

Governance After Allocation

Interpretive Compression and the Persistence of Relational Regulation

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Abstract

The thesis that the state withers away addresses the class-domination form of political authority and leaves open what governance a complex society continues to require once the distribution question has been answered. This paper takes up that remainder. It sets out a functional typology of governance, distinguishing the allocative, coordinative, interpretive and generative functions, and argues that these accumulate as a society grows more complex. It then gives an epistemic account of authority. Where the cost of verifying a claim exceeds what any individual can bear, the question of whom to believe becomes an allocation of epistemic attention, and what an established authority supplies is a reduction of the verification cost borne across a community, an operation named here interpretive compression. Institutions and commons are accordingly complementary: commons expand the space of interpretations under consideration and institutions compress it, and generation halts at either limit. The account carries an evident hazard, since an explanation of authority by verification cost stands one step from a warrant for whichever authority happens to compress, and the paper answers it with a criterion: a compression remains contestable while the path of reopening it stays available to those subject to it, and it becomes appropriation once that path closes. The disappearance thesis is then restated in these terms. What the thesis reaches is allocative domination; relational regulation is left standing, since finite rationality, verification cost and interpretive conflict persist under any distribution of resources. A further condition is entered, concerning the position from which the bindingness of a norm is underwritten, which the disappearance of a state leaves standing. A concluding section argues that this persistence claim should be entered as an observation with specified mechanisms, and declines to state it as a conservation principle.

Keywords: governance; allocation; interpretive compression; verification cost; epistemic dependence; commons; authority; generative relational governance.

A note on the standing of this paper. This is a position paper. It advances no critique of Marx and no claim to supersede him: the allocative question is treated here as correctly posed and as retaining its force, and the paper asks what further questions arise alongside it. Its central analytical proposal, that authority be understood as interpretive compression, is offered so that it can be tested against the cases where it should fail, and Section 7 states what would count as such a failure. The criterion in Section 5 is taken over from a companion paper (Huang, 2026) and is applied here rather than argued. Objection, correction and counter-evidence are welcome at huangwanhong@serendip.ngo.

1 INTRODUCTION

Engels holds that the state, having lost the function that called it into being, comes to die out, and that the government of persons gives way to the administration of things (Engels, 1878). The thesis is precise about its object. What it addresses is the form of political authority resting on class domination, and the administration it leaves standing is considerable: factories require coordination, transport requires scheduling, hospitals require management, and none of these requirements follows from the ownership of capital. A reading on which all organized coordination disappears together with class rule attributes to the thesis a scope it does not claim.

The question this paper takes up concerns the remainder. Suppose the distribution question answered, whether in the terms Marx proposed or in others: the means of production held in common, the appropriation of surplus ended, the domination that rests on ownership dissolved. A complex society in that condition continues to face a set of problems that the distribution of resources leaves untouched. Its members remain finitely rational. The claims on which they must act remain more numerous than any of them can verify. Their interpretations of shared rules continue to diverge, and the divergences continue to require settlement. The question is what governance these conditions require, and whether the answer takes a form that the disappearance thesis reaches.

The paper's response has three components. The first is a functional typology: governance may be sorted by the problem it addresses, into the allocation of scarce goods, the coordination of action, the interpretation of shared rules, and the conditions of continued generation. These functions accumulate rather than replace one another, and the allocative question retains its force alongside the others. The second is an epistemic account of authority, which supplies the paper's principal analytical proposal. Where verification cost exceeds individual capacity, deference to an established authority operates as an allocation of epistemic attention, and what the authority supplies is a reduction of the verification cost borne across a community. The third is a criterion that keeps the second from becoming a defence of whatever authority happens to hold the position.

Definition 1.1. (Interpretive compression). *Interpretive compression is the operation by which the range of interpretations that a community treats as live is reduced, so that its members may act on claims they have individually verified in part or not at all. Institutions of accreditation, review, adjudication and professional certification perform this operation, and their output is a reduction in the verification cost borne across the community.*

Claim 1.2. (Central claim). *The disappearance thesis reaches allocative domination and leaves relational regulation standing. A society that has answered the distribution question continues to face finite rationality, verification cost and interpretive divergence, and continues therefore to require mechanisms that compress the space of live interpretations and mech-*

anisms that expand it. Institutions and commons perform these two operations respectively, and both are required, since generation halts where everything remains open to reconsideration and equally where nothing does. The question that bears on those subject to such mechanisms is accordingly the terms on which a compression may be reopened, and a compression that has closed the path of its own reopening has become appropriation whatever its form.

