

# Polkadot OpenGov

Filippo Franchini Technical Educator

X: @filippoweb3



#### Content

- Most Governance Models
  - → hard forks
  - → no point for resilience without on-chain gov
- OpenGov main characteristics
- Node, Runtime, Forkless upgrades
- OpenGov mechanics (tracks, origins, voting, etc.)
- Lessons learned so far
- Future ahead

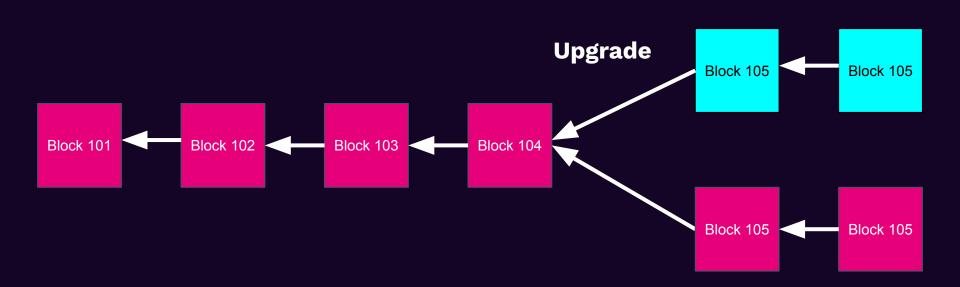


#### **Most Govs**





### **Hard Forks**





#### **Hard Forks**

Chain	Fork	Description
втс	BCH (2017)	Disagreement over block size. BCH supporters wanted larger blocks (8 MB+) for higher transaction throughput, BTC stayed with 1 MB + SegWit + off-chain scaling (Lightning).
ETH	ETC (2016)	DAO Hack: \$60M stolen (at the time) due to a smart contract exploit. Ethereum community chose to reverse the hack via a hard fork. A minority opposed "code is law", continued as Ethereum Classic (ETC).



What if we have a very resilient, decentralized system, but every time a decision has to be made it takes a long time to settle on an outcome and there is a high chance of forking the network?



#### **Coordinated Efforts**

The more a system is decentralized (and consequently resilient) the more we need a way to easily coordinate decision-making, make participants accountable for their decisions, and ensure and enforce certain and seamless execution of outcomes



# Governance and upgradeability

- Building blockchains in the context of DAOs, where no central entity steers decision-making
- Need for democratized decision making process
- Governance is easy, "trustless" upgradeability is not
- We need accountability and certainty of execution depending on voting outcomes



### **OpenGov**

- Trustless: coded, enforced by consensus rules and cryptoeconomics, no politician or CEO can override rules that are on-chain
- Permissionless: anyone can propose and vote

Efficient, fairer and more resilient than traditional governance models



#### **Trustless**

#### Trustless ≠ "no trust at all"

- You don't need to trust a single person, company, or government
- You trust mathematics, cryptography, and consensus rules enforced by cryptoeconomics and that everyone can verify



#### **Permissionless**

#### Permissionless ≠ "chaos"

- Anyone can participate (vote, submit proposals, run validators) without asking for approval
- No gatekeepers deciding "who is allowed in". In Polkadot, any DOT holder can make a governance proposal

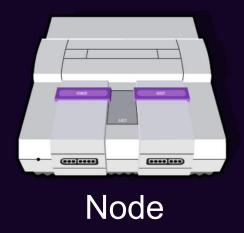


# How can we trust a trustless system?

- We don't trust people, we verify the rules
- The system is transparent, open-source, enforced by consensus
- In Polkadot governance, every vote, tally, and decision is visible and verifiable by anyone



#### **Node and Runtime**

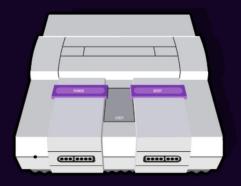




Runtime



#### **Node or Client**



- Native Binary
- Executes the Wasm runtime
- Everything else: Database, Networking, Mempool, Consensus, etc.



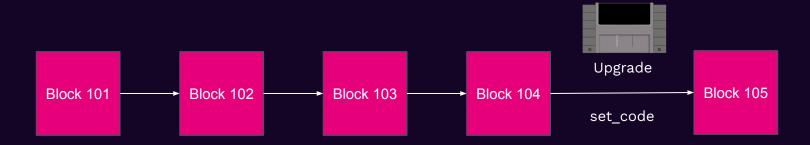
#### Runtime



- Application logic aka. How we execute block
- Stored as a part of your chain state as a WASM Blob
- Upgradeable
- Also known as State Transition Function (STF)



