Hello Gitcoin Community,

This post is a general introduction to Ethelo! Although we've been working with Gitcoin for 3 grants rounds now, a friend pointed out that, aside from [a Public Library talk we did earlier this year,](#) we haven't properly introduced ourselves to the Gitcoin community at large! So I hope, with this post, to rectify that - and I hope you can excuse the delay :)
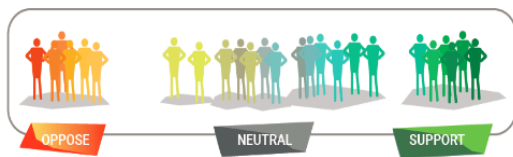
Many of you know Ben West, who has led many of our eDemocracy processes, especially our climate campaigns. He has shared much information about Ethelo and he has been a great ambassador for us to the Gitcoin community. So, you may be familiar with much of what I write below - but some you may not!

Ethelo's background is Web2. For the past 10 years, we've worked with hundreds of organizations - local governments, public institutions, indigenous communities, universities, foundations, unions etc - to do large decision processes. We call it "eDemocracy."
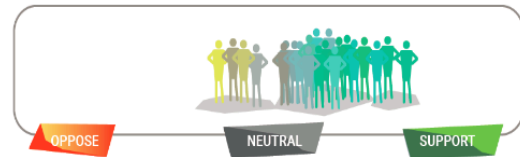
This eDemocracy mission is to "build digital democracy technology that can empower people to solve the hard social and environmental problems that current political processes are failing to solve." We believe that the major issues of our times cannot be solved by the same kinds of decision processes that caused them - that we need a radical upgrade to a kind of "democracy 2.0" if we are to make the major political changes necessary in a peaceful way.

Essentially, Ethelo is a digital democracy platform, but not in the way you might think. It is not a voting platform like Snapshot, where people make discrete proposals that get voted on. Rather, it is a "multi-attribute decision algorithm," where decision problems get broken down into components (options, criteria, constraints, etc) which people can then collectively solve using a variety of custom voting tools (likerts, sliders etc). Its focus is the process *by which proposals get developed* rather than a final proposal put for ratification. The thinking is, if you do the proposal development right, then the final ratification should be easy. The goal is to maximize the intentional energy of the individuals involved in a decision-making process while simultaneously arriving at a decision that is broadly supported.

In particular, Ethelo is engineered to avoid the polarization of simplistic "majority rule" protocol by searching through all potential scenarios (and there can be millions) to find an outcome that optimizes satisfaction **for everyone**. Mathematically, we'd say it maximizes average satisfaction while minimizing the variance of satisfaction. It's a kind of digital consensus engine that uses big data and combinatorics to create fair outcomes. It's perhaps best illustrated with a simple diagram;

Polarization means
risk and resistance

Unity builds buy-in for
better execution

For Ethelo the plan on the right is a better plan than the one on the left. Why? Because the people on the right are roughly equally happy. They will be united in moving forward together, which increases the chance of success.

There is a philosophy behind the design of the platform and the Ethelo algorithm. It is based on the work of [John Rawls](), a 20th century philosopher and social contract theorist. Rawls wrote about the importance of fairness in democracy. He devised a number of thought experiments such as the famous [original position]() in which everyone is impartially situated as equals behind a veil of ignorance as they negotiate the social contract. Rawls' philosophical intuition on the importance of fairness has since been validated empirically in many empirical studies in [behaviour economics](), [psychology]() and even [animal experiments](). Studies show that people will reject unfair outcomes even when they would otherwise benefit. Likewise, they will support outcomes they dislike if the process was seen as fair. Fairness is fundamental.

There is currently a debate in the DAO community around one-person-one-vote versus one-token-one-vote processes. However, as I hope this makes clear, there is another way of conceiving the problem, and the solution. That is not to negate other efforts. Quadratic voting, where voting power grows as the square root of the number of tokens, has the benefit of punishing attempts to dominate processes. However, by itself, it does not fully address all issues created by disparities in holdings. It should be noted that Ethelo is compatible with Quadratic Voting - in fact we just completed a granting process for Big Green DAO which used Quadratic voting. In fact, Ethelo can support any mathematical expression for allocating influence - such as confidence voting etc.

