



*Felipe Echandi*  
*(@felcheck)*





“Every step and every movement of the multitude, even in what are termed enlightened ages, are made with **equal blindness to the future**; and nations stumble upon establishments, which are indeed the **result of human action, but not the execution of any human design.**”

- Adam Ferguson





We can only know we are right in retrospect, but it's better to **attempt understanding** and prepare for the future **than not to try at all.**



In preparing for  
battle, I have always  
found that plans are  
useless but planning  
is indispensable.

– Dwight D. Eisenhower





"**We're already a cyborg**, you have a digital version of yourself, a partial version of yourself online in the form of your emails, your social media, and all the things that you do.

**We already have super powers.** In a way, you have more power than the president of the United States had 20 years ago. You can answer any question, you can video conference with anyone, anywhere. You can send messages to millions of people instantly. **Just do incredible things.** But that's only the start."

- Elon Musk



# THE INTERNET IS EATING THE WORLD...

ESSAY

## Why Software Is Eating The World

By MARC ANDREESSEN

August 20, 2011

This week, Hewlett-Packard (where I am on the board) announced that it is exploring jettisoning its struggling PC business in favor of investing more heavily in software, where it sees better potential for growth. Meanwhile, Google plans to buy up the cellphone handset maker Motorola Mobility. Both moves surprised the tech world. But both moves are also in line with a trend I've observed, one that makes me optimistic about the future growth of the American and world economies, despite the recent turmoil in the stock market.

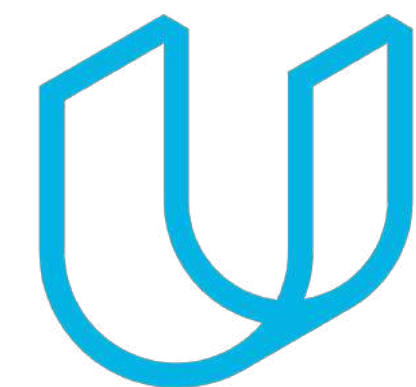


In an interview with WSJ's Kevin Delaney, Groupon and LinkedIn investor Marc Andreessen insists that the recent popularity of tech companies does not constitute a bubble. He also stressed that both Apple and Google are undervalued and that "the market doesn't like tech."

In short, software is eating the world.

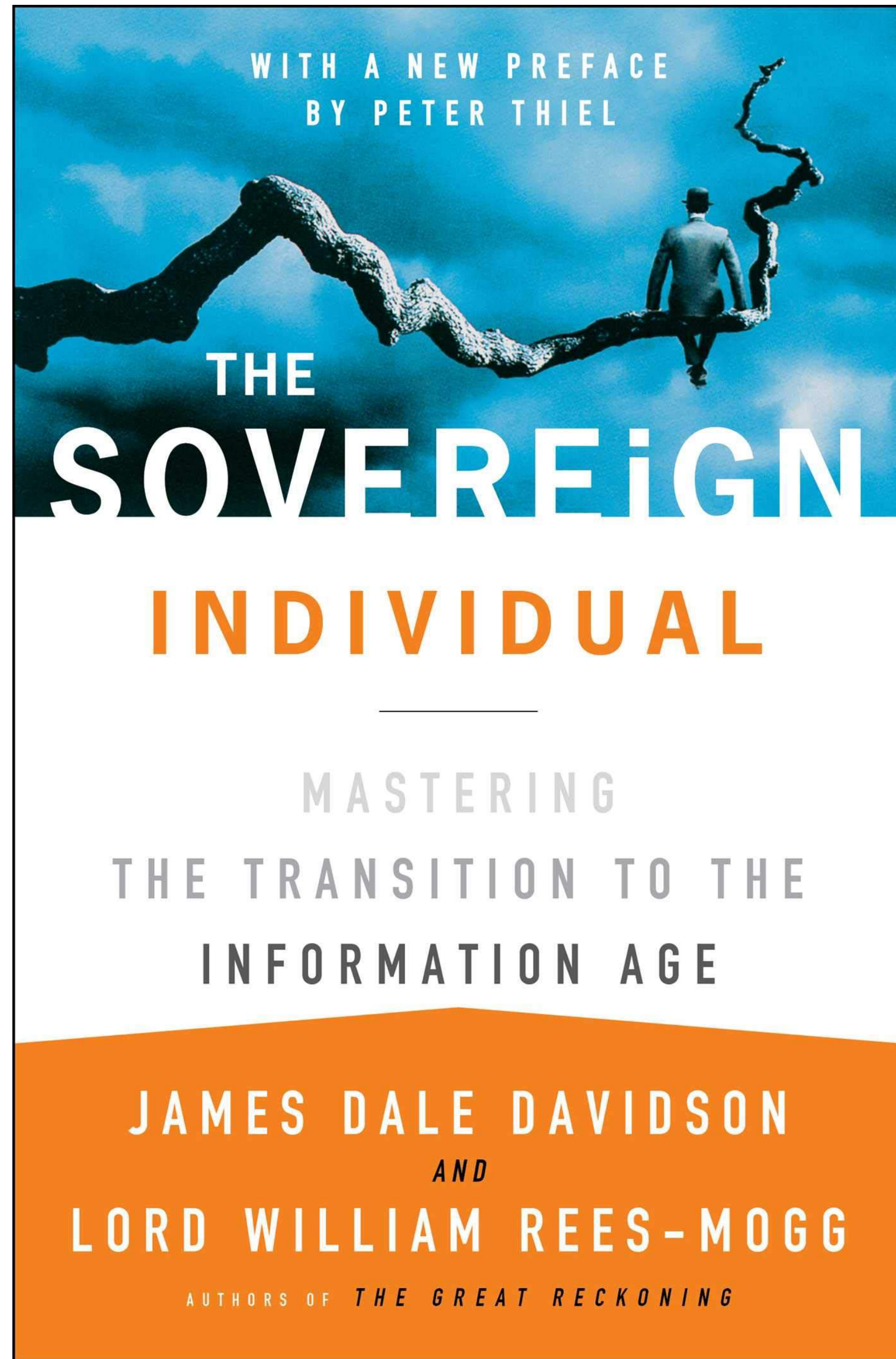
More than 10 years after the peak of the 1990s dot-com bubble, a dozen or so new Internet companies like Facebook and Twitter are sparking controversy in Silicon Valley, due to their rapidly growing private market valuations, and even the occasional successful IPO. With scars from the heyday of Webvan and Pets.com still fresh in the investor psyche, people are asking, "Isn't this just a dangerous new bubble?"

# ANDREESSEN HOROWITZ



UDACITY





1. Hunting-and-gathering societies

2. Agricultural societies

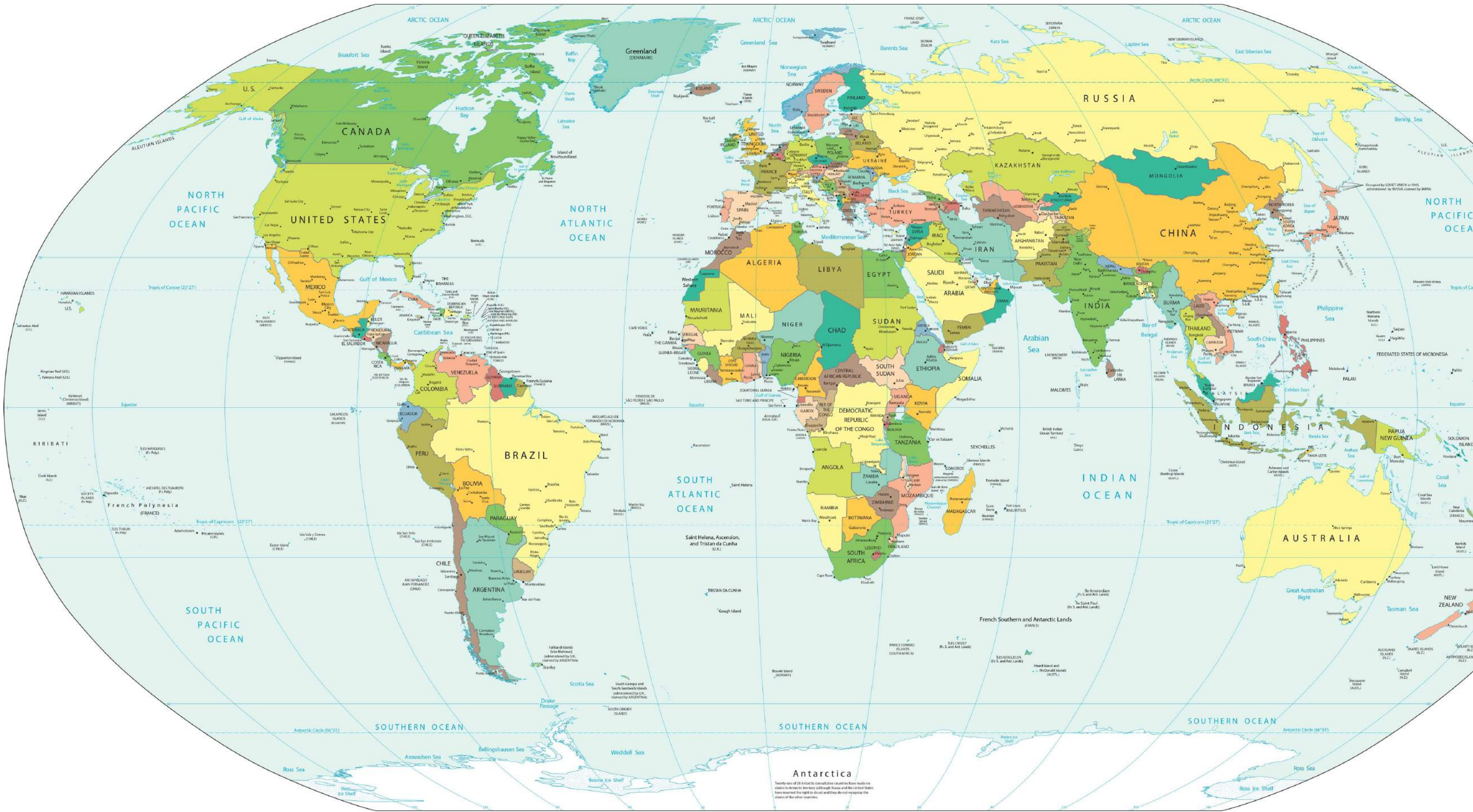
3. Industrial societies

4. Information societies

Each arrangement has resulted in a different form of social organization structure.



The nation-state is  
the most recent form.



