Background
Blockchains are revolutions in **trust**, wrapped up in **get rich quick schemes**.
Total market cap is **$1trillion** - there is **mass awareness** but little utility save for **speculation**
Bitcoin's digital gold narrative relies on wealth **preservation**, rather than **creation**
Ethereum's **world computer** has fee structures that make scaling projects **cost prohibitive**
Layer 2 networks are picking up the slack, but they just **kick scaling issues down the road**
Networks are converging on a **multi-chain future** built around **shared security guarantees**
Most are **reversing into that future** out of necessity, a few are building from **first principles**

Polkadot
Polkadot introduces **interoperable, application specific parachains** built on a **shared SDK**
Parachains focus on their own **use case**, purchasing **security as a service** priced in **DOT**
The ecosystem has **50+ parachains** bonded to **Polkadot** and its sister network **Kusama**
Core to the design are **common good treasuries** governed through **token weighted votes**
KSM and DOT treasuries exist to **drive network adoption** and are worth **$300m on paper**
Anyone can propose a spend that requires **majority approval** of **token weighted votes**
The tech has the **potential** to harness, coordinate and reward **radical creative innovation**
Kusama's express purpose is to **foster that innovation**, so far **that ambition has not been met**.

However
The whole ecosystem is valued at **$14bn** yet has just **1000 users** and **20k active accounts**
Treasuries are **denominated in native tokens** and the value **rises and falls with the market**
The current process is **slow, bureaucratic** and best suited to **populist agendas**
Decision making power is **focused on token holdings** rather than r**elated to reputation**
Many small teams **identify**, **propose** and **deliver** solutions to **domain specific issues**
Funded teams are often **setup to fail** since they **work in isolation**
Each group **argues their own case** and negotiates **their own pricing**
Rewards for work is based on **delivering milestones** not **return on investment (ROI)**

ROI to the treasury is defined by **off-chain metrics** unrelated to **network adoption**
Media spending to date has been **fragmented**, with no **focused media destinations**
Parachain development is silo'd and not connected directly to **the needs of the ecosystem**
Treasuries gain **no direct upside** to the **future success of funded projects**
Spending creates natural **sell pressure** as teams liquidate tokens into **working capital**
Holders protect the **current value** of their tokens leading to **conservatism over time**
Proposers and voters end up in an **adversarial** rather than a **collaborative** relationship
Over time these **issues compound** leading to a **predictable tragedy of the commons**

Why holders should care
Without **adoption** and **diversification** the networks will be **repriced by the market**
Selling pressure from teams on top of repricing will create a **treasury death spiral**
If the network fails to fund its **next cycle of innovation** it will **lose the agency to do so**

Why time is of the essence
Incoming regulations will be a whirlwind that **completely reshapes the industry**
Social networks used to coordinate crypto-communities will become **legal pinch points**
Mass delisting of tokens will impact the most **centralised networks the most**
Networks who need a **founding team** or **benevolent dictator** to shape direction will struggle
Those that manage to **survive this whirlwind** will find themselves in **a very different world**

The strategic challenge
Solutions **won't be fast enough** coming as **tactical proposals** targeted at **specific domains**
It is **existential** for network treasuries to develop and deploy **cohesive strategic directions**
Addressing **interdependent issues** requires **sustained coordination** between **many teams**
Development will need to be both **horizontally** and **vertically integrated**
Laser focus on **on-chain adoption**, **treasury diversification** and **new demand drivers**

The solution needs to optimise for

☐ **Rapid coordination**
☐ **Sustainable and scalable funding**
☐ **Diversification of funding models**
☐ **Radical experimentation**
☐ **Co-creation and participation**
☐ **Meaningful on-chain adoption**
☐ **Advancing collective intelligence**
☐ **Cultural relevance**
☐ **Real world impact**
☐ **Progressive decentralisation**