

Is There Wisdom Among the DAO Crowd? Evidence from Vote Delegation

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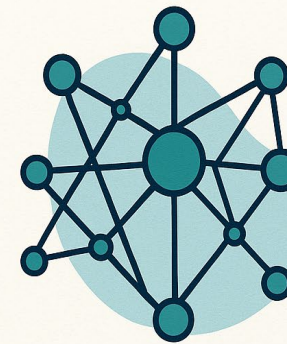
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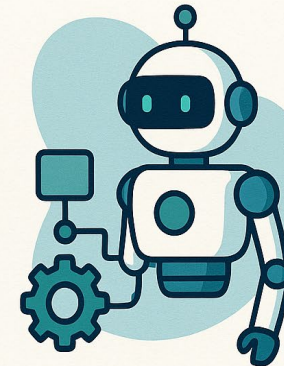
2025 ABFER Annual Meeting

What is DAO?

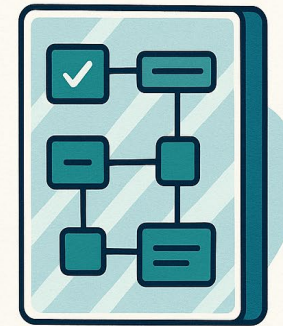
- **Decentralized autonomous organization (DAO):** innovative approach to exercising corporate governance on the blockchain
 - **Decentralization:** All token holders (shareholders) participate in decision-making by voting *directly* on proposals: rather than a board or CEO.
 - **Internal enforcement:** Utilize *self-executing smart contract* to guarantee implementation: rather than external enforcement (laws and regulations).
 - **Transparency:** All voting process and results (who, when, how) are *publicly visible and immutably recorded on blockchain*.
 - These features differ from traditional corporate governance mechanism and can help reduce agency problem and information asymmetry.



DECENTRALIZATION



AUTONOMY



TRANSPARENCY

A DAO Project: MakerDAO

- **MakerDAO: A decentralized DeFi lending platform on Ethereum.**

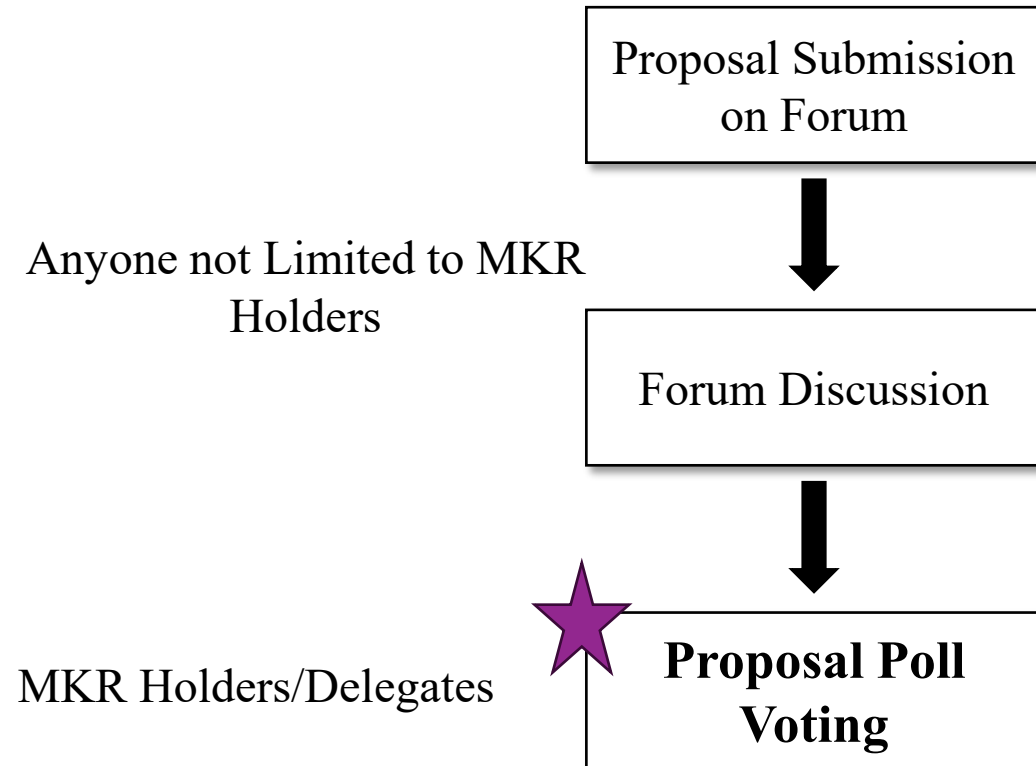
- Lends out DAI, a stablecoin with value pegged with 1 USD.
- Collateral: Ethereum, other cryptocurrencies, real-world assets.
- Making money through charging interest (stability fee) paid by DAI.



- **MKR: MakerDAO's governance token, like stocks**

- Voting rights: 1 MKR = 1 vote, allowing token holders to decide on platform operations and policies.
- Claim on cash flow: MKR holders share the profits generated from interest.
- Financial backstop: In the event of a sudden drop in collateral prices, additional MKRs can be minted and sold to cover outstanding debt, diluting existing holdings but ensuring the integrity of the DAI peg.

Governance Process on MakerDAO



Examples of Topics:

- Business related: Interest Rates, collateral, etc.
- Governance related: Delegate compensation, etc.