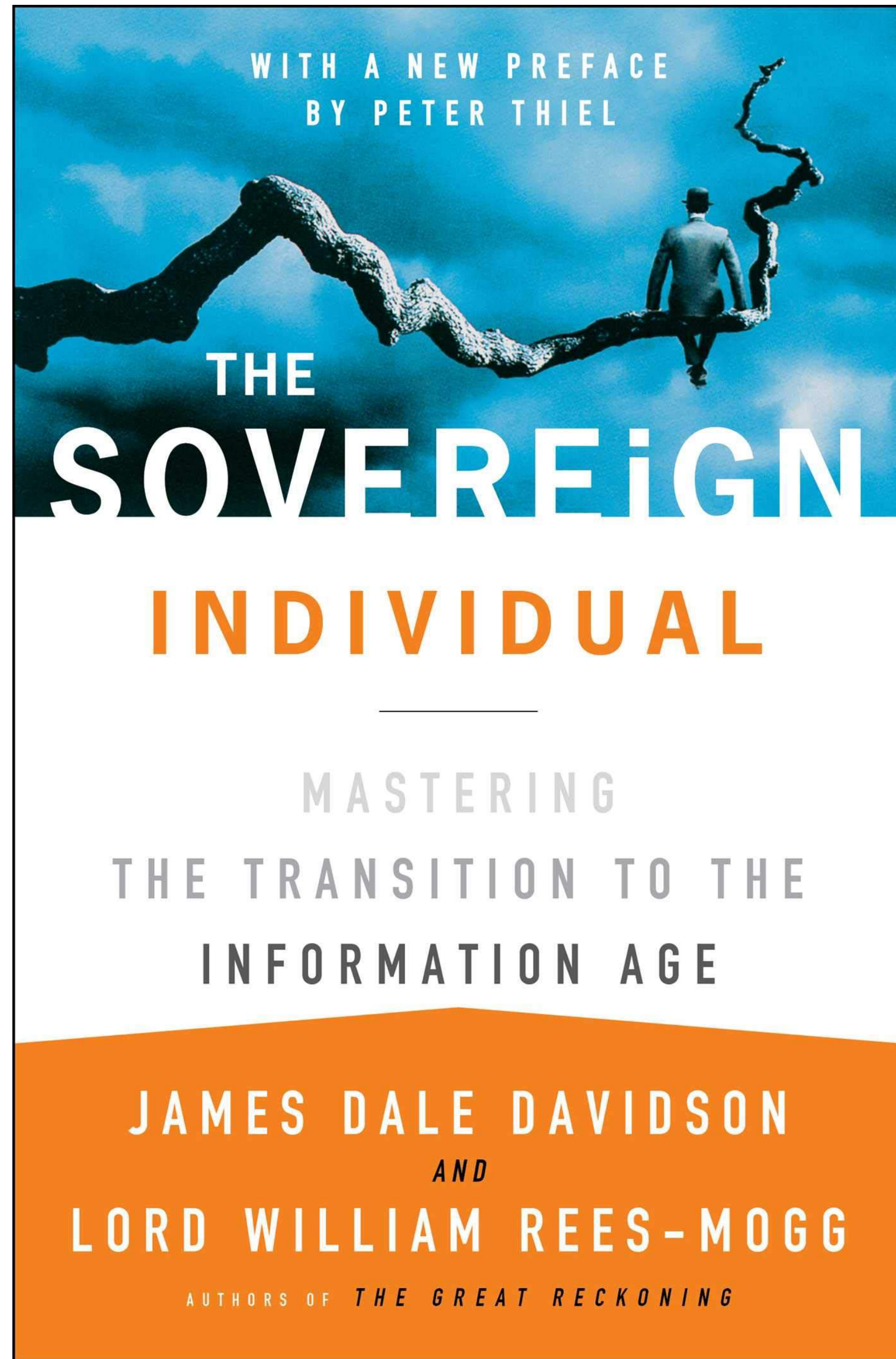




“Recent” means roughly  
1648 and consolidation  
after 1945.







1. Hunting-and-gathering societies

2. Agricultural societies

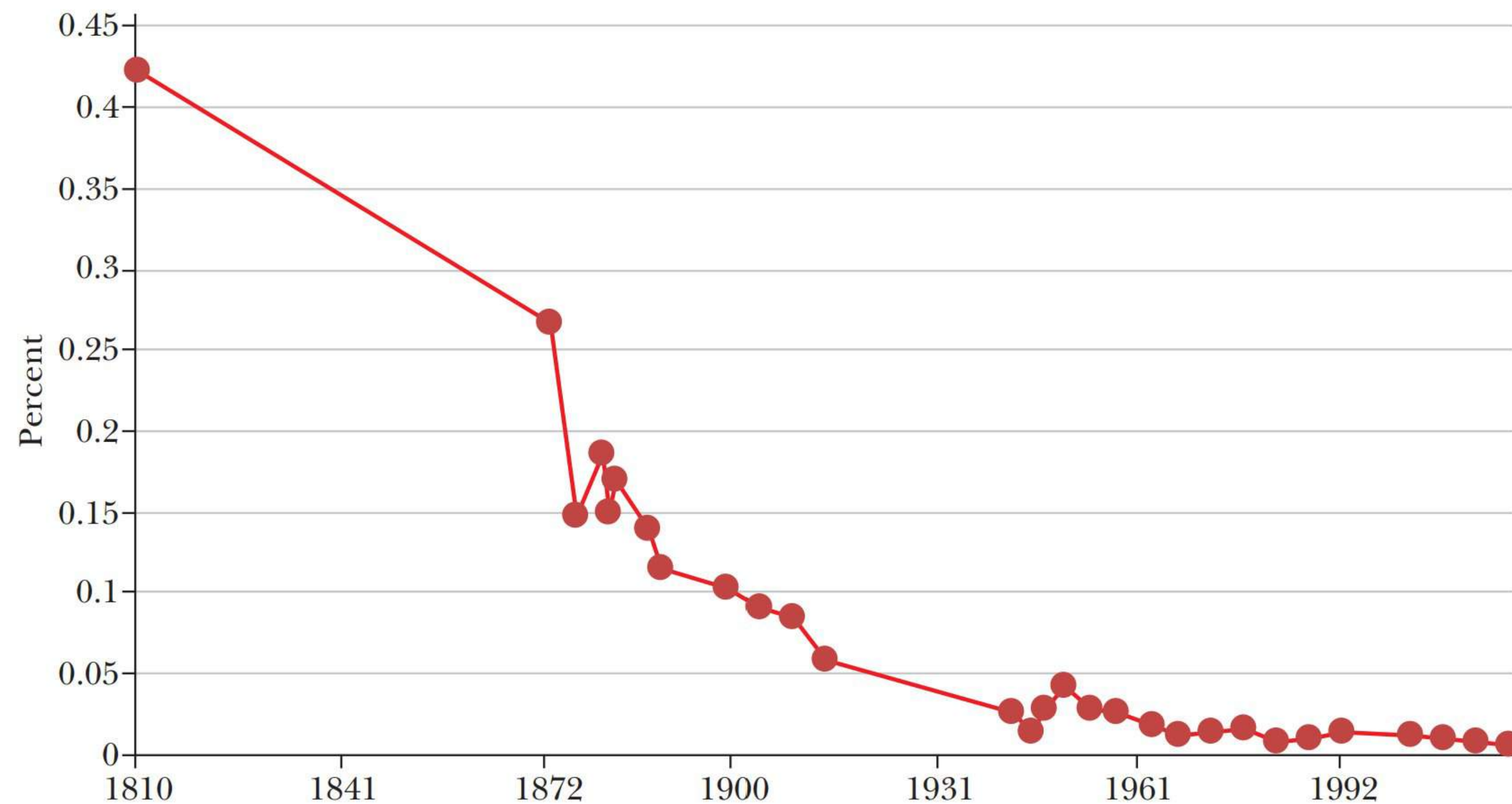
3. Industrial societies

4. Information societies

Each arrangement is made possible by the **returns to violence.**



*Figure 1*  
**Nails as a Share of Nominal GDP**



*Source:* Author's calculations based on French (1858) and data from the Census of Manufactures and from the American Iron and Steel Institute, as detailed in the online Appendix available with this article at the *JEP* website.

*Note:* The figure plots domestic absorption (production plus imports minus exports) as a share of nominal GDP. Data include nails, spikes, tacks, and staples. Data points are shown as dots connected by line segments. For underlying details of data and methods, see online Appendix, available with this article at the *JEP* website.



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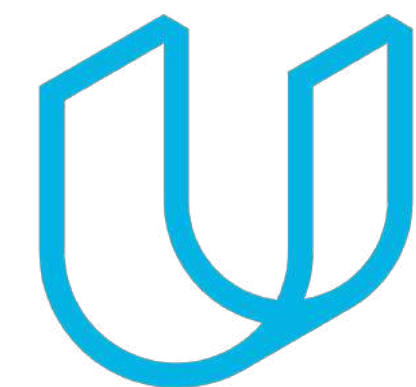


