Governance axioms

Credible commitments in a world of incomplete rules

Eric Alston

University of Wyoming College of Law

AXIOM 01 / INCOMPLETE RULES

AXIOM 02 / GOVERNANCE AS CONFLICT

AXIOM 03 / CONCENTRATED AUTHORITY

AXIOM 04 / PUBLIC CHOICE

AXIOM 05 / LEGIBILITY & PRIVACY

AXIOM 06 / SECONDARY RULES

AXIOM 07 / INSTITUTIONAL FIT

The protocol works.
What happens next?

An unforeseen interaction causes serious losses.

Some participants want a pause. Others insist on finality.

A team of devs proposes a repair,
and needs authority and funding.

Who decides, who pays, and who reviews?

Rules are incomplete.
Formal rules are not the whole order.

FORMAL RULES

Specify what happens.

NORMS & ANIMATING PURPOSE

Guide interpretation when the specification no longer suffices.

A determinate response can still be inadequate on numerous margins.

Automate the specifiable; govern what remains. (Governance springs eternal)

Heterogeneity makes conflict structural.

Shared purpose

does not imply agreement
about every decision.

Beliefs · Values · Preferences · Interests

Disagreement is not, by itself, evidence of bad faith.

Attention is scarce.
Knowledge is specialized.

Attention	Not everyone can evaluate every decision.
Expertise	Participants rely on knowledge they cannot reproduce.
Delegation	Authority concentrates even with broad voting rights.

Participation can authorize, contest, and reconsider delegation.

Map effective authority, not just formal votes.

Shared resources create asymmetric incentives.

PARTICIPATION

Concentrated benefits motivate organized claims. Dispersed costs weaken individual scrutiny.

EXPENDITURE

A group can receive much of the benefit while bearing only part of the cost.

Structural pressure toward capture rather than de facto capture.

A common treasury does not create uniform incentives to scrutinize it.

More visibility is not uniformly better governance.

LEGIBILITY

Auditable votes and spending. But exposure can enable vote-buying and coercion, and chill participation.

PRIVACY

Protected voice and legitimacy. But concealment can hide common control and conflicts of interest.

Pseudonymous voting can expose ballots while obscuring who controls them.

What must be verifiable and what should remain private?

Collective action requires rules about rules.

Decide	Implement	Review	Constrain
Frame the issue and alternatives	Carry out the collective decision	Resolve disputes about decisions, implementation, and authority.	Delimit these separable authorities

Entrench decision rules. Constrain the scope of authority. Follow the money. Specify where authority to change these rules resides.

Transparency enables scrutiny, but does not supply it.

Governance must fit purpose and context.

Which decisions require speed or specialized knowledge?

Which choices can be localized?

Where are review and exit practical?

Standardization enables scale; it leaves consequential differences unrepresented.

Purpose · Scale · History · Distribution of stakes

Recurring problems do not imply identical institutions.

An unforeseen event.
A predesigned response.

IMPLEMENTATION	Automatic activation	Discretionary activation
Technical	Threshold-triggered pause or isolation	Operator-initiated pause or override
Legal / organizational	Expiry unless renewed; mandatory review	Emergency authorization; stop-work authority

Who chooses the trigger—and who can change it?

The emergency mechanism allocates authority.

Pause	Who may act, how quickly, and how narrowly?
Spend	Who evaluates the claim and any compensation?
Amend	Can temporary authority make permanent changes?
Restart	Who decides that normal operation can resume?

Authority to stop is not authority to spend, amend, compensate, and restart.

Dynamic fidelity

Credible commitments without permanent rigidity.

CHANGE

Can adaptation rewrite
the commitments users rely on?

CONTINUITY

Can resistance protect
an incumbent allocation?

Observable commitments · Constrained amendment · No unilateral control

Govern amendment without entrenching every existing arrangement.

Govern institutional commitments.
Also govern the authority to depart from them.

Uncertainty

makes the capacity to respond necessary.

Public choice

makes constraints on that capacity necessary.

Want to read (a lot) more?

incompleterules.com

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