As mentioned, our mission is digital democracy; we believe the polarizing and divisive way democracy is currently practiced needs to change radically. By setting aside majority rule while preserving the idea of equality of influence, Ethelo has the potential to be an algorithm for peace. But it's also a practical solution to the philosophical and social challenge of making group decisions.

That practical aspect is perhaps the greatest strength of Ethelo. Simply put; it works and works well. It has been continuously improved for more than a decade and It has been used in high-value decisions by more than 100k decision participants around the world. More than $10B has been allocated - mostly by cities - on the platform. Ethelo has been named the [leading digital democracy platform in the world]() 2 years running, and has won a number of other awards.

B Corp, not the most adventurous organization, named Ethelo ["Best for the World" in Governance](#) in 2021 (and again in 2022). There are [dozens of case studies](#) showing how Ethelo has solved a [wide range of decision problems](#) - from policy, planning and governance to design, finance, and conflict resolution.

Interestingly, the digital democracy ecosystem - which is quite large and growing - hasn't really intersected with Web3 yet. We aim to change that, because DAOs need help with governance and we think eDemocracy provides a solution. And also - we think [Web3 has a solution for digital democracy](#).

That is why we reached out to Gitcoin last fall, and started working together soon after. We wanted to align ourselves with other impact-oriented DAOs and Gitcoin's focus on Public Goods made it the natural partner.

The first Gitcoin application of Ethelo was with FDD, who used Ethelo for [the GR12 appeals process](#) - in particular, using our multi-criteria evaluation template. That went well, in the next granding round, Ethelo was used for vetting eligibility for the [GR 13 ecosystem round](#), which also went well. At that point, Gitcoin and Ethelo entered into a legal agreement for information-sharing and our two dev teams worked together to build APIs and bridge between our two platforms. In GR14 it was used for a range of functions - the public good rounds, approvals, as well as appeals.

Next up; using Ethelo to develop nuanced rankings of grant proposals ("star" ratings), performance evaluation of past grants and more.

However, Ethelo is not just about granting processes. Token swap evaluations are also an application that would fill an immediate need. But collective budgeting is actually our most popular application. More than 150 cities have used Ethelo to budget about $10B and growing. The essential challenge is how to manage constraints, where collective intelligence is harnessed to find optimal fund distributions within a limited budget. Given the recent bear market and associated fall in GTC price, this is a critical consideration! So we've been talking with the Ops and we've built a demo showing how Ethelo could help with constrained budgeting. You are welcome to take it for a test run!

[Gitcoin Quarterly Budget Demo](#)

For fun, we also did some experimental processes. You may have participated in the [Solarpunk Art contest](#) we created for the Schelling Point conference!

Where to from here?

We have been happy to go deep with Gitcoin because we see the power of the ecosystem it is developing and the public goods vision that drives it. We are very interested in supporting the evolution of the Gitcoin Grant platform and working with other Impact DAOs. And we've really

appreciated the opportunity to learn some operational lessons as we lay the groundwork for our own DAO.

Over the next months we will be launching our own DAO, **eDemocracy DAO**. In fact we are already starting - and thanks to the Gitcoin folks who have helped us get here! If you are interested in learning more, send me a note or visit our Notion library (TLDR!)

Earlier this year Ethelo was invited to propose a mutual grant to Gitcoin. This would benefit both organizations through Treasury diversification and also the utility - and influence - that Gitcoin DAO will have in relationship with eDemocracy DAO. Our Thelo token will be the fuel which is used to power the eDemocracy engine, and mutual grant would provide Gitcoin with a large supply of fuel at a discount that it could deploy for future decision processes.