The argument proceeds in six steps. Section 2 sets out the functional typology and states the cumulation claim. Section 3 gives the account of verification cost and interpretive compression. Section 4 treats institutions and commons as complementary operations on the space of live interpretations. Section 5 states the conditions under which a compression remains contestable, and marks the boundary between explaining an authority and warranting it. Section 6 restates the disappearance thesis in the terms of the typology, states a further condition the thesis carries concerning the position a state occupies beyond its allocative and coordinative functions, and enters the concession that the generative question has antecedents in Marx himself. Section 7 states the standing of the persistence claim and declines the formulation that would state it as a conservation principle. Section 8 gives the implications and the limits.

2 A FUNCTIONAL TYPOLOGY OF GOVERNANCE

This section sorts governance by the problem it addresses and states the relation among the resulting functions. Its objective is to supply the vocabulary in which the disappearance thesis is restated in Section 6, and to establish that the functions accumulate. It proceeds in two parts: the typology itself, presented with the theoretical traditions that have taken each function as their subject; and the cumulation claim, together with a caution against reading the typology as a sequence of historical stages. The method is functional classification, tested against the traditions that occupy each cell.

2.1 Four Governance Functions

Governance may be sorted by the problem it is called upon to address. The *allocative* function concerns scarce goods and the terms of their distribution, and the question it answers is who holds what and on what warrant; Marxism, welfare economics and public finance have taken it as their subject. The *coordinative* function concerns the alignment of action among parties whose interests may already be settled, and the question it answers is who is responsible for what and how joint action is arranged; public administration, institutional economics and the study of commons arrangements have taken it as theirs (Ostrom, 1990). The *interpretive* function concerns the divergence of readings of a shared rule, standard or body of evidence, and the question it answers is which reading a community proceeds on and by whose determination; hermeneutics and the literature on interpretive justice address it. The *generative* function

Table 1: The four governance functions and the concentrated and distributed forms that occupy them.

	<i>Concentrated form</i>	<i>Distributed form</i>
Allocative	state, fiscal authority	market
Coordinative	bureaucratic hierarchy	commons arrangements
Interpretive	academic and juridical authority	open review, distributed adjudication
Generative	(thinly occupied)	self-organizing arrangements

concerns the conditions under which new relations, meanings and possibilities continue to be produced at all, and it is the subject of the framework within which this paper is written.

Each function admits a concentrated and a distributed institutional form, and the second axis is worth carrying explicitly, since the cells it produces, set out in Table 1, are ordinarily discussed apart from one another.

Two observations follow from Table 1. The first is that the disappearance thesis, as ordinarily discussed, concerns the upper-left cell, and the argument for it draws its force from that cell. The second is that the lower-left cell is thinly occupied, which is worth noticing rather than celebrating: the scarcity of concentrated arrangements aimed at the generative function may record the youth of the question as much as the unsuitability of the form.

2.2 *The Cumulation of Governance Functions*

Claim 2.1. (Cumulation). *The four functions accumulate as a society grows more complex, and each retains its force alongside those that join it. The interpretive question arises for a community that has settled its allocations, since parties who hold equal shares may still read a shared standard differently; the generative question arises for a community that has settled both, since a well-distributed and well-coordinated arrangement may still cease to produce anything new. An answer to the allocative question accordingly leaves the others standing, and the appearance of a later question leaves the earlier ones in force.*

Claim 2.2. (Salience and existence). *The historical ordering in which these functions have received theoretical attention concerns their salience, and it records nothing about when they came into existence. Every organized community has faced all four from the beginning; what has changed is which of them a given period has found itself able to pose. A reading of the typology as a sequence of stages, in which societies pass from allocative through coordinative and interpretive to generative governance, would misstate both the history and the present, in which the allocative conflict remains unsettled and in force.*

The second claim is entered because the typology invites the reading it rejects, and because

that reading would carry a further and worse implication. A stage sequence suggests that the allocative question has been answered and may be set aside, which is false as a description and convenient in a way that should arouse suspicion. The typology is offered as a classification of functions, and the historical remarks in this paper concern the order in which the functions have been theorized.

