

# EOS

THE UNPERMISSIONED BLOCKCHAIN  
THAT SOLVES THE BLACK SWAN

Presented by

TOKENIKA

# DISCLAIMER

- We are **NOT** in any way associated with **block.one**, the company developing EOS code. We are just part of the emerging EOS community.
- We have no interest in you buying EOS tokens, and this certainly should not be treated as financial advice.
- Our goal is to encourage you to take interest in the concept and possibly consider building businesses on top of EOS.

# TRADING = DEALING WITH COMPLEXITY

- Blockchain is about trading, i.e. moving assets around
- We like complexity - this is the very reason we trade
- Complexity means risk: lots of things can go wrong, especially on a blockchain

# BLACK SWAN

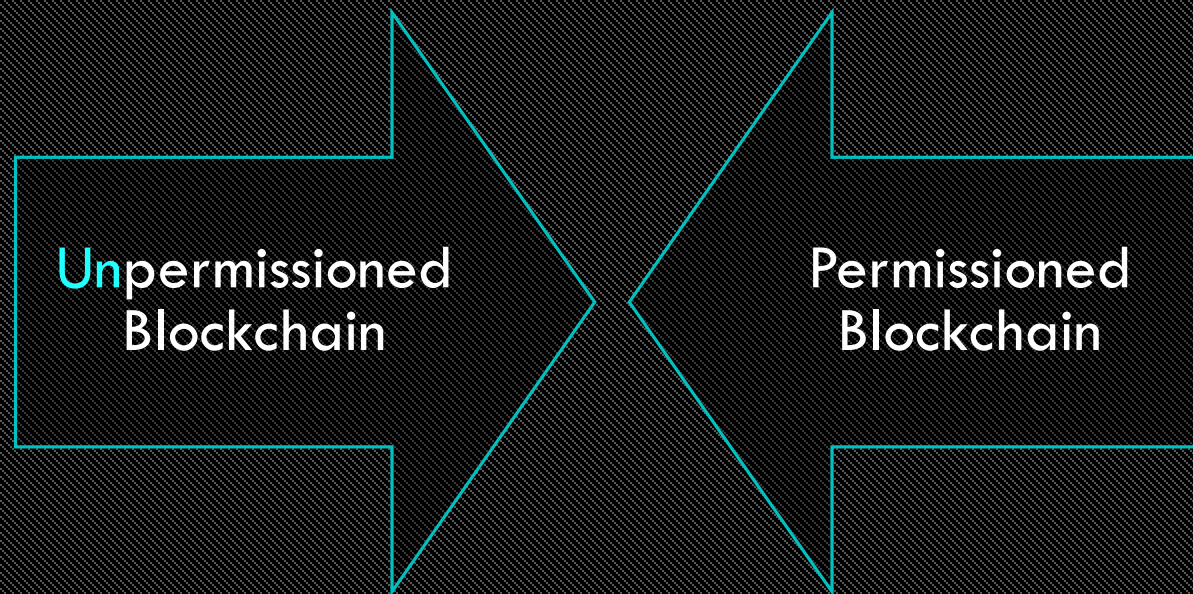
An event that happens very **infrequently** but it's **extremely costly**



# WHAT DOES THE BUSINESS NEED?

- Repeated, no-end-in-sight game
- Way out when things go wrong - rules to manage a black swan event
- Ideally win-win / net-positive game open to everyone

# TWO ALTERNATIVE FORMS OF BLOCKCHAIN



# UNPERMISSIONED BLOCKCHAINS

- Bitcoin & Ethereum
- Everyone is **free to enter**
- Designed to do simple automation only: simple contractual mechanisms
- Emphasis on smart-contracts & external oracles to feed information in
- When it comes to the actual business: **Wild West** („code is the law”)

# PERMISSIONED BLOCKCHAINS

- Ripple & Hyperledger
- Ideally suited for banks & large institutions
- Paradigm of a **walled garden**: you can get in only if you're permitted in
- Rules to suit the insiders, small businesses get locked out
- It's quite **safe** - you're unlikely to misbehave because you risk being kicked out