Delegation Scheme in DAO

- **Despite its novelty, there are significant concerns about the DAO's efficacy**
 - Trilemma between autonomous (✓), decentralization (✓) and efficiency(×) (Ferreira and Li, 2024)
 - Ordinary voters **lacks expertise, time.**
 - Before Oct. 2021, only an average of **4.5%** MKR shares participate in voting, and the top voter accounts for **48%** of the votes (Han, Lee, and Li, 2023).
- **Many DAOs have established a vote delegation scheme.**
 - Token holders can delegate their voting power to other members, known as **delegates.**
 - This enables token holders to participate in governance without directly voting on every proposal.
 - Delegates receive compensation based on the number of tokens in the delegation and vote participation.
 - Currently, **45%** of DAOs have adopted delegation schemes (Appel and Grennan, 2024).

Delegation Scheme within DAO

- The delegation is similar to mutual fund investors delegating their voting rights to the fund managers.
- The trend of “pass-through voting”: Mutual fund investors choose between delegating their votes to fund managers or voting by themselves.
 - This could significantly reshape investor voting choices and corporate governance (Malenko and Malenko, 2024)
 - Empirical research on investors’ delegation decisions is hampered by the lack of data.
 - Studying delegation in DAOs can provide insights into the working and optimal design of delegation mechanisms in general.
- **Delegates could be negligent or even having conflicts of interest**
 - In DAOs there are no regulatory restrictions or penalties for delegates.
 - Delegates may hold other crypto-assets that compete with the delegated tokens.
 - Delegates can easily conceal their holdings by creating multiple token accounts.
- **Despite its prevalence, how well the vote delegation scheme works is largely unknown.**

Research Questions

- **We aim to provide the first evidence on the efficacy of the vote delegation scheme.**
 - Definition of ‘Efficacy: Delegates cast ‘correct’ votes that align with the interests of token holders.
- **Research questions**
 - Do MKR holders reward delegates who make ‘correct votes’ by increasing their delegate shares, and conversely, penalize those delegates who make ‘wrong votes’ by withdrawing their delegated shares?
 - How do incentives and expertise affect delegates’ voting decisions?
 - Does the efficacy of the vote delegation scheme affect the growth and performance of DAOs?
 - What drive MKR holders’ decisions to delegate their votes vs. cast their own votes?

Main Findings

- **MKR holders reward delegates who make ‘correct votes’, and penalize those delegates who make ‘wrong votes’.**
 - A one std. dev. $\uparrow$ correct votes ratio $\Rightarrow$ 4.5% $\uparrow$ in probability of delegated shares increase
 - \$247 higher monthly compensation.
- **Delegate incentives**
 - Incentive alignment: Delegates with larger MKR holdings on their own are more likely to vote correctly.
 - Conflict of interests: Delegates with larger holdings of competitor tokens are more likely to vote incorrectly.
- **Delegate expertise**
 - Delegates are more likely to vote correctly if they have previously invested in tokens related to the proposal or if they have participate in proposals with the same topics.

Main Findings

- **Efficacy of delegation scheme is beneficial to MakerDAO's value and voter participation**
 - Aggregate delegate vote correctness in a week is significantly and positively related to future weekly MKR returns: Benefit is much larger than costs (delegate compensation).
 - MKR shares participation in voting increases (4.5%=>10%) and centralization decreases (largest voter share 48%=>26%)
- **MKR holders' delegation choices**
 - MKR investors with larger holdings of interest-conflicted tokens are more likely to vote directly rather than delegate votes
 - Consistent with Malenko and Malenko's (2024) prediction that voters with heterogeneous beliefs are more likely vote directly.

Contributions

- **The first empirical analysis of the efficacy of DAO delegation system.**
 - Ownership centralization and insider trading (Ferreira and Li, 2024; Han et al, 2023; Cong et al, 2025)
 - Descriptive analysis of DAO characteristics and classifications (Ding et al., 2023; Puschmann and Huang-Sui, 2023)
 - Appel and Grennan (2024) document a positive relationship between the possibility of vote delegation and returns of governance tokens during a proposal's voting period.
- **Contribute to the literature on governance on blockchain**
 - Consensus algorithms: PoW(Cong and He, 2019); PoS (Cong et al, 2023);
 - Applications in industries such as supply chain(Cong and He, 2019; Lee et al., 2024; Chen et al., 2023; Lumineau et al, 2021)
 - Token-based governance (Abadi and Brunnermeier, 2024; Bena and Zhang, 2023; Cong et al 2022; Jermann and Xiang, 2024; Cong et al, 2021)
- **Provide insight into the evolving landscape of voter choices driven by “pass-through voting”**
 - Our findings suggest that vote delegation can serve as an effective governance mechanism when delegates have the right incentives and expertise to vote in the best interest of investors.
 - Inventors make delegation decisions based on heterogenous preferences.

Data and Sample

- **We construct a sample of proposal voting in MakerDAO over a two-year period from October 25, 2021 to October 25, 2023.**
 - 280 proposals
 - 9,827 voting participation records, cast by 790 ordinary MKR holders and 179 delegates
 - 1,149 records of delegation activities: 666 new delegations and 483 withdrawals
- **More on delegates**
 - 38 active delegates at any given time during our sample period.
 - Recognized delegates: Must disclose their identity, including any potential conflicts of interest, social media profiles, and introductory videos; receive compensation.
 - Shadow delegates: Anonymous and do not receive compensation.
 - 29% are recognized delegates (87% voting activity); 71% are shadow delegates (13% voting activity).
- **Etherscan, a data explorer and analytics platform**
 - Delegates' token holdings in their public accounts
 - Caveat: We do not know their hidden accounts
- **Token prices are from Coinmarketcap**

Delegate Incentives

- **Differences from mutual fund delegation**

- MKR holders can choose whether or not to delegate (flexible switching)
- DAO's delegates are not bound by fiduciary duty; no regulatory punishment if act against the interest of investors
- Delegates are compensated based on MKR shares.

