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Prepare for Life without the State

by Jeffrey Tucker





PREPARE FOR LIFE WITHOUT THE STATE

GUIDE 1.0

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INTRODUCTION

Martin van Creveld, in his wonderful book *The Rise and Decline of the State*, chronicles a five-hundred-year history of the emergence of this unique thing called the “nation-state.” It is very different from the “personal state.” In a state with a ruler who has all power, the state comes and goes in the course of a lifetime. When the leader dies, the state dies with him. Society enters into anarchy without government-imposed rules and without rulers. All employees of the state were effectively privately employed by the ruler, so they find themselves without position. The new ruler works from a blank slate to hire new people, impose new rules, and bend the new regime toward a personal



view of political priorities.

The nation-state is different. It is an apparatus of permanent law that continues to be added to throughout each successive administration. The power apparatus in place exists outside the administration's direct control. The leader can add power and add regulation but his ability to reverse the course of previous administrations is severely limited. The leader is not the state. He is a temporary administrator of the state, but the state's existence does not depend on him. The permanent structure of the state is embedded in the permanent bureaucracies that manage the social order, and they are largely immune from being manipulated by the elected leaders.

The nation-state model began to emerge in the late sixteenth century and became the dominant and even only structure of the state in most of the developed world in the twentieth century. Communism and democracy were no different in this respect. Even in personal dictatorships like Romania in the 1970s and '80s, where Nicolae Ceausescu and his wife had total power, the core of the state lived outside their control. When they were both shot, it led to a big up-

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heaval and struggle for power but the bureaucrats in the Romanian state hardly had to notice. The educational systems, the health ministries, the housing bureaucrats, the secret police went on their merry way as if nothing important had happened.

This is why reform is so difficult in a nation-state. It strives to be an immortal being, sealed off from the influence of politics. Politics is often the veneer of the state, not the thing itself. This point is probably the single most widely misunderstood reality of the politics of our time. Even in democracies, there is a widespread myth that somehow the new president is in a position to change everything, that he (or she) works from a clean canvas of laws and can reshape the regime according to the mandate given by the voters. The entire system is actually structured to make this impossible.

Van Creveld explains this structural change and how it occurred over many hundreds of years, but then he reveals his surprising thesis. He says that the nation-state itself is in the process of decline and will continue to be so all the way to the fall. The nation-state was set up to manage the social order in all respects. The more ambitious it became, the more it took on, the more unfeasible the project proved to be.



Central planning runs contrary to the ambitions of people to make their own choices. The planners lack the knowledge of time and place to achieve their ends, and the market order of decentralized decision making is essential to producing wealth. The state can only really achieve its ambitions through mass surveillance, concentration camps, and the mass slaughter of the disobedient, but, even here, what would be the point if all wealth is ground to dust and you end up with nothing to govern?

Hence the irony: the more power the nation-state assumes unto itself, the more it undermines its long-term viability. The beginning point in its decline, says Van Creveld, was the invention of the nuclear bomb which led to a global stalemate that checked power. States were suddenly vulnerable to destruction—for the first time in hundreds of years. The idea that they could be destroyed contradicts the whole institutional purpose of the nation-state. The fear of death is the worst possible fate for any state.

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A series of crises of competence hit in the following decades.



The protests against the Vietnam War turned the successful global war of twenty years earlier on its head. Suddenly the civilian population was no longer complying with the war demands of the nation-state. Then came the end of the gold standard, which was supposed to result in falling gold prices and a stable global monetary order. The opposite happened. Soon after, the fiscal planning system of the Keynesian apparatus fell apart, producing both high unemployment and high inflation—which was supposed to be impossible. The end of the Cold War robbed the nation-state's arsenal and security apparatus of a major reason for its existence. The state of fear began to go away. The crisis of confidence in the welfare state, of the retirement system, of the regulatory state, hit systematically, with political forces from all sides pressured into reform.

At each stage of this decline, there were reprieves. The terrorist attack on 9/11 gave homeland security and surveillance new life. New threats of various sorts from abroad permitted the security state to whip up public fear, but it was not a sticky fear. When the fear abated, polls revealed the rotting underneath. Confidence in government fell and fell further, each time reaching new lows.



Three major events of our own time have dealt massive blows to the planning state.

First, the Internet was privatized in 1995, an action that was nearly accidental. The result was to gradually unleash the digital age that has been characterized by a mass migration of once physical objects into the realm of the cloud that allows infinite reproducibility, sharing, malleability, and persistent immortality of anything residing there. The distribution networks of the Internet proved more powerful than any existing state. The development could not be stopped and could not be destroyed or even controlled. A new realm of freedom outside of the purview of the nation-state became the single most powerful communication tool ever imagined. The government's monopoly on information was smashed. The nation-state lost the advantage as the driver of progress.