3 VERIFICATION COST AND INTERPRETIVE COMPRESSION

This section gives the paper's principal analytical proposal, an account of what an established authority supplies in a community whose members cannot verify what they must act upon. Its objective is to relocate a phenomenon ordinarily explained by power into an explanation by cost, while leaving the observations that motivate the power explanation intact. It proceeds in three parts: the phenomenon to be explained; the concept of verification cost and the dependence it produces; and the operation of compression, stated with the two features that distinguish it from deference in the ordinary sense. The method is the analysis of a familiar asymmetry in scientific communication, taken as a case of a general epistemic condition.

3.1 *The Asymmetry of Reception*

A claim advanced by an unknown researcher and the same claim advanced by an established one are received differently, and the difference is large. The unknown researcher's paper waits, and may wait indefinitely; the established researcher's is read, discussed and built upon. The phenomenon is well documented, and the accumulation of recognition upon prior recognition has a name in the sociology of science (Merton, 1968).

The explanation ordinarily offered is power, and it captures something real. Positions of recognition are held by particular people, those people determine what is read, and the determination reproduces their position. An account that stops here, however, leaves a question standing: what would a community do in the absence of such positions? Each member would face a volume of claims exceeding by orders of magnitude what any of them could examine. The asymmetry of reception would give way to a condition in which nothing is received at all, and the difficulty that produced the asymmetry would remain exactly where it was.

3.2 *Epistemic Dependence and the Cost of Verification*

Definition 3.1. (Verification cost). *The verification cost of a claim, for a given party, is the labour required for that party to establish the claim's warrant by its own means: the reproduction of an experiment, the checking of a proof, the auditing of a dataset, the acquisition of whatever competence these presuppose. It is a property of the pair consisting of a claim and a party, and the same claim carries different costs for differently equipped parties.*

Two features of verification cost bear on what follows. It is unevenly distributed across parties, so that a claim cheap for a specialist may be prohibitive for everyone else. And in a research community it accumulates faster than the capacity of any individual to absorb it, since each accepted result becomes a premise of further results whose verification presupposes it. The consequence is a condition that epistemology has examined under the name of epistemic dependence: the greater part of what any inquirer knows rests on the testimony of others, and the rational assessment of that testimony proceeds by indirect means, since the direct means would require the very competence whose absence produced the dependence (Hardwig, 1985; Goldman, 2001). The point extends beyond the sciences. A community's knowledge is distributed across its members, and no member commands more than a fragment of it (Hayek, 1945); where information is abundant, the binding constraint becomes the attention available to process it (Simon, 1971).

Under this condition, the question of whom to believe changes character. It ceases to be a question about the virtue of the believer or the sanctity of the believed, and becomes a question about the allocation of a scarce resource, namely the epistemic attention a community can bring to bear. Deference to an established authority is one such allocation. A reader who accepts a theorem on the ground that a recognized mathematician has proved it has made a judgment about where to spend a limited capacity for checking, and the judgment may be a good one.

3.3 *Compression as the Function of Authority*

Claim 3.2. (Authority as compression). *What an established authority supplies in a community under epistemic dependence is a reduction in the verification cost borne across that community. It performs interpretive compression: the range of readings, results and proposals that members treat as live is reduced, so that action may proceed on claims that most members have verified in part or not at all. The right to speak, on this account, is a consequence of occupying a compressing position, and the compression is what the position does.*

Two features distinguish this account from deference as ordinarily understood. The first is that compression is a service rendered to the community's capacity to act, and its beneficiaries are those who are spared the verification, rather than the compressor. The second is that compression is costly in a specific currency. Every reduction of the live range excludes readings that might have been productive, and the exclusions are borne by whoever advanced them. An account of authority that registers only the saving has described half the transaction.

