

Hello all, I'm an Econ PhD-turned-founder and I worked on behavioral theories of centralization and division of labor. I'm especially interested in the history of production in market economics. Is there interest around here for a write-up on this sort of thing? I'm using it to guide my thinking on my own project.

My guiding question is: how and why did centralized firms and factories emerge out of a decentralized market system? What mental models does this provide for thinking about crypto? Here are some behavioral angles:

- Cognitive costs. Should we imagine a 'sphere of indifference' where it's too costly/annoying for people to contract? Relevant for DAOs and DPoS, probably for prediction markets and futarchy as well.
- Culture/Values. Groups can form around shared values and some centralization emerges for coordination, messaging, reinforcement etc.
- Power/authority. Once centralization exists incentives can change, analogous to [Chris Dixon's graph](#).
- Commitment, teamwork, and agency problems. Effective division of labor starts requiring a number of workers that can't be found in a family or even community, trust becomes a scarce resource.

Happy to discuss/collaborate.

Edit: Attached a first essay introducing the problem of authority-based centralization ("Management") in an economic context.

[What's a Boss Final.pdf](#) (385.9 KB)