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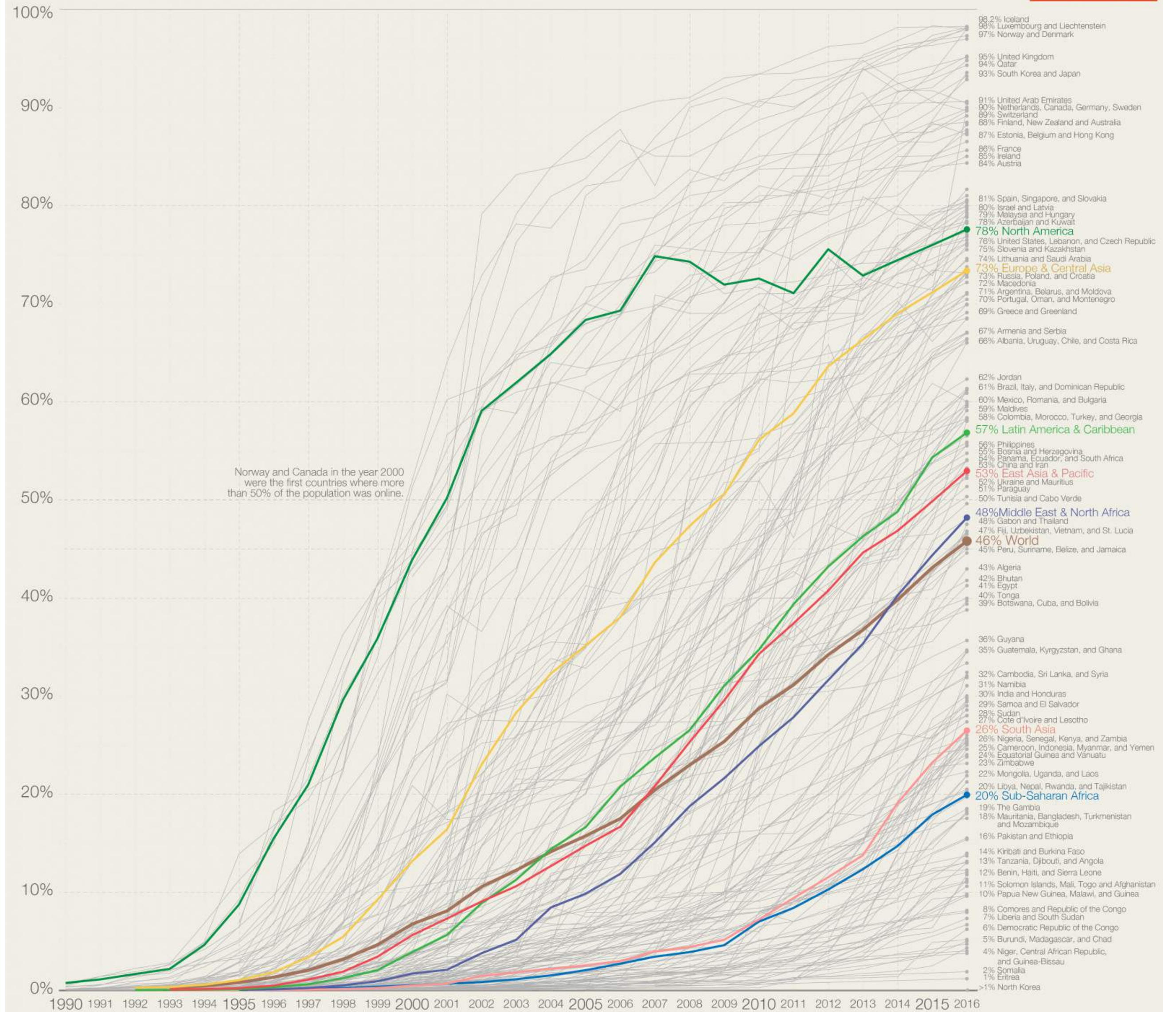




# Share of the population using the Internet

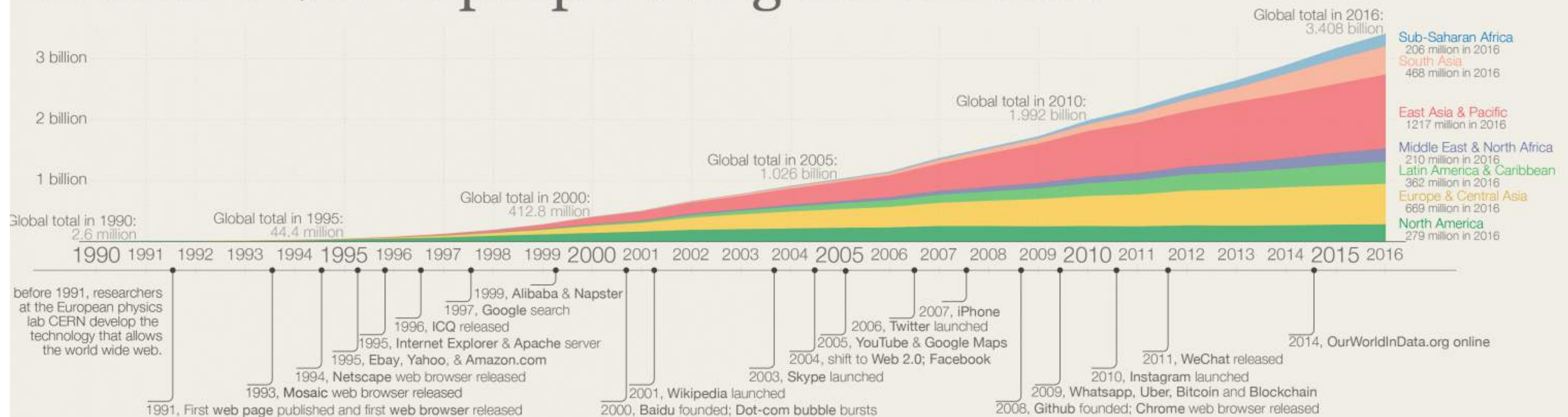
Internet users are all who have used the Internet in the last 3 months

Our World  
in Data





# Total number of people using the Internet



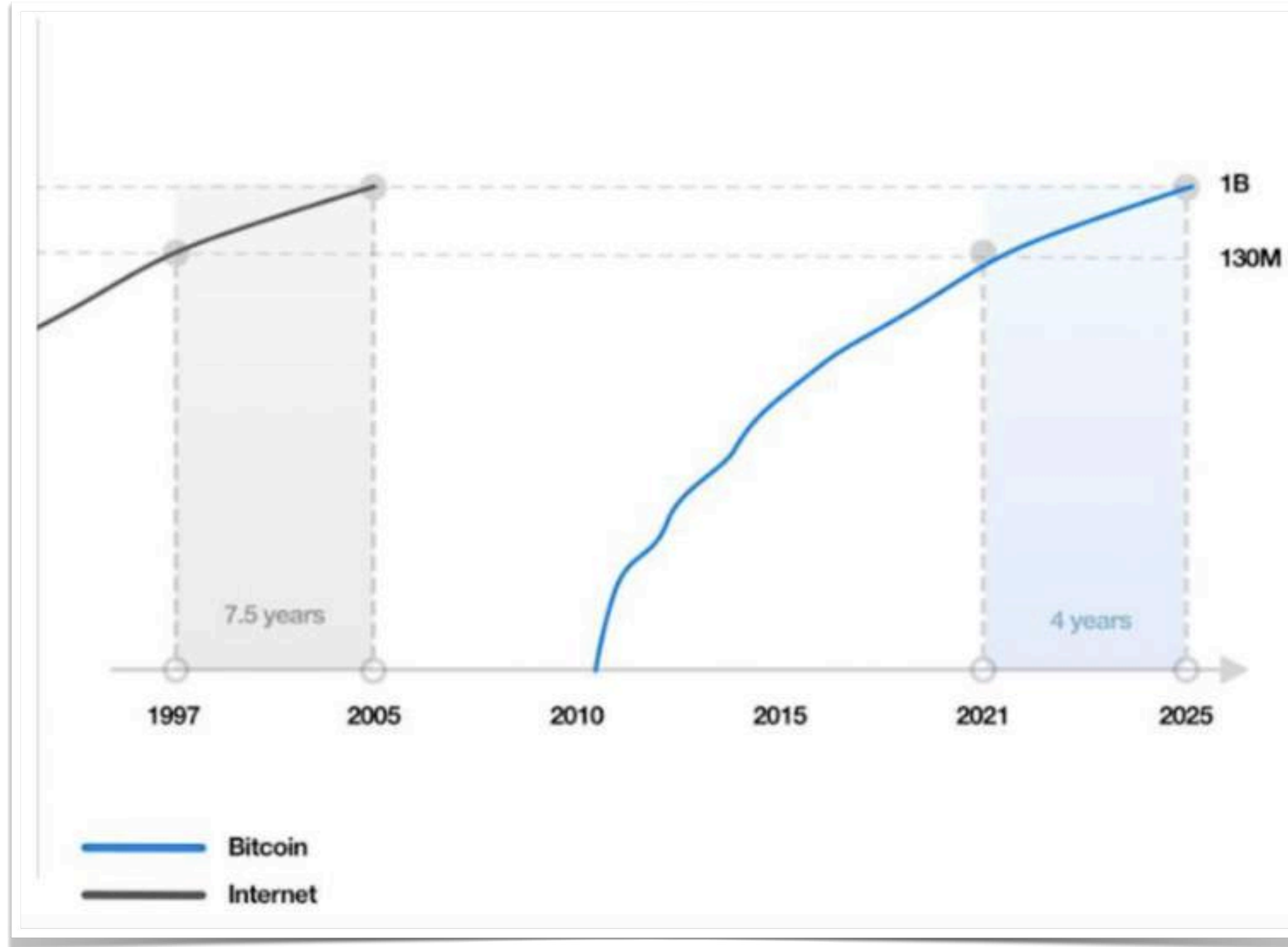
All countries for which data is available are shown in the main visualization but not all countries are labelled on the right. Internet usage includes access via a computer, mobile phone, personal digital assistant, games machine, digital TV etc.

Data sources: International Telecommunication Union, World Telecommunication/ICT Development Report via the World Bank World Development Indicators

This is a visualization from [OurWorldInData.org](https://ourworldindata.org), where you find data and research on how the world is changing.

Licensed under [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) by the author Max Roser.

