

Governance

Blockchain Governance

The QSR token importantly functions as a governance token for decentralized decision-making for the evolution of the Quasar chain. QSR holders involved in chain validation through staking and delegation will decide the future of the protocol by proposing, vetting, and passing upgrades and changes to the protocol. Structural changes to Quasar's appchain cannot be imposed by Quasar's development team without input from the community of users.

Quasar's on-chain governance scheme is largely typical of PoS blockchains. All QSR holders can participate in governance decisions regarding the blockchain to make changes to key parameters defining how the Quasar chain functions (e.g. adjustments to transaction fees or migrations). The weighting of voting power is measured 1:1 with an account's staked QSR holding.

Validators are expected to have a greater stake in terms of QSR and as security providers, so are expected to have more governance power. Simply, the more you participate and the more you are invested, the more voting power you have.

Vault Governance

The same vault-specific tokens used for tracking fractional shares in each vault are used for vault-level governance. Within vaults, participants can engage in collective decision-making to change certain vault settings and select from or modify available strategies. This encourages members of a vault to share information amongst themselves for effectively reaching desired goals, with considerations such as risk management and changing market conditions.

Through governance, decision-making in vaults goes beyond being the exclusive domain of the vault creator and/or administrators. Vault governance schemes can be customized and tuned toward more collective or more authoritative decision-making depending on the goals of the vault and the composition of its members. For example, one vault may emphasize a model that emulates a fully democratic referendum with long voting periods. Others might choose to weigh governance power based on the share of deposited funds, similar to PoS validation. Yet others may decide to give full power to the vault administrator(s).

Successful vault governance will likely involve a balance between allowing administrators the freedom they need to actively manage and respond to changing market conditions while giving vault participants the power to influence decisions that may have a significant impact on them. Additional specifications about the particulars of vault-level governance mechanics are still being developed and will continue to evolve as Quasar and its community develops. [Previous QSR Next Ecosystem](#) * [Blockchain Governance](#) * [Vault Governance](#)