Second, in 2008, real estate was in a free fall, and the devastation was most intensely felt by the largest banks and investment firms holding mostly worthless assets in the form of mortgage-backed securities. The lame-duck Bush administration was frantically lobbying to spend \$800 billion to bail the banks out of their troubles. To achieve this implausible goal, the Bush administration, along with its counterpart in the



United Kingdom, had to whip up a kind of hysteria. Administration officials warned of a melting financial world. Banks would die, ATMs would run out of money, goods would not ship, the monetary system would break down, and the United States was going the way of Iceland, which, at the time, ran out of purchasable groceries.

None of it was true. But this kind of government-induced frenzy was necessary to push through big spending bills that otherwise met with massive public opposition. Looking back at those days, it seems obvious now that this was a turning point in history, a time in which it became very clear to some very smart people in the world that the government's system of financial and monetary management was broken. If an entire system could be brought down by declining house prices, would it really be robust enough to support global economic growth into the future?

Confidence had been lost. The banking system was broken. The monetary system no longer functioned. The financial system could not be trusted. Alternative financial institutions like cryptocurrency appeared, made viable through a combination of cryptography, peer-to-peer exchange, distributed networks, open source code, and an ongoing development



environment, which allows more versatility and security than the old banking paradigm. There were (and are) more leakers, whistle-blowers, rebels, and radicals than the state could possibly jail or exile.

Third, the failure of Obamacare surely ranks among the most conspicuous meltdowns of any government program in many decades—perhaps ever. Every expert was involved in crafting what was supposed to be the perfect program. They had it all worked out. They would force expanded coverage, create a competitive market, rope all uninsured young people into the system to cover the growing demands of older people, and expand risk pools to drive down premiums. What followed was every disaster. That the website didn't work was only the beginning. Plans were cancelled, young people balked, premiums went way up. After only two weeks, millions fewer people were covered than before. The president was reduced to explaining, in repeated press conferences, why he had presided over such a mess.

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Already public doubts about the program were high. This seemed to confirm everyone's worst fears. It had taken decades for Social Security to emerge as a rip-off, for Medicare and Medicaid to become impossibly costly, for welfare benefits in general to reveal themselves as a nonsolution. But Obamacare failed in a matter of days. It will probably lead to political disaster for the Democrats, but the Republicans have no incentive to truly fix a problem that is so clearly associated with the other party. The big loser, however, is not one or the other party but the very idea that government can improve the delivery of domestic services through central planning and force.

The trajectory is clear. Nation-states have long sought to control communication, money, security, and justice; but these monopolies have either been smashed or are decaying dramatically in their usefulness and reputation. This is the path of change. In Kuhnian terms, the consensus paradigm of the twentieth century in favor of nation-state management of the social order is experiencing too many anomalies to continue to be viable. We are gradually entering into a pre-paradigmatic situation in which there are many competitive models for social and economic control. During this time, the aging nation-state will continue to be ineffective and experience



growing irrelevance to our lives.

We are living in incredible times. Not everyone sees them. Events are moving very quickly in the scheme of history but too slowly for most people to see them, much less understand their meaning. Regardless, there are profound implications here for our lives. I've listed ten specific ways that people can go about preparing for life outside the state, means by which we can achieve greater freedom now and prepare for even more in the future. Again, I do not regret this upheaval. It is the greatest boon for human liberty in history. But it is an upheaval, and it would be foolish not to take precautionary steps to reduce the disruption in your life.

GET SKEPTICAL OF POWER

Not every cop is a bad guy, and not every bureaucrat wants to ruin your life. But as individuals, they are part of a system that is larger than themselves. Their job is to be part of that structure, and they have very little room for discretion. Every g-man is a company man in the end. That means that you cannot trust them. You cannot reason with them. You cannot viably bribe in most countries. The structure of regulations, laws, and institutional constraints of which they are a part are the drivers in how they treat you and your fate in their hands.

That means that you must do everything possible to stay out of their clutches, because if you fall into them, you will not escape. You cannot beat the system within the system. The key is to stay out of the system. That means not doing anything that will make you an easy target. Those who do outlandish things to challenge authority and go to jail for it, and are fined and ruined, are often heroes and wholly admirable. But if you go this direction, it should be done with an awareness that you will pay a terrible price. A better approach for most people is to be overtly compliant but inter-

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nally and secretly subversive. You can potentially do more damage to the structures of power this way.

Never fall for the idea that any politician from any political party, no matter how good their rhetoric, can actually save us from despotism. It is just not true. Our problem is not bad personnel; it is a bad system. There is nothing inherently evil about political activism or getting involved in electoral politics, but be realistic. It is not the path of real change and never has been. Falling for the illusion that democracy offers a way out of our current plight is to buy into the greatest lie that the regime ever told.

GET OUT OF DEBT

When most people think of financial freedom, they visualize some sort of number in their heads. This notion is played upon by financial planners who sell books and retirement fund companies that want to manage your hard-earned savings. The fact is most people haven't saved anything. A 2012 study by the Employee Benefit Research Institute says 30 percent of private sector workers have less than \$1,000 saved. People have staked their futures on having a secure job, owning a home, and the government's social security program. Social security benefits, which currently average \$1,230 a month, provide the majority of income for two-thirds of all retirees.

