Faculty of Law
What is the Point of Schelling?
19th Annual ODR Forum, Williamsburg, VA
October 30, 2019
Schelling Points

• Aka Focal Points

• Provides basis for coordination where participants cannot communicate or where preferences differ

• Issue (as identified by Schelling) that desire to coordinate can overwhelm preferences
Where and When to Meet?

12:00
Pick a Letter

A $100  B $50  C $1

Participants get paid only if each writes down the same letter
Platforms Relying on Schelling Point

- Aragon
- Kleros
- JURIS
- OATH
- JUR

Decentralized Dispute Resolution Infrastructure
Schelling Assumptions

“We expect agents [i.e. jurors] to vote the true answer because they expect others to vote the true answer, because they expect others to vote the true answer .... In this simple case, the Schelling Point is honesty.”

Clement Lesaege & Federico Ast, *Kleros: Short Paper v 1.0.5*, January 2018
Schelling Point Model

Jurors

Tokens

Online Court

Vote

Party A

Tokens + .5

Vote

Party A

Tokens + .5

Vote

Party B

Tokens Forfeit
Coordination

Honesty

Truth/Fairness
The Schelling Point Applied to “Jurors”

“Even if publicized, the content of law is often unclear, especially to non-lawyers. Law cannot align expectations unless it is sufficiently clear that most individuals have the same interpretation of it. Finally, even if the law enjoys clarity, it may face competition from factors that make another outcome salient [such as existing norms, behaviours and culture]”.