

ANNEX N

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Liquid Law: Philosophy, Economy, and Application in the PHREVO Architecture

Adaptive Norms, Expanded Subjects, Radical Transparency, and Liquid Governance

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Purpose

Complete exposition of the Liquid Law concept as developed in the PHREVO framework: its philosophical foundations (Aristotle, Bauman, Freire, Santos), its economic dimensions (smart contracts, KPI-governed capital release, community data sovereignty), its concrete application across the 10 PHREVO policy families, and its global precedents in emerging law.

Key claim

Liquid Law is not the absence of rules. It is adaptive structure: norms that flow with life without losing their ethical root. It is the juridical architecture that makes PHREVO possible — because a post-capitalist economy requires a post-classical law.

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*"No more stone codes that ignore the wind,
no more iron decrees that freeze time.*

*We want laws of water that flow and care,
that change their form but never forget.*

*Liquid law, root and current,
justice that lives, that embraces and feels."*

— *Ley de Agua (Law of Water)*, A. Jimenez

"No más códigos de piedra que ignoran el viento,

No más decretos de hierro que congelan el tiempo.

Queremos leyes de agua que fluyan y se preocupen,

Que cambian su forma, pero nunca olvidan.

Ley líquida, raíz y corriente,

Justicia que vive, que abraza y siente".

— *Ley de Agua (Law of Water)*, A. Jimenez

Abstract

This annex develops the concept of Liquid Law as conceived within the PHREVO framework. Liquid Law is not a metaphor or a rhetorical flourish. It is a precise juridical proposition: that the legal architecture of a post-capitalist economy cannot be built on the classical model of rigid, universal, codified norms imposed from above. It must be built on adaptive norms that respond to living reality, co-created by the communities they govern, verified by technology, and anchored in ethical principles that cannot be traded away.

The concept rests on four philosophical pillars: Aristotle's *epieikeia* (equity as the correction of the rigid rule by practical wisdom); Zygmunt Bauman's analysis of liquid modernity (the world has become too fluid for solid norms, but this produces vulnerability, not freedom); Paulo Freire's insistence that norms must be living practice, not dead text imposed on passive subjects; and Boaventura de Sousa Santos' epistemologies of the South, which demand that legal thought recognize plural, non-Western juridical traditions as valid sources of normative architecture.

Economically, Liquid Law manifests in the PHREVO framework through five operational instruments: smart contracts (agreements that self-execute when verified impact conditions are met, replacing discretionary power with algorithmic architecture); KPI-governed capital release (funds are not transferred in advance but unlocked progressively as the 64 PHREVO-Score indicators are validated by IoT sensors and community oracles); Liquid Governance (a voting architecture where power is proportional to verified impact, not capital, and where delegation and revocation of votes happen in real time); Legitimacy Panels (community bodies with binding veto power over decisions that affect their territory); and Community Data Sovereignty (data generated by communities belongs to communities, not to corporations or researchers).

In application, Liquid Law operates across all 16 strategic domains and 10 policy families of the PHREVO matrix. This annex develops its application in six of those families in detail: fiscal governance (PFI), labor and care (PLAB), land and territory (PTIERRA), environmental commons (PAMB), industrial policy (PIND), and governance itself (PGOB). Each demonstrates how Liquid Law transforms a static regulatory domain into a living, community-governed, technologically verified system of rights and obligations.

The annex concludes with a mapping of existing global precedents — legal innovations in New Zealand, India, Ecuador, Bolivia, and Colombia — that demonstrate Liquid Law is not utopia: it is already being built, in fragments, by communities that refused to accept that rivers are property, that animals are objects, and that nature has no standing.

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N.1 The Failure of Rigid Law: Why Classical Legal Architecture Cannot Serve a Post-Capitalist Economy

The classical legal system was designed for a world of relative stability: nation-states with defined borders, individual citizens with property rights, contracts between parties of approximately equal standing, and courts with the time and resources to deliberate. It encoded the social relations of 19th-century European capitalism and has been exporting that encoding to the rest of the world ever since.

That world no longer exists. Artificial intelligence reconfigures entire labor markets in months. Climate collapse alters entire ecosystems in years. Mass displacement moves millions of people across legal systems that were designed to keep them in place. Digital platforms accumulate power faster than any legislative body can respond. And the communities most affected by these changes — in the Global South, in indigenous territories, in migrant communities — are precisely the communities that classical law was designed to exclude from its subject category.