Accumulating debt presumes something about the future that you cannot know. That secure job is not so secure. Millions of people who made all the right moves, got the college degrees, and thought they had jobs for life have been pushed out of jobs that likely are gone for good. Debt comes with a price. Debt limits your flexibility and adaptability. It constrains your choices and effectively limits your freedom.

Millions stay in jobs they hate in order to pay their debts, whether credit card, student, auto, or home mortgage. In the wake of the housing crisis, homeowners who have lost their jobs, rather than leaving for areas of the country where the jobs are, instead had to stay put, with a house they couldn't sell in a local economy they couldn't find work in.

Graduating students now saddled with hundreds of thousands of dollars in student loan debt must work multiple jobs if possible just to pay their debt. Millions of recent grads have had to return home to live with their parents because the loan payments keep them from affording rent and living on their own. Living with your parents is not financial freedom—for either of you.

In 1787, a deeply in debt Thomas Jefferson wrote to his plantation manager, "The torment of mind I endure till the moment shall arrive when I shall not owe a shilling on earth is such really as to render life of little value."

Being debt free gives you options and sets you free.

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GET RID OF STUFF

What keeps you in that job? What keeps you from moving to another place? There are many reasons but a major problem is the costs of transition, a factor heavily influenced by how much stuff you own. We all tend to value our stuff too highly. We exaggerate in our own minds the wisdom of our past purchases and the present value of the things we own. That's true for stuff in our homes, our cars, our stocks, and our businesses too.

Our house may be just like all the other houses on the block, but in our minds, since we live there it's worth more than the others in the neighborhood. For instance, there is probably nothing more demoralizing than having a garage sale when you move. You decide to lighten your load. It costs money to move all your stuff. The more stuff, the more it costs to move. Maybe there isn't room at the new location. You think: this is all great stuff and surely we can get top dollar.

So you clear out closets and shine up knickknacks hoping to get a couple bucks for items you paid \$20 for. A shopper picks up an object, that you once held so dear, and you think, "Oh they'll buy that for sure. It's a steal." The interested person looks at the price, rolls her eyes, sets it down and walks away. At the end of the day, with that object still staring you in the face, you mark it down to a quarter, hoping someone will pay you something for it.

The garage sale you thought would net many thousands brings in less than \$100.

This is the difference between merchants and shoppers. Merchants don't fall in love with their inventory. Business people buy stuff or make things in order to trade them for something more marketable—money. Merchants don't grow attached to their product. They want to get rid of their product at a profit.

Fortunately, technology and the Internet have provided a way to constantly check the ownership bias. You can go to Craigslist or eBay any time to verify your own sense of the worth of your property. Have you held on to a toaster from your great-grandmother for decades because you think it is rare and wonderful? Look it up and you might find the same item at eBay sold for \$2 last week. It might still be valuable to you for different reasons, but prices at the point of sale are what determine the economic worth of things.

Never fall for the claim that everything you buy is an investment. "Let's invest in this dining room table." "I invested in a new sofa." Or consider the most preposterous claim of all from politicians, that "we as a society should invest in our children and infrastructure."

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None of this is true. Taxes and spending are wealth destruction. As for our own spending, these are consumption goods. Their investment value is determined by their resale value at any moment in time. The stuff that you are acquiring may improve your life, and that's great. But it turns out that there is very little bounce-back value from most of what we buy.

It is true that some business people do grow attached to their businesses. When an amazing buyout offer comes along, they snort in indignation that it's too low. "I don't care what your facts and figures say, I built this business with my own two hands. I can only sell it once. I won't give it away."

What about rethinking the relationship you have to stuff? Everything you own must be maintained. Everything you own limits your flexibility. Everything you own constitutes another obligation. A second home seems like the ultimate luxury until you discover that it saps all spare energy and time. A house full of furniture becomes a burden when you know that you can't pack up and leave for a better opportunity.

It may be impossible to live a minimalist lifestyle like Steve Jobs. But be aware of your biases. When you're thinking about buying something, imagine what it would bring in at a garage sale. When leaving assets to your kids, remember some will be very unrealistic in their valuations, causing never-ending friction. Maybe leaving assets to your kids jointly is a bad idea.

Freedom is rooted in the freedom to own and control. But the irony is that the more we own, and the more attached we grow to our possessions, the less free we are. We live in an age of loose credit made possible by the Federal Reserve, which is a government-backed institution. It is a force that is constantly nudging toward more, more, and more purchases. Some presidents have been explicit about this, as when President Bush told Americans to buy more following 9/11. That is the way to fight back against terrorism, he said.

If you go along with this whole scheme, you are inadvertently fitting into someone else's plan for your life. You are becoming part of the machinery that purports to rule you. The only way to fight back is to resist the prodding and nudging, to live below your means, stay out of debt, and never confuse owning stuff with being wealthy. Your stuff is worth only what you can resell it for at any instant in time, no more.

PURSUE ALTERNATE MONEY AND BANKING

Most people are financially illiterate. Governments and banks like it that way. The central bank constantly, at least in modern times, creates more

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money making the government-issued dollars worth less. Those who operate outside the banking system are thought to be either poor, uneducated, criminal, or paranoid.