The proposal explains, without endorsing, several features of scientific communication that a pure power account leaves obscure. It explains why credentials function as they do, since a credential is a summary of a verification already performed by others. It explains why the criticism of gatekeeping so seldom results in the abolition of gates, since the party

who abolishes them inherits the cost the gates were absorbing. And it explains why the same institutions that reduce cost so reliably accumulate advantages for those who staff them, which is the subject of Section 5.

4 INSTITUTIONS AND COMMONS AS COMPLEMENTARY OPERATIONS

This section pairs the operation described in Section 3 with its converse and states the relation between them. Its objective is to establish that a community requires both, and thereby to remove the framing on which institutions and commons are alternatives between which a theory of governance must choose. It proceeds in two parts: the expanding operation performed by commons; and the failure that follows at either limit, stated as a proposition. The method is the analysis of two operations upon a single object, namely the space of interpretations a community treats as live.

4.1 *The Expanding Operation*

A commons arrangement, in the sense at issue here, is one in which the parties who use a resource also govern its use, and in which the rules of use emerge from their interaction and remain subject to their amendment (Ostrom, 1990). Applied to a body of knowledge or practice rather than to a pasture or a fishery, such an arrangement performs an operation converse to compression. It admits readings, results and proposals that an accrediting institution would have excluded; it lowers the threshold at which a proposal enters consideration; and it multiplies the parties competent to advance one. The space of live interpretations expands.

The expansion is likewise costly, and in the same currency. A community that admits everything must verify everything, and the verification cost that compression had absorbed returns to its members undiminished. The characteristic pathologies of open arrangements follow from this: the difficulty of locating what is worth attention, the persistence of claims that a compressing institution would have retired, and the burden placed on participants who must now perform their own filtering.

Claim 4.1. (Complementary operations). *Institutions and commons perform converse operations upon the space of interpretations a community treats as live. Institutions compress that space and thereby transfer verification cost from its members to an accrediting mechanism; commons expand it and thereby return verification cost to its members while admitting proposals that compression would have excluded. Each operation purchases its benefit in the currency the other spends, and a theory that treats them as alternatives has mistaken a pair of operations for a pair of rival institutions.*

Proposition 4.2. (Failure at either limit). *Generation halts at both limits of the space of live interpretations. Where every question remains permanently open, the verification cost borne*

by each member exhausts the capacity available for anything further, and the community reconsiders in place of proceeding. Where every question is settled beyond reopening, proposals that would have revised the settled range are excluded before examination, and the community proceeds in place of learning. A community's arrangements are accordingly to be assessed by the position they occupy between these limits and by the ease with which that position may be adjusted.

4.2 *The Distribution of the Two Operations*

The two operations are distributed across institutions in ways that cut across the concentrated and distributed forms of Section 2, and the paper's fourth observation follows from noticing this. Concentrated institutions perform compression characteristically, though a court that admits a novel argument expands, and a discipline that opens a contested question expands. Distributed arrangements perform expansion characteristically, though a commons that has settled on a canonical implementation compresses as effectively as any academy, and an open review community that has converged on a standard of relevance compresses by that standard. The operation is accordingly the analytical unit, and the institutional form is a poor proxy for it.

5 THE CONDITIONS UNDER WHICH COMPRESSION REMAINS CONTESTABLE

This section marks the boundary that the account of Section 3 requires and supplies the criterion that keeps it within that boundary. Its objective is to prevent an explanation of authority from operating as a warrant for whichever authority happens to occupy the compressing position. It proceeds in three parts: the hazard, stated explicitly; the criterion, taken over from a companion paper and applied here; and the consequences of the criterion for the assessment of concentrated and distributed arrangements alike. The method is the identification of an inference the account must block, followed by the statement of what blocks it.

5.1 *The Hazard of Functional Explanation*

An account that explains an institution by the function it performs stands one step from a warrant for that institution, and the step is taken so easily that it is often taken without notice. The sentence "authority exists because it reduces verification cost" is a claim about why a form of arrangement is found. The sentence "therefore this authority is warranted" is a claim about a particular occupant of that form, and the second follows from the first by no valid route. Every apologia for an established hierarchy has been available in the first sentence's clothing, and the observations of Section 3 would supply the clothing readily.

