**Technical Summary:**

Blockchain has created a wealth of opportunities to decentralize existing centralized processes thus reducing resources needed to accomplish tasks. Of such opportunities are Decentralized Autonomous Organizations (DAOs). A DAO is a fully automated organization powered by smart contracts on a blockchain that allows for the complete democratization of decision-making. DAOs are a solution to hierarchal organizations where stakeholders would normally rely on an elected, appointed, or hired an agent to enact decisions on behalf of the group. As CEOs, elected officials, and others in similar positions have long demonstrated over time, this trust is easily violated. A DAO has no central authority thus bringing the power of decision-making to the very people that will be affected. In theory, a DAO is the most democratic form of governance ever seen. Furthermore, DAOs are open source thereby allowing for full transparency of how decisions will be enacted and what voting protocols exist. Again, this disrupts the status quo of decision-making happening behind closed doors. While great in theory, DAOs have yet to be fully deployed on a large scale. The first DAO ever created was exploited by hackers resulting in the treasury of funds being stolen. As the space develops, it is important to recognize that while full democracy and transparency are great in theory, it also presents new issues like code exploitation. In terms of legitimacy, Wyoming is the first and only state to legally recognize DAOs as entities. Otherwise, DAOs are very much in the wild west stage of development. It makes sense as to why Wyoming made the first move as is customary by the state.

**Key Points:**

* A DAO is an organization that is run not by people but by open-source “smart contracts” on a blockchain.
* Smart contracts are basically programs that run when predetermined conditions are met.
* To create a DAO, a developer must write a smart contract that deploys the rules of the DAO including how voting will be conducted.
* Once deployed, voting privileges must be administered to participants usually in the form of a token that they “purchase” specific to that DAO.
* Once voting privileges are given out, members may then contribute project proposals and changes that are voted upon by token-holders.
* Opposite of a normal hierarchical organization, a DAO gives all token holders the ability to vote on any changes regarding the organization.
* A DAO has no central authority and cannot be run independently of all other members. There is no CEO and there is no board of directors. This can extend to governance where, hypothetically, there would be no President, Governor, Senator, or any other authority that unilaterally makes decisions.

**Personal Analysis:**

DAOs are in a precarious position right now. With the further advancement of Web3, DAOs seem like the most logical application of decentralization in organizations that are centralized in nature. There will be obvious pushback by organizations as they are run by people who benefit from the centralization of authority and decision-making. Furthermore, DAOs are an experiment of how complete and total democracy works. It is yet to be discovered if a collective of people can produce better decisions than a select group of central figures with greater expertise. I personally find value in DAOs both in corporate and governmental settings. I believe that a blend of decentralized decision-making in the form of a DAO and a centralized board that filters proposals is the ideal solution. If done right, DAOs can present more solutions than problems and is likely the next branch in the game theory of democracy. As for advantages, DAOs will also allow for much more rapid decision-making free of the concern of manipulation. Furthermore, DAOs will allow for the greater advancement of physical projects in the world which may lead to a more communal sense of entrepreneurship and “buy-in” towards a group.

**Priming Questions:**

1. What types of existing organizations (or segments of organizations) do you think would benefit from being turned into a DAO?
2. What foreseeable benefits do you see coming from this technology not already discussed in my presentation?
3. What foreseeable dangers do you see?
4. Is true democracy even possible? Why or why not?
5. If you had all the technological resources and expertise necessary to create a DAO for your personal life, what would you create? (Example: deciding on dinner plans for you and the family, planning a vacation, etc.)

**Resources:**

* <https://cointelegraph.com/ethereum-for-beginners/what-is-a-decentralized-autonomous-organization-and-how-does-a-dao-work>
* <https://sos.wyo.gov/Business/Docs/DAOs_FAQs.pdf>
* <https://www.ibm.com/topics/smart-contracts>
* <https://www.americancryptofed.org/>
* <https://www.youtube.com/watch?v=KHm0uUPqmVE&ab_channel=WhiteboardCrypto> (excellent YouTube video explaining DAOs in a simple way)