Anyone concerned about privacy shouldn't go near a bank. If you do use a bank, everything the bank knows the government can and will know in minutes. Since 9/11 and the passage of the Patriot Act, banks require all sorts of identification to open simple checking accounts. Getting loans in the post Dodd-Frank, Consumer Financial Protection Bureau era will require borrowers to submit to endless requests for paperwork and verification, much of which consumers may think is none of the bank's business.

If it's not bad enough that your friendly banker down the street will know all about your finances, the bank's loan committee, auditors, and regulators will also have reason to sniff through your files as well.

Close to ten million American households don't have a bank account, a one million increase from just three years ago. A third of these people say they don't have enough money to open an account. Another 40 percent say they don't need an account, don't trust banks, don't have an ID, and/or refuse to pay the fees and maintain minimum balances—they might be on to something.

This ten million number probably understates the number of Americans who avoid banks. Close to 30 percent of US households are unbanked or underbanked. This number must include more than just be the great unwashed. While using banks for convenience makes sense, using a bank to save in the current zero-interest world is just silly. Inflation chews up the few basis points the bank may be paying. Monthly maintenance fees can eat small balances in no time.

For sure hotels and airlines require credit cards to book rooms, flights, and buying drinks on the plane. But the closest drugstore offers prepaid credit cards right near the cash register. This is a new innovation, something that has become available only in the last 12 months.

It is a surprising development and long overdue. These cards actually make it possible to spend digital money in a completely anonymous way. This is a surprising and much-welcome fact. As usual in these cases, the people on the ground know far more about these cards than financial journalists. They are used constantly by blue-collar workers, undocumented workers, waitresses, and people who do odd jobs. These are the people who have the most pressing need.

There are other digital tools that are not anonymous but still provide alternatives to conventional banking. If you don't want to park your deposits at a bank, but still want the payment abilities that a bank provides, consider PayPal. Peter Thiel, the company's founder, said a mouthful when he said PayPal is not a bank because it doesn't engage in fractional-reserve banking. In other words, PayPal doesn't lend out your money, but keeps it in interest-bearing checking accounts. But, of course, PayPal's banks engage in fractional-reserve banking.

Yes, you'll have the same Patriot Act nonsense to deal with when you open an account, and in



fact you have to have a bank account to move money in and out of PayPal. But arguably, PayPal provides an extra layer of security for your payments. Those you buy from never see your financial details.

For those who need to borrow money, the bank is not your only choice. The peer-to-peer lending business is growing. This is a business that, prior to 2006, didn't even exist. P2P technology essentially replaces the bank and its administration. It's much more straightforward for lenders: they give up the use of their money for a certain period of time (typically three years) as they pass the title of that money to the borrower.

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Crowdfunding has opened up a whole new funding avenue for entrepreneurs. Companies such as Microventures use crowdfunding to sell equity stakes in private companies. The passage of the Jumpstart Our Business Startups Act in 2012 will make it easier for almost anyone to purchase shares in private companies advertised on crowdfunding sites.

These sites are looking to raise funds for small startups. Microventures' average deal size is \$250,000. CircleUp, an equity crowdfunding site in San Francisco, is doing deals averaging a million dollars.

So you might ask whether you're stuck using dollars, euros, yen or other government currencies in this modern age. You are not.

This equity crowdfunding model comes on the heels of sites like Kickstarter and Indiegogo, which have already raised hundreds of millions of dollars for business ventures as well as creative projects. These sites don't offer equity shares or financial returns. People fund projects out of the goodness of their hearts and to receive "rewards" for their support.

So you might ask whether you're stuck using dollars, euros, yen or other government currencies in this modern age. You are not. For instance there is bitcoin. Bitcoins are already used on a global basis. They can be traded for all sorts of products, both material and virtual. Bitcoins are divisible to eight decimal places and thus can be used for any size or type of transaction.

Bitcoins are not pegged to any government currency and there is no central clearinghouse or monetary authority. Its exchange rate is determined by supply and demand through several exchange platforms that operate in real time. Bitcoin is based on a decentralized peer-to-peer network. There are no financial institutions involved. Bitcoin's users take care of these tasks themselves.

Additional bitcoin supply is distributed through "mining" rewards for solving a mathematical problem that helps authenticate bitcoin transactions. There are somewhere around twelve mil-



lion bitcoins currently in existence, and more will be released through mining until a total of twenty-one million have been created by the year 2140. According to Bitcoin's creator (whom-ever he or she is), mining in bitcoin keeps bitcoin transactions secure.

Big financial players like Visa and American Express are positioning themselves to create virtual currencies, while AmEx and Walmart invest heavily in the prepaid credit card business. Where will it end? The world's largest retailer may have its eye on issuing its own currency that might initially be used only for purchases in Walmart stores. However, it's not hard to imagine a Walmart currency being traded all over town and easily converted to dollars, pesos, yuan, or other currencies traded where Walmart has stores.