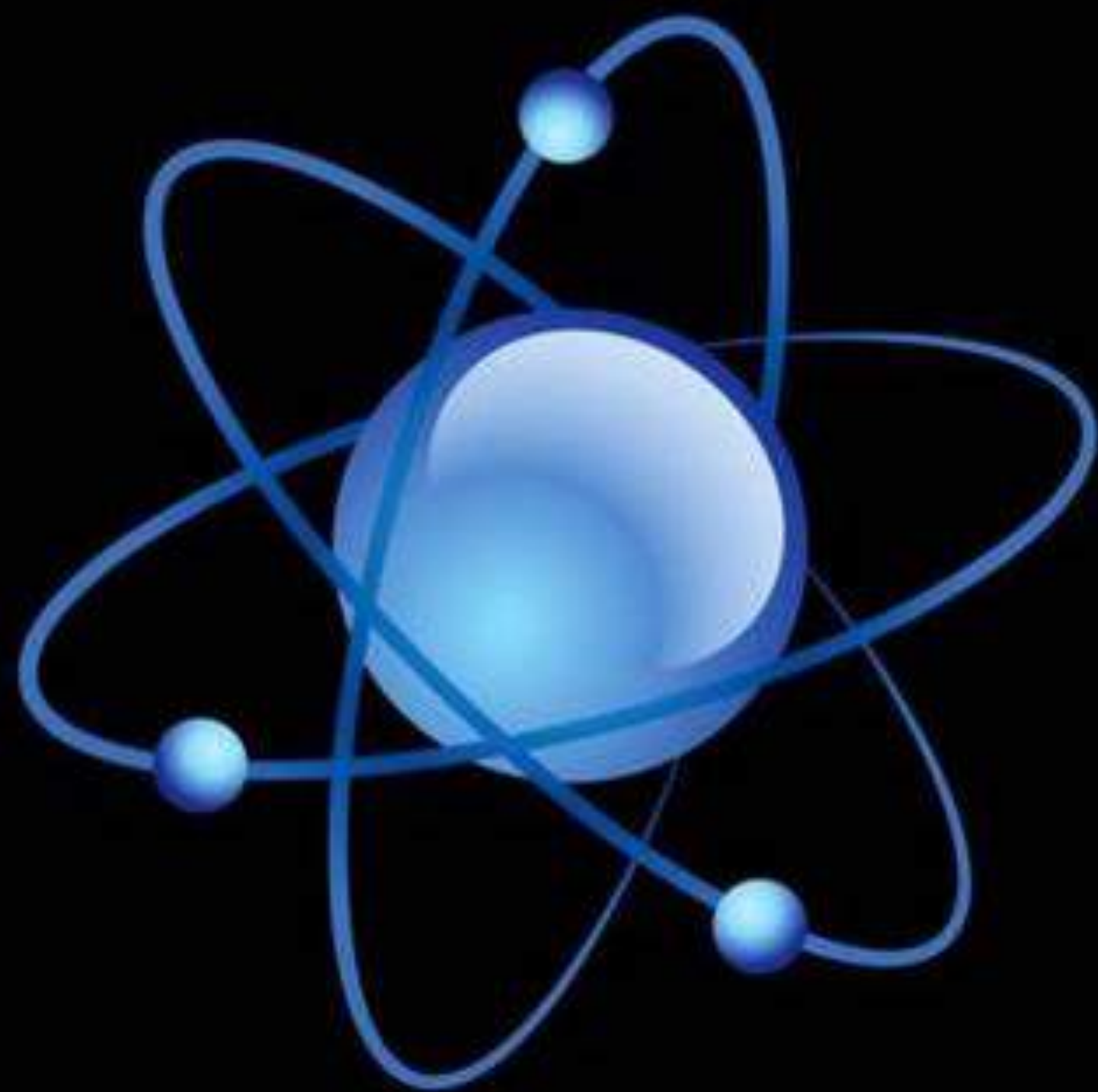




*This speed has no historical precedent.*

Source: Nasdaq





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010101110101010100011010101010  
01010011010111010111000101100011  
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10000101011000101010010010110111  
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*What happens to returns to violence in a world where wealth is proportionally less atoms and more bits?*

*Which sort of social organization will stably survive?*

*What can we do as individuals to survive or thrive in this transition?*

*Does Panama have a chance?*



*What happens to returns to violence in  
a world where wealth is proportionally  
less atoms and more bits?*



*Returns to violence  
are mostly local in a  
world of atoms.*







## 4. Information societies

*As bits overtake  
atoms, returns to  
violence diminish.*





## 4. Information societies

*The more digital we are,  
the more we transcend  
locality, which is the source  
of returns to violence.*



*Which sort of social organization  
will stably survive?*





*Value-adding forms of organizations will be more stable than value-extracting forms of organization.*



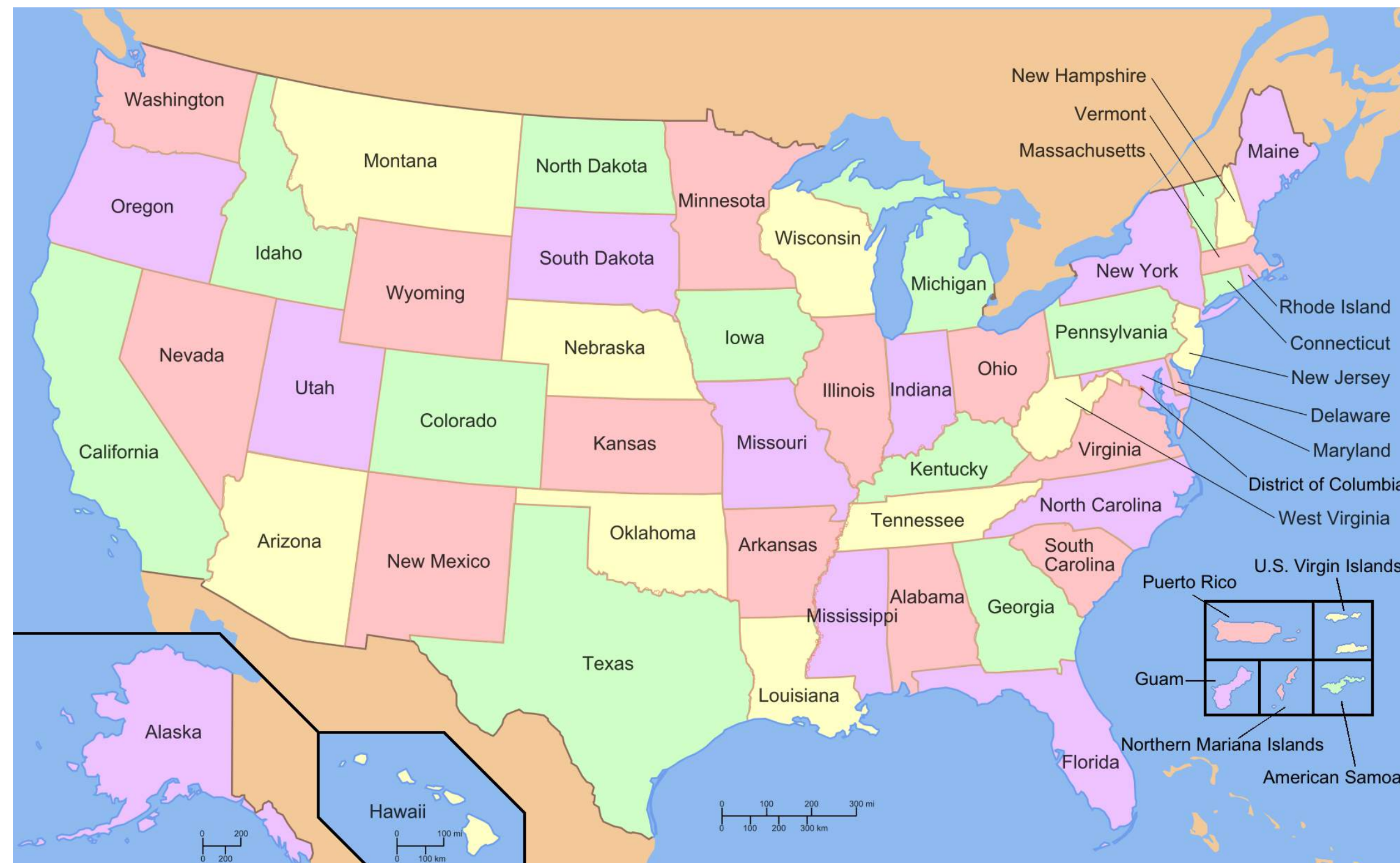


*This means: more competition in the provision of “sovereignty services”: identity, basic security, trust, etc.*





# Dubai International Financial Centre



*This requires way more flexibility in institutional evolution and change, to iterate and compete with other “sovereignty service” providers.*





**Devon** 🌞 @devonzuegel · Feb 5

...

I just spent a week in Panamá exploring its SEZs & researching "where's the best place to open a gene therapy clinic in Central America?"

figured I'd share my observations in case they're useful to anyone else interested in similar questions:



devonzuegel.com

Field notes: Panamá, SEZs, & biotech

I just spent a week in Panamá City, and figured I'd share my observations in case they're useful to ...

## Field notes: Panamá, SEZs, & biotech

February 5th, 2022

I just spent a week in Panamá City, and figured I'd share my observations in case they're useful to anyone else interested in similar questions.

The purpose of the trip was to research locations for a gene therapy/stem cell clinic that my friend is planning to start. I also explored a few of Panamá's Special Economic Zones (SEZs) as part of my ongoing research about [startup cities](#), as well as to learn about the opportunities they offer for businesses like my friend's clinic.





**Devon** 🌞 @devonzuegel · Feb 5

...

there are several different SEZ regimes in Panamá. each one has a complex set of constraints and rights that overlap with each other in unintuitive ways

and is required to reinvest any profits back into the infrastructure of the zone.

- A 2004 law created **Panamá Pacífico**, which gave a private developer the right to buy up large swathes of land at a fixed price over the course of 40 years as it develops a warehouse area, a business park, and a residential area.
- A 2011 law allowed developers to apply to make their property a **Free Trade Zone**, regardless of where it is in the country. Before



