Polkadot.

The Power of Polkadot's On-Chain Governance & Treasury

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Polkadot.

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Blockchain networks are trustless social coordination mechanisms, and we must be able to amend the constitution of trust they endow.

DEMOCRACY

ELECTIONS PHRAGMEN

MEMBERSHIP

COLLECTIVES

TREASURY

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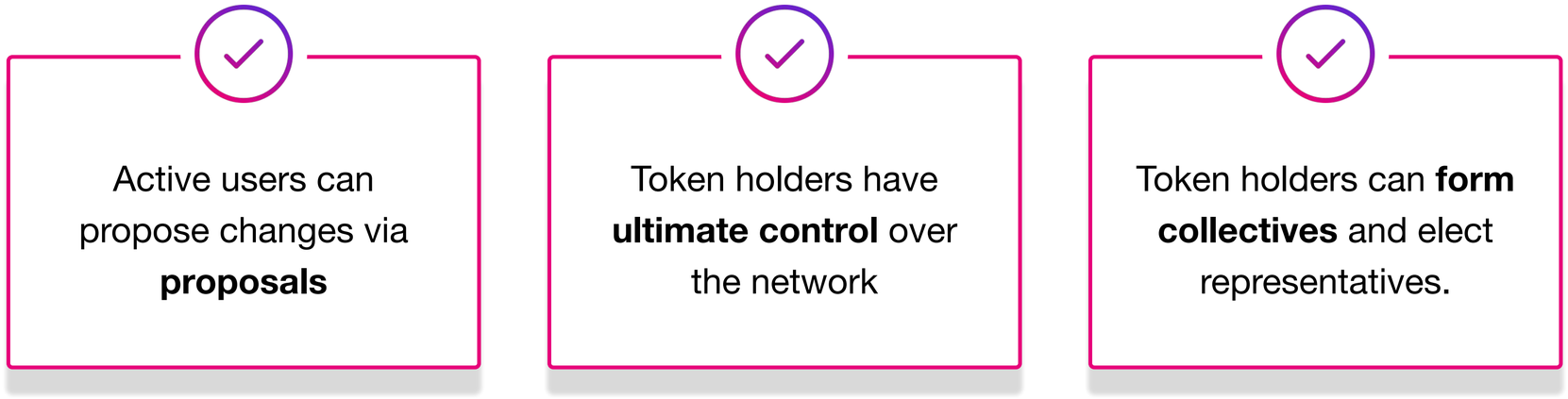
On-Chain Governance

Allows a transparent and sophisticated process for automatic change enactment: **giving AGENCY to the network**



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Polkadot's design allows stakeholders to express their wishes on-chain in a way that will maintain and update the system without forking.

