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The Missing Mechanisms of the AI Economy

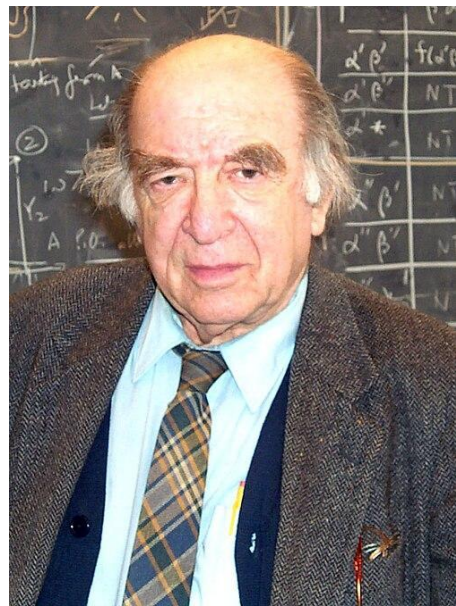
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"Reverse game theory"

MECHANISM DESIGN

Start from the outcome you want. Work backward to the rules that produce it.



Leonid Hurwicz

The best mechanisms are discovered



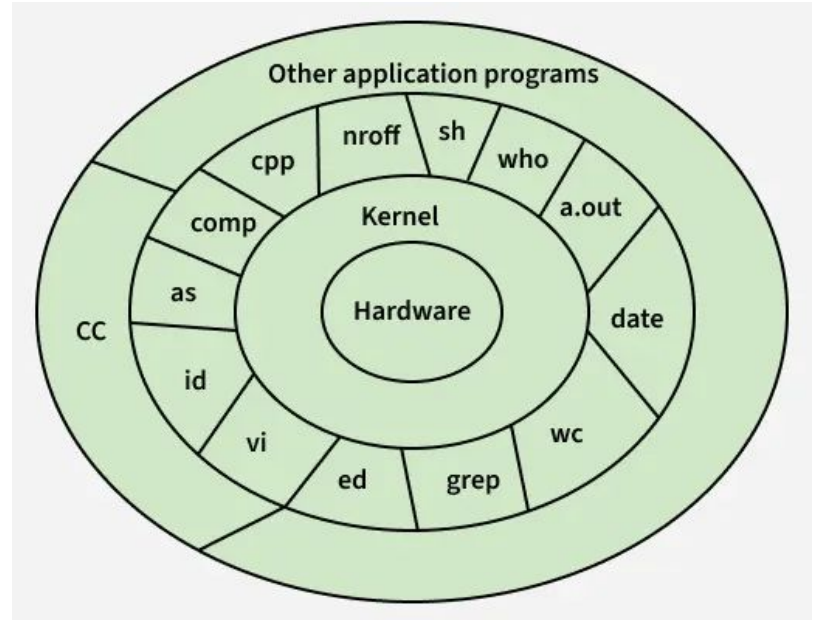
Ken Thompson and
Dennis Ritchie

The goal was a portable operating system and programming language. But they designed the essential architectural mechanism of open source software along the way

An architecture of participation

UNIX AND OPEN SOURCE

A small kernel surrounded by cooperating utilities. Anyone can add a part or replace one.



A participatory market for AI

MCP AND THE AGENTIC WEB



David Soria Parra, co-creator
of MCP

WINNER-TAKES-MOST

Windows, iOS, Android, Frontier AI
models

PARTICIPATORY

Open source, the web, MCP

TECHNOLOGY WAVES

01

The technology

PC, web, smartphone, AI

02

The business models

Enabled by new mechanisms,
found through trial and error

The mechanisms that unlocked each wave

Web search	Web crawling, MapReduce, PageRank and hundreds of other organic search factors
Web advertising	Pay-per-click, the ad auction
E-commerce	Safe payments, warehousing and delivery
On-demand economy	Real-time location matching
Creator economy	Content ID

The exploratory phase of mechanism design for AI

AI TODAY

Cooperating Agents: MCP, A2A

Managing rights: RSL, AIPREF, CC Signals

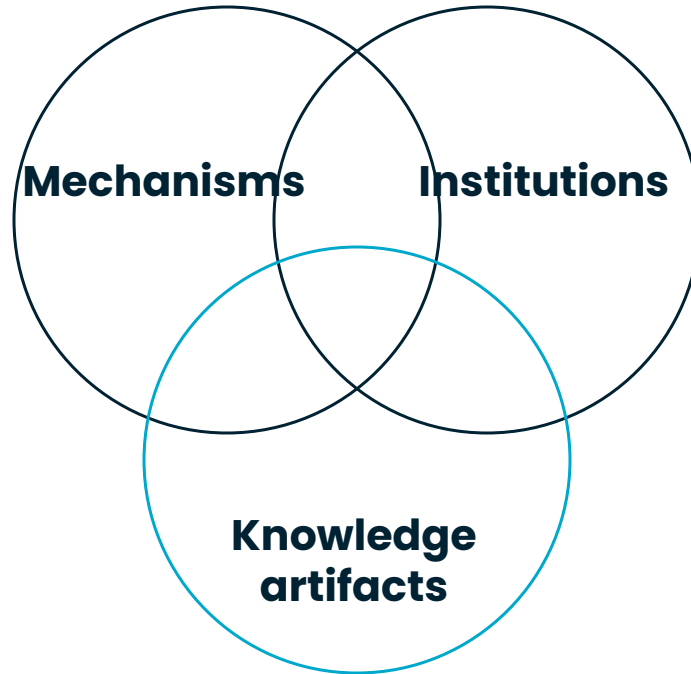
Blocking or allowing bots: Web Bot Auth, Pay Per Crawl

Payment: x402, MPP, AP2, ACP, Visa Trusted Agent Protocol, Mastercard Agent Pay

Discovery and identity: Server cards, Agent Cards, the MCP Registry, ERC-8004

Most of these didn't exist two years ago, and most of them won't survive in their current form.

Three things, intertwined and often confused



Open source

EXPECTED VS. ACTUAL

	EXPECTED	THE EFFECTIVE MECHANISMS
Mechanism	GPL and other F/OSS licenses	Modular architecture, Version control
Institution	Open Source Initiative	GitHub
Knowledge artifact	Approved licenses	The source code repo

The web

EXPECTED VS. ACTUAL

	EXPECTED	TURNED OUT
Mechanism	Domain Name System	Organic search
Institution	ICANN	Google
Knowledge artifact	The web site	The web page

AI Governance

EXPECTED VS. ACTUAL

	CANDIDATES	TURNED OUT
Mechanism	Alignment, Evals	?
Institution	Labs, governments, METR, AAIF	?
Knowledge artifact	Model, agent, skills, tools	?

In a process of discovery,
premature optimization is a
mistake

REVERSE GAME THEORY

What game ought we to
be playing?

The quest for superintelligence

THE GAME WE'VE BEEN SOLD

Winner takes all

ITS MECHANISMS

Data centers only the well-capitalized can afford

Appropriation of existing intellectual property

Inference via expensive APIs

Closed weights with terms of service that forbid others from learning from them

The game of human flourishing

THE GAME WE OUGHT TO PLAY

A circulatory economy of value exchange, for and by humans in partnership with AI

MECHANISMS FOR FLOURISHING

Open source

Open protocols

Open memory

Freedom for users to shape and control this technology for ourselves

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Thank you

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