

Abstract

The aim of this post is to sketch a potential Anoma governance system, which for this post I will call “intent-centric governance”, although this name should be considered provisional.

To start, I think it is necessary to describe the design context and goals, as “governance” can mean many things.

1.1: What is being governed?

The following three entities are relevant, but distinct:

- the Anoma protocol

, which is free both in the sense of speech and beer

- the Anoma network

, defined as the set of nodes running the Anoma protocol

- the Anoma token

, XAN, a specific token with a specific associated consensus history

This governance system is designed for the Anoma token

. The Anoma protocol

does not require governance, because it does not require consensus - anyone can run, copy, or modify the protocol. Doing so may have implications on who else they can interact with, or how - now we are really talking about the Anoma network

- and for this reason network participants may find a governance mechanism helpful
- but there is still no native association of the protocol or network with any particular mechanism, nor any necessary need for all users of the protocol (members of the network) to agree on the same mechanism.

1.2: What is the goal of this governance?

In line with a [heterotopian theory of money](#) - which itself requires mathematical formalization, but take it axiomatically for now - I take the goal of governance to be the future value assigned to XAN by future civilization. In that sense, XAN is competing in a landscape of monetary options to provide the most value by:

- coordinating a network which itself provides value (e.g. through provision of consensus, storage, and compute services), in a manner where attribution is clearly tracked
- funding the production of goods which will be of value to the future public, in a manner where attribution is clearly tracked
- bootstrapping other networks and assets which themselves do these things, in a manner where attribution is clearly tracked

Often, the goals of governance include the protection of minority rights. In the case of governance of a physical state with a de jure and de facto monopoly on the use of force, this goal is very important. In the case of governance of a virtual network asset such as XAN - which anyone can elect to stop using at any time - this question of physical force does not apply. Certainly, Anoma token holders might want to protect minority rights of non-discrimination against individual holders (e.g. of XAN, or other state secured by the consensus). However, I think that it is much better to protect these rights by simply making the relevant data illegible (private) to the governance mechanism. Anoma governance cannot discriminate on the basis of data it does not know. Roughly, then, I think protection of minority rights is not

a goal of our governance design, since the minority rights which we want to protect have a better protection option available.

In sum, the goal of Anoma governance as I understand it here is agility, speed, and incentive-compatibility in coordinating operations and production which will be valuable to the future.

2.1: Abstract Proposal

Abstractly, the proposed governance mechanism would consist of:

- A preference-weighting function

, which maps identities to a scalar weight.

- An activation threshold

between 0 and 1.

- A control domain

of variables which governance controls

- An activation logic

to atomically change any variables in the control domain

to any values in a way which preferences of at least the activation threshold

approve.

The mechanism is quite simple: any atomic change to the control domain approved by at least the activation threshold of preferences, as determined by the preference-weighting function, is enacted.

2.2: Concrete Proposal

Concretely, these sub-mechanisms would be instantiated by:

- The preference-weighting function

would be something like locked tokens in proof-of-stake, weighted by how long they are locked for (long-term alignment).

- The activation threshold

would probably be 2/3 (but further research needs to be done here).

- The control domain

would include: * The XAN token logic (allowing for minting)

- Subsidiary distribution mechanisms (e.g. proof-of-stake & proof-of-work payout functions, public goods funding streams, other future distribution functions)
- A canonical protocol definition

for XAN consensus, such as a hash of a formal specification and/or code

- The XAN token logic (allowing for minting)
- Subsidiary distribution mechanisms (e.g. proof-of-stake & proof-of-work payout functions, public goods funding streams, other future distribution functions)
- A canonical protocol definition

for XAN consensus, such as a hash of a formal specification and/or code

- The activation logic

can be easily implemented on the Anoma Resource Machine.

2.3: Incentive Compatibility

We want participants to report their preferences honestly. This mechanism alone does not necessarily ensure this, we need further analysis.

- Privacy might be desirable.
- Sub-mechanisms might be desirable (e.g. for agreeing on certain kinds of distribution, numerical parameters)

3: Comparisons

- In comparison to Cosmos, this governance system is not

proposal-based - the experience of participants would be much closer to specifying preferences and constraints, e.g. over the distribution of funding, than voting on specific proposals.