The result is a predictable paradox: the law arrives late, speaks a language no one outside the legal profession understands, protects interests that have the resources to navigate it, and criminalizes the informal arrangements that millions of people use to survive. Rivers are property; corporations are persons; unpaid care work is invisible; ecosystems have no standing; future generations have no voice. This is not a coincidence. It is the architecture of classical law expressing its values with perfect consistency.

A system that attempts to govern a living, accelerating, complex world with monuments of stone will always arrive late. It will protect those who built the monuments and exclude those who live in the spaces between them. Liquid Law is not the absence of form: it is the recognition that form must adapt to life, not life to form.

PHREVO requires a different legal architecture precisely because it encodes different values: human dignity as a binding prior criterion, ecological regeneration as an economic condition, community sovereignty as a structural right, and care as a recognized economic contribution. None of these values can be operationalized within a legal framework that treats the individual proprietor as its primary subject, the nation-state as its primary authority, and the written code as its primary instrument. Liquid Law is the juridical complement of the PHREVO architecture.

N.2 Philosophical Foundations of Liquid Law

N.2.1 Aristotle: Epieikeia and the Correction of the Rigid Rule

The oldest philosophical precedent for Liquid Law is Aristotle's concept of *epieikeia*, typically translated as equity or fairness, but more precisely understood as the correction of the law where the law is deficient by reason of its universality. In the *Nicomachean Ethics* (Book V), Aristotle observes that all law is general but life is particular. The legislator, writing a general rule, cannot anticipate every situation. When applying the general rule to a particular situation produces injustice, *epieikeia* requires departing from the letter of the law to respect its spirit.

This is the first formulation of Liquid Law: not the abandonment of norms, but their living interpretation in light of the specific situation, the particular community, and the actual consequences for actual people. The judge who practices *epieikeia* does not ignore the law: they honor its purpose by recognizing that a rule written for a general case may need to flow around a particular obstacle without losing its course.

In the PHREVO context, *epieikeia* is institutionalized through the Territorial Arbitration Mechanism (Annex A): when the lexicographic priority rule produces a consequence that a community considers unjust in its specific context, a 70% supermajority of the community assembly can activate an arbitration process that allows a contextual exception — not a violation of principles, but a flowing around a particular obstacle while maintaining the ethical course.

N.2.2 Bauman: Liquid Modernity and the Vulnerability of Solid Norms

Zygmunt Bauman's analysis of liquid modernity provides the sociological diagnosis that makes Liquid Law urgent. In Bauman's account, late capitalism dissolved the solid structures of modernity — stable employment, fixed communities, durable identities, reliable institutions — into a permanent state of flux. Everything melts: not only social bonds and cultural certainties, but also the regulatory frameworks that were supposed to protect people from the consequences of that dissolution.

Bauman's diagnosis is not a celebration of liquidity: it is a warning. When everything melts, the vulnerable become more vulnerable, because the solid structures that once offered some protection — labor law, welfare states, public institutions — melt first, while the power of capital remains comparatively solid. Liquid modernity, without a liquid juridical response, produces vulnerability, not freedom.

Liquid Law in the PHREVO framework accepts Bauman's diagnosis but proposes a different response to it. If modernity has become liquid, the answer is not to desperately rebuild solid norms that will only melt again, nor to abandon norms entirely and leave people to navigate the flux without protection. The answer is to build norms that are themselves capable of flowing — adaptive without being

arbitrary, flexible without being powerless, responsive without being captured. Liquid Law is the architecture of protection for a liquid world.

N.2.3 Freire: The Norm as Living Practice, Not Dead Text

Paulo Freire's pedagogical philosophy applies directly to legal architecture. In *Pedagogy of the Oppressed*, Freire describes what he calls the "banking model" of education: the teacher possesses knowledge, deposits it into passive students, who are expected to store and reproduce it. This model produces obedience, not consciousness; reproduction, not transformation. The alternative is dialogic education: knowledge is not deposited but co-created through the encounter between teacher and student, each learning from the other's experience.

The parallel to law is exact. Classical law operates on the banking model: legislators write norms, bureaucrats administer them, citizens are expected to comply with them. The community is the passive recipient of a legal product manufactured elsewhere. This model produces the same results as banking education: compliance without understanding, enforcement without legitimacy, norms that serve the interests of those who designed them rather than the needs of those they govern.