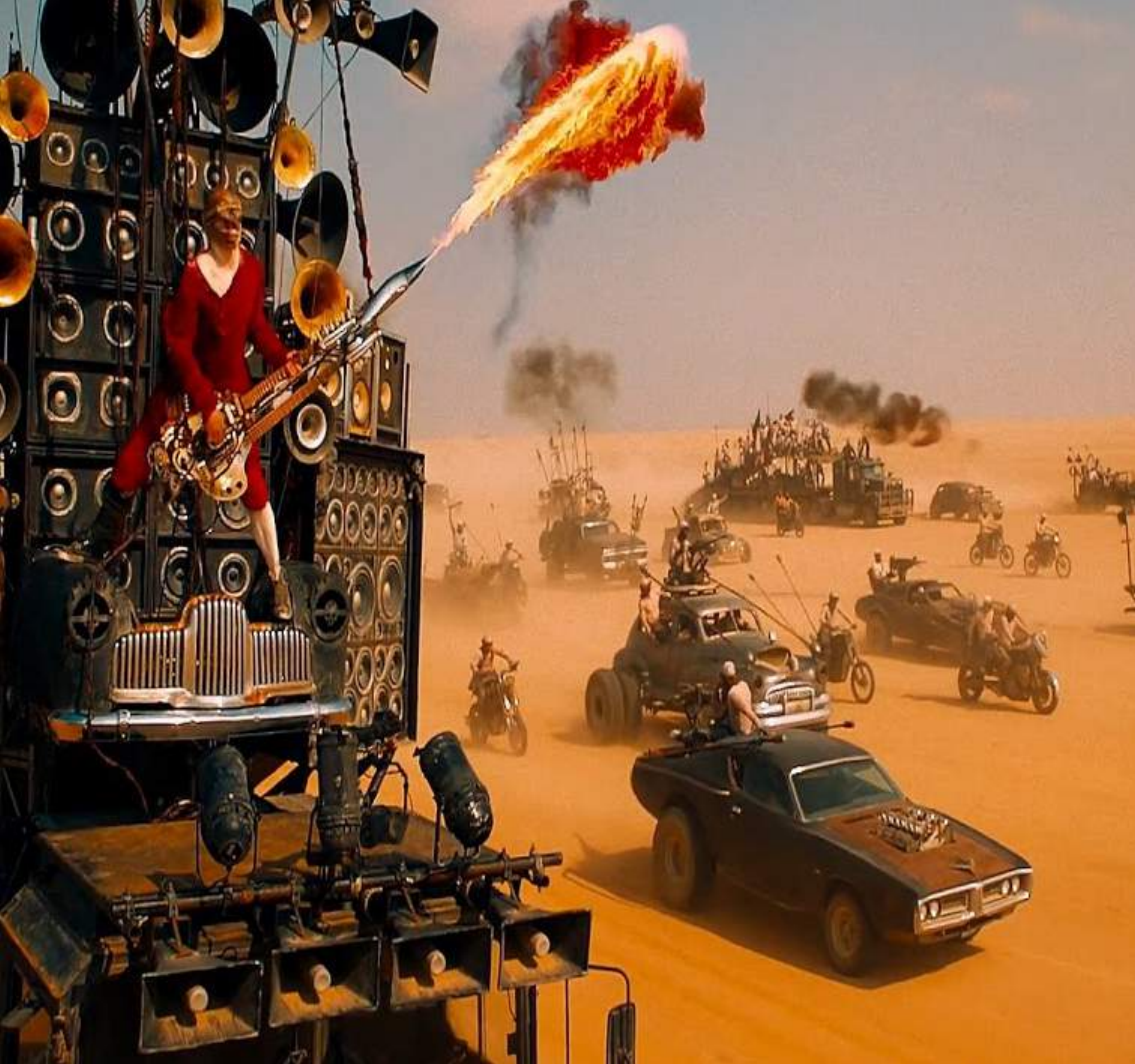




*Our change into a global information society is not likely to be as orderly as Star Trek's utopia.*

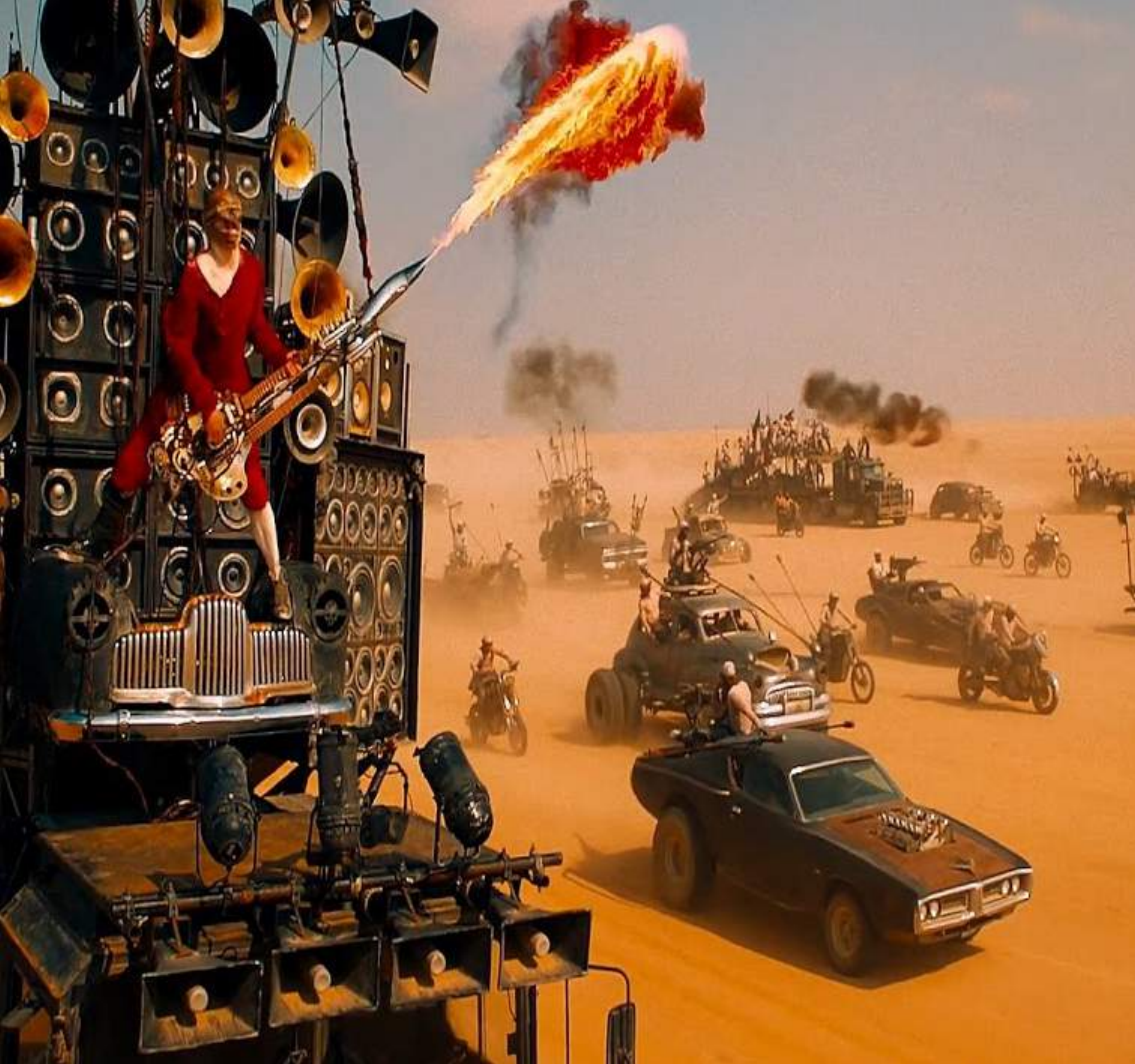






*As returns to  
violence go  
down, we have  
more instability  
and will have to  
“duck and cover”*





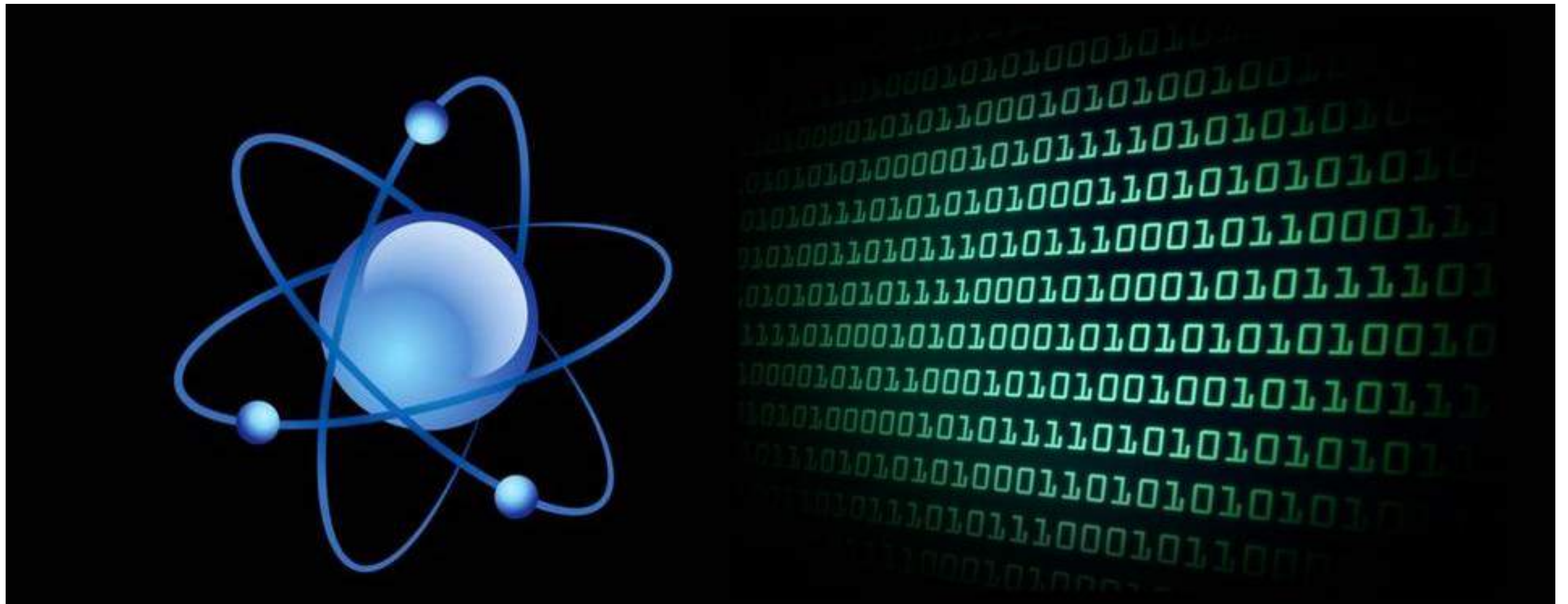
*More chaos with  
pockets of order,  
at least while  
we reach a new  
equilibrium  
state.*



