# Governance: Rules That Actually Hold

Chapter 2 covered who's actually building this and how trust gets tested before anyone's a full member. This chapter covers what that trust is actually building toward: a real, working structure for making decisions once the founding period is over.

## Ostrom's eight design principles

Elinor Ostrom studied over 800 real cases of groups managing a shared resource, water systems, fisheries, forests, over long periods, and found the same eight design principles present again and again in the ones that actually lasted. They're not a theory to adapt loosely; they're a pattern found repeatedly in practice.

1. **Clearly defined boundaries.** Who's actually a member, and what resource or property the group is governing, both need a real answer, not an implicit understanding. This is the same work Chapter 2's membership process already does for who's in; this principle just makes it explicit that governance needs the same clarity.
2. **Rules matched to local conditions.** Rules copied wholesale from another community's charter, without adapting them to this group's actual site, resources, and size, tend to fail quietly: the rule technically exists but doesn't fit the situation it's applied to.
3. **Collective-choice arrangements.** The people actually affected by a rule need a real way to participate in setting or changing it. A charter written once by the founders and never revisited by the people living under it later isn't this.
4. **Monitoring.** Someone has to actually notice when a rule isn't being followed, and the cheapest, most sustainable version of this is the members themselves, not an outside enforcer, since low-cost monitoring is what keeps a small violation from becoming normalized before anyone addresses it.
5. **Graduated sanctions.** A first violation gets a reminder, not an ultimatum. Real consequences exist and escalate for repeated or serious violations, but starting at maximum severity for every infraction is itself a common failure mode, it makes the rules feel arbitrary rather than fair.
6. **Fast, accessible conflict resolution.** A dispute needs somewhere to actually go, cheaply and quickly, rather than either festering unaddressed or requiring an expensive, slow, external process for every disagreement.
7. **Local autonomy, recognized externally.** The group's right to govern itself needs to actually be respected by whatever outside authority has jurisdiction, a county government, a homeowners' association's own bylaws, and so on; a governance structure that's constantly overridden from outside doesn't hold, regardless of how well-designed it is internally.

8. **Nested structure at larger scale.** As a community grows or connects with others, governance works better organized in layered, smaller-to-larger units than as one single flat structure trying to govern everything at every scale at once. This becomes directly relevant once a community starts coordinating with others, a later chapter in this sequence covers that.

### Graduated sanctions doesn't have to mean purely punitive

Principle 5 says sanctions need to exist and escalate; it doesn't say what the earlier, gentler end of that scale should actually look like in practice. Restorative circles, a conflict-resolution practice rooted in indigenous conflict-resolution traditions and now used well beyond that original context, offer a genuinely different answer than a warning-then-fine progression: bring everyone affected together with a facilitator, focus on understanding the actual harm done, and reach an agreement that repairs it, rather than simply escalating punishment. This isn't a substitute for principle 5's real, escalating consequences when repair alone isn't enough, it's a better-documented way to run the earlier steps of that same scale, one built around keeping someone a working member of the community rather than pushing them toward exit at the first offense.

## Consensus and sociocracy: two real models, an honest caveat

Two decision-making models show up repeatedly in real intentional communities, and neither is a clean, solved answer.

**Consensus** seeks a proposal everyone can actually accept, not necessarily each person's first choice, but nothing anyone has a real objection to. It directly implements Ostrom's collective-choice principle, but pure whole-group consensus can slow down badly as a community grows past a handful of households.

**Sociocracy** (also called dynamic governance) organizes a community into smaller working "circles," each handling one area of responsibility, tied together by a coordinating circle with members from each. Decisions use consent, meaning no one has a reasoned objection, rather than full agreement, and it's increasingly common in ecovillages and cohousing communities specifically because it scales better than whole-group consensus once a community is large enough that not every decision needs every member's direct input.

### Sociocracy is not a solved answer

Real-world reporting on cohousing communities is honest that many groups abandon or heavily adapt sociocracy after a few years. It was originally designed for organizations with one clear operational purpose, a business, a nonprofit, where each circle has a measurable goal. A residential community's actual shared goal is often just "living together well," which doesn't decompose into circles as cleanly. Expect to adapt whichever model a founding group picks, and treat the model itself as something the group's own collective-choice process (principle 3, above) can revise, not a fixed structure chosen once and never revisited.

