NC STATE

# The Social Media Governance Crisis

Why Centralized Governance is Failing and What Commons Governance Can Teach Us

C. Mismash, DDes | Chair: Dr. E. Deming

## Rule Culture Theory

THE RCT FRAMEWORK

$$G = (R + C) \times D$$

CORRECTNESS LEGITIMACY — CLEAR TRANSPARENT FAIR — TRANSPARENT CIVIL — VIRTUOUS ALIGNMENT

**(C)ULTURE**
Leadership
Transparency
Care
Civility

**(R)ULES**
Clear rules
Transparent reasoning
Appeal mechanisms
Proportionate protection

**(D)ESIGN**
The facilitation, alignment, and amplification between rules and culture

WENGER, DUGUID, POGGENPOHL

GORWA, SUZOR, GOWDER

OSTROM, JACOBS, SCOTT

***Crisis doesn't create governance failures. It reveals them.***

## Research Details

**METHOD**

**Case Selection Criteria**
- High stakes governance stress
- Documented governance structure
- Visible knowledge integration or failure
- Accessible artifact trail (post 2008)
- Tightly bound flashpoint (4–8yr)

**Polycentric Spectrum**
- Three cases: High to Low
- Tests whether designed polycentric structures solve PKP under stress
- Q: As polycentrism decreases, does PKP worsen, and do legitimacy and correctness decline or become less correctable?

**SEVEN LAYER ARTIFACT FRAMEWORK**

**Novel Framework To "See" Across Formal & Informal Governance**

1. **Formal Authority:** Statutes, Permits, Courts.
2. **Administrative Action:** Agencies, Hearings.
3. **Political Intervention:** Politicians, Task Forces, Overrides.
4. **Communities:** Coalitions, Advocacy
5. **Narratives:** Journalism, Editorials, Framing
6. **Crisis Venting:** Social Media, Public Comments
7. **Retrospective Framing:** After-action reports, Policy Revisions

**0–3 SCORING RUBRIC (OSTROM)**

**Scoring across case corpus for applied polycentric governance**
- 0= Absent (no documented presence)
- 1 = Superficial (policy, no practice)
- 2 = Operational (policy and documented practice)
- 3 = Embedded (+ rule updates)

## The Peripheral Knowledge Problem (PKP)

**INTELLECTUAL STARTING POINT**

In the 1940s, economist Friedrich Hayek identified a core governance problem: **The people closest to a problem often know the most about it.**

But the power to decide often sits far away.
- In a headquarters.
- In another country.
- Or inside an algorithm.

**KEY CONCEPT**

This embedded, local knowledge is often:
- tacit
- contextual
- hard to formalize

It is sometimes described as mētis.
I call the gap between local knowledge and central control the **Peripheral Knowledge Problem (PKP)**.

**RESEARCH ENTRY POINT**

This is where the research begins:
- Why do these failures keep repeating?
- And what kinds of governance might make platforms more legitimate, adaptive, and effective?

**THEORETICAL FOUNDATIONS**

**F Hayek (1945)**
Nobel Prize in Economics, 1974

Dispersed knowledge cannot be centralized without loss.
Local actors hold tacit, contextual knowledge headquarters — or an algorithm — can never fully replicate.

Grounds the "PKP" • Métis • Dispersed Cognition

**E. Ostrom (1990)**
Nobel Prize in Economics, 2009

Communities sustainably manage shared resources without central control. Polycentric structures keep knowledge close to decision-making. Her mechanisms are the solution to Hayek's problem.

8 CPR design principals • Governing the Commons

**J. Scott (1998)**
Hirschman Prize, 2020

Attempts to make complex systems legible destroy Métis. The result is knowledge "taxidermy" — embedded knowledge is stripped away, losing critical detail needed for effective and legitimate governance when optimized for central control.

Mapping from German forestry to platform legibility failures

**P. Gowder (2021)**
Hirschman Prize, 2020

Platforms function as governing institutions — rule making, enforcement, learning — without democratic accountability. They are polities without externally accountable governance principals.

Platforms are polities • Platforms as as a "Commons"

**The Research Design:** Three-Case Comparative Analysis

### Fargo-Moorehead Diversion

Traditional commons — $3 B Federal+State
Window 2014–2021

**Crisis:** 2016 DNR permit denial
**Correction:** Governors task force, PPP, Plan B

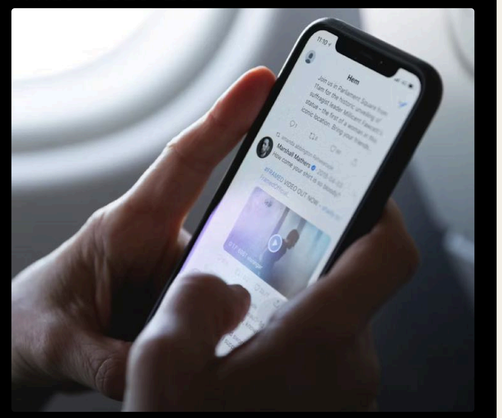
### Maple Street Garden

Urban commons — $2 M City (NY)
Window 2014–2025

**Crisis:** 2014 contested property claim
**Correction:** Legal , community & political

### COVID-19 Origins: Twitter

Digital commons
Window 2020–2024



**Crisis:** Contested claims & account actions
**Correction:** Ongoing

High — Explicit ⟵ **Polycentric Spectrum** ⟶ Low — Opaque

## Design Instantiates Governance

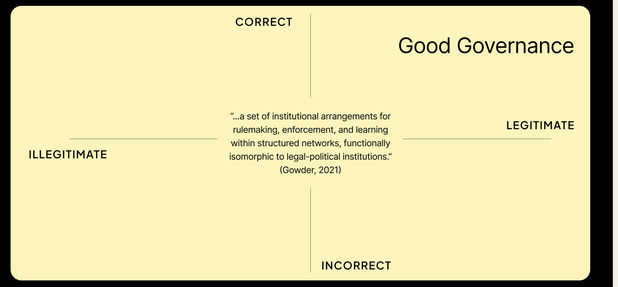
**SHADOW CASE / THEORETICAL APPLICATION**

How might COVID origins have unfolded differently with polycentric design?

**We are building the governance infrastructure of the next century. Right now. AI is making centralized governance more powerful, more consistent, and more inevitable. The question is not whether it will govern more, but whether it will be viewed as fair, trusted and legitimate.**

## What is Good Governance?

**Legitimacy x Correctness**




**THE REAL STAKES**

**The Problem**
AI is making governance faster, more consistent, and more scalable. That raises the stakes of how complex shared systems are governed.

**The Tension**
We want systems that are efficient and effective.
But we also need local buy-in, legitimacy, and trust.

**The Approach**
This research uses a cross-case examination, culminating in social media platforms, to explore that question.