*What can we do as individuals to  
survive or thrive in this transition?*

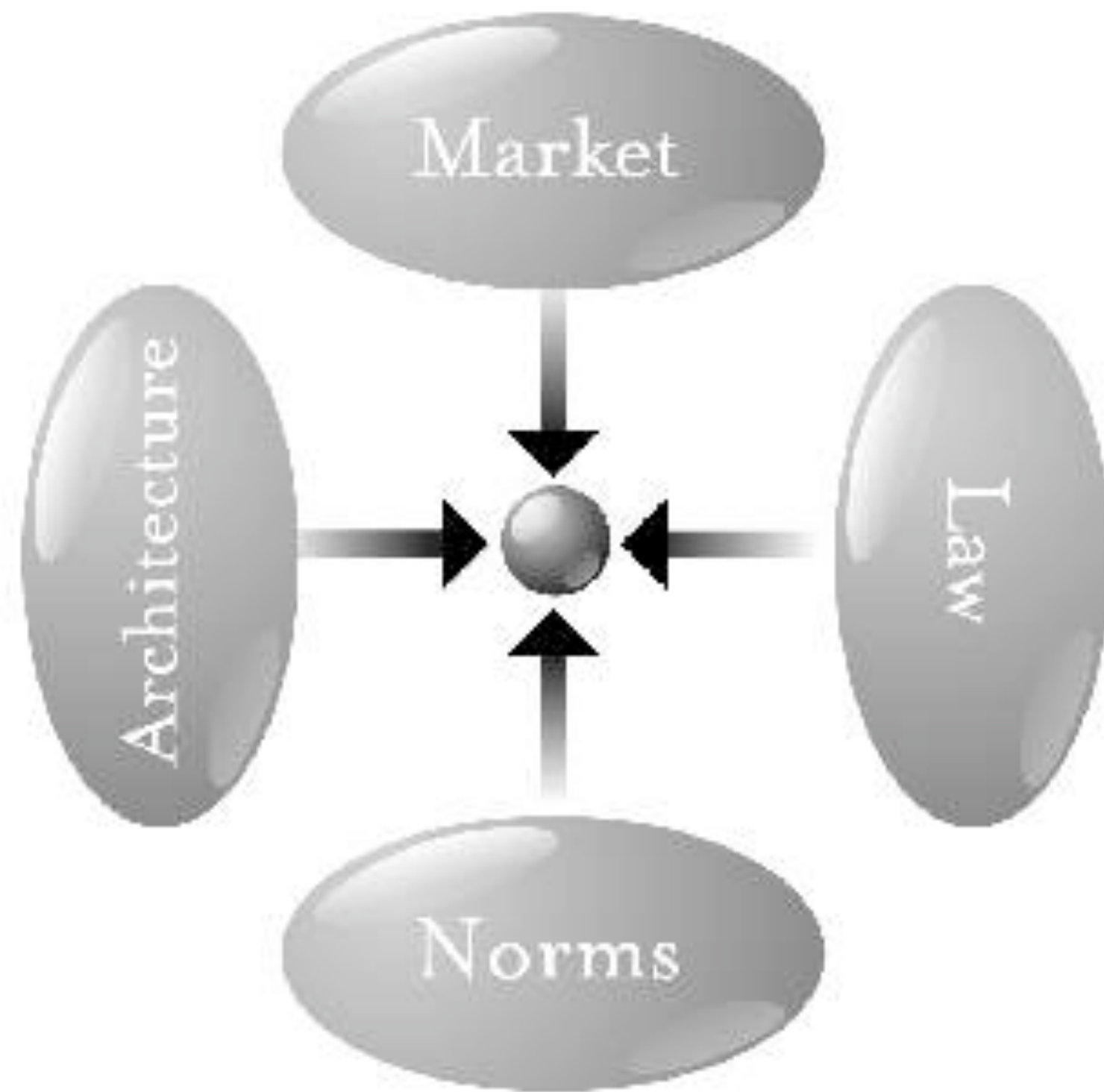


*Decouple ourselves from atoms, or at least diversify away from atoms.*



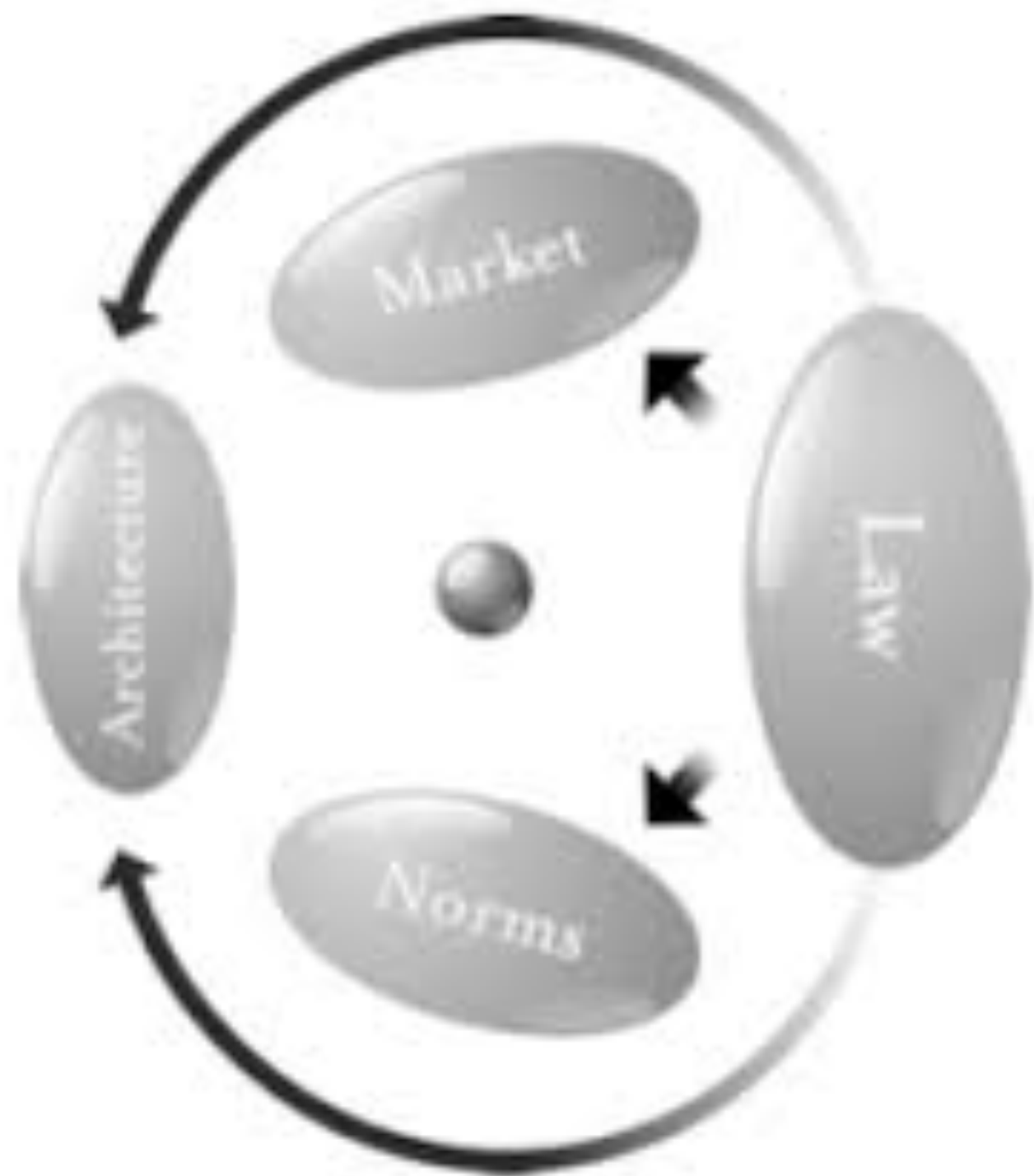


*Capture and create value helping others more smoothly navigate this transition.*





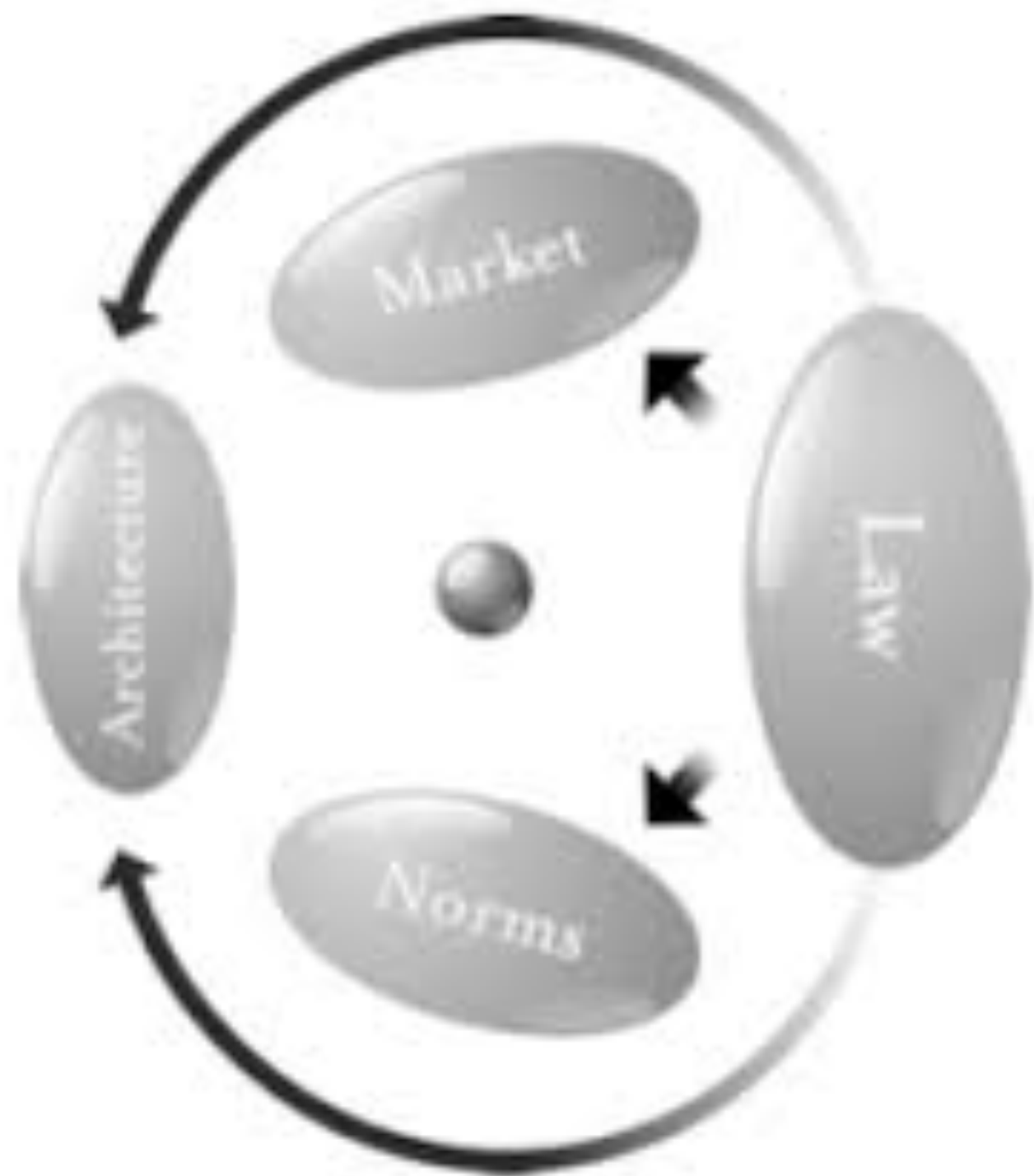
*Especially around the migration towards  
“architecture”-based solutions.*



*In a world where bits  
rule, Law loses  
effectiveness.*



*Especially around the migration towards  
“architecture”-based solutions.*



*This of course includes  
any inter-net based  
solution, including  
Bitcoin and crypto.*