The mission of eDemocracy DAO builds on that of Ethelo - building a community around new approaches to web3 governance and group decision making, with our eyes to long-term evolution into new systems for digital democracy.

We would love to hear your thoughts about DAO decision making and governance. What would decentralized decision making look like in an ideal world? We created a special process to poll people - if you have 10 minutes, please feel free to let us know (note; you can see the results on the last page!)

[DAO Dream governance consultation](#)

And as well - if you have any Gitcoin group decisions that you Ethelo would be a good fit for - please throw it down!

Hello Gitcoin Community,

This post is a general introduction to Ethelo! Although we've been working with Gitcoin for 3 grants rounds now, a friend pointed out that, aside from [a Public Library talk we did earlier this year](https://www.youtube.com/watch?v=f284ZIiBPNc), we haven't properly introduced ourselves to the Gitcoin community at large! So I hope, with this post, to rectify that - and please pardon the long delay!

Many of you know Ben West, who has led many of our eDemocracy processes, especially our climate campaigns. He has shared much information about Ethelo and he has been a great ambassador for us to the Gitcoin community. So, you may be familiar with much of what I write below - but I'm fairly sure there will be something new for just about everyone.

Ethelo's background is Web2. For the past 10+ years, we've worked with hundreds of organizations - local governments, public institutions, indigenous communities, universities, foundations, unions etc. - to do large decision processes. Group sizes can range from a 8 to 8000 - average a few hundred. The Ethelo platform enables a kind of complex decision-making we call "eDemocracy," which falls into a broader category of digital democracy.

We actually began as a nonprofit called eDemocracy Network - originally called "PartyX". The eDemocracy mission is to "build digital democracy technology that can empower people to solve the hard social and environmental problems that current political processes are failing to solve." We believe that the major issues of our times cannot be solved by the same kinds of decision processes that caused them - that we need a radical upgrade to a kind of "democracy 2.0" if we are to make the major political changes necessary in a peaceful way.

Essentially, Ethelo is a voting platform, but not in the way you might think. It is not a voting platform like Snapshot, where people make discrete proposals that get voted on. Rather, it is a "multi-attribute decision algorithm," where decision problems get broken down into components (options, criteria, constraints, etc) which people can then collectively solve using a variety of custom voting tools (likerts, sliders etc). Ethelo's focus is the process by which proposals get developed rather than a final proposal put for ratification. Our thinking is, if you do the proposal development right, then the final ratification should be easy. The goal is to maximize the collective intelligence of the individuals involved in a decision-making process while simultaneously arriving at a decision that is broadly supported.

We see a distinction between democracy and majority rule. In a democracy people should have equal influence, which suggests we should aim for fair results that leave people (roughly) equally happy. Ethelo is engineered to avoid the polarization of the "majority rule" protocol, which overly simplistic. Instead of voting on just a few options, Ethelo is designed to search through all potential scenarios (and there can be millions) to find an outcome that optimizes satisfaction for everyone. Mathematically, you would say Ethelo maximizes average satisfaction while minimizing the variance of satisfaction. It's a kind of digital consensus engine that uses combinatorics and non-linear optimization to identify fair outcomes. It's perhaps best illustrated with a simple diagram;

![|657x167](https://lh6.googleusercontent.com/AJX22KrcaxljT9vipSigi_wSNWWc5mVmCXHiZw zyEnsAnHQvwX8njZAbOmEhLAou7fiKMxfmNbf4GAL4ubva4pjRxwQB7KCWo_5rmxPsa4mRfZc X5KyAJi7UStGbciBhTWPYpxcdCUOfnXH6DqfvFtQ)

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There is a philosophy behind the design of the platform and the Ethelo algorithm. It is based on the work of[John Rawls](https://en.wikipedia.org/wiki/John_Rawls), a 20th century philosopher and social contract theorist. Rawls wrote about the importance of fairness in democracy. He devised a number of thought experiments such as the famous[original position](https://en.wikipedia.org/wiki/Original_position) in which everyone is impartially situated as equals behind a veil of ignorance as they negotiate the social contract. Rawls' philosophical intuition on the importance of fairness has since been validated empirically in many empirical studies in [behaviour economics](https://en.wikipedia.org/wiki/Social_preferences), [psychology](https://en.wikipedia.org/wiki/Inequity_aversion)and even [animal experiments](http://youtu.be/lKhAd0Tyny0). Studies show that people will reject unfair outcomes even when they would otherwise benefit. Likewise, they will support outcomes they dislike if the process was seen as fair. Fairness is fundamental.