# DILEMMA SAFETY VS. FREEDOM

- The **unpermissioned** blockchain:
  - Good: freedom of entry
  - Bad: the entrepreneur is looking for win-win, but gets win-lose
- The **permissioned** blockchain
  - Good: entities inside can safely trade, encourages win-win game
  - Bad: you can't have a vibrant growing economy in a walled garden

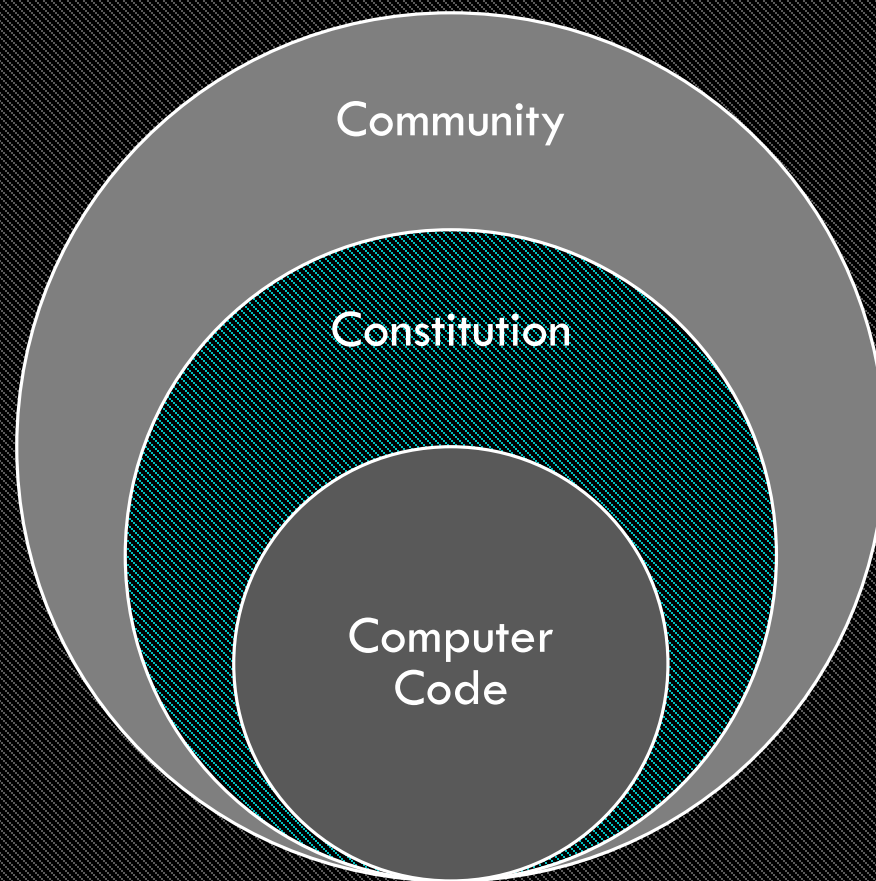
“  
The entrepreneur wants a **free-to-enter** system  
where they can deal with people and **build  
profits**, not extract profits.  
”

Ian Grigg, block.one partner

The image features a dark background with white and light blue decorative circuit-like lines in the corners. These lines consist of straight segments and small circles, resembling a stylized electronic circuit or a network diagram. The lines are positioned in the top-left, top-right, bottom-left, and bottom-right corners, framing the central text.

