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Governance - Tacit or Explicit?

Essay by Esther Dyson, May 13, 2008 in response to Tacit Governance

The whole point of the net is that it is decentralized and heterogeneous: One size need not fit all. Thus there is no need to resolve the question of whether tacit or explicit rules are better for online communities. But you can ask when to use each…and how do they interact? You could ask those same questions about offline communities and get some of the same answers, but there are two important differences online: Online communities can have much greater scale and reach. And they are much easier to join or leave (and rejoin under a new identity), so they have a much higher proportion of strangers.

So, when should we use tacit rules? As David Weinberger points out, they are wonderful. People share common goals, they police themselves, and everything works. And indeed it does, in small groups of people who know one another and share values. (I define "community" as a group in which a member who leaves is missed.)

Indeed, says Weinberger, "the rise of explicit rules is a sign of failure."

Perhaps so, but we learn from failure. Those explicit rules are a result of learning…and they make learning easier. Without them, we couldn't easily share that learning with people who had not lived through the failure of tacit governance.

That's why over time, offline, we have developed rules for dealing with "foreign" communities, with outsiders and invaders. The development of explicit rules surely helped us to deal with foreigners— not just as invaders or invadees, but as equal but different communities who could have their own, possibly tacit rules internally, but would observe certain more general, explicit rules in dealing with outsiders. Those explicit rules make it easier to operate effectively with strangers – so that they do not make mistakes that might cause friction or worse between communities. You can't expect a stranger to follow tacit rules.

Let's look at what happens when we attempt to scale up with tacit rules, even for insiders. In thinking about this, I have the advantage of having spent the weekend at a seminar with a group of Russians. In Russia, there's a proliferation of laws, but the overall system of governance is mostly tacit in practice. (That's not to say that there is not a lot of excruciatingly explicit paperwork, but most of it is irrelevant.) This tacit system – of connections, unspoken rules, shadowy powers - leads to all kinds of maladies. Those in power can act as they like almost with impunity. Those without power but with an understanding of the rules can mostly stay out of trouble.

But those who don't understand the rules, or who question them, can lose their freedom or even their lives. (As Russian politician Boris Nemtsov once pointed out [in paraphrase], "Yes, there is freedom of speech. But that does not necessarily mean freedom after speech.")

Tacit rules are inherently hostile to outsiders and to trouble-makers – and ineffective with them as well. Weinberger's tacit rules are benign, but most tacit rules are not so benign. And if they were explicit, they could be more easily condemned and repudiated.

Even if the rules are good, their implicitness makes them harder for newcomers to understand.

Yes, newcomers can observe and learn, but the burden that imposes should be acknowledged. And finally, tacit rules are harder to spread, since they can't be easily transferred to other communities. That's unfortunate, because ideally communities can learn from one another, either by copying one another's rules, or by having members who bring effective rules with them.

Communities: Intelligent design or evolution?

Add another factor: Online communities are easy to enter and leave, which means that communities with bad rules – whether tacit or explicit – can be abandoned without much harm. There are no burned-out neighborhoods left behind, though there may be bitter memories in the hearts of some members. This allows for competition among rule sets, leading to the survival of good communities and the destruction of "bad" ones, by whatever measure.

But there's another, possibly better form of evolution, rather than survival of the fittest communities: That's learning and change within a community. Tacit rules may be effective, but they aren't that easy to change.

In fact, we need rules, but we also need an explicit grammar by which they can be changed. Explicit rules, by their very explicitness, can be expressed and can be changed.

That is, what kind of group consent is required for the change? Can they be changed to benefit only one or two parties? Can they be retroactive? If someone lived by the rules and now they have changed, what is owed to those who were bound by the old rules? (This too is visible in Russian society: What does the state owe to a loyal factory manager who worked hard but never got equity? When the factory was privatized, did the factory manager have no rights at all versus a foreign buyer wading in with wads of cash? Or, more likely, did the tacit ability of a legislator's cousin to know when the property was to be put up for auction?)

Scaling laws

Finally, let's consider scale. In a large community, participants are not likely to know one another. If the stakes are small – if the site is devoted to discussion or content rather than transactions (including the "transaction" of disclosing someone's secrets – that doesn't matter much. But if people are putting money or other valuables, including their reputations, at risk, then they need some kind of accountability and reputation system. That again needs to end up fairly explicit. What are the rules of membership and of disbarment? To what extent do those rules depend on external rules – such as the requirement of entering a credit card number as a light credential? Like it or not, the danger of some individuals compromising the system are just too great. Just ask eBay, which spends a dismaying proportion of its resources fighting fraud.

Of course, it's possible for a small, tacit community to come up with ratings or other badges that its users can wear in other, looser communities. And those "certifying" communities themselves can have reputations that let members of other communities know whether to trust them. With luck, everyone can just get along without consulting the rules, but the knowledge that they are there provides protection for everyone.

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Tacit vs. Explicit Governance

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