There is currently a debate in the DAO community around one-person-one-vote versus one-token-one-vote processes. However, as I hope this makes clear, there is another way of framing the problem, and the solution. That is not to negate other efforts - concentration of governance tokens is a systemic problem. Quadratic voting, where voting power grows as the square root of the number of tokens, has the benefit of punishing attempts to dominate processes and underscore conviction. However, by itself, it does not fully address all issues created by disparities in holdings. It should be noted that Ethelo is compatible with Quadratic Voting - we just completed a granting process for Big Green DAO which used Ethelo + Quadratic voting. In fact, Ethelo can support any mathematical expression for allocating influence - such as conviction voting etc.

As mentioned, our mission is digital democracy; we believe the polarizing and divisive way democracy is currently practiced needs to change radically. By setting aside majority rule while preserving the idea of equality of influence, Ethelo has the potential to be an algorithm for peace. But it's also a practical solution to the philosophical and social challenge of making group decisions.

That practical aspect is perhaps the greatest strength of Ethelo. Simply put; it works and works well. We've been continuously improving the platform for more than a decade and while we haven't had the resources of many VC funded tech companies, it is one of the best of its kind out there. More than $10B has been allocated - mostly by cities - on the platform and it has been used in high-value decisions by more than 100k decision participants around the world. Ethelo has been named the [leading digital democracy platform in the world](https://blog.ethelo.org/ethelo-first-on-digital-democracy-ranking-2021)2 years running, and has won a number of other awards. B Corp, not the most adventurous organization, named Ethelo["Best for the World" in Governance](https://blog.ethelo.org/ethelo-named-a-best-for-the-world-b-corp-for-2021-in-governance-impact) in 2021 (and again in 2022). There are [dozens of case studies](http://ethelo.com/case-studies) showing how Ethelo has solved a [wide range of decision problems](https://ethelo.notion.site/Applications-55e582ae4b2f41c3acc3b10c9b929a51) - from policy, planning and governance to design, finance, and conflict resolution.

Interestingly, the digital democracy ecosystem - which is quite large and growing - hasn't really intersected with Web3 yet. We aim to change that, because DAOs need help with governance and we think eDemocracy provides a solution. And also - we think [Web3 has a solution for digital democracy](https://blog.ethelo.org/ethelo-enters-dao-space).

That is why we reached out to Gitcoin last fall, and started working together soon after. We wanted to align ourselves with other impact-oriented DAOs and Gitcoin's focus on Public Goods made it the natural partner.

The first Gitcoin application of Ethelo was with FDD, who used Ethelo for [the GR12 appeals process](https://gia-testing.ethelo.net/) - in particular, using our multi-criteria evaluation template. Here's a snapshot of one of the 8 criteria that the evaluators applied;

![image|690x472](upload://r961G10zvc6leJRoQKPySCw2Plk.png)

Here's a screenshot of one of the results - Metaverse passed the 80% score threshhold;

![image|572x500](upload://croDINmsudH6RweuJkFCDNk0VDD.png)

The GR13 process went well, so in the next granting round Ethelo was used for vetting eligibility for the [GR 13 ecosystem round](https://gr13-climate-review.ethelo.net/). That was also a success I'm happy to say.

At that point, Gitcoin and Ethelo entered into a legal agreement for information-sharing and our two dev teams worked together to build APIs and bridge between our two platforms. In GR14 it was used for a range of functions - the public good rounds, approvals, as well as appeals.

