



# THE SOVEREIGN INDIVIDUAL

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Mastering the Transition to the  
Information Age

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# PREFACE

Medieval men despaired of the will. They thought of humans as wounded and weak. But they respected the intellect. They thought even humans, if we think carefully, have the power to answer the most profound questions of God and the Universe.

Modern men worship the will, but they despair of the intellect. The wisdom of crowds; the swerve of random particles; the influence of unconscious biases: all of these contemporary clichés are ways to talk about intellectual weakness—or ways to talk ourselves into it.

Lord William Rees-Mogg and James Dale Davidson do not promise answers about God and the Universe, nor do they supply any. But their investigation of “megapolitics”—an anatomy of the forces at work in history and a set of predictions for the near future—is unusual, or even countercultural, because it applies human reason to matters that we have been taught to leave to chance or fate.

Looking back almost a quarter century after the first publication of *The Sovereign Individual*, the easiest thing to do, and the thing most encouraged by the culture around us, is to look at what they got wrong—almost as if to reassure ourselves that there was no point all along in thinking carefully about the future.

And of course, there are some things they missed: above all, the rise of China. The twenty-first-century People’s Republic of China under the Communist Party has created its very own version of the Information Age with decidedly nationalist, ethnically homogenous, profoundly statist characteristics. This is probably the single biggest “megapolitical” development since the book came out. To cite just

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one key illustration, Communist China has crushed the city-state of Hong Kong—whereas Rees-Mogg and Davidson had described Hong Kong as “a mental model of the kind of jurisdiction that we expect to see flourish in the Information Age.”

On one account, this is a blind spot on the part of the authors. On another view, it can seem like China’s Politburo must have been keen readers of *The Sovereign Individual*. It is only through a unique long-term awareness that looks back to Lenin and Stalin as well as forward to the Information Age that the Party’s leaders prevailed amid the trends analyzed by this book.

Those trends—winner-take-all economics, jurisdictional competition, the shift away from mass production, and the arguable obsolescence of interstate warfare—are still at work today. The rise of China is less a refutation of Rees-Mogg and Davidson than a dramatic raising of the stakes they described.

In truth, the great conflict over our megapolitical future is only just beginning. On the dimension of technology, the conflict has two poles: AI and crypto. Artificial Intelligence holds out the prospect of finally solving what economists call the “calculation problem”: AI could theoretically make it possible to centrally control an entire economy. It is no coincidence that AI is the favorite technology of the Communist Party of China. Strong cryptography, at the other pole, holds out the prospect of a decentralized and individualized world. If AI is communist, crypto is libertarian.

The future may lie somewhere between these two extreme poles. But we know the actions we take today will determine the overall outcome. Reading *The Sovereign Individual* in 2020 is a way to think carefully about the future that your own actions will help to create. It is an opportunity not to be wasted.

Peter Thiel  
January 6, 2020  
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