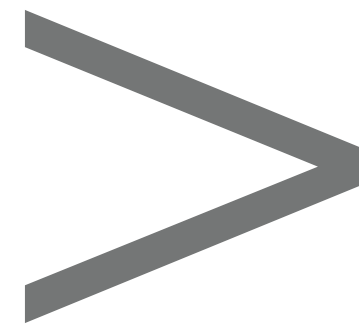
*If you care about your quality of life, it's in your interest to go beyond your individual wellbeing.*



*Does Panama have a chance?*

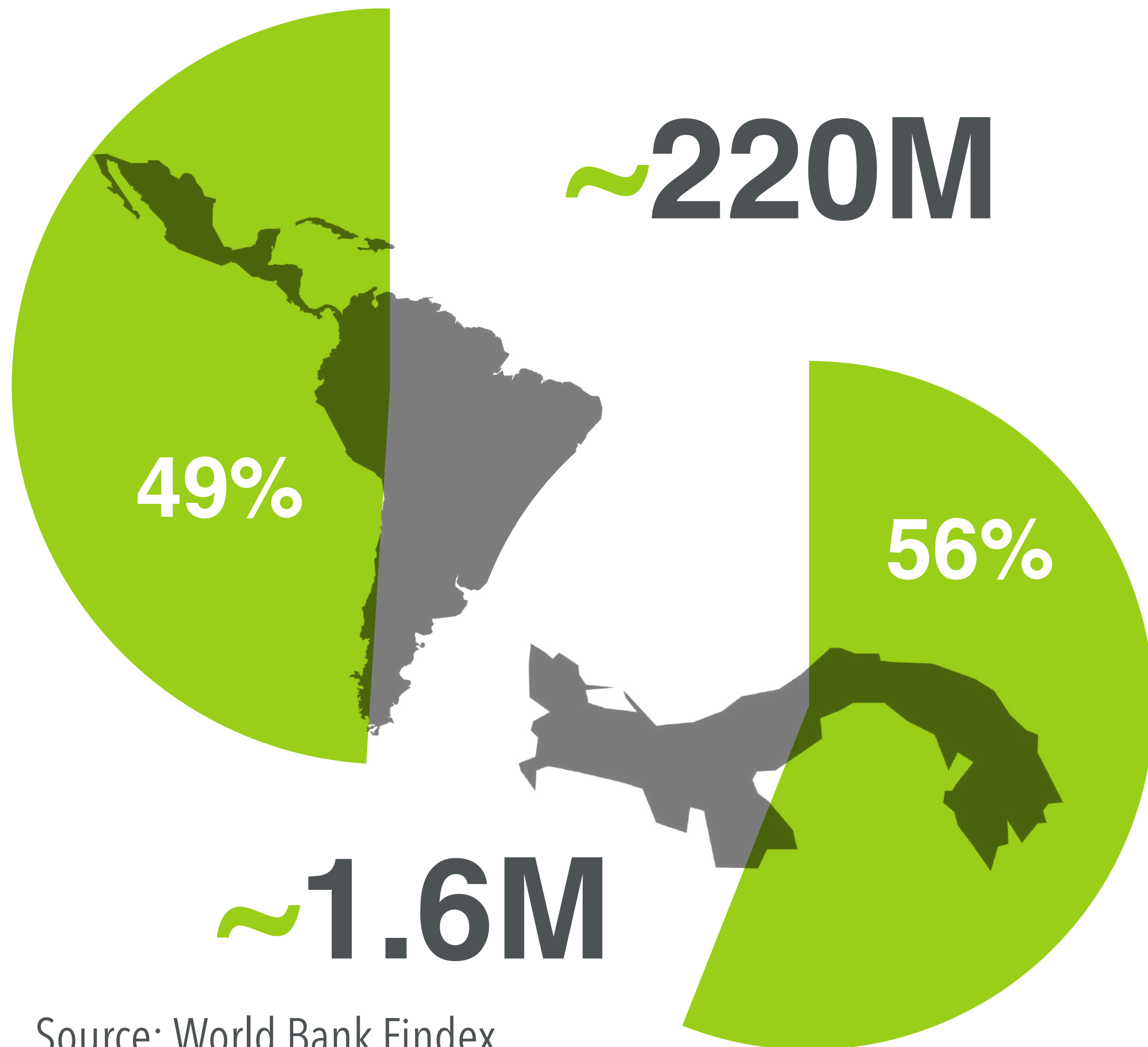


**WE ARE STILL OVER RELIANT ON ATOMS AND DO NOT SEEM TO BE  
TRANSITIONING TO BITS FAST ENOUGH!**





# OUR POPULATION DOES NOT HAVE ACCESS TO DIGITAL TRADITIONAL FINANCE (MORE DEPENDENT ON LAW THAN ON ARCHITECTURE)

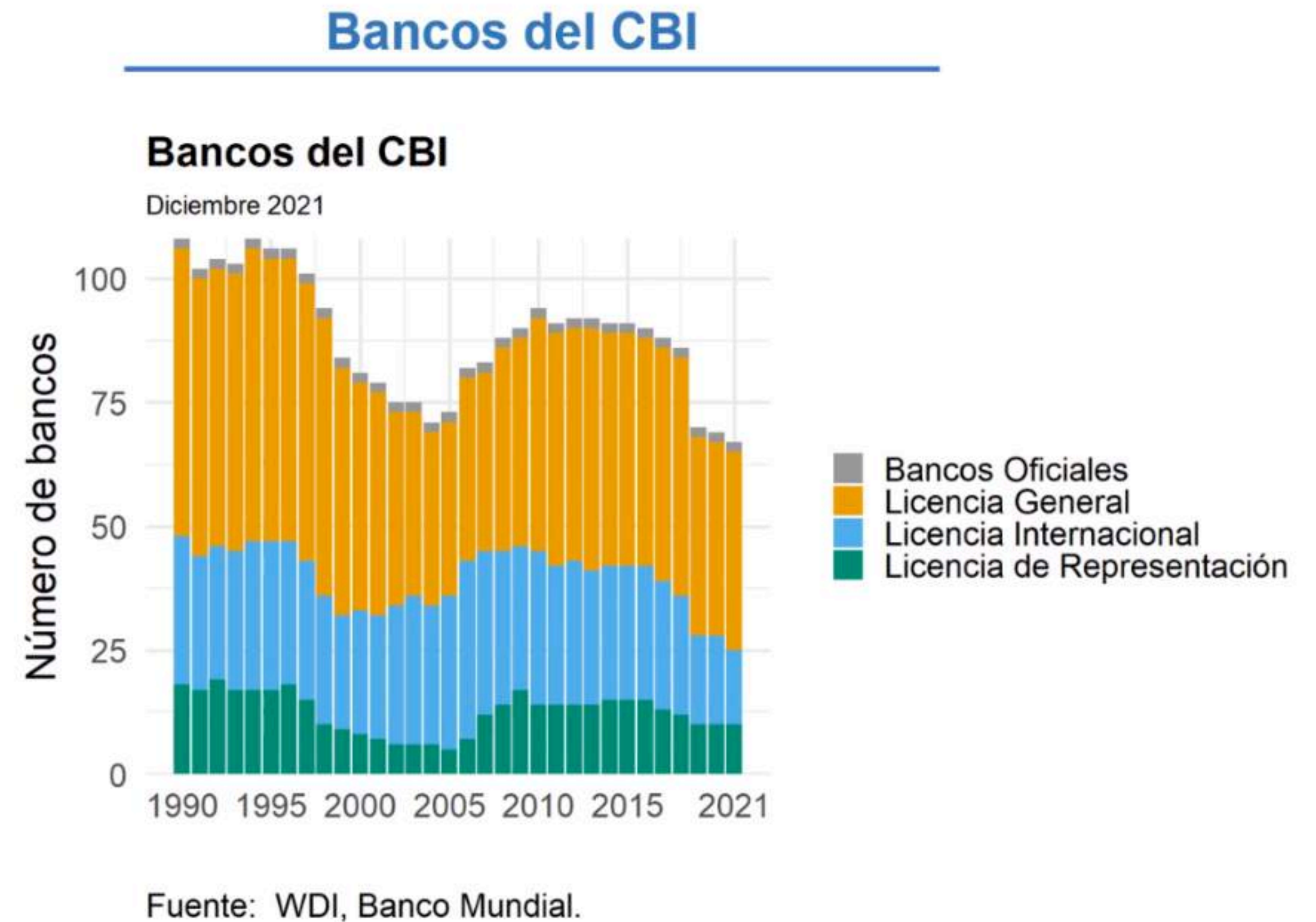


*Despite having one of the highest per capital deposits in the region, most of Panama's population does not have access to digital finance.*



# FOREIGN BANKS HAVE LEFT OUR COUNTRY (AND IN GENERAL, THE REGION) DUE TO PROFITABILITY DECISIONS AND RISK MITIGATION

*We will certainly  
have more  
consolidation as  
regulation  
becomes more  
strict worldwide.*