- **Delegate incentives from compensation**

$$\text{Recognized Delegate Compensation} = \left[C * \min \left(1, \frac{MKR^q}{T^q} \right) \right] * M$$

- $C = \$12,000$
- $T = 10,000$
- $q = 0.5$
- M : a modifier for performance decided by delegates' voting participation and communication in the past 120 days

Measure 'correct' votes

- **Step 1: Determine whether a proposal is value-enhancing or value-destroying for MakerDAO**
 - Value-enhancing: if MKR market reaction is positive (negative) when the proposal is passed (rejected).
 - Value-destroying: if MKR market reaction is negative (positive) when the proposal is passed (rejected).
- **Measurement of MKR market response**
 - MKR market response: Daily Crypto-CAPM model adjusted returns of MKR (Liu and Tsyvinski, 2021)
 - *Pivotal vote date* (rather than the end of vote date): The vote period is normally 3 to 7 days with the voting immediately observable, so vote outcomes are often decided before the vote concludes.

How to measure a correct vote?

- **Pivotal vote date is the day when:**
 - The MKR shares voted for a decision ('Yes' or 'No') reach 50% of the expected votes (the average MKR shares voted in the previous month)
 - The MKR shares voted for that decision on the date exceed 10% of the expectation

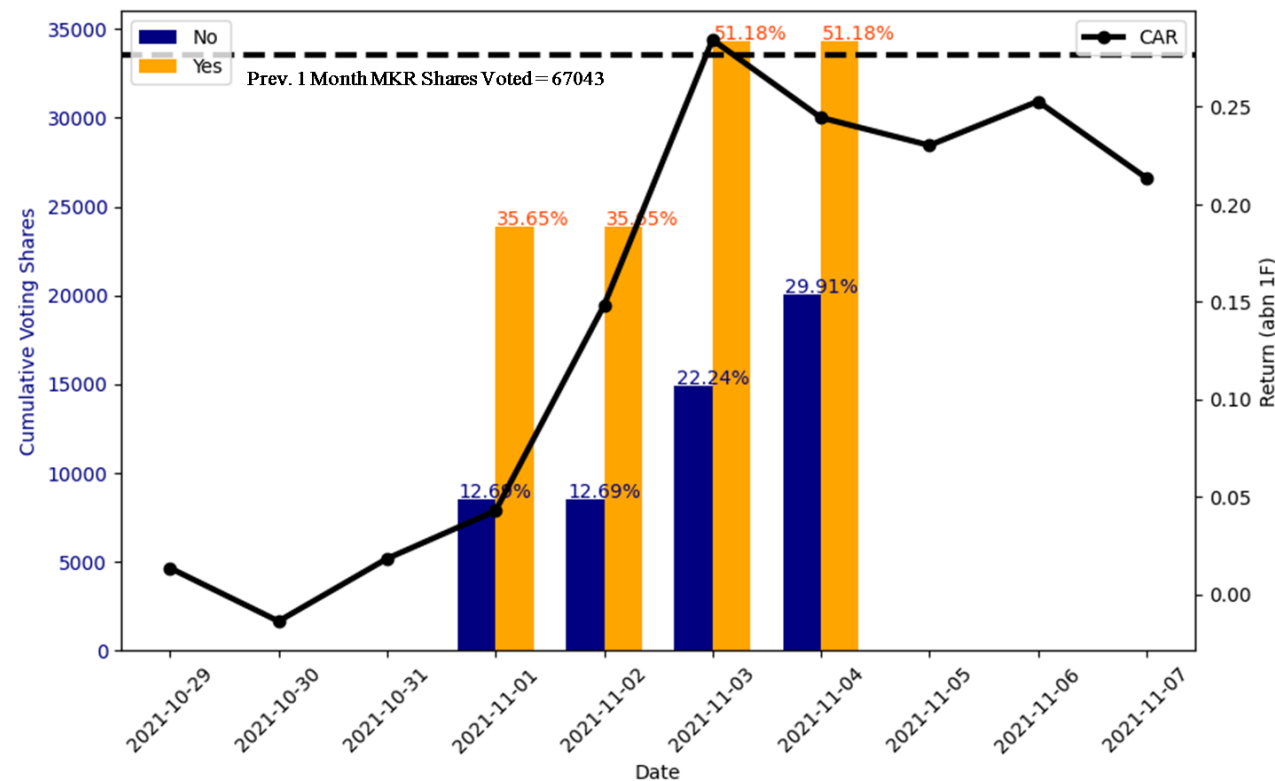


Figure 6: Pivotal Vote Date of Poll 665 is 2021-11-03

Measure 'correct' votes

- We classify a proposal as value-enhancing (value-destroying) if the abnormal return aligns with (contradicts) the vote direction.
- **Step 2: Classify 'correct' votes**
 - We define a delegate's vote on a proposal as correct if the delegate votes 'Yes' on a value-enhancing proposal or 'No' on a value-destroying proposal.
 - Conversely, a vote is classified as incorrect if otherwise.

