

# **“Capture” Was Always Already Here**

Complex Power in Blockchain Ecosystems

Chelsea Palmer of Carpe Lunam Events  
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Presented to ETC Summit 2019

# Agenda / Intro

Me IRL

- Conceptualizing “capture”
- Least Contentious Fork example
- Ethereum Classic wild ride
- Toxicity as protection
- Subtle elements of capture
- Conscientization



# “Blockchain Governance Capture”



Donald McIntyre 🌐 @TokenHash · Sep 30, 2018

Here [@VladZamfir](#) provides a sound framework for thinking about blockchain governance:

- legitimacy formation
- governance as a decision making process
- concept of ‘participants’
- participant types
- governance **capture** risks and scenarios

[medium.com/@Vlad\\_Zamfir/b...](https://medium.com/@Vlad_Zamfir/blockchain-governance-capture-a-sound-framework-for-thinking-about-blockchain-governance-101-eea5201d7992)

- **Corporate capture**, where blockchain governance is captured by the corporate governance of a corporation that becomes the sole source of legitimacy in blockchain governance.
- **State capture**, where blockchain governance of different “regional blockchains” is captured by the regulators and courts of major jurisdictions. For example one day “Ethereum USA” might enforce US economic sanctions, “Ethereum Europe” might enforce GDPR, while “Ethereum China” might enforce capital control policies.
- **Developer capture**, where the blockchain core developers capture governance because their software development process becomes the only source of legitimacy in blockchain governance.

## Blockchain Governance Capture

In this scenario, blockchain governance is captured by an existing governance system. I’m going to briefly describe four examples of capture:

- **Corporate capture**, where blockchain governance is captured by the corporate governance of a corporation that becomes the sole source of legitimacy in blockchain governance.
- **State capture**, where blockchain governance of different “regional blockchains” is captured by the regulators and courts of major jurisdictions. For example one day “Ethereum USA” might enforce US economic sanctions, “Ethereum Europe” might enforce GDPR, while “Ethereum China” might enforce capital control policies.
- **Developer capture**, where the blockchain core developers capture governance because their software development process becomes the only source of legitimacy in blockchain governance.
- **Cartel capture**, a cartel of participants in blockchain governance (for example, a cartel of node operators or a cartel of coin holders) collude to control blockchain governance.

Retrieved from

<https://blog.goodaudience.com/blockchain-governance-101-eea5201d7992>

## Against Blockchain Governance

### Capture:

If the blockchain is captured, then its governance will serve the interests of a narrow group of stakeholders who are served by the governance of the capturing entity. There is no clear reason why it would serve the public interest, and the public are ultimately the intended users of public blockchains (imo). I really think that only a governance system that is open to public participation has a reasonable chance of representing the public interest. **And I think it's obviously contrary to the public interest to allow the blockchain** (imo a true public utility) **to be owned by anyone** (or any cartel). I will fight to prevent the blockchain from being owned, and you should, too.

Retrieved from

<https://blog.goodaudience.com/blockchain-governance-101-eea5201d7992>



Donald McIntyre   
@TokenHash

This is the definition of 'capture'. What Vlad wants is 'blockchain capture' of the people who think like him. This is extremely dangerous.- "My Intentions for Blockchain Governance"-Vlad Zamfir  
[medium.com/@Vlad\\_Zamfir/m...](https://medium.com/@Vlad_Zamfir/m...)

I think the blockchain should be governed on a basis of global cooperation between self-selecting members and entities from the global public, and I intend to help bring this outcome about. If it turns out to be

First of all, the incident shows the necessity of an effective consensus process for the *human* actors in the Bitcoin ecosystem. The chronology of events was like this: it took about an hour after the fork started for enough evidence to accumulate that a fork was afoot. Once that was understood, things unfolded with remarkable speed and efficiency. The optimal course of action (and, in retrospect, the only one that avoided serious risks to the system) was first proposed and justified 16 minutes later, and the developers reached consensus on it a mere 20–25 minutes after that. Shortly thereafter – barely an hour after the discovery of the fork – the crisis response had effectively and successfully concluded. It took a few hours more for the fork to heal based on the course of action the developers initiated, but the outcome wasn't in doubt.

More surprisingly, it also shows the effectiveness of strong central leadership. That's because the commonsense solution to the fork – as well as the one programmed into the software itself – was to encourage miners running old versions to upgrade. As it turns out, the correct response was exactly the opposite. Even a delay of a few hours in adopting the downgrade solution would have been very risky, as I'll argue, with potentially devastating consequences. Without the central co-ordination of the Bitcoin Core developers and the strong trust that the community places in them, it is inconceivable that adopting this counterintuitive solution could have been successfully accomplished.

# the rarity of a pure example: the not-at-all contentious 2013 bitcoin accidental hard fork

Retrieved from

<https://freedom-to-tinker.com/2015/07/28/analyzing-the-2013-bitcoin-fork-centralized-decision-making-saved-the-day/> - Shoutout Arvind Narayanan @random\_walker



no blockchain ecosystem is that “decentralized” yet

## The Ethereum Classic Code of Principles

We believe in a decentralized, censorship-resistant, permission-less blockchain. We believe in the original vision of Ethereum as a world computer that cannot be shut down, running irreversible smart contracts.

We believe in a strong separation of concerns, where system forks of the codebase are only possible when fixing protocol level vulnerabilities, bugs, or providing functionality upgrades. We believe in the original intent of building and maintaining a censorship-resistant, trustless and immutable development platform.