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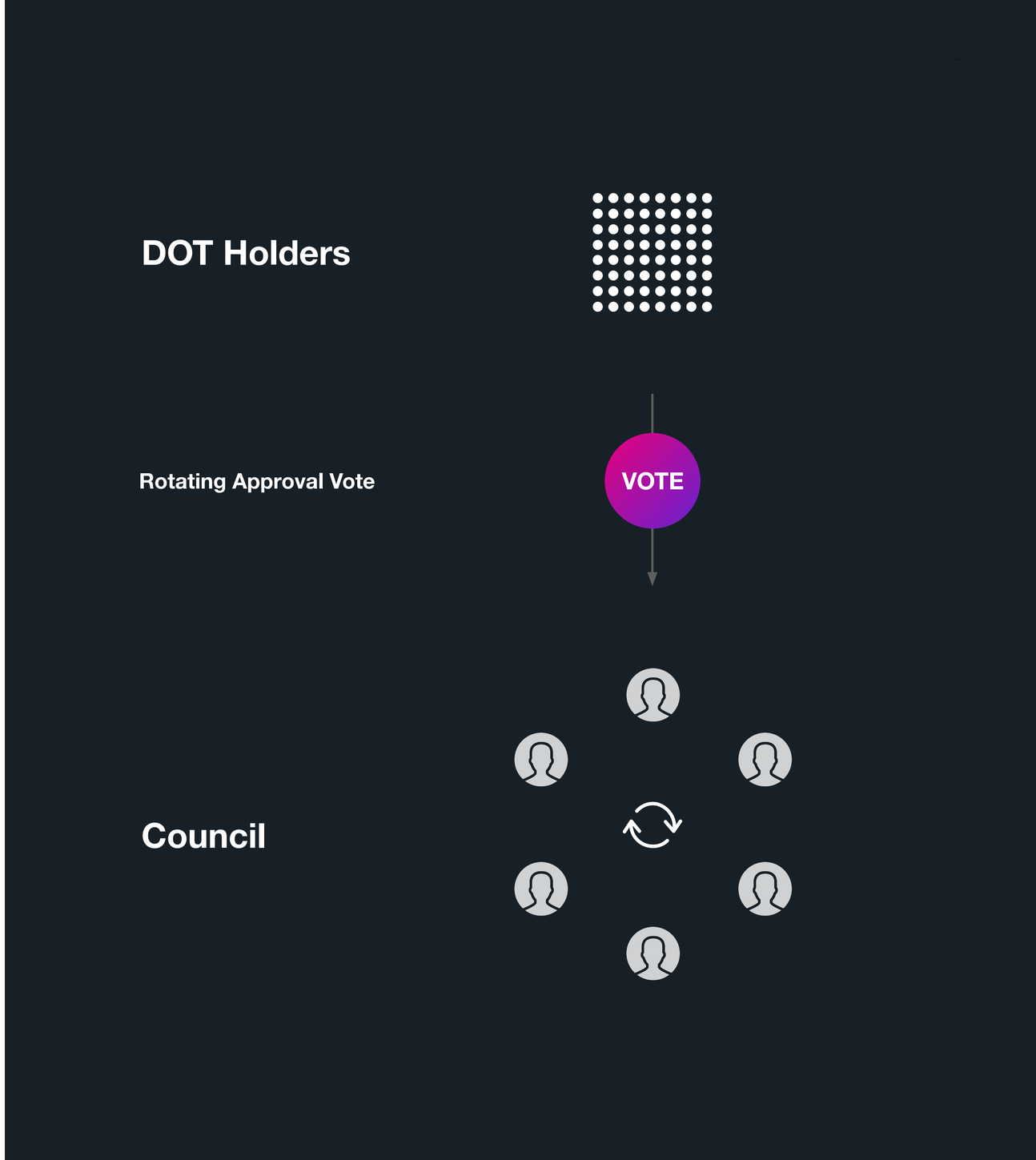
Proposals have the power to automatically change the network. Collectives aim to protect passive users from large token holders (tricameral design).

The Council

Represents passive stakeholders, proposes changes and cancels dangerous proposals

1. The election uses the same **Phragmen process** as validator selection to choose councillors by selecting the most-backed configuration.
2. On the council, **1 member equals 1 vote**.
3. The collective aims to **make it hard** for large DOT holders **to exercise undue power**.
4. **Seats rotate** every 7 days



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The Council is also the guardian of the treasury:

a pot of funds belonging to the Polkadot community

Any token holder **can submit a proposal** to be voted by the Council

1. Spending Proposals
2. Tips
3. Bounties Mechanism

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The Technical Committee

composed of the teams that have successfully implemented either a Polkadot runtime or Polkadot Host.

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Public Referenda

The **majority can command** the network's new changes every 28 days by passing proposals on referenda queue

All DOT holders can vote on public referenda: voting comes with **conviction**

Users **can second proposals**, the proposal with the highest amount of bonded support passes to referenda queue

Voters can **increase their voting power** by committing to lock their tokens for longer periods of time

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Propose

Sponsor

Vote

DOT Holders

Rotating Approval Vote

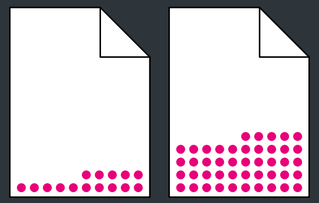
Council

Technical Committee

Emergency Proposal with **2/3** Technical Committee & **3/4** of Council Support.