The hazard is aggravated by the fact that the phenomena the power account describes are real and remain so under the present account. Compressing positions do accumulate advan-

tages for those who hold them. The determination of what is read does reproduce the position of those who determine it. A compressing institution does exclude proposals that would have been productive, and the excluded bear the cost. The present account adds an explanation of why such positions exist, and it removes none of these observations.

5.2 *The Criterion*

Proposition 5.1. (Contestable compression). *A compression remains contestable while the path by which it may be reopened stays available to those subject to it, which requires that the grounds of the compression be stateable, that a party subject to it be competent to raise a challenge, and that the challenge be capable of altering the compression. A compression has become appropriation once that path has closed, so that the compression is answerable to the compressor alone. The criterion applies to concentrated and distributed arrangements alike, and the institutional form of an arrangement predicts its position under the criterion weakly (Huang, 2026).*

The last sentence carries the greater analytical yield, being the less expected. A distributed arrangement may appropriate as thoroughly as a concentrated one, and several do. A consensus that a participant may contest only by ceasing to be a participant has closed the path. A ranking whose weights no party can state has closed it, since a compression whose grounds cannot be stated cannot be challenged on its grounds. An automated filter whose determinations no party can explain has closed it in the same way, and the absence of any office at which to lodge a challenge makes the closure harder to identify rather than less complete.

5.3 *Application to Academic Arrangements*

The criterion, applied to the arrangements described in Section 3, yields assessments that neither a defence nor a critique of academic authority anticipates. Peer review satisfies the criterion in its design, since its grounds are stateable, its challenges are provided for and its determinations are revisable by the community whose standards it applies. It fails the criterion in particular respects that are worth naming precisely: where the grounds of a rejection go unstated, where the competence to challenge is confined to those already accredited, and where the challenge, once raised, reaches no mechanism capable of altering the outcome. Each of these is a specific and remediable failure, and the criterion locates them without requiring a verdict upon the institution as a whole.

Claim 5.2. (Explanation and warrant). *The account of authority as interpretive compression explains why compressing arrangements are found in communities under epistemic dependence, and it supplies no warrant for any particular compressing arrangement. The warrant question is settled by the criterion of contestability and by considerations beyond the scope of*

this paper, and a compression that satisfies the criterion may remain objectionable on grounds the criterion does not address.

6 THE DISAPPEARANCE THESIS IN THE TERMS OF THE TYPOLOGY

This section restates the disappearance thesis in the vocabulary assembled above and enters the concession that the generative question has antecedents in Marx. Its objective is to establish the scope of the thesis with more precision than the ordinary debate affords, and to do so while treating the allocative question as correctly posed. It proceeds in four parts: the questions Marx would put to a knowledge-producing institution; the restatement of the thesis by function; a further condition the thesis carries, concerning the position a state occupies beyond its allocative and coordinative functions; and the concession, together with the claim that remains after it. The method is the application of the typology to a thesis formulated before the typology.

6.1 *Knowledge Production as a Relation of Production*

Marx's method applied to an academic institution begins from its mode of production rather than from its knowledge. Who funds the research; who owns the university; who determines what counts as good work; how the product is distributed and by whom it may be appropriated; who is admitted to the community that produces it. The questions treat scholarship as a relation of production, and they retain their force. A community whose accrediting positions are staffed by those the accreditation has already favoured, whose journals determine which questions are worth pursuing, and whose funding bodies determine which problems are important, has at least the form of a proprietary arrangement over a means of knowledge production, and Marx's suspicion that an authority may detach from its function and begin reproducing itself is well placed here.

Nothing in the present account displaces these questions, and the account of Section 3 supplies a reason for keeping them. A compressing position is valuable precisely because it is scarce, and a position that is both valuable and self-selecting will be defended by those who hold it. The explanation of why compression exists therefore predicts the pathology that Marx's questions detect, and the two analyses meet at that point.

6.2 *Restating the Thesis by Function*

Claim 6.1. (Scope of the disappearance thesis). *The disappearance thesis reaches the allocative function in its dominating form and leaves the coordinative, interpretive and generative functions standing. The conditions that call the latter three into being are finite rationality, the distribution of knowledge across parties, verification cost, and the divergence of interpretations,*

and each of these persists under any distribution of resources. A community that has answered the distribution question will therefore continue to require arrangements that compress and expand its space of live interpretations, and the question before it is the terms on which those arrangements may be reopened.

