

# CROWN PAPER

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## 1.1 IDENTITY & AGENCY

*The Core Dev Team  
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*Human progress comes from human action*

- The Knowledge, Crown Social Contract

*The soft the supple step and sturdy pace,  
that in the smallest of all circles turns,  
moves like a dance of strength around a core  
in which a mighty will is standing stunned.*

- Der Panther, Rainer Maria Rilke

### FIRST, THE FRAME – A MINDSET

Rilke's word pictures, like the panther, retain their power all these years after they were written. It's worth considering where that power comes from. It isn't from the words themselves – but how the picture which they draw connects to human experience. Rilke understood alienation better than any economic theorists. The problem of alienation is still with us, as too many companies treat their customers like prize pets in a zoo. The solution to alienation is the one the capitalists have always had with markets – it was just the implementation that was always botched due to high transaction costs. Pity too few people have stopped to think about why that is, or to try to construct why with a poet's sensitivity to the human experience instead of an economist's brutal equations. The solution is to simple unlike the cage, and invite the panther to be what it is, and invite what it may become.

A person cannot be collapsed to a cog in a machine or an equation any more effectively than a panther can be stuck into a cage. A person – each person, is the panther – a mighty will, imprisoned by limited opportunities and limited imagination. Each person contains a mighty will “standing stunned” by socialization optimized to a world which is now past, much like our educational system was designed to produce Victorian clerks for an Empire that no longer exists and which wouldn't need the clerks even if it did.

***The challenge which each of these papers has presented to you in different ways is if you can see past the bars, or step out of the frame. Because the history of human progress is of human action.***

### THE FOUNDATION OF AGENCY: WHAT DRIVES ACTION?

For this short paper, just come along with me and take for granted that human action, or human agency, is the key driver of progress. This is a radical idea – so dealing with it appropriately would delay us getting where we need to go in the next page or so.

I got involved in crypto because of my daughters and thinking about the world they would inherit. We are raising them to try their hardest to contribute to the world they will live in – to contribute who they are, not what they should be. I tell them almost every day to “listen to your heart – to who you are and how you feel. Listen to your heart and what makes your heart smile.”

When I stop to think – what is most important to me in raising my daughters (*my revealed values – not theoretical, but revealed in years of action*) – is that they have a strong sense of identity, of who they are.

***Identity informs and drives human action.*** If you don't know who you are and what makes your heart smile or hurt – how do you decide what to do? How resilient will you be in your pursuits? How will you rebalance as the world shifts beneath your feet? *Identity is the foundation of human agency and action – it is the force that drives us through the storm.*

## **A SPECIFIC PURPOSE & DEFINITION OF IDENTITY**

This is a different definition of identity than the standard modern concept which has been constructed to serve advertising platforms and create different forms of “customer lock-in” above all else. I am asking you to step back with me and take this as an opportunity to reconstruct identity. *Identity is the foundation of human motivation and action – not a tool for manipulation.*

Within this context, identity is a contract a person makes with themselves. This contract you make with yourself informs and justifies your actions. It will change and evolve over time. It is not fixed, but can be modified at any time by the owner. A contract can be represented by a key which can be registered on a blockchain.

Privacy is the hiding of identity, or elements of it. For example, the specific contract is private, but the public key is not. The actions which an identity informs and motivates are public. These are revealed preferences, revealed actions. But not all elements of an identity will directly inform action and these would remain private - unrevealed. The decision regarding what parts of an identity are public or private is made by the individual, through their actions -- and transactions on the blockchain as might in the case within the Crown network.

## **THAT'S NICE, BUT WHAT DOES THIS HAVE TO DO WITH A TOKEN SYSTEM?**

Well, Hayek captures that best in his 1945 essay *The Use of Knowledge in Society*:

*The peculiar character of the problem of a rational economic order is determined precisely by the fact that the knowledge of the circumstances of which we must make use never exists in concentrated or integrated form but solely as the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess*

A functioning economy aggregate information from individuals. Traditional economic price theory assumes that people will be motivated by “prices” to act and that prices are sufficient. What we are suggesting is that identity is a missed piece of motivation. Price is an important summary statistic and social feedback mechanism, but this all forgets to ask the basic question of why people get up and leave the house in the morning? Human motivation is complex and price theory is simple and abstracts away the most important and interesting questions and issues.

What we are attempting to recognize and systemically incorporate into the structure of Crown is a definable concept of identity which could be encoded in a contract and summarized in a hash format such that it could meet certain legal requirements for taking title of assets, but which is the exclusive property of an individual -- trying to match our use of identity with its role in real life.