WHAT WE NEED IS A **GOVERNED** BLOCKCHAIN

# HOW DO WE BUILD A GOVERNED BLOCKCHAIN?



# HOW DO WE BUILD A GOVERNED BLOCKCHAIN?

- Set of rules: **the Constitution**
- The community is the people who have agreed to the constitution
- Governance infrastructure:
  - referenda to appoint the rules
  - arbitration to resolve disputes around the rules
  - execution to implement to rules

# DPOS - DELEGATED PROOF OF STAKE

- 21 block producers elected by token holders
- Hard to get elected, easy to lose the job
- Executors of the constitution, e.g.
  - apply protocol changes
  - ability to freeze & fix broken dApps
- Subjects to the constitution: risk being voted out if violate the constitution

# WHY DO WE NEED A CONSTITUTION?

- The constitution is the expression of common values within a community
- No constitution = no common values explicitly defined
- Eventually something controversial will happen
- A constitution exists to minimize the likelihood of a fork, which is a bad thing

# EOS - THE GOVERNED BLOCKCHAIN

	Black Swan prevention	Stagnation prevention
Unpermissioned	-	Free to enter
Permissioned	Walled garden	-
Governed	Constitution	Free to enter





# IS FULLY AUTONOMOUS SYSTEM POSSIBLE?

- Vitalik Buterin: If we could only put the right algorithm inside a box, then it could be fully self-sufficient or autonomous
- Daniel Larimer: There is no such thing as an autonomous economic system, it's always dependent on a value system outside of it

# KURT GÖDEL'S INCOMPLETENESS THEOREM

- Any logical system can be either **complete** or **consistent**, never both.
- There are always axioms which are outside of a system.

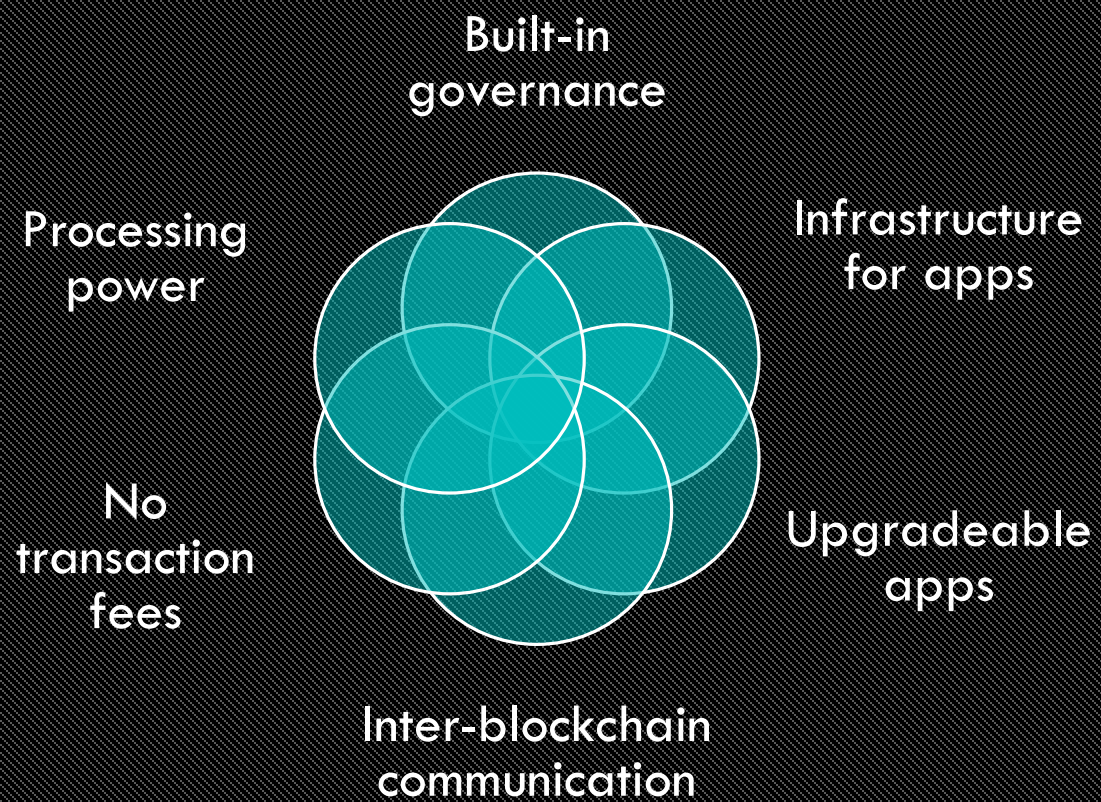
# DAN LARIMER'S DARWINIAN APPROACH

- Each community might have its own hierarchy of values (i.e. value system)
- A good value system will allow a group to grow
- A bad value system will eventually make it die