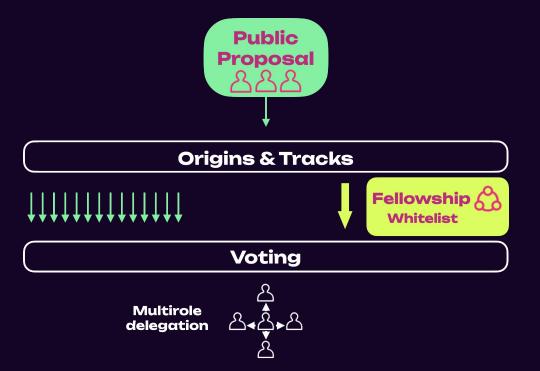
#### Go Forkless



- Referendum, if it passes, governance authorizes a call to system.set\_code(new\_wasm)
- New Wasm runtime blob directly in the chain's on-chain state
- Validators fetch the runtime Wasm code from the chain's state. They swap their in-memory runtime module with the new Wasm code.

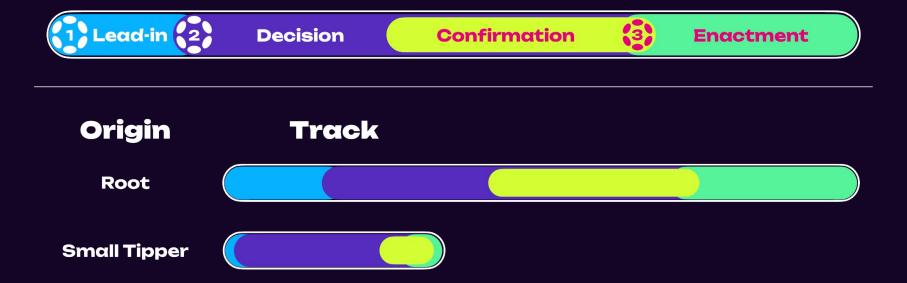


### **OpenGov Mechanics**



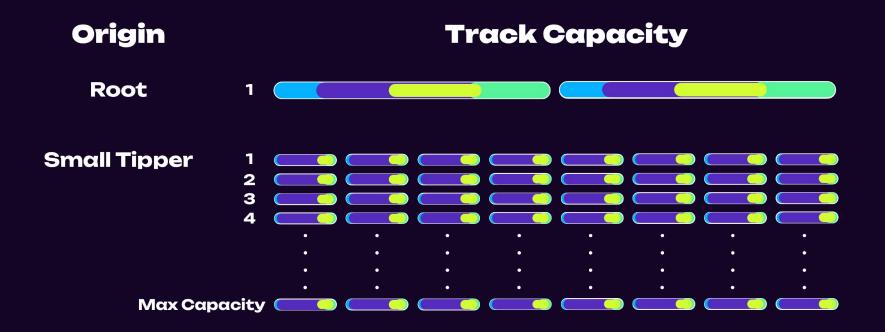


#### Referendum track





### **OpenGov Origins**



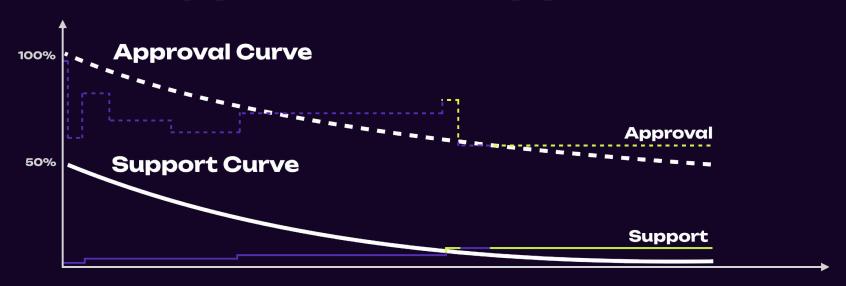


# **OpenGov Origins**

ID	Origin	Max Deciding	Decision Deposit	Prepare Period	Decision Period	Confirm Period
0	Root	1	100000 DOT	2 Hours	28 Days	1Day
1	Whitelisted Caller	100	10000 DOT	30 Minutes	28 Days	10 Minutes
2	Wish For Change	10	20000 DOT	2 Hours	28 Days	1Day
10	Staking Admin	10	5000 DOT	2 Hours	28 Days	3 Hours
11	Treasurer	10	1000 DOT	2 Hours	28 Days	7 Days