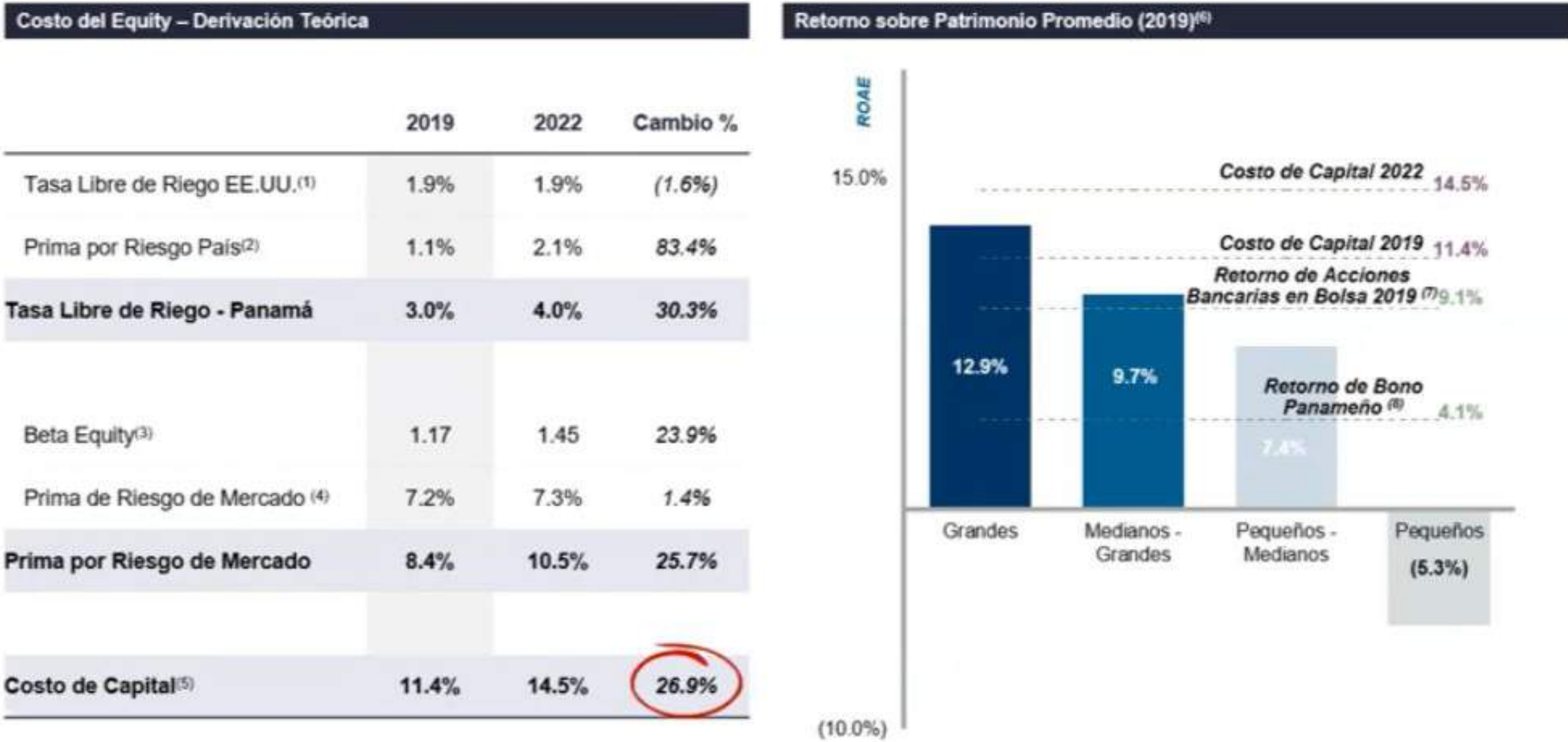




# CONSOLIDATION WILL MOST LIKELY CONTINUE, WHICH MEANS BANKS ARE NOT THE FUTURE OF COMPETITION IN FINANCIAL SERVICES

## Retornos Inferiores al Costo de Capital

Para muchos bancos, los retornos no cubren el costo de capital. El costo de capital ha incrementado un 26.9% en los últimos dos años por (i) un deterioro en el riesgo país y (ii) un incremento en el beta patrimonial (i.e., riesgo de industria)



Fuente: Superintendencia de Bancos de Panamá a diciembre de 2019 (bancos de licencia general), Duff & Phelps, EMBI, FactSet

(1) Notas del Tesoro de EE.UU. a 10 años (tasa spot al 31 de diciembre de 2019 y 18 de enero de 2022)

(2) EMBI Panamá (spot al 31 de diciembre de 2019 y al 19 de enero de 2022), estimado por J.P. Morgan

(3) Basado en bancos latinoamericanos públicos

(4) Duff & Phelps (serie histórica desde 1926)

(5) Costo de Capital = Tasa Libre de Riesgo + Riesgo País de Panamá + (Beta Patrimonial x Prima de Riesgo de Mercado)

(6) Los retornos sobre patrimonio corresponden al período finalizado en diciembre de 2019

(7) Media de retorno 2019 (Interpoc Financial Services, Itaú Unibanco, Banorte, Inbursa, Credicorp, Banco de Chile, Grupo Aval, Bancolombia, Banco de Brasil, Grupo Security, Banrisul, Bradesco, BCI). Asume la reinversión de dividendos

(8) El índice de referencia de deuda de Panamá corresponde al YTM (4.1%) del bono global 5.700% 2036 (calculado al 21 de enero de 2021)

Bank returns increasingly inferior to cost of capital

Source: Julianne Canavaggio (Lazard)



COMPETITION WILL HAPPEN IN LAYERS ON TOP OF BANKS OR LAYERS  
OUTSIDE OF BANKS, LIKE BITCOIN





NONE OF THESE SYSTEMS OR BUSINESSES HAVE LEGAL CERTAINTY IN  
PANAMA





# CERTAINTY AND OPENNESS TO INNOVATE IS AT BEST UNCERTAIN, AND AT WORST CRIMINALIZED

**PARÁGRAFO.** Se prohíbe a toda persona captar, en o desde la República de Panamá, directa o indirectamente, recursos del público por medio de la aceptación de dinero en depósito o cualesquiera otras modalidades, salvo que: (a) cuente con licencia o autorización para la actividad expedida por autoridad o ente regulador competente por ley, o (b) se dedique a actividades de captación que estén expresamente exentas por ley del requerimiento de licencia, regulación o autorización.  
Con relación a estos casos, la Superintendencia tendrá las mismas facultades y podrá seguir los procedimientos establecidos en el artículo 45 de este Decreto Ley, sin perjuicio de la aplicación de las sanciones que correspondan.

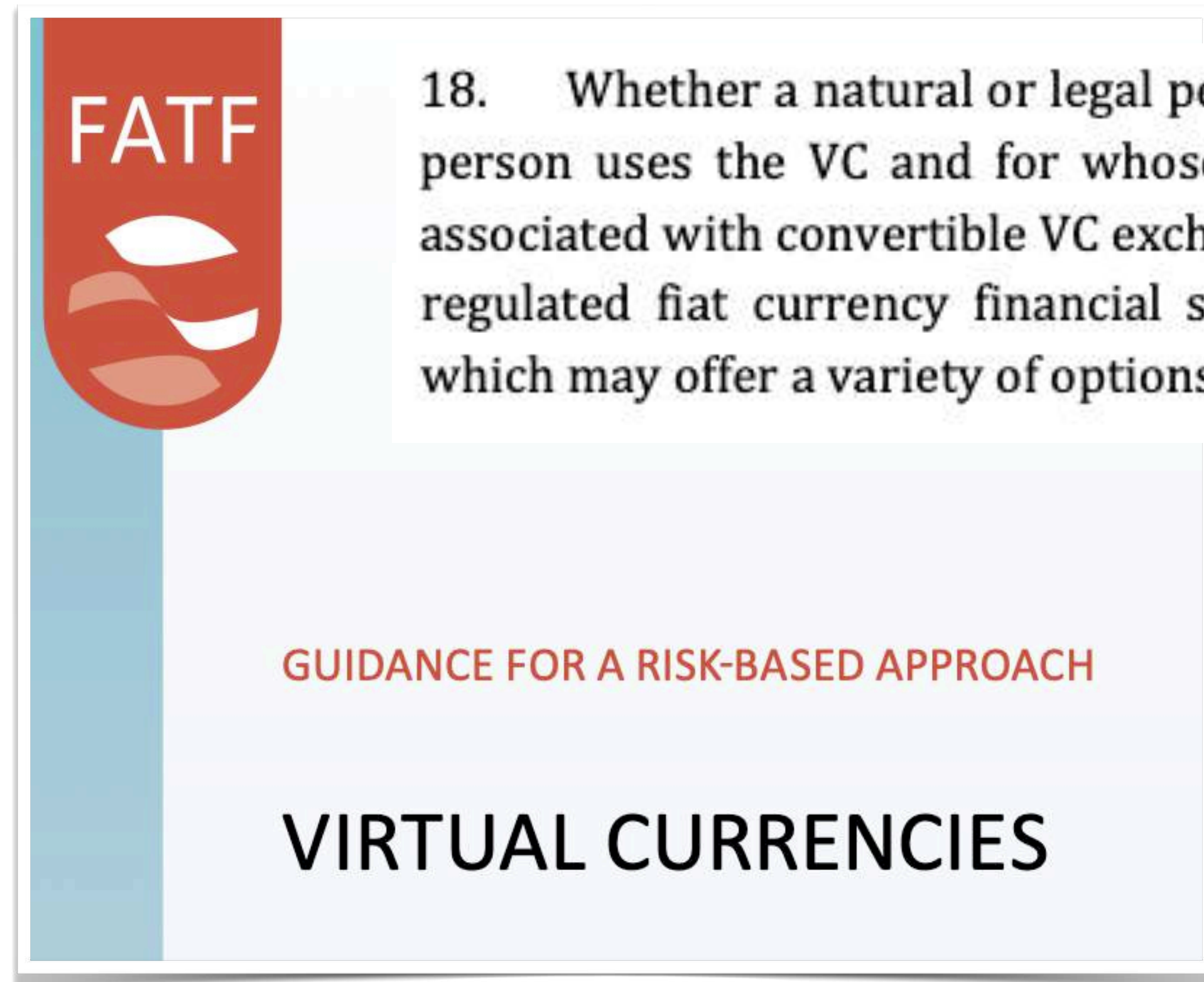
*Source: Ley Bancaria, Art 2*

**Artículo 248.** Quien capte de manera masiva y habitual recurso financiero del público, sin estar autorizado por autoridad competente, será sancionado con prisión de ocho a quince años.

*Source: Código Penal, Art 248*



# WE ARE ALSO SUBJECT TO THE ADDITIONAL PRESSURE OF FATF AND OTHER BODIES



18. Whether a natural or legal person engaged in VCPSS is an obliged entity depends on how that person uses the VC and for whose benefit. National authorities should address the ML/TF risks associated with convertible VC exchange activities (where convertible VC activities intersect with the regulated fiat currency financial system), as appropriate under their national legal frameworks, which may offer a variety of options for regulating such activity.

GUIDANCE FOR A RISK-BASED APPROACH

**VIRTUAL CURRENCIES**

*Source: FATF Guidance for a Risk Based Approach to Virtual*



# WE MUST NAVIGATE A COMPLICATED ROUTE BUT THERE IS A CHANCE



*Navigating between international pressure and intensifying competition from abroad.*





# LEY CRIPTO

QUE HACE A LA REPÚBLICA DE PANAMÁ  
COMPATIBLE CON LA ECONOMÍA DIGITAL, EL  
BLOCKCHAIN, LOS CRIPTOACTIVOS Y EL INTERNET

*Gabriel Silva*  
(@gabrielsilva8\_7)

*Felipe Echandi*  
(@felcheck)



**THE HOPE WE HAVE IS TO REMAIN A SUSTAINABLE FORM OF ORGANIZATION  
IN THE FACE OF MASSIVE GLOBAL DIGITALIZATION**





***Business as usual attitude can only be  
maintained at our own risk***





***Camarón análogo que se duerme, se lo  
lleva la corriente digital.***