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DON'T FEAR TECHNOLOGY

People often feel overwhelmed by technology, imagining it as a monstrous wave rolling into their lives that makes them spend money they don't want to spend, learn things they don't want to learn, and waste time on things they don't want to do. If it turns out that way, the user is the only one to blame. Technology is never forced on anyone. It exists and becomes part of our

Technology is never forced on anyone. It exists and becomes part of our lives at an ever-growing pace because it serves human needs.

lives at an ever-growing pace because it serves human needs. There are very few exceptions to this rule in existence today. It's been more than half a century since government came up with anything technological that intruded itself into our lives. Since then, most—if not all—technological advances have been about the encouragement of human flourishing.

When the cell phone came along, the early adopters jumped on them. They spoke loudly on them in restaurants as a way of showing off. They called people incessantly while driving. Generally, they made themselves annoying. Why? Because the manners and rules surrounding their uses had not been formulated within the culture. The result was that many people decided that they didn't need one. They stayed away, thereby

forgoing the use of the most spectacular tool of our time, and solely out of a sense of snobbery.

That changed over time. Eventually the masses of people got involved and adopted cell phones, but the next point of resistance was the smartphone. The cool kids got them, thereby annoying the crowd that only had the flip phone. Eventually, within only the last twelve months, the smartphone became the new essential. Again the early adopters had the advantage and everyone else came along later.



It's been the same with social media like Facebook, Pinterest, Twitter, and technologies like Skype and Foursquare or a hundred other applications. The nimble jump on them while the snobs stay away, until they finally adopt them and realize what they have been missing all along.

Advantages come to those who adopt new technologies sooner than others. This is not an issue of age. No matter one's station in life and no matter one's age, there are advantages to moving fast simply because these technologies exist for you in order to improve your life. You can say that they are actually a waste of time, and truly people do waste their time on them. But that is a matter of personal discipline. You can make them work for you or not.

Even if it is not obvious right now why these networking technologies are useful, there will come a point when it is obvious. For the same reason, it is good to have a friendship network established in past ages. You might not need them now, but when the emergencies come, you end up depending on them. It is the same with digital networks. When you lose a job and need another, when a new job needs to draw on your personal capital, when you have a new product you need to market, it is too late to begin fresh. You need to bring that already-established network with you.

Your network accounts also need to be fed well. It should be populated only with the information you want on the site and your contacts should be with people you work with or admire, or from people who admire you. These links back and forth can be as large as you want them to be. The larger they are, the more capital you can take with you from place to place. You should freely endorse others and have them endorse you.

This works to embed a tremendous amount of personal power in you and you alone. This is an extraordinary opportunity, and yet people are not taking advantage of it as they should. Some other people get an account and do nothing to cultivate it. This too is a mistake. A few minutes per week invested in improving your profile and links could prove to be a professional lifesaver for you.

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The point about being careful with your profile is important. Early on when dipping into social media, you need to be extremely conscious about only revealing what you want to be made public. People make mistakes in two directions here: too much information and not enough. Both egoism and paranoia can lead to problems. Think about what you want a future employer to know about you and tell no more and no less. Too small an online profile can raise suspicions of a special type. Too much information can make you seem arrogant.

This goes for Facebook, Twitter, Klout, Google Plus, or any other account. It takes a while to fine tune these sites in a way that fits with your personal ambitions. It takes time to get the hang of it. But remember this general rule: what you post on these pages should be essentially public information. Even if you slate your posts for a few people only within a small circle,



there is a chance that this circle will expand later and include someone who shouldn't see what you have said. And remember that social networks are just like real life: never tell a secret to anyone unless you absolutely have to. The more valuable the secret is, the more likely it is to be passed on.

At the same time, social media should not be used for therapy. If you are in a bad mood, sick, tired, or depressed, do not post. Social media is for performers. You are a performer and this can be the best professional stage you have ever had. You need to treat it this way, a stage for your own use. It is not for getting back at others, revealing your innermost thoughts, pretending to be something you are not, or trolling people. It is a life-building machine, one that can be used or misused depending on your outlook.

Social media is for performers. You are a performer and this can be the best professional stage you have ever had.

Digital media knows not the passage of time. If you wrote something in 2008, you might as well have written only a few minutes ago. Everything is potentially now. That shouldn't make you fear so much as underscore just how important it is to cultivate your distinct online personality and be disciplined about doing so.

Another technological tool that should not be neglected is Skype. It is free. The quality of the phone calls are excellent. It is also working its way toward becoming a social tool as well.

Facebook, Twitter, LinkedIn, Skype, Google Plus, and so on have made us less dependent on institutions like government and workplace bosses and liberated millions to be in a better position to build their own private civilizations.

And yet here is an important cautionary note: there comes a time when you need to shut them down. Not entirely down. There are uses and there are abuses. The trick is to tell the difference and act on it.

Many young people today complain of a problem. They don't have time to read. They don't know what to read to give them the best information given their limited time. There is no shortage of material, but what should they be reading to give them the fastest track to wisdom that will truly improve their lives?