# **Approval & Support**

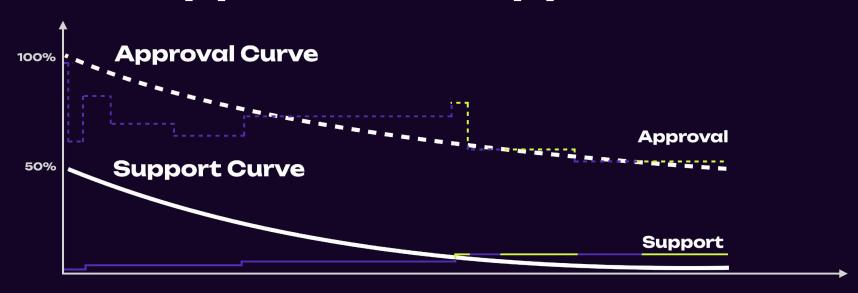


**Decision** 

Confirmation



### **Approval & Support**



**Decision** 

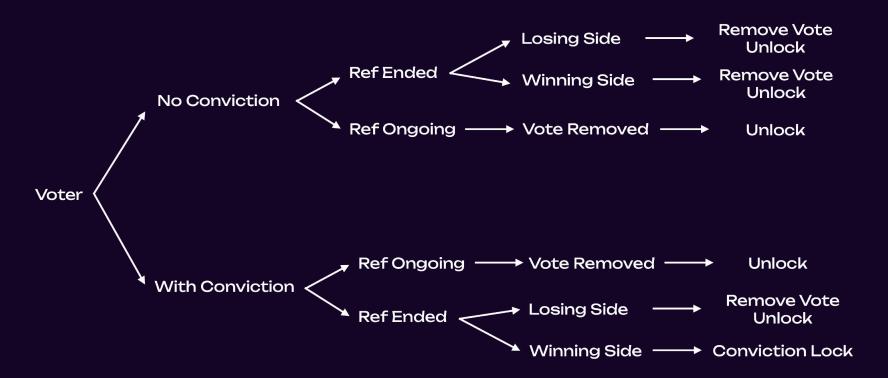


## **Conviction Voting**

Lock Periods	Vote Multiplier	Length in Days
0	0.1	0
1	1	7
2	2	14
4	3	28
8	4	56
16	5	112
32	6	224