	Poll A		Poll B		Poll C		Poll D	
MKR market reaction on the pivotal vote date	Positive		Positive		Negative		Negative	
Proposal outcome	Pass		Fail		Pass		Fail	
Decision 1: Value enhancing or destroying	<i>Value Enhancing</i>		<i>Value Destroying</i>		<i>Value Destroying</i>		<i>Value Enhancing</i>	
Delegate's Vote	Yes	No	Yes	No	Yes	No	Yes	No
Decision 2: Vote Correctness	<i>Correct</i>	<i>Incorrect</i>	<i>Incorrect</i>	<i>Correct</i>	<i>Incorrect</i>	<i>Correct</i>	<i>Correct</i>	<i>Incorrect</i>

Classification of Value-Enhancing Votes: Validation

- **Poll 665: Reduce the swap transaction fees from DAI to USDC to zero**
 - Benefit: Enhance the stability of DAI's peg by enabling seamless and cost-free swaps between USDC and DAI.
 - Risk: Increased exposure to USDC, which is subject to censorship risk
- **Outcomes**
 - Success in enhancing liquidity and a more stable DAI peg
 - A temporary increase in exposure to USDC but bounce back to previous level a short while

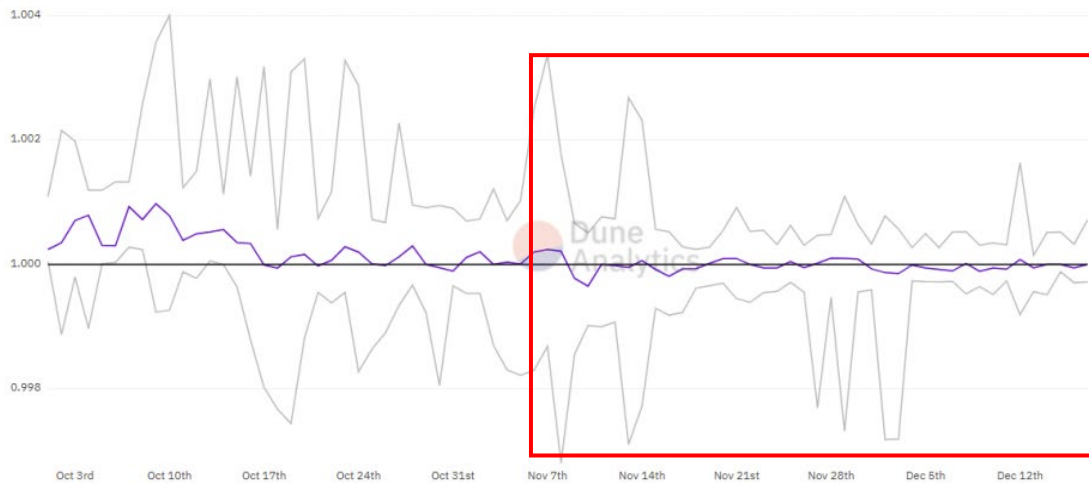


Figure 7: DAI is more stable

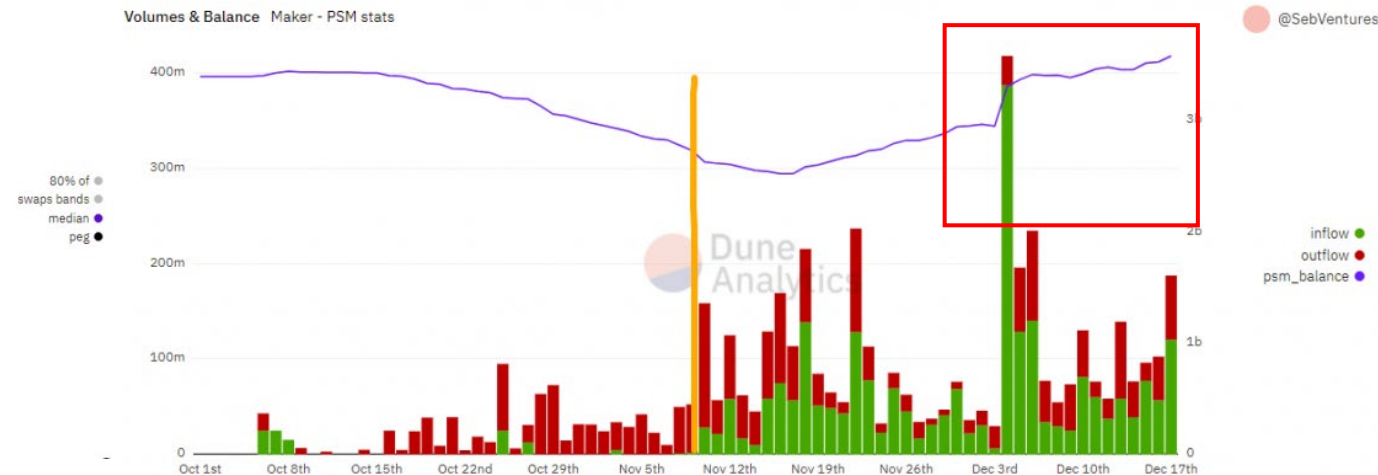
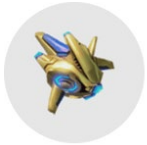


Figure 8: Temporary Risk Exposure Increase

Classification of Value-Enhancing Votes: Validation



Strongly support this, obviously. I believe this is the biggest way we are currently shooting ourselves in the foot on a daily basis when it comes to momentum and growth.