Liquid Law in the PHREVO framework operates on Freire's dialogic model: norms are co-created by the communities they govern, through deliberative assembly processes. The community is not the passive recipient of a legal product: it is the author of the rules that govern it. This does not mean that communities write arbitrary rules: it means that the ethical principles that ground the rules — dignity, care, ecological regeneration, justice — are expressed in the specific normative forms that the community recognizes as legitimate for its specific context.

N.2.4 Santos: Epistemologies of the South and Juridical Pluralism

Boaventura de Sousa Santos' concept of epistemologies of the South has a specific application to legal theory. Santos argues that Western legal thought has committed a form of epistemicide: the systematic destruction of alternative legal traditions by treating Western law as universal and relegating indigenous, communal, and pluralistic legal systems to the status of custom, superstition, or pre-legal arrangement.

The Amazonian communities that governed their relationship with the forest through protocols developed over centuries, the Andean communities that distributed water, land, and labor through *minka* and *ayni* reciprocity systems, the West African communities that governed credit, savings, and mutual obligation through *tontine* systems — all of these have developed sophisticated legal architectures that Western jurisprudence refused to recognize as law. The result is not only an injustice to those communities: it is an impoverishment of legal thought itself, which has deprived itself of thousands of years of accumulated practical wisdom about how communities can govern themselves effectively.

Liquid Law in the PHREVO framework explicitly recognizes legal pluralism as a foundation rather than a problem. The 10 PHREVO policy families provide common frameworks; the Territorial Arbitration Mechanism allows contextual adaptations; the Legitimacy Panels include community representatives with standing to invoke their own legal traditions; and the Non-Extractivist Research Network (Annex J) is specifically designed to ensure that adaptations of the PHREVO framework in African, Asian, and Pacific contexts are driven by the knowledge systems of those communities rather than imposed from the framework's Latin American origins.

N.3 The Five Characteristics of Liquid Law

N.4 Liquid Law Is Not Chaos: The Ethical Anchor

The most persistent objection to Liquid Law is that flexibility produces arbitrariness. If norms can adapt, be re-negotiated, and vary by community, what prevents powerful actors from using that flexibility to dissolve protections, escape accountability, or impose their preferences on weaker parties under the guise of contextual adaptation? This objection is serious and must be answered directly. Liquid Law does not mean the absence of fixed constraints. It means a specific architecture of fixed constraints and adaptive application. The fixed constraints are the ethical principles and the minimum thresholds that cannot be dissolved regardless of community preference, contextual argument, or economic convenience. In PHREVO, these fixed constraints are explicit and hard: the lexicographic priority rule that makes SP unchallengeable by any other dimension; the binding minimum thresholds below which no project advances; the prohibition on any temporal exception that eliminates those thresholds; and the requirement that any deviation from the standard rule pass a 70% supermajority with independent audit and a time limit.

The distinction is precise. Classical law fixes both the principles and the application, producing a system that is consistent but incapable of responding to the diversity of living situations. Pure relativism fixes neither, producing a system that is responsive but captured by whoever has the most power in the negotiation. Liquid Law fixes the principles with maximum rigor while liberating the application to respond to real community conditions. It is the combination of ethical hardness and normative fluidity that defines it.

The river has banks. Without banks, water is not a river: it is a flood. The banks of Liquid Law are the ethical principles that cannot be negotiated: dignity, ecological integrity, justice, care. Within those banks, the water flows — adapting to the terrain, flowing around obstacles, finding different channels in different contexts — but always moving in the direction that the land of ethics dictates.

N.5 Economic Architecture: How Liquid Law Operates in PHREVO

N.5.1 Smart Contracts: Replacing Discretion with Architecture

The most powerful economic instrument of Liquid Law is the smart contract: a self-executing agreement encoded in blockchain that releases resources when pre-specified conditions are verifiably met, without requiring the discretion of any intermediary authority. Smart contracts do not replace community governance: they execute what community governance has decided, automatically, transparently, and without the possibility of corrupt deviation.

