paradigm: Insights from the Saudi Arabian Experience and Global Implications. https://doi.org/10.21203/rs.3.rs-7677305/v1

Markey‐Towler, B. (2018). Anarchy, Blockchain and Utopia: A theory of political-socioeconomic systems organised using Blockchain. The Journal of British Blockchain Association, 1(1), 1. https://doi.org/10.31585/jbba-1-1-(1)2018

Mazzucato, M. (2015). Building the Entrepreneurial State: A New Framework for Envisioning and Evaluating a Mission-Oriented Public Sector. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2544707

Noble, D. W., Charles, M. B., & Keast, R. (2020). A hand-up or a hand-out? An argument for concierge services for the development of innovation capacity in startups. Prometheus, 36(4). https://doi.org/10.13169/prometheus.36.4.0366

Okafor, C., Fatile, J. O., & Ejalonibu, G. L. (2014). Public Service Innovations and Changing Ethos in Africa. Africa's Public Service Delivery and Performance Review, 2(4), 46. https://doi.org/10.4102/apsdpr.v2i4.67

Reinert, E. S. (2006). Development and Social Goals: Balancing Aid and Development to Prevent 'Welfare Colonialism.' DESA Working Paper. https://doi.org/10.18356/f55652e1-en

Sims, A. (2021). Decentralised Autonomous Organisations: Governance, Dispute Resolution and Regulation. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3971228

Slaughter, A.-M. (2017). The Accountability of Government Networks. In Routledge eBooks (p. 471). Informa. https://doi.org/10.4324/9781315086392-30

Spiro, P. J. (2018). A World Wide Web of Citizenship. In IMISCOE research series (p. 295). Springer International Publishing. https://doi.org/10.1007/978-3-319-92719-0_52

Stewart, M. (2023). Cascading Consequences of Sinking States. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4321214

Zhu, A. Y., Zedtwitz, M. von, & Assimakopoulos, D. (2017). Responsible Product Innovation : Putting Safety First. HAL (Le Centre Pour La Communication Scientifique Directe). https://hal.archives-ouvertes.fr/hal-02298271

Остром, Э. (2000). Crowding out Citizenship. Scandinavian Political Studies, 23(1), 3. https://doi.org/10.1111/1467-9477.00028

Anghie, A. (2005). Imperialism, Sovereignty and the Making of International Law. In *Cambridge University Press eBooks*. Cambridge University Press. https://doi.org/10.1017/cbo9780511614262

Bates, G., & Gillooly, S. N. (2023). Between negotiation and legitimation: The international criminal court and the political use of sovereignty challenges. *Journal of Human Rights*, *22*(1), 47. https://doi.org/10.1080/14754835.2022.2150516

Busquets, P. B. (2019). *A Contract Theory of Secession* (p. 9). https://doi.org/10.1007/978-3-030-26589-2_2

Calzada, I. (2024). Decentralized Web3 Reshaping Internet Governance: Towards the Emergence of New Forms of Nation-Statehood? *Future Internet*, *16*(10), 361. https://doi.org/10.3390/fi16100361

Chan, P. C. W. (2004). Acquiescence/Estoppel in International Boundaries: Temple of Preah Vihear Revisited. *Chinese Journal of International Law*, *3*(2), 421. https://doi.org/10.1093/oxfordjournals.cjilaw.a000527

Chiu, S. W. K., & Siu, K. (2022). Hong Kong as an Economic Miracle? The Myth of Laissez-Faire and Industrialization. In *Hong Kong studies reader series* (p. 137). Springer Nature. https://doi.org/10.1007/978-981-16-5707-8_5

Christakis, T., & Constantinides, A. (2018). Territorial disputes in the context of secessionist conflicts. *Edward Elgar Publishing eBooks*. https://doi.org/10.4337/9781782546870.00019

Espinosa, J. F. E. (2022). The Principle of Non-Recognition of States Arising from Serious Breaches of Peremptory Norms of International Law. *Chinese Journal of International Law*, *21*(1), 79. https://doi.org/10.1093/chinesejil/jmac006

Gorup, M. (2019). Empire of the People: Settler Colonialism and the Foundations of Modern Democratic Thought. *Political Science Quarterly*, *134*(3), 565. https://doi.org/10.1002/polq.12937

Green, A. (2024). *Statehood as Political Community*. https://doi.org/10.1017/9781009176309

Hobbs, H., Hayward, P., & Motum, R. (2023). Cyber Micronations and Digital Sovereignty. *Digital Society*, *2*(3). https://doi.org/10.1007/s44206-023-00069-9

Hobbs, H., & Williams, G. (2021). The demise of the 'second largest country in Australia': micronations and Australian exceptionalism. *Australian Journal of Political Science*, *56*(2), 206. https://doi.org/10.1080/10361146.2021.1935450

Kohl, A. W. (2018). China's Artificial Island Building Campaign in the South China Sea: Implications for the Reform of the United Nations Convention on the Law of the Sea. *Dickinson Law Review*, *122*(3), 917. https://ideas.dickinsonlaw.psu.edu/dlr/vol122/iss3/8

Loh, D. M. H., & Heiskanen, J. (2020). Liminal sovereignty practices: Rethinking the inside/outside dichotomy. *Cooperation and Conflict*, *55*(3), 284. https://doi.org/10.1177/0010836720911391

Makili-Aliyev, K. (2019). Contested Territories and International Law. In *Routledge eBooks*. Informa. https://doi.org/10.4324/9780429353437

Pardo‐del‐Val, M., Romero, E. C., Pérez, M., & Mohedano‐Suanes, A. (2024). From Startup to Scaleup: Public Policies for Emerging Entrepreneurial Ecosystems. *Journal of the Knowledge Economy*, *16*(2), 7874. https://doi.org/10.1007/s13132-024-02175-6

Riding, J., & Dahlman, C. T. (2022). Montage space: Borderlands, micronations, terra nullius, and the imperialism of the geographical imagination. *Dialogues in Human Geography*, *12*(2), 278. https://doi.org/10.1177/20438206221102597

Shu, D. (2022). The Chinese Marxist Approach to Human Rights. *Open Journal of Philosophy*, *12*(3), 342. https://doi.org/10.4236/ojpp.2022.123022

Simpson, I., & Sheller, M. (2022). Islands as interstitial encrypted geographies: Making (and failing) cryptosecessionist exits. *Political Geography*, *99*, 102744. https://doi.org/10.1016/j.polgeo.2022.102744

Sisman, E. R. (2012). Fantasy island: In *Cambridge University Press eBooks* (p. 11). Cambridge University Press. https://doi.org/10.1017/cbo9781139057714.003

Statehood and Self-Determination. (2013). In *Cambridge University Press eBooks*. Cambridge University Press. https://doi.org/10.1017/cbo9781139248952

Wright, Q. (1935). The Legal Foundation of the Stimson Doctrine. *Pacific Affairs*, *8*(4), 439. https://doi.org/10.2307/2751244