...

It is really a quantum leap in terms of Dai's role in the market and we shouldn't let it be delayed longer than the quickest our governance processes will allow.

Positive

- Gemini is used to do sentiment analysis on each proposal's discussion posts



Moving the TIN to 0% means that we will take on to our books all of our competitors stablecoins until that market is completely saturated. According to the market, Dai is objectively more valuable than the other stables. **I like to think it's subjectively because we're censorship resistant, but Dai's value will only equal other stablecoins when we've cut enough corners on issuance to counteract its real benefits vs. other stables.**

...

We would be taking on blacklist, technical, and insider risks for 0 premium in an environment where we absolutely can and should expect to be rugged on these tokens. This is a short-term fix that exacerbates a long-term problem. There are also potential legal considerations around this change.

Negative

- The average sentiment for Poll 665 is 0.64 (positive)
- The correlation between our sentiment measure and whether or not the proposal is value-enhancing is 30%



I'm in favor of lowering the fees for PSM, but would prefer **an intermediate option** instead of going all the way to 0%.

Neutral

Table 2: Summary Statistics

	#Obs	Mean	SD	Min	P25	P50	P75	Max
Panel A: Delegate-Vote Date Level Variables								
Delegate Growth	1,814	0.05	0.40	-0.62	0.00	0.00	0.00	1.00
MKR Increase	1,814	2.07	0.74	1.00	2.00	2.00	3.00	3.00
Delegator Increase	1,814	2.11	0.70	1.00	2.00	2.00	3.00	3.00
Participation	1,814	2.73	2.28	1.00	1.00	2.00	4.00	19.00
Correct Vote	1,814	0.44	0.45	0.00	0.00	0.33	1.00	1.00
Days to Expire	1,814	119.90	127.15	0.00	0.00	70.25	243.00	362.00
Num of Delegators	1,814	4.11	4.71	0.00	1.00	2.00	6.00	27.00
Num of High Impact	1,814	1.30	1.51	0.00	0.00	1.00	2.00	9.00
Voting Power (%)	1,814	5.05	7.39	0.00	0.01	1.10	8.55	48.93
ln (1+ MKR Holding Value)	1,814	0.09	0.86	0.00	0.00	0.00	0.00	10.29

Results: MKR Holders Reward Delegates Who Cast Correct Votes

Delegate-date level regression:

$$Delegation\ Change_{d,t+30} = \alpha + \beta\ Correct\ Vote_{d,t} + \gamma' X_{d,t} + \eta_d + \theta_t + \epsilon_{d,t}$$

- *MKR (Delegator) Increase*: ordinal variable that equals 1, 2, 3 if the net change in delegated MKRs (delegators) is negative, zero, and positive.
- *Delegate Growth*:

Net gain in #MKR shares in the **30 days** following
#MKR shares delegated by the delegate d until the vote date t

Dep. Var.	MKR Increase		Delegator Increase		Delegate Growth	
	Ordered Logit		Ordered Logit		OLS	
	(1)	(2)	(3)	(4)	(5)	(6)
Correct Vote	0.221**	0.299**	0.209**	0.287**	0.036**	0.032*
	(2.01)	(2.22)	(2.02)	(2.18)	(2.08)	(1.80)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Month FE	Yes	Yes	Yes	Yes	Yes	Yes
Delegate FE	No	Yes	No	Yes	No	Yes
Observations	1814	1768	1814	1768	1814	1768
Pseudo Adj. R ²	0.105	0.217	0.116	0.241	0.207	0.421
vce	Delegate	Delegate	Delegate	Delegate	Delegate	Delegate

Table 3: Delegate Vote Correctness and Future Delegation

- **Are incentives high enough for delegates?**
 - A one std. dev. Correct Vote $\uparrow \Rightarrow$ a 1.4 percentage-point delegation shares growth $\uparrow$, or a 30% $\uparrow$ from the mean.
 - Given that a delegate has on average 4,598 MKRs, this increase translates to an additional **66 MKR** shares delegation, or an additional **\$2,964** annual compensation.
 - A delegate on average votes four times a month.
- **Robust tests**
 - Calculate abnormal return using 2-factor (CMKT+CSMB) or 3-factor (CMKT+CSMB+CMOM) models: Liu, Tsyvinski, and Wu (2021)
 - Examine market reaction in a 2-day window that includes the day after pivotal vote date.
 - Alternative measure of vote correctness using the number of correct votes
 - Subperiod analysis after April 2023, when MakerDAO experience significant changes in delegate scheme.

Table 4: Delegate Incentive Alignment

- **Delegate MKR holdings and vote correctness: Delegate-poll level regression**
 - Majority of delegates have no MKR holdings. Conditional on holding, the average holding value is \$5,530
 - A one std. dev. MKR holdings $\uparrow \Rightarrow 2.4\% \uparrow$ likelihood of voting correctly.

Dep. Var.	Correct	
	(1)	(2)
ln(1+MKR Holdings)	0.023***	0.029***
	(5.65)	(6.64)
Delegate FE	Yes	Yes
Month FE	No	Yes
Observations	4936	4936
Adj. R ²	0.040	0.124
vce	Delegate	Delegate

Conflicts of Interest from Token Holdings

- In addition to MKR, delegates often hold other tokens in their portfolios.
 - Their holdings of competitor tokens may have the potential to create conflicts of interest.

