Utilizing DAO-run Validators for a Community-Owned Validator on Secret Network

Introduction:

The idea of this post is to start a discussion regarding the use of DAO DAO to launch a community-owned validator on the Secret Network. We, as a community, could create a NFT collection, whereas the NFT grants you membership to the Secret DAO. The raised funds (selling NFTs) could then be used as the treasury for the DAO. So the NFT has two functionalities: Regulate access to the DAO and bootstrapping the treasury.

Afterwards a SubDao can be created, which launches the validator. This validator is then community-owned as the voting behaviour is determined by governance decisions of the Secret DAO.

The treasury is governed by the DAO and can be used for several purposes. The DAO could decide to be rather passive and to stake its assets to increase its influence on the network, provide liquidity for key pairs on DEXs and to earn incentives and trading fees or even position itself as a community run VC.

Concept of a DAO-run Validator:

DAO DAO recently launched DAO DAO v2, which rolls out new features like SubDAOs and powerful Actions. These features allow a DAO to create a validator, making it fully accountable to the DAO's governance. In a DAO-run validator, the DAO's votes are the validator's votes, and rewards and commission flow to the DAO's treasury. The built-in voting rationales give a natural place for validators to share their voting decisions with their delegators. In addition, DAO-run validators offer better security as the DAO can heal in case of a compromised wallet, and accountability to the DAO as the DAO can override the governance decisions of the validator SubDAO. [more: [DAO DAO Validator: A validator run by a DAO | by DAO DAO | Jan, 2023 | Medium]]

Conclusion:

In conclusion, utilizing the approach of DAO DAO to launch a community-owned validator on the Secret Network offers numerous benefits. It provides accountability, better security, and a transparent voting process. Right now, the governance on Secret Network is rather centralized and you only need 2 SCRT to join the active set. I would like to see this project come to live and serve as a trial run for other community run validators. I see a future with many community run DAOs and validators, with unique profiles. There might be DAOs consisting of people who want to push for as much decentralization as possible, others who want to support the ecosystem (f.e. they could use their treasury to provide liquidity on Shade DEX or for SCRT LPs on other networks) and much more.

Disclaimer:

This idea is in a very early stage and such a validator only exists on Juno at the moment, run by the DAO DAO team itself ([Interchain Explorer by Cosmostation]). So I am not aware, if it is possible atm to use ICA to run a validator on Secret Network, so it might be something for the near future. At the same time, some other things need to be discussed, but this could be a great starting point to explore together with the DAO DAO team how we can in general integrate secret network in their products (private voting f.e.)

Your input would be appreciated.