

From **Crisis** to **Stewardship**

ENS Retro Results and
Governance Roadmap

Sam McCarthy



Introductions

Metagov

Laboratory for Digital Governance

DAOstar

Standards Body for DAOs

ENS

Ethereum Name Service



ENS Governance Overview (before)

Area	Control
Protocol (registrar, pricing, etc.)	DAO timelock via tokenholder vote
Operational wallet (bulk of treasury ~\$500M)	DAO timelock (ENS Labs funded via DAO-approved streams)
Endowment (~\$65M)	Safe owned by DAO (karpatkey has scoped investment rights)
Ops (grants, legal, IP)	Working groups and stewards
Governance	Tokenholders (with Security Council veto)

Research Overview

Context

ENS governance stagnation

Research questions

i. What is causing current problems?

ii. What can be done?

Research methods

*Mixed: lit review, interviews, &
data analysis*

structured

Team

- Michael Cooper (RD, Metagov)
- Eugene Leventhal (RD, Metagov)
- Sam McCarthy (ED, DAOstar)
- Rashmi Abbigeri (Technical Lead, DAOstar)
- Rohit Malekar (Independent Researcher)

Final Report

Three main purposes

1. **Diagnosis** | present a rigorous and transparent account of ENS governance dynamics and challenges
2. **Recommendations** | summarize the core reforms identified through the Retro work
3. **Roadmap** | provide a detailed 12-month implementation plan

Diagnosis

*Crisis marked by **concentrated power**, fragmented communication, declining participation, opaque deliberation, and underdeveloped treasury governance*

*Decisions shaped by anecdotes, partial metrics, and **informal negotiations** instead of robust evidence and structured reasoning*

***Poor decision quality** — governance fails when decisions are not informed, legitimate, executable, monitorable, and improvable over time*

ENS Retro Dashboard

De-Facto Centralization

ENS DAO

Top 1% hold **~84%** VP

Nakamoto coeff. **18**

Gini (active VP) **0.9659**

Large holders (top 5% of voters)

Share of supply: **89.8%**

Share of vote weight: **68.4%**

Voter headcount: **0.6%** of all voters

Outcome Robustness

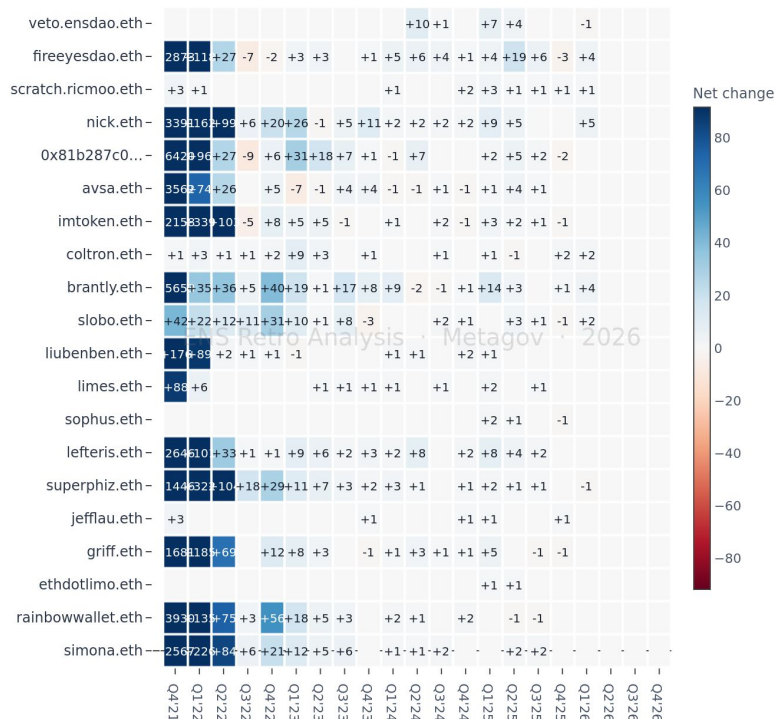
Does the Top Whale Drive the Vote?

90.6% of proposals matched by the top voter

<https://ensretro.metagov.org/>

Delegation Never Changes

Net delegation change per quarter — top 20 delegates



Feedback Loops

Self-reinforcing exclusion: *power concentration discourages broader participation and that reduced participation further consolidates power*

Accountability vacuum: *fragmented communication and opaque deliberation weaken oversight and create space for discretionary decision-making*

Burnout spiral: *concentrated responsibility overburdens a small number of contributors, increasing the risk of exhaustion, exit, and additional centralization*

Recommendations

- i. ENS Governance Master Plan and conflict-of-interest policy*
- ii. Comprehensive transparency infrastructure*
- iii. Active delegation with accountability*
- iv. Graduated monitoring and sanctions*
- v. Treasury professionalization with democratic oversight*

Roadmap

(spoiler alert: it wasn't implemented)

ENS Governance Overview (after)

Area	Control
Protocol (registrar, pricing, etc.)	DAO timelock, unchanged
Operational wallet (bulk of treasury ~\$500M)	DAO timelock, unchanged* (Foundation decides ENS Labs funding)
Endowment (~\$65M)	Foundation 3-of-5 multisig + timelock (Security Council can cancel)
Ops (grants, legal, IP)	Foundation staff (within board-approved budgets)
Governance	Tokenholders (with new Security Council veto)

*Treasury transfer from DAO to Foundation dropped after pushback

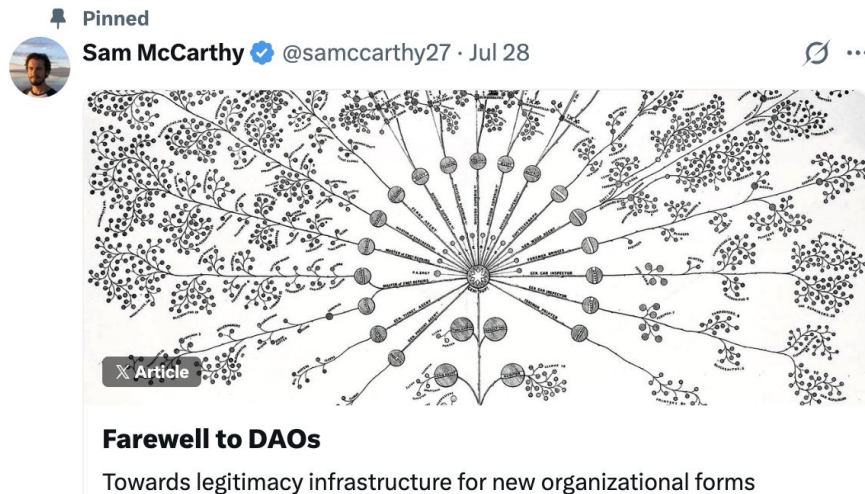
Key Takeaways

(cue rant)

Default heuristics have **ossified into common, suboptimal practices**.

Instead of improving upon incumbent organizations, DAOs have brought out the worst of them: **the inaction, the misalignment, the extraction**.

*“We need to say ‘farewell to DAOs’ as a **single model** of token-holder-governed blockchain organizations”*



| Thank you