Monet-Supply

Conflicts of Interest



I hold financial stakes in a broad range of tokens and crypto assets. Most holdings are in my public ENS account monetsupply.eth. I also hold small amounts of BTC plus assets from Cosmos, Polkadot, and Solana ecosystems. Holdings include Maker protocol competitors such as COMP and AAVE.

I have made investments in certain projects / companies on terms not available to the public. This includes:

- 10 ETH investment into LidoDAO LDO tokens (terms posted publicly [here](#) 10)
- Investment of less than \$10,000 into [RabbitHole](#) 6 (private funding round)
- Employee stock package from [Tally](#) 5

I'm a core contributor to the Risk Core Unit, and receive income from MakerDAO in this capacity. I also receive employment income from Tally. In the future, I may take part time / contracting work with Aave as part of their proposed risk team.



g_dip

Jul '21

But abstention doesn't really solve the problem. Voting is politics and in any political system there's an implied or overt practice of vote trading. Basically if you were a delegate, we would need to trust you to act against your incentive. This is something I wouldn't trust anyone to do, as I believe incentives always win (subliminally or consciously).

Conflicts of Interest – Measure

- Poll-Token level measure:**

- Token X and MKR are mismatched if on the pivotal vote date, the abnormal returns of token X and MKR are in the opposite extreme deciles (<10% or >90%) of their respective distributions
- They are aligned if in the same extreme deciles

	Poll A	Poll B	Poll F	Poll G
MKR Market Reaction	>90%	<10%	<10%	>90%
Token X Market Reaction	<10%	>90%	<10%	>90%

Misaligned

Aligned

Table 5: Conflicts of interest and vote correctness

Dep. Var.	Correct	
	(1)	(2)
ln(1+Conflicted Holding Value)	-0.020*** (-3.13)	-0.018** (-2.39)
ln(1+Align Holding Value)	0.008 (1.10)	0.009 (1.17)
ln(1+MKR Holding Value)	0.024** (2.52)	0.030*** (3.03)
Other controls	Yes	Yes
Month FE	Yes	Yes
Delegate FE	No	Yes
Observations	1470	1451
Adj. R ²	0.109	0.131

A one std. dev. ln(1+Conflicted Holding Value) $\uparrow \Rightarrow$ 2.1% $\downarrow$ likelihood of voting correctly (an conservative estimate).

Delegate's Expertise and Vote Correctness

- **Learning from token holdings: A delegate-poll level expertise measure based on delegates' historical token holdings**
 - Expertise: tokens mentioned in the forum discussion of proposal p that had been held by the delegate (excluding those currently held by the delegate to avoid the confounding effects from incentives).
 - *Token experience* = #unique expertise tokens / total # historically held unique tokens.
 - *Average token experience* is 3%.
- **Two alternative expertise measures that incorporate the dollar values of token holdings.**
 - Natural logarithm of one plus the historical average dollar holdings of the expertise tokens.
 - Historical average portfolio weight of the expertise tokens.

Table 6: Token Experience and Vote Correctness

Panel A: Token Expertise						
Dep. Var.	Correct					
	(1)	(2)	(3)	(4)	(5)	(6)
Token Experience	0.202** (2.19)	0.259** (2.38)				
Holding Value			0.005 (1.15)	0.008* (1.84)		
Portfolio Weight					0.080** (2.01)	0.117*** (2.66)
Delegate FE	No	Yes	No	Yes	No	Yes
Month FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1713	1703	1674	1664	1674	1664
Adj. R ²	0.104	0.117	0.104	0.119	0.105	0.120
vce	Delegate	Delegate	Delegate	Delegate	Delegate	Delegate

- A one std. dev. *Token Experience* => 3% ↑ likelihood of voting correctly.

Delegate's Expertise – Learning from Participating

- Delegate's voting experience on proposals with similar topics
- Delegate may learn from their previous voting experience, accumulating knowledge that aids them in future voting
- *Topic experience*: Number of times the delegate participates in proposals with the same topic tags

