

Homework 3 Exercise 2 Part C

When I reflect on MakerDAO 2.0 and its future, I think that there are several key points worth considering.

First of all, regarding whether events like "Black Thursday" can be prevented from happening again, MakerDAO 2.0 is expected to improve the stability and resilience of the entire system by introducing a more complex and diversified risk management mechanism, as well as improving the transparency of the system and user participation. Nonetheless, the inherent unpredictability of financial markets means that the possibility of similar events in the future cannot be completely ruled out.

Secondly, regarding whether the MKR community has received enough incentives to maintain the stability and security of the protocol, MKR, as a governance token, gives holders the governance rights over the protocol. This mechanism theoretically aligns the interests of the protocol with the interests of MKR holders. Therefore, it can incentivize them to participate in governance decisions to maintain the stability and security of the protocol. However, the actual incentive effect depends on a variety of factors, including the design of the governance mechanism, community participation, and market conditions.

Thirdly, as for MakerDAO's ultimate goal, according to its "Endgame" document, MakerDAO aims to become the core infrastructure in the decentralized finance (DeFi) ecosystem. It can provide a stable and reliable decentralized stablecoin DAI. This goal is particularly important in the current rapidly developing DeFi field, which has the potential to bring greater stability and innovation to the entire blockchain and financial ecosystem.

Fourthly, the development of technology, such as artificial intelligence (AI) and maximum extractable value (MEV), will have a significant impact on the future of blockchain and MakerDAO. The application of AI technology may enhance the automation and efficiency of the protocol. While the development of MEV may affect the fairness and transparency of transactions. Therefore, the adaptation and integration of these technological developments will be the key to the future development of MakerDAO.

In conclusion, MakerDAO 2.0 has certain potential and challenges in improving system stability, enhancing community incentives, and expanding its role in the DeFi ecosystem.