dyanamics design optimizes systems for collaboration, cooperation & consensus

Law provides useful frameworks for

analyzing and implementing novel social systems and economic entities,

including blockchain tokens and decentralized autonomous organizations (DAOs).

The foundational tool enabling creation of these novel constructs is as old as structured human interaction:

contracts imbued with

semantic authority.

semantic authority is actors' capacity to

"find recognition for their claims [needs and experiences]

and to establish reference points that others can hardly escape."

- Ingo Venzke

"Semantic Authority, Legal Change and the Dynamics of International Law"

If contracts are viewed as "encoded semantic authority" pinning social dynamics to a defined set of inputs and outputs,

blockchain smart contracts encode interaction and causality in an additional machine-readable dimension.

The corporation itself is a contract.

That contract is the most critical contract because that's **the opportunity in which Ethereum can reinvent what it means to be a corporation in the modern world:**

the very essence of a corporation, the decentralized autonomous organization (DAO).

- Andreas Antonopoulos

Smart contracts are scripts that reside on the blockchain that allow for the automation of multi-step processes

- Konstantinos Christidis & Michael Devetsikiotis

including
• buying and exchanging cryptocurrency
• staking reputation in a blockchain system
• confirming predictions in a prediction market
• paying out a bounty
• verifying access to licensed software
• voting in a DAO

A **DAO** means a **smart-contract** based heterarchical, **distributed** and **trustless** network that operates according to **transparent and stakeholder-governed rules** on a **permissionless blockchain.**

- Marina Markezic & Silke Elrifai

"Mechanism design theory allows economists to analyze, compare & potentially regulate certain mechanisms associated with the achievement of a particular outcome."

- Investopedia definition

mechanism design:

an economic theory that seeks to study the mechanisms by which a particular outcome or result can be achieved

- Investopedia definition

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stochastic reasoning & causality modeling   design thinking

tokenomics

reinforcement learning

complexity & chaos theory

metaheuristics for adaptation & optimization

game theory

computational cognitive science   emergent & distributed systems

mechanism design

incentive compatibility & consensus   operational art

prediction markets

philosophy of mind   network topology & dynamics

cryptography

behavioral & crypto-economics

social engineering & architecture   applied behavior analysis

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"Protocols are ways that principles look in action – the actual

order,

boundaries,

practices,

paths

toward *being in principle*."

- Adrienne Marie Brown, Emergent Strategy: Shaping Change, Changing Worlds

mechanism design working group

join the conversation on Telegram at *https://t.me/mechanismdesigners*

& every Tuesday at Full Node in Berlin & Starfish Network in San

Francisco

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& email beth@starfish.network