The claim is compatible with the thesis rather than opposed to it, and this compatibility is worth stating plainly. Engels leaves the administration of things standing, and the argument here specifies part of what that administration must include: not the scheduling of trains alone, but the determination of which claims a community proceeds on, which is a harder problem and one with a stronger tendency to concentrate. The thesis is extended at the point where it is thinnest, and it is contradicted nowhere.

6.3 *The Trans-Subjective Condition on the Thesis*

A state occupies, alongside the functions of Table 1, a further position, and the disappearance thesis carries a condition on that account. The position is the one from which the standing of a subject and the bindingness of a norm are underwritten: a source held to exceed any particular party, to which the parties are answerable including whoever proposed the norm. The position has been occupied historically by a creator, then by a symbolic order, and in the modern period by the institutions that inherited it, among them the state. The argument for this is given at length in a companion paper (Huang, 2026), and it is restated here in brief because the condition it yields bears directly on the scope claim of Section 6.

The condition is that the disappearance of a state leaves the position it occupied, and the thesis holds only where that position comes to be otherwise occupied. Where it is left vacant, the observed course is reoccupation, and the record of communities that have pursued the thesis is instructive in this respect, since the carriers that arose in these cases, whether a party, a leader, or history itself understood as an arbiter, were considerable ones. The condition is entered as a condition rather than as an objection: it specifies something the thesis must secure, and it settles nothing about whether the thesis can secure it.

What might occupy the position admits a formulation, and the formulation requires the care that Section 5 has already imposed. An answer naming some entity as the successor occupant reproduces the arrangement whose disappearance was at issue, under a new name. The formulation available here names a process: the position may be occupied by relations that generate the standing of their own constraints continuously, while holding the path of reopening those constraints available to the parties subject to them. The condition and the criterion of Section 5 therefore meet, and a community that has dissolved its state while closing that path has satisfied the thesis in its letter alone.

Claim 6.2. (Trans-subjective condition). *The disappearance of a state leaves standing the position from which the bindingness of a norm is underwritten, and the disappearance thesis*

holds only where that position is otherwise occupied. An occupant that is named as an entity reinstates the arrangement at issue; the formulation available here names a process, in which the standing of a constraint is generated within relations that keep the path of its reopening available to those subject to it.

6.4 *The Antecedent in Marx and What Remains After It*

A claim that Marx overlooked the generative question would overstate the case, and the paper enters the concession explicitly. The formulation in which the free development of each is the condition for the free development of all is a statement about generative conditions and about their mutual dependence (Marx, 1848). The treatment of the development of human powers as an end in itself, and of the wealth of a society as the developed productive power of its members, points the same way (Marx, 1857). The generative question is present in Marx, and it is present as a criterion by which arrangements are to be judged.

Claim 6.3. (What remains after the antecedent). *The generative question appears in Marx as an end that a transformed arrangement would realize, and it appears without a theory of the governance such a realization would require. What remains to be supplied is accordingly the governance-theoretic form of a question Marx posed in evaluative form: the mechanisms by which a community under finite rationality continues to produce new relations, meanings and possibilities, and the terms on which those mechanisms may themselves be revised. The claim of this paper is a claim about a missing theory, and it carries no claim that the question was unavailable to Marx.*

7 THE STANDING OF THE PERSISTENCE CLAIM

This section examines the standing of the claim that relational regulation persists, and declines a formulation in which that claim would be entered as a principle. Its objective is to keep the claim descriptive, to identify the point at which a principled formulation would become dangerous within this framework, and to state what would count as a failure of the claim. It proceeds in three parts: the tempting formulation and the two faults it carries; the tautology problem and the specification that answers it; and the observations that would tell against the claim. The method is the examination of a proposed principle for the inferences it would license.

7.1 *A Formulation to Be Declined*

The material of this paper suggests a principle, and the suggestion should be resisted. The candidate runs: any sustainable society requires mechanisms that preserve and regenerate its generative relational capacity, however its resources are distributed. Two faults attend it.