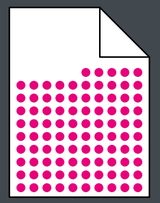
Public Proposals

Most Sponsored Selected for Referendum Periodically

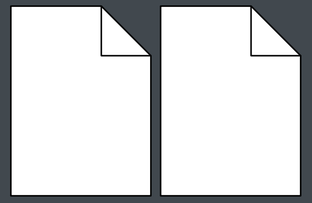


Public Referenda

Positive Turnout Bias



Negative Turnout Bias & Neutral Turnout Bias



Public referenda will alternate between public proposals and council proposals

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Proposals

The automatic change enactment

They originate from DOT holders, the Council or as a result of enactment of another proposal.

Only 1 proposal per voting period (except fast-tracked proposals)

The governance system alternates between awaiting **Council and Public proposals**.

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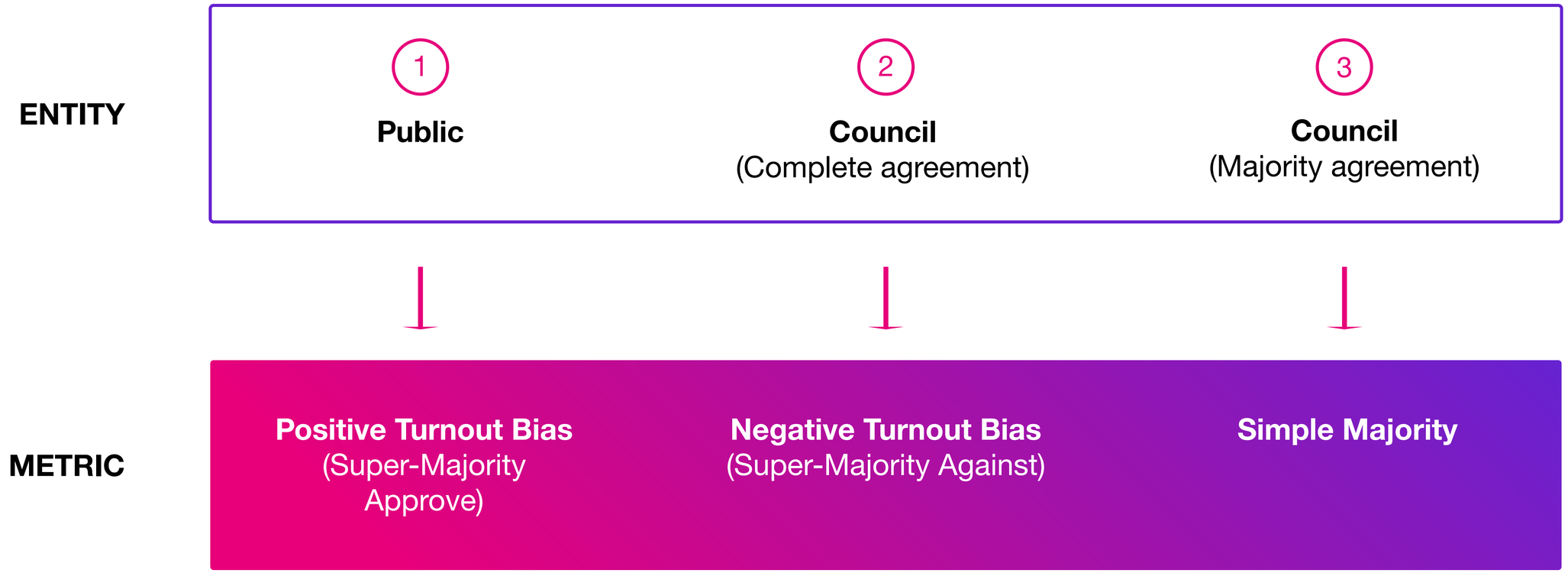
Adaptive Quorum-Biasing

Three different scenarios:



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Adaptive Quorum-Biasing

- By default, the bigger the turnout the fewer Ayes needed to pass (it transitions from absolute to simple majority)
- Low turnout requires a supermajority to pass - the lower the turnout, the higher the percentage needed.
- Full turnout requires a simple majority to pass

This design favours **stability** and high discussion on controversial proposals

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All proposals are executed **without human interference**, making those in power accountable for their decisions:

At the end of the enactment period, Polkadot executes the proposal without any human action or interference.

By default, users who voted for a passed proposal must lock tokens up until the proposal's enactment

Polkadot's logic automatically schedules it for enactment, normally 28 days later

Autonomous Enactment

What On-Chain Governance Means for Polkadot?