In the PHREVO framework, smart contracts are the primary mechanism through which the PHREVO-Score is translated into legal and economic consequence. A mining cooperative that commits to achieving SP indicator thresholds (water quality, biodiversity, soil health) does not receive a promise from PHREVO that it will be held accountable: it signs a smart contract that withholds payment until IoT sensors verify the achievement. The obligation is not enforced by a court years later; it is built into the payment mechanism from the beginning.

N.5.2 KPI-Governed Capital Release: Money That Moves with Verified Reality

The KPI-governed capital release mechanism is the economic translation of the Liquid Law principle that norms must respond to living reality, not to promises about it. In the classical investment model, capital is released against promises: business plans, financial projections, governance commitments, and regulatory filings. The verification that the promises are kept comes later, if at all, and through mechanisms that are slow, expensive, and vulnerable to capture.

In the PHREVO framework, capital release is governed by verified reality. An investment of \$10 million in a mining cooperative does not transfer \$10 million on signing: it creates a smart contract that holds the full amount and releases it in tranches as the 64 PHREVO-Score KPIs are verified by IoT sensors, satellite data, community oracles, and algorithmic validation. The first 30% is released when the renewable energy installation (PENE) is verified. The second 30% when labor standards (PLAB) are confirmed operational. The third 30% when ecological baseline indicators (PAMB) show improvement. The final 10% when the community governance platform (PJOB) is operational and the Legitimacy Panel has reviewed the first-year results.

This is not a regulatory compliance framework bolted onto a standard investment: it is a fundamentally different architecture of investment itself. Capital does not flow on trust: it flows on verified truth. The norm is not enforced after the fact: it is built

into the transaction. This is Liquid Law in its most economically potent form: the legal obligation and the economic incentive are the same mechanism.

N.5.3 Liquid Governance: Impact-Weighted Democracy

Liquid Governance is the political architecture of Liquid Law. It replaces two existing models of collective decision-making — the plutocratic model (one share, one vote, which concentrates decision power with capital) and the formal democratic model (one person, one vote, which treats all participation as equal regardless of knowledge or stake) — with an impact-weighted model governed by the Impact Passport.

In the Liquid Governance model, voting power on a specific decision is proportional to three factors: the voter's verified history of contribution to the PHREVO-Score dimensions most relevant to the decision (a hydrologist with a verified record of watershed restoration has greater weight on water governance decisions than a passive investor); the voter's demonstrated stake in the consequences of the decision (a community member who lives downstream from a proposed mining project has greater weight than a distant investor); and the voter's capacity to delegate their vote to a trusted expert for specific technical decisions, with the right to revoke that delegation in real time if the delegate's performance deteriorates. The delegation mechanism is what makes the governance liquid in the technical sense: votes are not fixed but flow. A community member who delegates their environmental vote to a trusted local ecologist can revoke that delegation instantly if the ecologist votes in a way they find harmful, and re-delegate to a different representative. This is not representative democracy with fixed terms: it is continuous democracy with real-time accountability.

N.5.4 Legitimacy Panels: Community Veto as Structural Right

The Legitimacy Panel is the most powerful legal instrument in the PHREVO Liquid Law architecture. Before any project can advance through its funding milestones, it must pass review by a Legitimacy Panel: a randomly selected but qualified group of local community members, relevant experts, and impact investors who evaluate the project against the 64 PHREVO-Score KPIs.

The Panel's power is not advisory: it is binding. A project that achieves its financial targets but fails its PCUL (Cultural) or PAMB (Environmental) indicators can be frozen by the Panel through the smart contract mechanism. The freeze is not a lawsuit: it is an architectural event. No capital moves. No negotiation is possible without addressing the Panel's concerns. This is the community veto as a structural right — not a political concession that can be withdrawn, not an advisory body whose recommendations can be ignored, but an architectural component of the system that cannot be bypassed.

N.5.5 Community Data Sovereignty: The Norm That Protects the Source of Truth

Liquid Law requires verifiable truth to function. Smart contracts need reliable data; Liquid Governance needs accurate impact records; Legitimacy Panels need trustworthy information about project consequences. All of this depends on data. And data, in the current economy, is the primary mechanism through which extractive logic has found its way into even apparently progressive systems.

Community Data Sovereignty is the juridical norm that prevents the data infrastructure of Liquid Law from becoming a new form of extraction. Under this norm, data generated by a community — the readings from environmental sensors installed in community territory, the transaction records of community economic activity, the health and wellbeing indicators generated by community members' daily lives — belongs to the community. Not to PHREVO. Not to the investors who funded the sensors. Not to the governments that may have co-sponsored the infrastructure. To the community.