# What about Ethereum Classic?

as @TokenHash has excellently illustrated in the past, different crypto communities will express preference for different combinations of values. Some of those clash... significantly.



# OH, I'M SORRY



I THOUGHT THIS WAS IMMUTABLE

...born in rebellion against perceived capture

A photograph of a weathered wooden sign. The main sign reads "FUN TOWN" in large, white, block letters. Below it, a smaller sign reads "DANGER" in red letters, with "FALLING" written underneath in smaller letters. The sign is mounted on a wooden post and is surrounded by tall grass and weeds.

the ETCLabs  
repository  
capture &  
(lack of) open  
source  
etiquette

# Danger Zone!

## 51% attack on PoW mining



so, what keeps ETC surviving?

**“We've been working on our communication skills lately”**



as BTC maximalists often argue, “toxicity” + aggression can actually be social protective mechanisms against some forms of community capture.

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the still-extant  
threat:  
  
presuming that  
“immutability”  
can safely  
extend to  
human matters

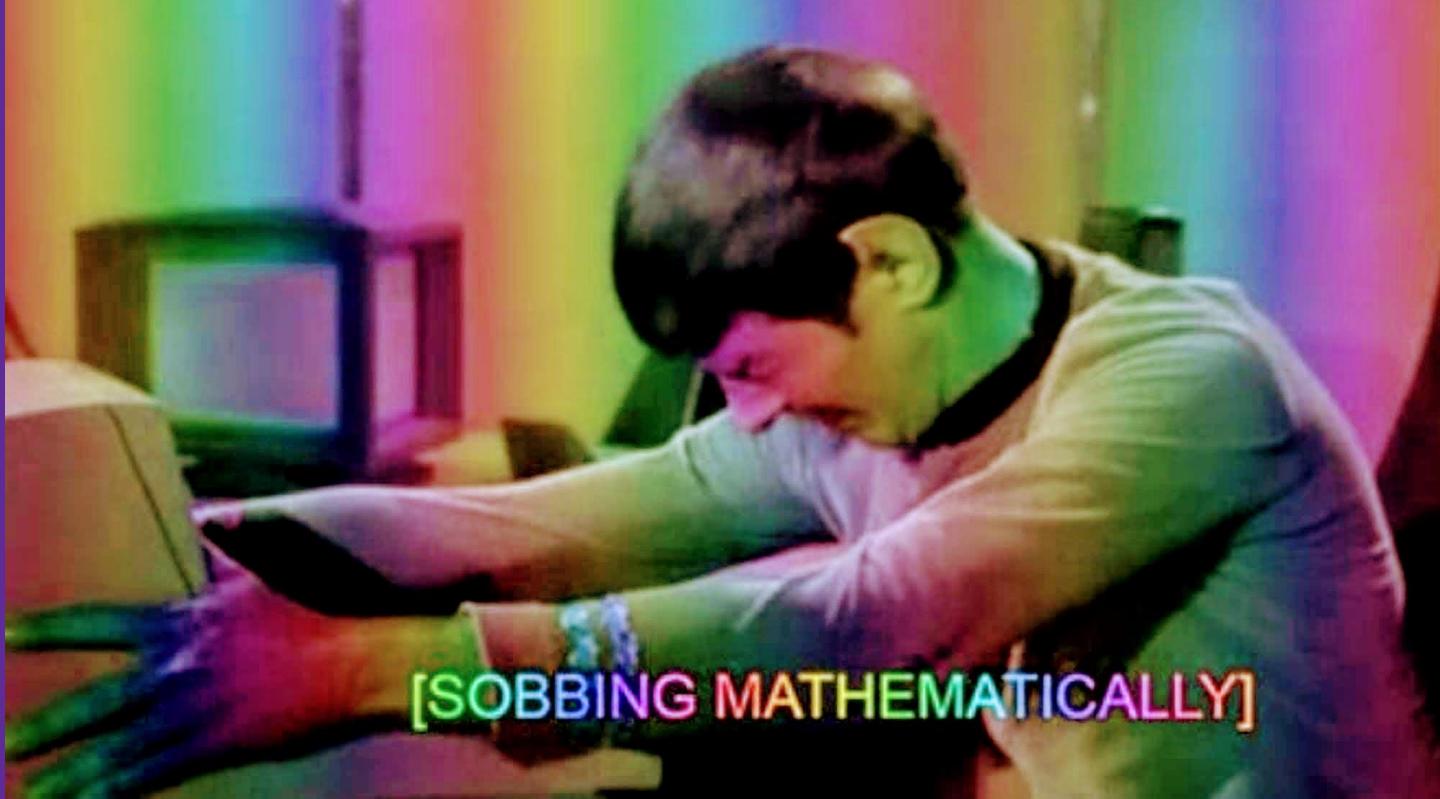


!!!!  
**SOCIAL  
CAPTURE**  
!!!!



**THOT leaders + convenient controversies**

!!!!  
SELF-PWN  
CAPTURE  
!!!!



[SOBBING MATHEMATICALLY]

our love + fondness for other people



Retrieved from Wikimedia Commons.

# paulo freire on conscientization: consciousness raising/critical consciousness

conscientization:  
a continual,  
self-reflexive  
process which  
goes against our  
deepest  
instincts.



none of us  
are beyond  
reproach--  
none of us  
are above  
mistakes--



... and none of us are unredeemable



The only enemies are those who want us to follow them without questions

Thanks ETC Summit people!

Find me posting too much at  
[twitter.com/chiselinc](https://twitter.com/chiselinc)

Join us at Dogecon Vancouver in June 2020 for some participatory exploration of cryptoeconomics!