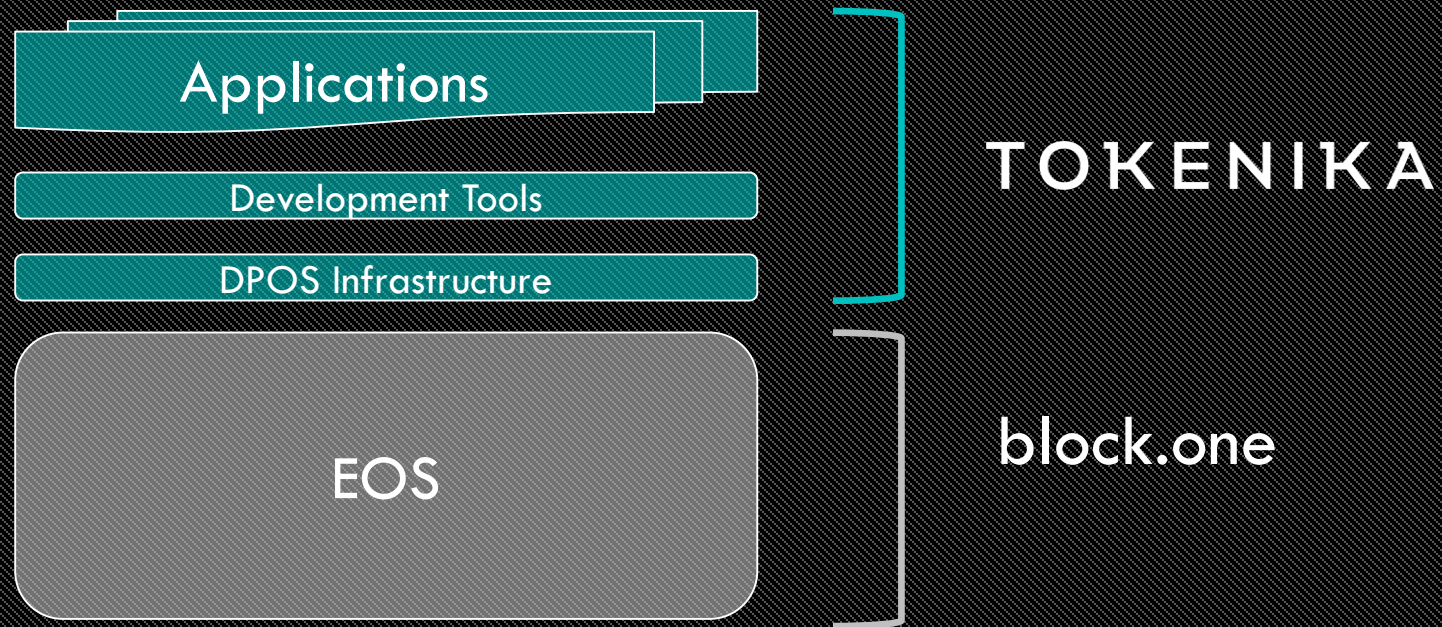
“ The true goal is to **lower the barrier to entry** for the creation of new communities and **allow free market competition** to reward the most effective communities and punish the most corrupt. ”

Daniel Larimer, CTO of block.one

# EOS MAIN FEATURES



# ABOUT TOKENIKA - OUR ROLE IN EOS ECOSYSTEM





EOS - official website  
[www.eos.io](http://www.eos.io)

THANK YOU  
ANY QUESTIONS?

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