This has concrete operational consequences. Corporations must license access to community data, generating a revenue stream for the community. Researchers must obtain community consent before accessing data for publications. PHREVO itself can only access data that communities explicitly authorize for system-level functions. And the territorial node architecture (Annex H) ensures that the physical infrastructure holding the data is controlled by the community, not by a corporation or state that could be compelled by court order to surrender it.

N.6 Application Across the PHREVO Policy Families

N.6.1 PFI — Fiscal and Impact Policy

In classical fiscal law, the state collects taxes through a coercive extraction mechanism and redistributes through discretionary political processes. The citizen has no direct relationship between their contribution and the outcomes it produces. The norm is rigid, universal, and enforced by threat of sanction.

Under Liquid Law applied through PFI, the relationship is architectural. Smart Clearing automatically redirects 2% of every transaction in the PHREVO economy to the local community's Basic Impact Income fund. This is not a tax collected by a state and redistributed through a welfare program: it is a norm built into the transaction mechanism itself. No political decision is required. No bureaucratic intermediary takes a portion. The community sees the deposit in real time, verifiable on the blockchain.

PFI also governs fiscal impact evaluation: before any budget allocation is made, the PHREVO-Score of the proposed expenditure is calculated. A budget line that fails minimum thresholds on any of the six dimensions cannot advance regardless of its political supporters. This is Liquid Law's most direct challenge to classical public finance: the community, not the political majority, holds the veto over spending that would harm it.

N.6.2 PLAB — Labor and Care Policy

Classical labor law treats care work as invisible. It governs employment relationships — contracts, wages, benefits, protections — but the domestic and community care that makes all employment possible is treated as a private matter, not a legal subject. The person who spends 40 hours a week caring for children, elderly parents, and community members has no legal standing in classical labor law. They are not a worker. They have no rights.

Under Liquid Law applied through PLAB, care work is a recognized economic and legal contribution. The PHREVO-Score's Care and Wellbeing (CB) dimension includes specific indicators for care work: the gender gap in unwaged care hours, caregiver burnout rates, community care network density. When these indicators deteriorate below thresholds, smart contracts block further investment in the enterprise or project responsible until remediation plans are verified.

The Basic Impact Income's care supplement — additional RIB for documented care work above the household threshold (10h/week) — is the legal operationalization of a norm that classical law refuses to recognize: that care work generates value, and that generating value creates rights. This is Liquid Law expanding the legal subject category to include the invisible contributor.

N.6.3 PTIERRA — Land and Territory Policy

Classical property law treats land as a commodity: a thing that can be owned, bought, sold, and developed by whoever holds the title. This is one of the most consequential decisions in legal history. It severed the relationship between land and community, between territory and identity, between earth and rights. It made possible the enclosure of commons, the displacement of indigenous peoples, and the conversion of living ecosystems into investment vehicles.

Under Liquid Law applied through PTIERRA, land cannot be fully commodified because it is not merely property: it is a commons held in multilayer custody by the community, the ecosystem, and future generations simultaneously. The PHREVO multilayer collective ownership model (Annex D) replaces the single property title with three overlapping custodianship layers: the community holds governance rights (it decides how the land is used); the ecosystem holds integrity rights (no use that crosses ecological thresholds is legally permissible); and future generations hold inheritance rights (no permanent alteration without intergenerational impact assessment).

This is the most radical departure from classical property law in the PHREVO framework. It does not abolish property: it transforms it from a relationship between a person and a thing into a set of relationships between a community, an ecosystem, and a temporal sequence. The norm is not fixed: it adapts to the specific characteristics of each territory, the specific ecological conditions of each ecosystem, and the specific cultural traditions of each community through the Territorial Arbitration Mechanism.

N.6.4 PAMB — Environmental Commons Policy

Classical environmental law is reactive: it responds to damage after it has occurred, through fines, cleanup orders, and restoration obligations that arrive too late to prevent irreversible harm. The legal norm treats ecological damage as an externality to be priced and managed, not as a violation of rights that must be prevented. The river is not a subject: it is a resource that can be damaged, compensated for, and moved on from.