On-chain governance and autonomous enactment give token holders **agency**: the vehicle to express their opinions and the guarantees about the impact that their expression has.

Polkadot's governance system provides several mechanisms to effect change, a **transparent and open voting system** and an autonomous enactment system that ensures that people's decisions are binding.

Polkadot is a **united network of sovereign systems.**

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HOW TO MANAGE CONTEXTUAL INFORMATION FOR COLLECTIVES TO MAKE AN INFORMED DECISION?

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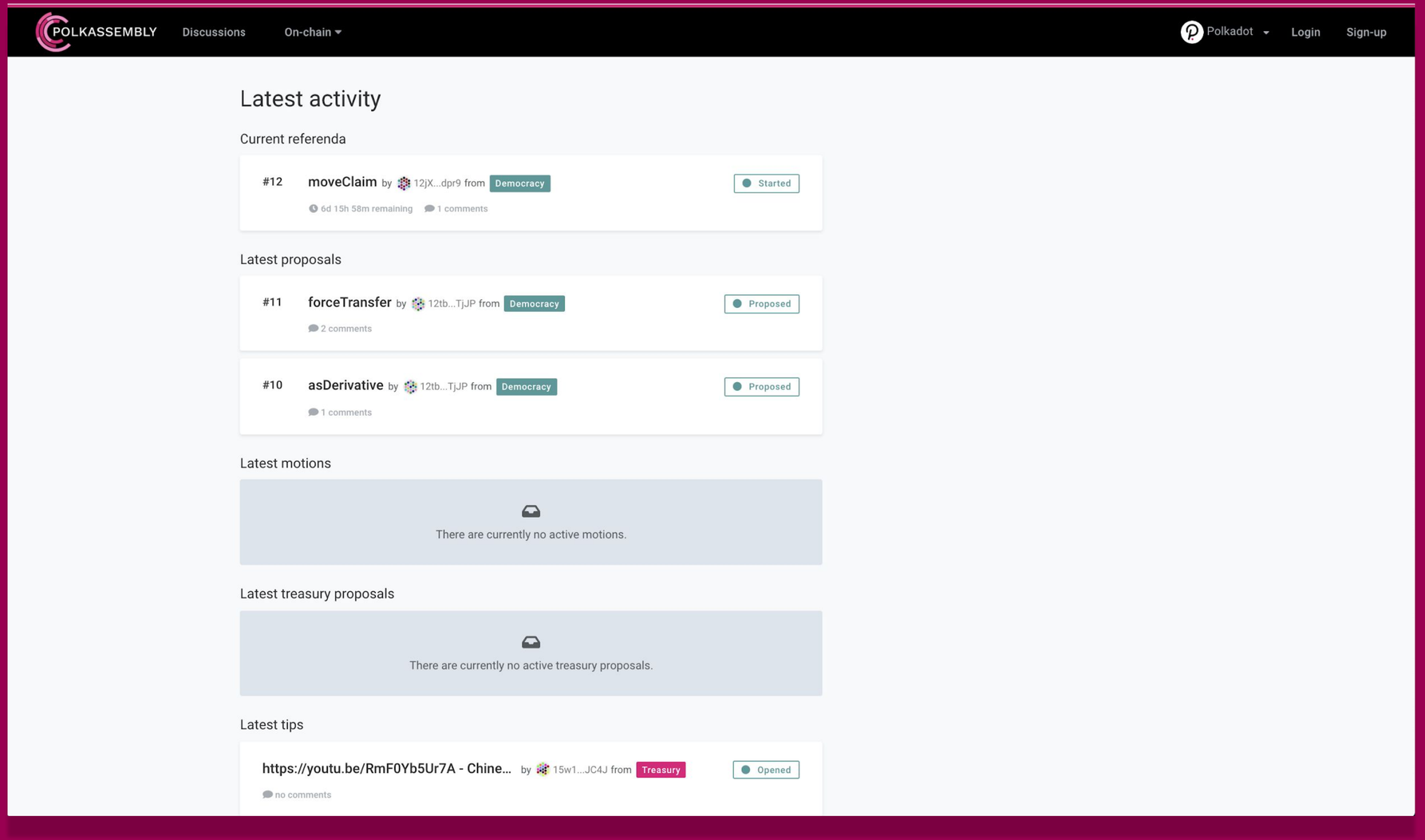
polkadot.polkassembly.io

