Hardcoding Norms in DAOs

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"Organisation made of software"

- Functioning without any central point of control (Decentralised)
- Not dependent on external regulatory structures (Autonomous)
- Allows indirect coordination between agents (Organization)
Was not ‘the DAO’ a $50 million mistake?
DAO experimentation is alive and kicking
Still not sure if a revolution in institutional design
Or another ERC-20 token
It is not about specific implementations

But about the evolution of idea
The Idea of Distributed Coordination Systems

Such organisations can enable new modes of social coordination performed in a mostly:

- Decentralised;
- Disintermediated;
- Distributed manner.
Relevance to the real world?
New domains enabled by technology as ‘Terra Nullis’

Regulation by technology
DAOs can be more ethically controversial than cryptocurrencies

DAOs are inherently and necessarily *behaviour-influencing* systems. Which means we need to consider:

1. Morally unacceptable actions and consequences for the participants and affected stakeholders;

2. Normative reasons defining purpose for the existence of such organizations; (in the same way as law integrates moral reasons at meta-level);

3. Demarcation between values pertaining to the maintenance of the system and values defined by the purpose of the system.
We think it can work this way:

Law

Moral norms
‘Rule of Law’

Reg. Tech

Face recognition
DRM
Smart contracts

‘Techno-regulation’ approach
More often it works this way:

Law → Moral norms → ‘Legal lag’

Centralized platform with a market monopoly → Private law → Reg. Tech

And decentralization alone will not save us
“We are just helping to create an ecosystem”
We need to make it work this way:
Moral conflicts
(and ongoing research)

- **Anonymity - Reputation**: Value conflicts between the participants of the system
- **Privacy - Data ownership**: Crowding out moral values through market mechanisms
- **Self-sovereignty - Digital serfdom**: Erosion of norms through the formalisation
- **No one is responsible - “It is all developers’ fault”**: Distributed responsibility