Under Liquid Law applied through PAMB, the ecological commons are legal subjects with standing, protected by real-time monitoring rather than retrospective litigation. The PHREVO-Score's Sustainable Depth (SP) dimension — the lexicographically highest priority in the entire system — includes ecological KPIs that are continuously monitored by IoT sensors. When those KPIs deteriorate below minimum thresholds, smart contracts automatically freeze further activity in the relevant territory until remediation is verified. The norm does not wait for the river to die before acting: it acts when the river shows the first signs of harm, because by definition SP is the dimension that cannot be traded against any other.

N.6.5 PIND — Industrial Policy

Classical industrial law governs what companies can and cannot do. It is primarily prohibitive: don't pollute beyond this level; don't employ workers below this age; don't pay below this minimum. The norm is a floor, not a standard; a minimum, not a direction. Industry complies with the floor and optimizes everything else for financial return.

Under Liquid Law applied through PIND, industrial activity is governed by the PHREVO-Score as a condition of participation in the economic system. Companies that operate within the PHREVO-Exchange must maintain minimum PHREVO-Score thresholds across all six dimensions or lose access to the Exchange. This is not a prohibition: it is a participation condition. Companies that improve their Score access better capital conditions, priority in public procurement, and higher token valuations. The norm is not a floor to comply with: it is a direction to pursue, with economic consequences for pursuit and for failure.

N.6.6 PGOB — Governance Policy

PGOB is the governance family that governs governance itself: the rules about how rules are made. In classical law, this is the domain of constitutional law and administrative law: rigid frameworks that define the institutions that have legitimate authority and the processes by which they exercise it. These frameworks are almost impossible to change because they are designed to resist change: constitutional amendment procedures are deliberately onerous; administrative review processes are deliberately slow.

Under Liquid Law applied through PGOB, governance architecture is not permanent: it is adaptive. The Liquid Governance mechanism allows communities to change their delegation structures in real time. The Territorial Arbitration Mechanism allows communities to override standard rules with a 70% supermajority and independent audit. The Legitimacy Panel composition is randomly selected for each review, preventing capture by any specific interest group. And the blockchain record ensures that every governance decision is permanently auditable, so that future communities can understand why the norms they inherited were chosen.

N.7 Expanded Subjects: Who Can Hold Rights Under Liquid Law

One of the most consequential features of classical law is its definition of the legal subject: who can hold rights, bring claims, and be represented in legal proceedings. In the Western legal tradition, that subject was initially the adult male property owner. Over centuries, the subject category expanded to include women, formerly enslaved people, corporations, and eventually (in some jurisdictions) collective entities like unions and NGOs. But in every expansion, the subject remained fundamentally anthropocentric and present-tense: it was always a human (or human-created entity) that exists now.

Liquid Law in the PHREVO framework proposes three expansions of the legal subject category that classical law has been unable to make:

N.8 Global Precedents: Liquid Law Already Exists

Liquid Law is not utopia. It is already being built, in fragments, by communities and courts that refused to accept the classical law's limitations. The following precedents are not merely inspirational: they are the existing seeds from which the PHREVO juridical architecture grows.

N.9 Risks and Safeguards

Every advance in legal architecture can be coopted. The history of legal reform is also the history of progressive advances being captured by the same interests they were designed to constrain. Liquid Law faces specific risks that must be addressed architecturally, not merely rhetorically.

N.10 The River That Speaks: A Narrative Synthesis

For centuries, the river was silent in court. Not because it had nothing to say — the river that had been poisoned by industrial runoff, the river whose flow had been diverted for irrigation without consent, the river whose banks had been stripped of the forest that kept it cool and alive — had everything to say. But it had no legal voice. It was property. It was a resource. It was a line on a map. It was an asset on a balance sheet. The law did not know how to hear it.

Classical law is organized around a fundamental assumption: only humans can hold rights. This assumption seemed so obvious for so long that it was not even recognized as an assumption: it was simply the nature of law. Law governs human relations. Non-humans are the objects of human relations. A river is the object of a water rights dispute between two irrigation companies. A forest is the object of a logging concession. A mountain is the object of a mining permit. None of these entities can speak. None of them can sue. None of them can be wronged in a way that creates a legal claim.