### Meetings themselves are a real cost, not a free good

Consensus and sociocracy both run on group time, and that time is a real resource with the same kind of limits Chapter 4 puts on food, water, and power, not an unlimited input. Surviving Part 6 already covers why constant re-litigating of the same open questions measurably degrades decision-making and burns people out; the same effect applies directly to a group running frequent consensus meetings. Give governance its own fixed time budget rather than letting it expand to fill however much time people are willing to give it.

## Founder's Syndrome: when the structure says equal but the reality doesn't

Every principle above assumes governance authority is actually distributed the way the structure says it is. In practice, that's often false. Founder's Syndrome, a well-documented pattern across nonprofits and intentional communities alike, is what happens when one or more founders keep disproportionate influence long after the group has formally moved to shared governance: autocratic decision-making that never quite matches the charter, resistance to new members' ideas, and leadership that's drifted from serving the community's stated purpose to serving the founder's own. It's not a moral failing unique to bad founders, it's a structural risk built into the fact that founders start with all the informal trust, relationships, and institutional knowledge, and formal rules alone don't automatically transfer that.

The real fixes are structural, not just good intentions: term limits on any governance role, including the founders' own, enforced rather than aspirational; a genuine succession plan agreed on early, not improvised once a founder actually wants to step back; and deliberately empowering newer members to own real decisions, not just attend meetings where founders still make the actual calls. This is exactly what principle 8's nested structure and Chapter 8's growth-and-succession planning are for; treat this as the reason those aren't optional refinements.

## Making it legally real

A governance structure only holds if it's actually enforceable, which means putting it inside a real legal container. Three patterns show up repeatedly in real communities:

**This section assumes courts, registries, and state authority still exist**

Every structure below, a cooperative's articles of incorporation, a land trust's ground lease, an HOA's recorded covenants, depends on a functioning legal system to actually mean anything: an office to file with, a court to enforce a dispute, a recorder to make an ownership claim real against outsiders. That's the reasonable assumption behind this entire chapter, including for a founding group forming after a serious but contained disruption; most of the country's institutions keep functioning even through a bad regional disaster. If this community is genuinely founding somewhere that authority doesn't reach, or doesn't currently exist, the tools below don't apply, and governing without an enforcing state to back any of it up is a different, harder question. That's what the chapter on adapting to a genuinely new permanent baseline, later in this sequence and explicitly labeled as reasoned extrapolation rather than sourced fact, is actually for; this chapter isn't it.

| Structure | How it works | Best fit |
|---|---|---|
| Housing cooperative | Members hold shares in a cooperative corporation that owns the property; monthly payments support the community rather than a landlord | Groups wanting collective ownership and, if structured as limited-equity, protection against speculative resale prices |
| Community land trust | A nonprofit holds the land long-term and conveys ground leases to residents, separating land ownership from home ownership | Groups prioritizing long-term affordability over individual equity growth |
| Homeowners' association | Individual property ownership with a shared association governing common rules and areas | Groups wanting individual ownership with lighter shared governance |

Many real communities use a hybrid rather than picking just one, an LLC or land trust holding the land itself while a separate cooperative or nonprofit handles day-to-day governance. Which structure fits depends on real legal and tax tradeoffs specific to the state and the group's actual goals; treat the table above as a starting vocabulary for that conversation with an actual attorney, not a DIY legal decision.

**This chapter covers rule violations, not real danger**

Ostrom's graduated sanctions and the restorative practice above are built for exactly what they sound like: a member not pulling their weight, a boundary dispute, a broken agreement. A genuinely dangerous situation, violence, theft, abuse, isn't a bigger version of that same problem, it's a different one that needs a faster, more serious process, up to and including actually removing someone from shared property. Chapter 6 covers that directly; don't stretch this chapter's tools to cover a situation they were never built for.

## Sources


- Elinor Ostrom's eight design principles for durable commons governance, drawn from a study of 800+ real cases: P2P Foundation; Evonomics
- Restorative circles as a real conflict-resolution and community-governance practice: Search Institute; Center for Justice Innovation
- Consensus vs. sociocracy in real cohousing and intentional communities, including the real-world abandonment/adaptation pattern: Cohousing Association of the United States; Sociocracy For All
- Founder's Syndrome, symptoms and structural prevention, in an intentional-community context specifically: Foundation for Intentional Community; general nonprofit-governance prevention strategies (term limits, succession planning): Foundation Group
- Legal structures used by real intentional communities, housing cooperatives, community land trusts, and hybrids: Cooperative Living Communities (ICMatch); Community-Wealth.org, Starting a Community Land Trust