POLKASSEMBLY



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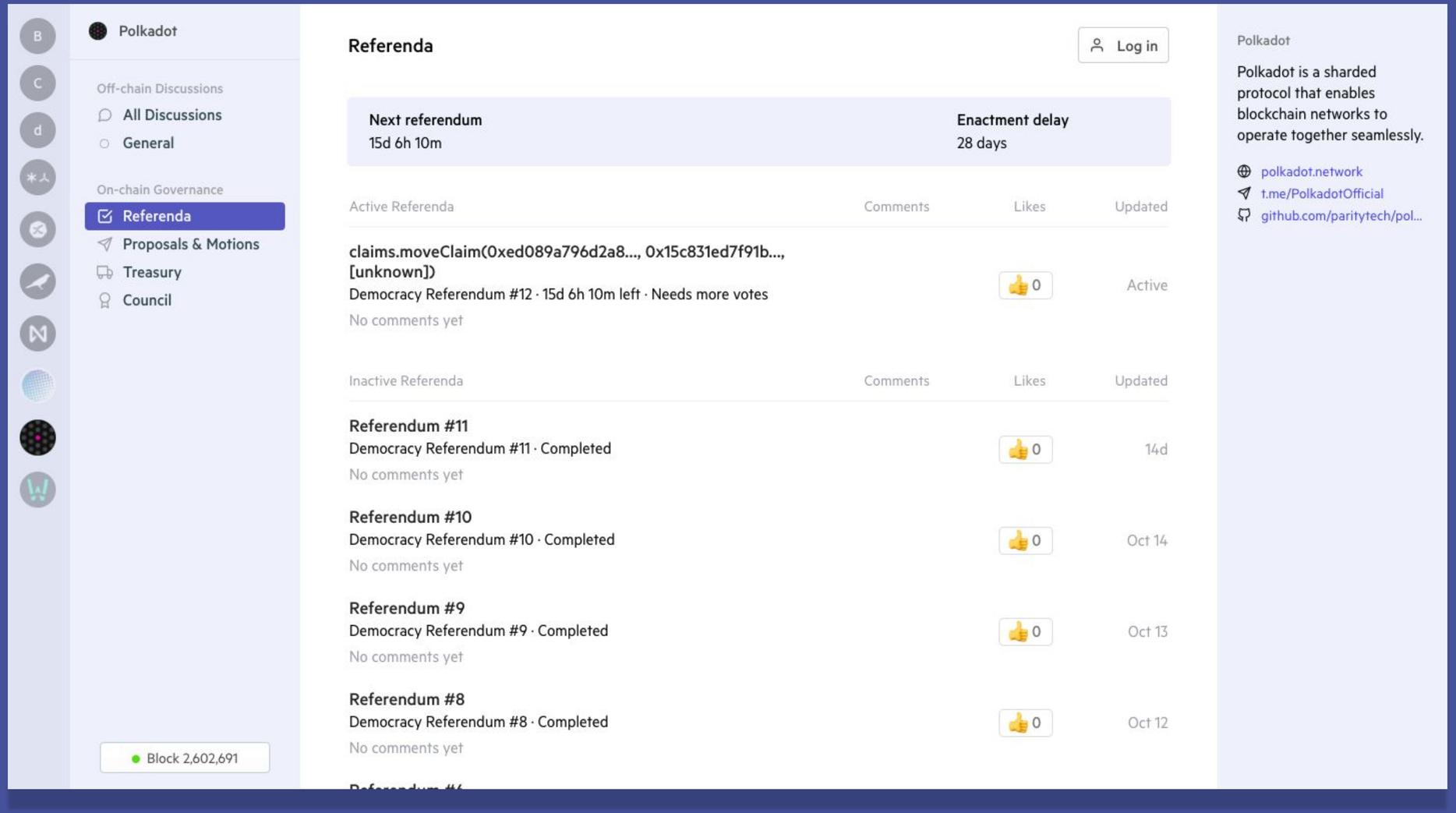
Commonwealth

On-chain communities



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