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POLL ENDED

Lower PSM Vault Fees - November 1, 2021

Risk Parameter

Peg Stability Module

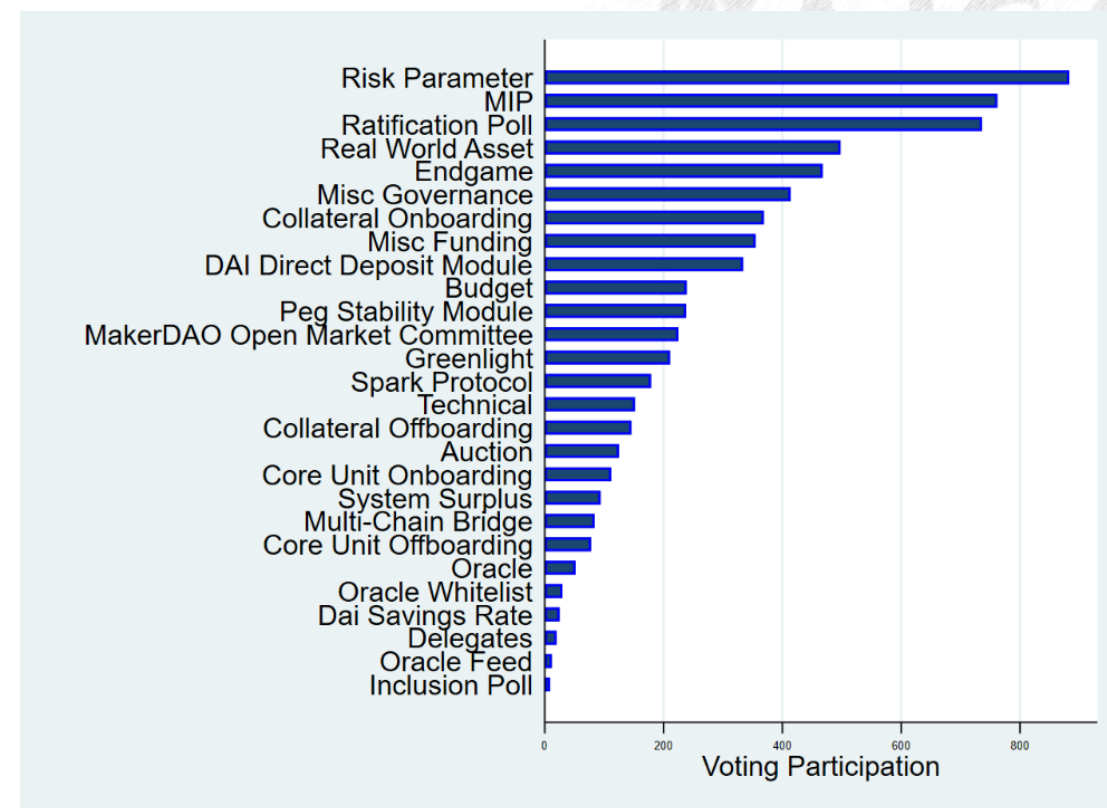


Table 7: Topic Experience and Vote Correctness

Dep. Var.	Correct	
	(1)	(2)
ln(1+Topic Experience)	0.031*	0.044**
	(1.81)	(2.13)
Delegate FE	No	Yes
Month FE	Yes	Yes
Observations	4936	4936
Adj. R ²	0.045	0.127
vce	Delegate	Delegate

- A one std. dev. $\ln(1+Topic\ Experience) \Rightarrow 4.9\% \uparrow$ likelihood of voting correctly.

Delegation Scheme Efficiency

- Does functioning of the vote delegation scheme affects the growth and value of MakerDAO?

- Time series regression of weekly MKR returns:

$$Abnormal\ Ret_{i,t+1} = \alpha + \beta Delegate\ Voting\ Correctness_{i,t} + \gamma' X_{i,t} + Year\ FE + \epsilon_{i,t}$$

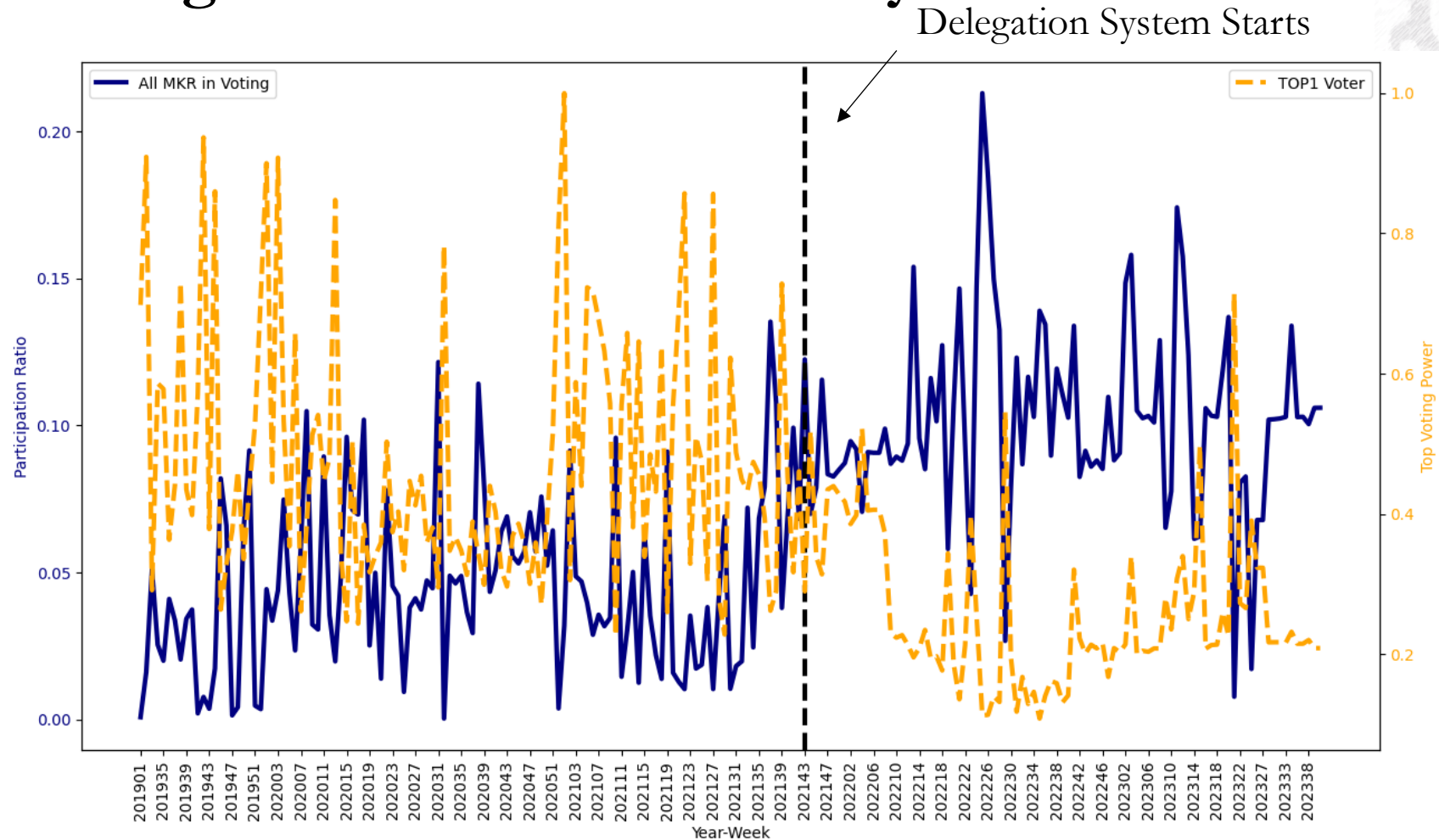
- We follow Liu, Tsyvinski, and Wu (2021) and estimate weekly abnormal MKR returns.
- *Delegate Correctness*: Voting power-weighted average of *Correct Vote* of all delegates who cast votes during a week.
- *Ordinary MKR holder Correctness*: Constructed similarly for individual MKR voters