This is a gigantic problem in our time. In the Middle Ages, books were only for the tiny few. They took years and whole teams of scribes to make. When they were finished, they were the most valuable possession a person could have. Actually, very few individuals owned them at all. They were the possession of large institutions that could create and guard them, institutions like governments and monasteries. They were more valuable than buildings.

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The world craved more books. When Gutenberg created the first copy machine for books, the company couldn't keep up with the demand. It was total frenzy on the streets, and the dawn of a new age of learning.

Today it's all different. We are flooded with information, most of it available at zero unit price. But the time and attention that they require of us carries a high opportunity cost. Despite the access and the information flood, people are actually reading less than they ever have. A main problem is the flood and the confusion about what to read. Here is another way in which Liberty.me provides help.

The time you spend in social media has a high cost. The more you use it beyond its initial purpose, the higher the cost. An obsession with the venues can create a bottomless pit. Add it all up and what you have is endless hours of wheel-spinning and largely pointless blather. All these interruptions and comments and quick reads take a serious toll on the overall quality of your life. This habit takes something that is truly wonderful and turns it into a massive time suck that, over the long run, contributes very little to your life as compared to the thing you are being prevented from doing.

In general, you will notice that young people are far more involved in social media than professionals of an older age. The usual explanation is that younger people are more hip to the digital scene and know how to navigate it better than old people. Actually, a better explanation comes from the theory of marginal utility. The opportunity costs for young people's time on social media are far lower than those of older people who are actually being compensated for their time. As the young get older, if they are smart, they will spend much less time on these platforms.

Sign up for social media, cultivate the network, and then discipline yourself and limit your level of engagement.

So my advice to those who want to get smart, become wise, become erudite: sign up for social media, cultivate the network, and then discipline yourself and limit your level of engagement. Think seriously about how it is affecting your life. You might find that shutting it down and only allowing limited contact is the best choice you have ever made.

BUILD YOUR NETWORK

The greatest alternative to government is not just you as an individual but your friendship networks—people who can help you in a crisis and you can trust day to day. It was friendship between rebels that smashed the Soviet empire. It was friendship that helped people through the Holocaust and made surviving possible for many people. And friendship is going to get us through the collapse of the state in advanced democratic countries as well. We must have people we can call on. We need to be part of such a network.



Social media is crucial here, but there is more. It is about people you went to school with, people online, family, extended connections in every direction, in every nation. These are thicker and more sustaining than any relations between us that are created by the state. These constitute the base for created structures that supplant power once it weakens.

We need to be more conscious of developing and protecting these connections, calling on them and doing good deeds for others so that karma can cycle back when we need it the most. We should spend more time cultivating friendships than making enemies, working for political causes, or pledging allegiance to institutions like the state.

The thicker, richer, and more robust our voluntary networks are, the more the forced associations around us become less effective.

The single most important tool that any professional has in the digital world today is LinkedIn. It is ranked as the fourteenth most popular site in the world. Its purpose is professional networking, both finding and seeking jobs and putting together contacts. But the actual functioning of this site is more important than it appears.

The site allows you to assemble a personal network that is independent of the particular job that you have now. In times when you need to be changing jobs quickly and moving from place to place, this is absolutely crucial. In the past, people would work at a job for ten or twenty years, find themselves with a better opportunity or out of work, and suddenly find their entire personal network smashed completely. Each new job meant starting over from the beginning.

With LinkedIn, your network stays with you and you alone. Only you have the logins, not your boss and not the government. This means that the capital you build up—your friendships, contacts, reputation, and otherwise—stays with you. In the other days, people would talk about this as your rolodex, but people were often even denied the opportunity to take that with them. Now the network is portable and cumulative throughout your whole life.

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TRAVEL

Americans want to believe that their country is the freest in the world. It is not. It's true that the whole world loves our movies, music, and culture. Sure, but you don't have to live here to enjoy the best product America has to offer. You can live and work most anywhere as long as you have an Internet connection.

Many Americans fear the rest of the world. They imagine it to be dark and scary, the way Ro-



mans thought of the rest of Europe in the ancient world. This is radically untrue, and the best way to discover that is very simple: travel. What Americans quickly discover these days is that large swaths of the world feel freer than the United States.

In Spain, the police are nowhere in sight, and yet the place is peaceful and teeming with commerce, even in the depths of depression. In Austria, it's the same. All over Latin America, people take for granted their right to associate and do what they want to do without being constantly hectored by the police. It's true in most parts of the world. Americans are never more conscious of the freedoms they have lost than when they explore other parts of the world. Travel is the most enlightening experience you can have as a first step toward emigrating.

If you don't have a passport, and probably 90 percent of Americans do not, get one immediately.

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Working remotely has freed people from the confines of the office, allowed them to work from home or work in a state separate from their company, but what is limiting them to the United States? Nothing, really. The current generation is discovering this. Many move to Central and South America where the temperature is higher and the cost of living is lower. Those who do become ever more aware that the nation-state is arbitrary.

If you don't have a passport, and probably 90 percent of Americans do not, get one immediately. You never know when you will have to get out.