The first is that it installs generative capacity as a value to be protected, and a value to be protected supplies reasons for whatever protects it. The sentence “this was done in order to preserve our generative capacity” becomes sayable in the framework’s own vocabulary, and it is the form in which the exclusion of a party, the suppression of a challenge and the appropriation of a compression have all been defended. A framework whose central term is generativity is unusually exposed to this inference, and its exposure is a reason for stating the persistence claim descriptively.

The second fault is that “conservation” imports a conserved quantity. The word carries the suggestion that generative capacity is a magnitude that a society holds in some amount, which nothing in the account licenses and no available measure supports.

7.2 *The Tautology Problem*

A descriptive restatement invites a further objection. To say that societies which persist possess mechanisms of persistence is close to empty, and the emptiness is of a familiar kind, since the cases are selected by the property they are then found to have. The claim escapes the objection only by specifying the mechanisms, so that a society possessing them may be distinguished in advance from one that does not.

Proposition 7.1. (The persistence claim, specified). *Societies that continue to generate are observed to maintain two mechanisms in some form: an operation that compresses the space of live interpretations, so that action may proceed on claims individually unverified, and an operation that expands it, so that proposals which the compression excluded may re-enter. The claim is specified by naming these mechanisms and is examinable in advance of the outcome, since the presence of each may be assessed independently. It is entered as an observation, and it supplies no reason for any action taken to preserve either mechanism.*

7.3 *Observations That Would Tell Against the Claim*

Three findings would count against the account, and each is available to historical and organizational study. The first concerns compression. A community operating at scale over a long period with no mechanism that reduces the verification cost borne by its members, in which each member verifies what each member acts upon, would show compression to be dispensable and the account of authority in Section 3 to be local to certain institutional histories. The second concerns expansion. A community in which no path of reopening remains available, and which continues nonetheless to revise its settled range, would show the criterion of Section 5 to have identified a condition that is unnecessary. The third concerns the scope claim. A community that has answered the distribution question and finds the interpretive and generative problems dissolved along with it, so that divergence of reading ceases to require settlement, would show the claim of Section 6 to be false in its central contention.

8 IMPLICATIONS AND LIMITS

This closing section states what follows from the account for the assessment of institutions, and sets out the limits under which the whole should be read. It proceeds from consequences to limits, and states in each case what would count as a failure of the argument.

8.1 *Consequences for the Assessment of Institutions*

Three consequences follow. The first is that a proposal to abolish a compressing institution is incomplete until it says who will bear the verification cost the institution was absorbing, and proposals of this kind are commonly silent on the point. The second is that the assessment of an arrangement runs through the operation it performs and the contestability of that operation, and it runs only weakly through the arrangement's institutional form, so that a distributed arrangement earns no presumption in its favour. The third is that reform of a compressing institution has a determinate target: the three conditions of Proposition 5.1, namely stateable grounds, competence to challenge, and a challenge capable of altering the outcome. Each is a specific object of design, and each may be assessed in a given institution without a verdict upon institutions as such.

8.2 *Limits and Further Work*

The account rests on claims that could be wrong. The concept of verification cost is used qualitatively throughout, and an operational form would require a measure that this paper does not supply; without one, the claim that cost exceeds capacity in a given domain remains an appraisal. The pairing of compression and expansion is stated as an analysis of two operations, and a demonstration that some third operation is required, or that the two are aspects of one, would require the analysis to be rebuilt. The criterion of contestability is applied here and argued elsewhere (Huang, 2026), and its own limits carry over unchanged, including the absence of an operational account of what makes a path of reopening available in fact rather than in form. The treatment of Marx is confined to the disappearance thesis and to two formulations of the generative question, and a fuller treatment would address the extensive literature on the withering-away thesis that this paper leaves aside.

A note on method. The argument is conceptual and has been left in prose. Two extensions suggest themselves. The first would render verification cost measurable in a bounded domain, by way of the labour required to reproduce a published result, which would allow the central claim of Section 3 to be tested against fields whose reproduction costs differ by orders of magnitude. The second would represent the space of live interpretations explicitly, as a set of admissible readings together with the

operations that admit and retire them, which would give Proposition 4.2 a form in which the two limits could be studied as properties of a dynamics rather than described.

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