Then, in 2017, a lawyer stood up in a New Zealand courtroom and said: "Today I represent the Whanganui River." And the court heard the case. Not because the law had changed in the abstract, but because a community — the Maori people for whom the river was not a resource but an ancestor — had spent decades insisting that their relationship to the river was a legal relationship, that the river had standing because it had been recognized as a person by the people who had governed their relationship with it for centuries. The law flowed around the obstacle that classical legal theory had placed in the river's path.

When a river enters a tribunal, the law has become liquid. Not formless — the river still has banks, the law still has principles. But the river flows around obstacles that solid law would crash against. The Whanganui does not speak in English or in Maori: it speaks in water quality, in fish populations, in flood patterns, in the health of the communities that drink from it. IoT sensors are its voice. Smart contracts are its legal standing. Legitimacy Panels are its advocates. And the PHREVO-Score is the record of whether the humans who live alongside it are fulfilling their obligations.

This is the narrative synthesis of Liquid Law. Not the abolition of human-centered law, but its expansion to include the voices that classical law could not hear. Not the dissolution of legal norms, but their adaptation to the reality that life is more complex, more interconnected, and more worthy of legal protection than the 19th-century European property system was designed to recognize.

In the PHREVO framework, the river does not speak metaphorically. It speaks through the sensors that monitor its water quality, the community oracles that verify its condition, the smart contracts that block the mining operation when its thresholds are crossed, and the Legitimacy Panel that holds the veto over projects that threaten it. The river speaks in data. The law listens in code. And the community that has lived alongside the river for generations is its guardian, its interpreter, and its legal representative.

That is Liquid Law: not the absence of rules, but the presence of rules that are alive enough to hear what classical law was designed to silence.

***"Not more dead codes in empty towers,
we want a law that flows and guides us."***

**Not more monuments that weigh like chains,
we want a river that heals our pain.**

**Liquid law, justice that beats,
bridge of life that never breaks."**

— *Derecho que fluye (Law that flows), A. Jimenez*

"No más códigos muertos en torres vacías,

Queremos una ley que fluya y nos guíe.

No más monumentos que pesan como cadenas,

Queremos un río que cure nuestro dolor.

Ley líquida, justicia que golpea,

Puente de la vida que nunca se rompe".

— *Derecho que fluye (Law that flows), A. Jimenez*

N.11 Conclusion: From Monument to Living Current

Classical law is a monument. It was built to be solid, to resist pressure, to endure. That solidity is both its strength and its failure: it protects some things very well, and it is incapable of responding to everything it was not designed to protect. In a world that is accelerating, interconnected, and inhabited by communities whose relationships to land, water, and care are richer and more complex than the 19th-century legal subject could capture, the monument serves the interests of those who built it and excludes everyone else.

Liquid Law is not the demolition of the monument. It is the recognition that the world needs both: the solidity of unchangeable ethical principles and the fluidity of adaptive application. Human dignity cannot be traded. Ecological integrity cannot be dissolved. Care work cannot be rendered invisible. Justice cannot be substituted by efficiency. These are the banks of the river. Within them, the water must flow — finding its path through each specific terrain, adapting to each specific community, responding to each specific challenge with the wisdom of those who live alongside it.

PHREVO requires Liquid Law because it requires a legal architecture that can support what no classical legal system currently supports: a currency backed by ecological regeneration; a market governed by verified impact rather than speculative expectation; a governance architecture where voting power reflects contribution to the common good rather than accumulation of capital; a labor system that recognizes care as work; a land system that recognizes ecosystems as subjects; a fiscal system that redistributes automatically through every transaction. None of these are possible within classical law. All of them are possible within Liquid Law.

The river Whanganui speaks in its court. The Amazon is a subject before the Colombian Supreme Court. The Pachamama holds rights in the Ecuadorian constitution. The Periyar River has a tribal community as its legal guardian. These are not metaphors and they are not anomalies: they are the leading edge of a juridical revolution that is already underway, driven by communities that refused to accept that living things have no legal standing.

PHREVO's contribution to that revolution is to give it an economic architecture: smart contracts that execute community vetoes, KPI-governed capital release that moves money with verified reality, Liquid Governance that weights votes by impact, Impact Passports that make the invisible visible, and Community Data Sovereignty that ensures the infrastructure of truth belongs to those who generate it. Liquid Law is not PHREVO's legal annex: it is PHREVO's legal heart.

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