**FEASIBLE COST, REQUISITE VARIETY, AND PREFERRED TASTE:**

**THREE DIMENSIONS OF “GOOD” REGULATION AND THEIR HIDDEN LAWS**

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What is in common for a “good” photographic image, a “good” organization, and a “good” society? Or, what is in common of a “good” camera, a “good” management team, and a “good” government?   This paper identifies a three dimensional space in which we perceive what we mean by “good” in human affairs involving regulation or control. The three dimensions are Feasible Cost, Requisite Variety, and Preferred Taste. The attempt here is to construct a three dimensional measurement instrument, i.e. Organizational Efficiency Index (Cost-wise), Regulatory Capacity Index (Variety-wise), and Aesthetic Position Index (Taste-wise). The three dimensions are all about human limitations. Each describes something that we wish to do better but cannot for the time being.  Together these indexes offer a 3-D perspective for us to observe and compare the development and evolution of any human organization – families, companies, governments, societies or civilizations. The progress of civilization means that over time, thanks to the accumulation of experiences and our capacity for reflection and critical thinking, we are able to raise our marks on these limitations.

Three laws related to this three dimensional perspective are discussed:  (1) Law of Limited Rationality: Any human brain functions with a long list of cognitive biases that need to be eliminated before reaching pure rationality, but the process of overcoming these biases demand resources (monetary cost and bio-cost (time, attention, stress and health). Since such resources are always limited, the rationality reachable will be always limited. (2) Law of Requisite Variety: If a system is to be stable, the number of possible states in its control mechanism must be greater than or equal to the number of states in the system being controlled (Ashby 1958). (3) Law of Preferred Taste: Human beings prefer their more pleasurable (subjectively definable) option when other aspects are equal within their scope of awareness.