GET HEALTHY

Modern governments dabble in everything, but their intervention in the area of health and fitness has been especially damaging. People are not often aware of how much influence politics has had on the way we live our lives. The gradual nationalization of medical services has kept innovation from happening at a proper pace.

The control of pharmaceuticals through the prescription racket and the patent system, keeps new and better drugs off the market and prohibits legal access to those that exist. The interventions have generated a dependent relationship between the citizen and the coercive system, all in the name of making us more healthy. The government's "food pyramid" is a great example of a complete scientific hoax pushed by industry at the expense of human health.

A free people must become less dependent and more self managing.



A major responsibility of anyone striving for more freedom in his or her own life is to start taking back that responsibility. This means learning about and practicing good health maintenance. This is something we can fully control. Whether through exercise, diet, or knowledge of drugs and their effects, a free people must become less dependent and more self managing. The government's system is only going to get worse, but even as this happens, we are now seeing the emergence of an independent sector of the market, designed to serve us and lead us to better and healthier lifestyles. Choosing to manage our lives is a profound step toward our own freedom.

LOOK FOR OPPORTUNITY

You want to change the world? There is one thing that has changed the world more than any other in the last five hundred years. It is the least-noticed thing of all: commerce. Through commerce, we are fed. Through commerce, we are clothed. Through commerce, we are healed. We are entertained. We communicate. We care for those we love. We are given the power to shape our lives.

Through commerce, we find ever-better ways of living and grappling with this strange curse that has always afflicted the world: namely, that there is never enough. Commerce is the only force that has ever been discovered to alleviate our material plight, to convert a grueling shortage of anything and everything into a glorious abundance of anything and everything. It is the thing that defines us, liberates us, empowers us, ennobles us.

What every entrepreneur has had in common is a belief that his or her actions can make a difference. In fact, that is why they do what they do. It's not really all about the money; the money is the sign and seal of a job well done. What they want to do is make a dent and see the change. They specialize in looking for opportunities and acting on them. They try to discern the desires of others.

They see ways to improve the world. They take the risk and act on them.

They are willing to try and fail. Plenty do fail but are not deterred. They get back up and try again.

To be successful requires dreaming above all else. It requires the ability to look at an empty lot and see a shopping center in its place. It requires the ability to see ten billion websites and observe, not an abundance of everything that is needed, but rather the one thing that is missing—the thing that one person can provide. It requires a sense that

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we don't have to accept the world as it is but can change it and bring humanity along the path with us. To be an entrepreneur means to rebel against what is, to challenge existing realities, to imagine a future that is different. It is a revolutionary act.

As Steve Jobs famously said:

Here's to the crazy ones. The misfits. The rebels. The troublemakers. The round pegs in the square holes. The ones who see things differently. They're not fond of rules. And they have no respect for the status quo. You can quote them, disagree with them, glorify or vilify them. About the only thing you can't do is ignore them. Because they change things. They push the human race forward. And while some may see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world, are the ones who do.

This is the essence of entrepreneurship, and it exists in big and small ways. It's not just about Apple and Microsoft. It is about the cupcake store down the road. It is about the sandwich shop. It is about the small office that specializes in a special kind of code work.

Today, there are more barriers to entrepreneurial enterprise than have existed in the past. However, there are also many more opportunities too. You can reach customers as never before. You can draw energy from other examples of success. You can get the message out. You can do more work in an hour than you could get done in months just a few years ago. It's all amazing.

However, no matter how hard the challenges appear at the outset, they will turn out to be harder than you thought. They will at times seem insurmountable. Enterprise is inseparable from a high tolerance for personal suffering. We don't usually notice this because we tend only to look at end results of already successful enterprises, and we see happy, successful, rich business people.

Everything seems inevitable in retrospect, and easy from the point of view of outsiders. We don't see the sleepless nights, the screwups, the misallocations, the unexpected disasters, the embarrassments, the personal betrayals, the hidden obstacles, the endless hours of frustration when nothing is happening and the clock is running and no one seems to care; not to mention the sheer terror of facing an uncertain future when so much is on the line. The moments of victory come very late in the game and they are never permanent. They can disappear much more quickly than it took them to appear in the first place.

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Why does anyone do it? That's an interesting question with no final answer. It has something to do with the urge to create and change. Again, it's not the money. It's the dream. We dream when we are asleep, not when we are awake. The entrepreneur is asleep in one way too: he or she refuses to listen to those who sneer and say "it cannot be done."

The main force in our world today saying it cannot be done is government itself. If you are constantly obsessing on the limits that the government sets up—however real they are in fact—and do this to the exclusion of seeing opportunities, you will never act. You become discouraged and learn to live off the feeling of despair. That is a guarantee that you will do nothing to make a difference.

There are no worthy instruction books on what an entrepreneur should do. That's because what he or she does is always new and surprising. We can only take inspiration from those who have gone before, and realize that no matter how entrenched the existing realities are, the world can be remade.

