Governance Decentralization and Structure
Phase I

1. Introduction

Guiding a cryptocurrency project into perfect decentralization depends to a large extent on the success of dispersing governance duties while preserving the project's original principles and ensuring its continued progress. Although a small team of decision makers could prove faster and more efficient in managing a project, monopolized control over governance could result in counterproductive or even fraudulent behavior in the longer run, stalling the project's progress whether or not the original team begins with good intentions. In contrast, a decentralized community-driven governance structure that promotes collective decision making evades the limitations of centralized control and carries numerous advantages. It ensures consistent transparency on project status and developments and reinforces community and user trust; it offers endurance in the drive for progress by allowing stakeholders to take turn in their contributions rather than leave the small team to be drained in creativity and willingness for continuous developments, allowing for project longevity; finally, it promotes effectiveness and quality by harnessing the power of collective intelligence through community proposals and participation. Short of a healthy governance structure, a project risks becoming obsolete against newer technologies and changing market needs, loses out on its potential improvements in market acceptance and distribution, and continually faces issues of community and potential user trust.

Achieving perfect and effective decentralization is by no means a simple task, especially for a relatively new cryptocurrency, as it requires answers for numerous difficult questions, such as the optimal strategy and direction that would result in the project's success and acceptance, and the method by which to create a fair and manipulation-free decision making process. To make the best out of what the project could be, the governance structure requires the foundation of a system that encourages individual or collective innovation in the development of the project, an efficient and fair method for achieving consensus on the authorization or the discarding of proposed developments, and a communal support system – technical or financial – for implementation.

With that in mind, achieving decentralization of governance in one sweeping step is impractical. It would likely result in many unaccounted for inefficiencies and loopholes that permit process manipulation or unintended exclusion of community members that could otherwise enrich the development discourse and processes for successful outcomes. This shock-therapy approach has been tested in different mediums and has consistently proven inferior to a gradual approach that entails slow and well-thought steps that leave space for structural fine-tuning with trial and error.

2. First Phase of EUNO Coin's Governance Structure

EUNO aims to decentralize its governance through a top-down approach that allows for small and well-thought steps to finally end with a fair, effective, and self-sustaining mechanism. Dividing the process of governance decentralization into different phases, the end-goal is a system that engages EUNO's community at their different levels of support and permit each individual to take part in the project's decision making process depending on their level of support.

As a first phase, EUNO has created its masternode operator telegram channel to initiate the process of decentralization among holders who support the currency and its network. The role of masternode operators would be to put forth new proposals for EUNO coin's progress, make their case within the channel, participate in discussions with other operators and finally vote on suggested developments. Those discussions and decisions will be shared with the entire community ahead of implementation, ensuring that masternode operators do not gain any advantage from a price speculation perspective. As a start, voting will take place over the messaging service of EUNO wallets, a system that will restrict operators from abusing the system by casting a vote and creating new masternodes to get the chance for multiple voting, given that each masternode is tied to a specific wallet, and the number of running masternodes is known to all through EUNO's blockchain explorer, wallets and tracking platforms. Moreover, identities of mastenode operators during the vote will remain anonymous despite initial verifications for entry into the channel, ensuring absolute voter independence.

2.1. Development and Strategic Proposals

Proposals will begin in the telegram room for which a special account will be created to hold all proposals along with a small deposit that will remain in the account using the room bot. The proposals and the funds will both be accessible by room participants, noting that deposits for proposal submissions are meant to limit random and trivial pitches as EUNO requests a high level professionalism on part of its community members who wish to take part in the decision making process, considering that could prove a timely process on some decisions.

2.2. Voting, Deliberation and Authorization

This voting process will take place over the messaging service of EUNO wallets that are tied to Masternodes[1]. As a start, Masternode operators are entitled to a vote for each masternode. This system carries its advantages and its disadvantages, as on one hand it rewards larger supporters with a larger weight on their votes. Its disadvantage lies in opening the door for voters to create new nodes to influence a particular development which may result in direct personal benefit in one way or another. This disadvantage will be addressed at later phases within the governance structure, but initially, it will be limited by restricting new nodes that are created after the voting period begins.

Project voting can take place over 1 or more stages depending on the complexity of the proposal. The first stage signals whether the idea is worth pursuing, and requires a 51% consensus to be achieved

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[1] Refer to EUNO's Phase I Voting Tutorial

over a pre-decided period. The pursuant stages of the vote follow discussions on the details of the proposal between governance members, the fine-tuning of the development's features and assessment of its feasibility. After a reasonable consensus is reached, the more detailed proposal is put to the vote or votes, each requiring a 66% consensus. This higher requirement is set to ensure that proposals are in fact agreed upon by a strong majority of the community.

2.3. Transparency

Provided that technical and financial feasibility for implementation are confirmed, the proposal, its details, reasoning and voting results will be disseminated to EUNO's entire community through its social media platforms and eventually in real time through its planned governance platform (See future governance phases).

2.4. Implementation

After a proposal passes the first and second stage of voting, the EUNO team will proceed to implement and welcomes any support from its community members either for development, marketing, or other project requirements. In the event that external hires may be required for implementation, financing will begin with the team, which has already reserved an address for financing coin developments (See Initial Coin Distribution on the EUNO Website), and may in certain circumstances kick off voluntary community funding campaigns, which again will be completely transparent and open to community monitoring. Note that future phases of the governance process will tackle a more effective and efficient implementation and financing process.

3. Future Governance Phases

The first phase of the governance structure will be tested for 6 months, and assessed by the end of the period (Tentatively 30 April 2019) for its fairness, effectiveness and efficiency. This long period may witness minor adjustments in the process, but is designed to carry several developments to allow for a fair assessment of the process. Later phases will be designed to improve on the first phase pending results and assessments of successes and failures of the structure. With that said, broad developments to look for in future phases of the governance structure include:

i.   The creation of a specialized platform over a public domain that will allow real time monitoring of proposals, discussions, and votes.
ii.   The gradual inclusion of the entire EUNO community into the decision making process through either their ability to cast individual votes tied to their staking addresses or their participation in a delegate vote that would permit them to add to the voting weight of one or more of masternode operators.
iii. A more efficient project financing mechanism.

4. Final Remarks

EUNO aims with its governance structure to create an effective and efficient system for the continued development of the project. A fair, transparent, and flexible decision making process that leaves favorable features from each governance phase and improves on observed limitation will eventually allow EUNO coin to achieve perfect decentralization ensure its long-term survival independently of its original founders.