Proposal: fund a campaign to bring non-defi native developers into the Uniswap ecosystem.

Uniswap has the largest treasury in DeFi. At $3.5B at the time of writing, Uniswap's treasury is multiples larger than Compound ($1.5B), Aave ($0.9B), Sushiswap ($0.5B), and a long tail of smaller protocols ([source](#)). Yet the Uniswap community is doing shockingly little to capitalize on its advantage. The Uniswap Grants Program is a great start, but it's a drop in the bucket in the context of the overall treasury [1]. The Uniswap community needs to find ways to productively invest more of its treasury. Uniswap is better capitalized than other protocols, which makes it uniquely capable of investing to build moats around the Uniswap ecosystem and drive long-term value to UNI tokenholders. Maintaining the status quo will give other protocols a chance to close the gap, and could make Uniswap fail to reach its full potential.

Like the spirit behind UGP, I believe that growing developer activity on Uniswap (rather than, say, incentivizing LPs) is the highest-leverage activity for driving long-term value to UNI. To be clear, I think UGP is an incredible program and I believe it should be funded more aggressively. However, there are clearly diminishing returns to scale – increasing UGP's budget by 20x will not increase developer activity on Uniswap by 20x. So the question remains – how do we find productive and scalable channels to increase developer activity on Uniswap?

The Uniswap community should vote to allocate funding towards initiatives that bring non-defi native developers into the Uniswap ecosystem.

My reasoning is simple. There are, say, 500K solidity developers in the world [2], which I understand to be the primary audience for UGP. On the other side of the marketplace, there are dozens of defi protocols that have announced grants programs with their native tokens to bootstrap their ecosystems [3]. The limited supply of developers, combined with a menu of grants to choose from, creates a sellers' market for defi developer talent – eventually, protocols will need to increase grant sizes as they bid against each other to acquire a limited pool of developers. Rather than play this game, Uniswap should experiment with ways of bringing non-defi developers into the Uniswap ecosystem. It's intuitive that a large number of talented engineers inside FAANG companies, tech startups, and other institutions will transition to defi. Uniswap is the most exciting and innovative developer brand in defi – there's no reason that a defi-curious engineer at say, Google, should spend their time building anything besides Uniswap. It's up to the Uniswap community to make this a reality.

We shouldn't underestimate the long-term value that comes from being the first defi touchpoint for talented developers.

While I'm 100% convinced the community should do something

to capitalize on Uniswap's advantage, I have less conviction on what the best path forward looks like and I welcome discussion + feedback from the community. As a straw man, here's what I propose:

- The Uniswap community allocates $500K in total funding from the treasury to this effort, with a structure similar to UGP's budget (i.e., two installments of $250K, three months quarter apart). The funds will be controlled by a multi-sig of community 5 community members, similar to UGP.

- At least 20% of the funds will be allocated to each of three initiatives ($100K each). The remaining 40% ($200K) will be allocated to whichever initiative is the most promising. These initiatives will be decided by the 5 community members on the multi-sig. My ideas are:

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    1. pay 50 UNI to any developer who verifies a work email address from a tech company and crosses some commitment threshold (e.g., makes an API call to Uniswap).

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    1. buying billboard space near the offices of companies with a large pools of talented developers (e.g., big tech like Google, Amazon, Microsoft, DropBox; quant funds like Jane Street, Citadel, Two Sigma; CeFi companies like Paypal, Square, Stripe).

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After deploying the grants, the multi-sig members and broader community should find ways to measure the effectiveness of the campaigns, and determine whether the "cost to acquire" a developer through these channels merits additional funding from the treasury.

Again, I encourage the community to take a long-term perspective towards capital allocation. I see the controversy of diluting the UNI treasury to "pay" big tech developers, but we need to consider the bigger picture. From hanging around the community, I believe there are <100 developers who are actively building on Uniswap today, perhaps much less. These sub-100 developers have created over $10B in market value to UNI holders, or $100M+ per developer. If we can attract talented developers to the Uniswap ecosystem for say, <$5K per head, we should be doing it all day long.

I appreciate in advance any engagement from the Uniswap community. My goal of this post is two-fold. First, to understand whether such an initiative has enough support amongst the community to warrant a more formal proposal – to this end, please vote in the poll below. The second goal is to find members with community support to serve as a multi-sig holders.

- Agree – the initiative merits funding

- Disagree – the initiative does not merit funding

- Agree, but with different parameters

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voters

FOOTNOTES

[1] At a $1.5M quarterly budget (source), and assuming constant prices, UGP's annual budget is only 17bps of the treasury, implying 400+ years of "runway" before exhausting the treasury. If you think of the treasury as a perpetual endowment, then assuming it can generate a 5% annual yield and has a 5% expense ratio policy (i.e., spend the gains, protect the principal; similar to university endowments' strategy in the US), then the current UGP budget would be <4% Uniswap's annual spend.

[2] There are reports from mid-2019 of ~200K solidity developers, which I've assumed to have grown 150% since then. Using any reasonable assumption, it's intuitive that the number of defi-native developers today is much smaller than the number of non-defi developers (who may someday become defi developers).

[3] Chainlink, Compound, Aave, Algorand, Alpha Homora, Orbs, Unstoppable, Qtum, STP, Conflux, among many others.