Humanity's preferences can change. People can adapt to a new way of living. In fact, people want to change precisely because people always want the new and the improved. This reality is built into the structure of the world itself: there is never enough. There is always more to do, always more human needs to be met. The entrepreneur's job is to discover those needs, discover how they can be met within the framework of economic viability, and persuade people to jump on board.

In addition, there is no final act of entrepreneurship. It must be ongoing and pervade the decision-making process every single day. There can be no rest, ever. The world is constantly changing, and the entrepreneur's job is to stay ahead of that change.

In any successful enterprise, there is not just one agent of change. No one person can plan a business firm any more than one person can plan an economy. Knowledge is decentralized and diffuse. The only way to extract it is to allow creativity and risk taking at every level of an organization. Autocracies in any area of life fail, whether in government, business, or even civic organizations. The wise entrepreneur holds on to the humble outlook he or she absorbed in the early stages of the business and never becomes arrogant.

But remember: entrepreneurs are not only capitalists and investors and business owners. Every worker, as the owner of oneself as personal capital, can be an entrepreneur. In choosing where you work, how you conduct yourself at work, trading up in job after job, and in the way you conduct your personal finances, you are being an entrepreneur. The opportunities for heroism are just as present as for any member of the Fortune 500. In the end, we all face the same barriers, tests, and opportunities.

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There are opportunities out there for making a difference in this world. But it is up to you to find them and act on them. This is the way to use the freedoms that you have. In the end, there is really only one thing you fully control. It is not the political system. It is not even your coworkers and family members. It is yourself. Make that change, make that part of the world spectacular, and the rest of the world will change as a result.

DISCOVER THE LIBERAL INTELLECTUAL TRADITION

Systematic reading is underrated. Every new thought improves and clarifies old thoughts. We can avail ourselves constantly of the best ideas ever offered up by the best minds in the whole of humanity. The great literature of liberty is of incalculable value, especially as compared to the latest prattle from the bestseller list or the newspapers of the day. We should do the implausible thing these days and actually dig through it. You will be richer for it and come to imagine a new world that you can help create through your own actions.

An intellectual adventure awaits anyone who decides to explore the world of philosophy and economics as it pertains to human liberty. The supporters of liberty have always been vastly outnumbered by the intellectuals who support power, so theirs has been a lonely but brilliant struggle. Philosophy is an ancient discipline, but economics, though an extension and material application of philosophy, began as a systematic discipline only in the late middle ages. It had advanced until the twentieth century, which brought about a huge loss of knowledge in the form of Keynesian theory.

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As for philosophy, the advent of liberalism in the seventeenth and eighteenth centuries represented a gigantic leap forward in understanding the individual and the mind as sources of value in the world. The philosophy of liberty can never be complete because liberty is an adventure filled with surprises and discoveries unforeseen. The same is true of economics: theory is never fully finished because there are always new insights, new institutions, new priorities, and new discoveries. How important are these topics? They are the templates of how we understand our minds and their relationship to the material world.

A major theme emerges from this literature. Progress in the world comes through cooperation. The human family is capable of achieving this by harnessing the harmony of interests of all people. Conflict and struggle are not intrinsic to any aspect of life. There is no need for warfare, looting, violence, or the imposition of power of one person over any other person. We can get along. We can create. We can see beautiful things as they emerge in this world through

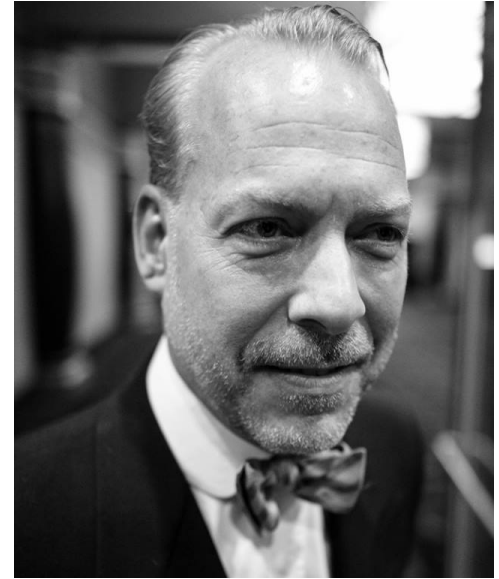


the application of ingenuity in an environment of peace. This view of life stands in contrast to every antiliberal philosophy from the old world to the present.

CONCLUSION

There will come a time in the future when people will wonder what it was like to live in our times—as we do of times past. Technology is making new possibilities for communication, entrepreneurship, friendship, love, art, music, film, and even the dramatic migration from the physical constraints of the material world into the digital cloud of infinite abundance. What was it like to wake up every day and see surprises all around us? What was it like to wake every day and see the old world slipping away and a new world of freedom being created all around us?

We can only know the answers to these questions if we watch and participate, if we appreciate just how difficult progress is in history and develop the ability to be astounded at the changes that surround us. If we pay careful attention, we will see new opportunities to live freer, better lives and leave an improved world for those who come after. As Thomas Paine said and knew, the old can be swept away and the world can be made anew.



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