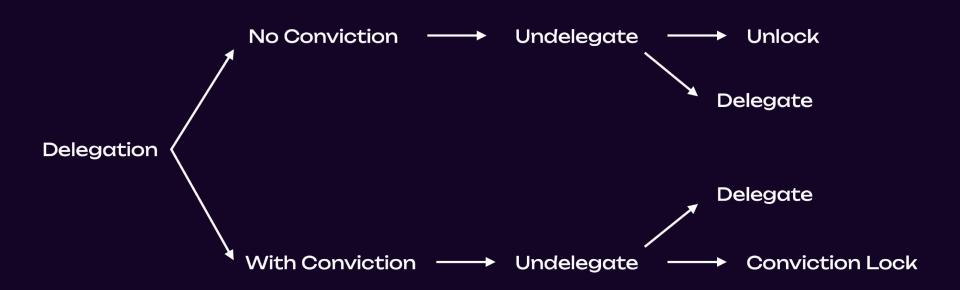


## **Voting Mechanics**



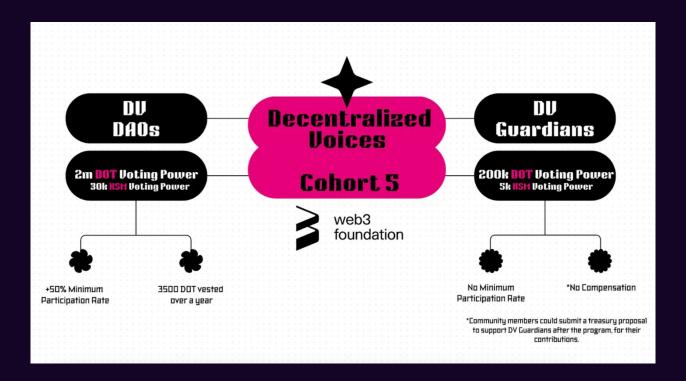


# **Delegating**





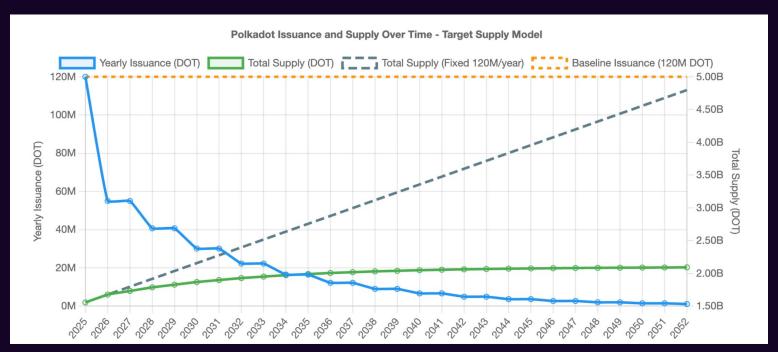
#### **Decentralized Voices**





# Capped Supply Proposal

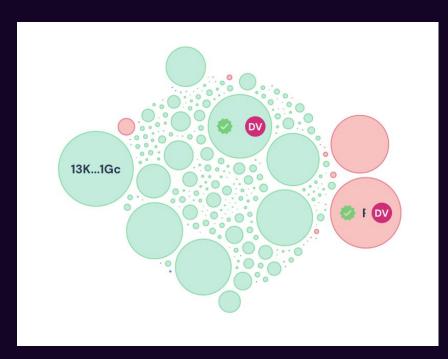
Wish for Change Origin

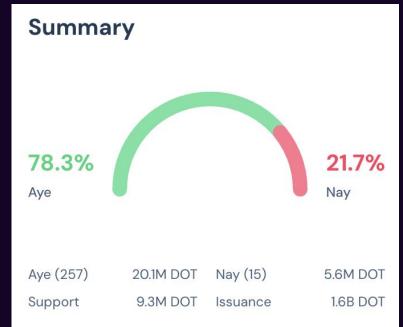




## **Capped Supply Proposal**

**Wish for Change Origin** 

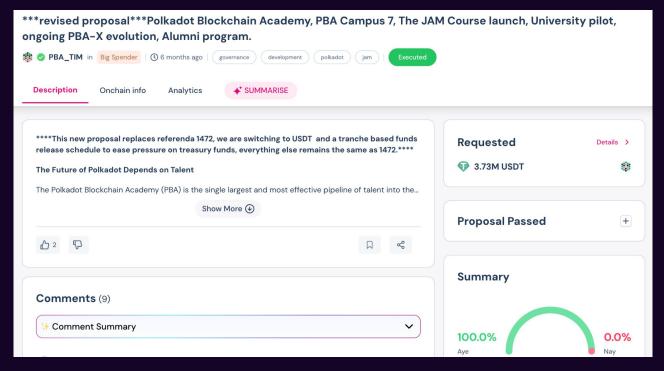






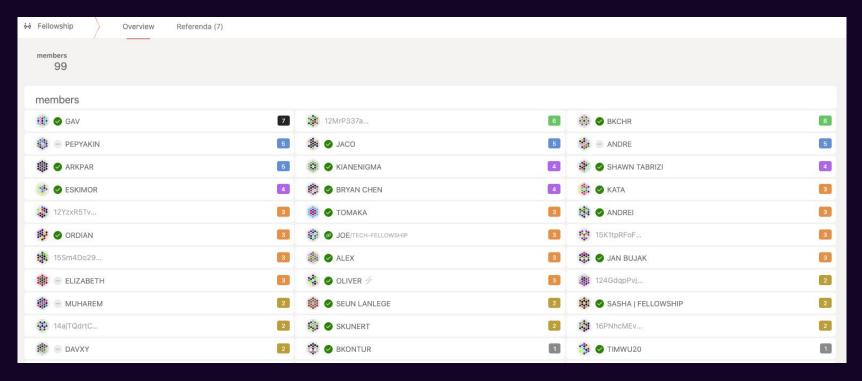
### PBA Bali Proposal

#### Big Spender Origin





### **Fellowship**





# **Expect Rationality**

- What are the incentives? Some are clear some not.
- Burn social capital and run away with DOT



# Don't Expect Rationality

- Some people are not rational
- In it for the LOLs, they are trolls
- Teams can be irrational because of ignorance
  - → not claiming treasury funds



# Complexity is the enemy

- We want anyone to use it
- Too complex for the average person
- Politics is complex, there are rules



# Coordination is necessary

- In theory anything can happen on chain
- But we are still human taking decisions
- Discussion, coordination, channel of communication



#### 1000:100:10:1 Rule

1 proposer, 10 voters, 100 commenters, 1000 will remain silent but with (very strong) opinions



#### Decentralization vs Effectiveness

- Coordinate a huge group of people
- In the short run might be difficult to be effective



# Governance is messy

- Emotional, lot's of opinions publicly made
- Winner and losers
- Adversarial environment
- Is not gonna be perfect
- What are going to be the 2nd order effects of your decisions or implementation?



## **Way Forward**

- Proof of Personhood
- People Chain (System) → fully dedicated to PoP
- Ongoing diversification of treasury
- Better oversight of the system
- Permanent votes, stick to some opinions

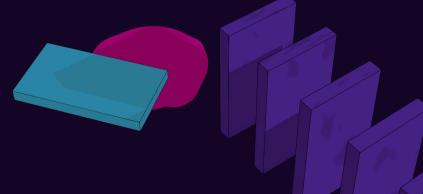








# Thank You



#### Filippo Franchini

Technical Educator @filippoweb3