Table 9: Delegate vote correctness and future MKR returns

Dep. Var.	Weekly Abnormal Returns			
	1F	2F	3F	1F, 2Days
	(1)	(2)	(3)	(4)
Delegates' Correctness	0.109**	0.098**	0.080**	0.093***
	(2.60)	(2.25)	(2.06)	(2.97)
Num of Polls	-0.002	-0.001	-0.001	-0.001
	(-1.02)	(-0.70)	(-0.58)	(-0.60)
Num of Votes	-0.000	-0.000	-0.000	0.000
	(-0.60)	(-0.63)	(-0.44)	(0.08)
Num of High Impact	-0.003	-0.003	-0.004	-0.003
	(-0.50)	(-0.54)	(-0.71)	(-0.46)
Ordinary Voters' Correctness	-0.015	-0.008	0.018	0.005
	(-0.41)	(-0.22)	(0.51)	(0.18)
Constant	-0.004	-0.004	-0.013	-0.026
	(-0.19)	(-0.19)	(-0.61)	(-0.91)
Year FE	Yes	Yes	Yes	Yes
Observations	87	87	87	87
Adj. R ²	0.091	0.069	0.073	0.084
vce	Robust	Robust	Robust	Robust

- A one std. dev. ↑ in Delegates' Correctness => 4.14 percentage-point higher (39% ↑) MKR abnormal returns in the next week.
- **Benefit vs. Cost:** In December 2022, total monthly compensation to delegates is \$108,690, and the number of delegated MKRs is 129,183, so the monthly cost per MKR share is \$0.84, or 0.14% of MKR price (\$580).

Delegation Scheme Efficiency



- **Delegation scheme is effective in increasing MKR voting participation and decentralization**
 - Voting participation increases from 4.5% to 10%.
 - Voting power of the largest voter decreases from 48% to 26%.

Delegation Choices

Dep. Var.	Delegate			Delegation Share Ratio		
	(1)	(2)	(3)	(4)	(5)	(6)
ln(1+Conflicted Holding Value)	-0.012** (-2.22)		-0.012** (-2.15)	-0.012** (-2.17)		-0.012** (-2.10)
ln(MKR Holding Value)		0.018*** (6.81)	0.018*** (6.77)		0.018*** (6.64)	0.018*** (6.60)
ln(1+Voting Experience)	-0.309*** (-16.92)	-0.290*** (-17.69)	-0.290*** (-17.67)	-0.314*** (-17.20)	-0.295*** (-17.93)	-0.295*** (-17.91)
ln(1+Num of Tokens)	0.015* (1.81)	0.016* (1.82)	0.017** (1.98)	0.015* (1.81)	0.016* (1.82)	0.017** (1.97)
Constant	0.849*** (38.10)	0.705*** (21.36)	0.704*** (21.30)	0.846*** (37.52)	0.705*** (21.24)	0.704*** (21.18)
Poll FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	22707	22707	22707	22707	22707	22707
Adj. R ²	0.559	0.590	0.590	0.570	0.599	0.600
vce	Holder	Holder	Holder	Holder	Holder	Holder

- Malenko and Malenko (2024) show theoretically that, under “Voting Choice” program, shareholders with heterogeneous preferences prefer to vote independently if the delegate’s preference is different from theirs.
- Consistent with Malenko’s prediction, MKR holders with higher conflicted token holdings prefer to vote by themselves

Conclusion

- **Contribution**

- First empirical paper on delegation scheme on DAO
- Focus on efficiency of DAO rather than its centralization and inefficiency
- A novel setting to test investors delegation' choices

- **Key Takeaways**

- Delegation contributes to the growth and performance of MakerDAO
- Delegation encourages more voting participation and decreases the centralization
- Decentralized ordinary MKR shareholders can monitor delegates effectively by observing transparent voting results and real-time market reaction
- Holding aligned interest (MKR) motivate a more correct vote, while holding conflicts of interests hinders a correct vote
- MKR investors with more heterogenous preference prefer Not to delegate

Thank You!