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Ethelo is not just about granting processes. Token swap evaluations are also an application that could fill an immediate need. But in fact collective budgeting is actually Ethelo's most popular application. More than 150 cities have used Ethelo for budgeting and other organizations too.

The essential challenge in collective budgeting is managing constraints and trade offs, channeling collective intelligence to find optimal fund distributions within a limited budget. Given the recent bear market and associated fall in GTC price, this has become a critical consideration for Gitcoin! So we've been talking with the Ops Workstream and have built a demo showing how Ethelo could help with constrained budgeting, using GR13 as the model. Voters can quickly see the implications of different levels of spending on workstreams such as FDD;

![image|690x200](upload://wtQJR3bXhByLDSjBlvSQBcHmD4a.png)

This demo allows a group of people to collaboratively evaluate several thousand scenarios and find a broadly - and objectively - supported financial plan. Participants can have their vote weighted for GTC holdings, and it even incorporates confidence voting. You are welcome to take it for a test run!

[Gitcoin Quarterly Budget Demo](https://gitcoin-quarterlybudget.ethelo.net/)

Not everything we've done has a practical application. For fun, we also did some experimental processes. You may have participated in the [Solarpunk Art contest](http://solarpunk-art-schelling-point.ethelo.net/) we created for the Schelling Point conference! If not - please take it for a run!

Where to from here?

We've appreciated being able to go deep with Gitcoin because we see the power of the ecosystem you are developing and the public good vision that drives it. We are very interested in supporting the evolution of the Gitcoin Grant platform and working with other Impact DAOs. And we've learn some operational strategies and lessons as we lay the groundwork for our own DAO. (for example.. eDemocracy grants using quadratic funding!?)

Our new DAO is named eDemocracy DAO, after the nonprofit society behind Ethelo, eDemocracy Network. The mission of eDemocracy DAO builds on that of Ethelo with a community focus; hosting a collaborative space for new approaches to digital governance and group decision making, with our eyes to long-term evolution of web3 into new systems for digital democracy.

We've been working hard on eDemocracy DAO for almost a year (thanks to the Gitcoin folks who have helped us get to this point)! We are now ready to open the doors, and this Gitcoin post (if you managed to get this far!!) is the first public invitation. If you are interested in learning more or getting involved (and are happy to give feedback and help us iron out the bugs!) please [become a Citizen of eDemocracy DAO](https://edemocracydao-citizenship.ethelo.net/)! And if you want go deep - TLDR please visit our [eDemocracy Notion library](https://ethelo.notion.site/eDemocracy-DAO-c3a79866a0b84da38fe6f910b00a1ba2) (TLDR!). And feel free to DM me!

We look forward to future collaborations. Earlier this year Ethelo was invited to propose a mutual grant to Gitcoin, which we were pleased to do. We see how this kind of exchange would benefit both organizations, through Treasury diversification and also the utility - and influence - that Gitcoin DAO will have in relationship with eDemocracy DAO. Our Thelo token will be the fuel which is used to power eDemocracy processes, and mutual grant will provide Gitcoin with a large supply of Thelo fuel at a discount that it could deploy for future decision making on Ethelo.

We would love to hear your thoughts about where you think Ethelo could bring the most value to Gitcoin. Our strengths are building consensus on complex problems using techniques such as multi-criteria evaluation and constrained scenario analysis. Aside from granting and budgeting - we are strong on questions of policy, strategy, planning, governance, design and conflict resolution. Please post your suggestions below - if there are many, Gitcoin is welcome to use Ethelo to prioritize the most important! :slight_smile:

As web3 takes form, its important to keep our mind on the big picture. Where do we want to go with decentralized decision making? What would it look like in an ideal world? This question fascinates us. We created a special "DAO Dream" process to collectively imagine the future - if you have 15 minutes, please contribute your thoughts! (note; you can see the results on the last page!)

[DAO Dream governance consultation](https://daodream.ethelo.net/)

Thanks for reading this far! It an essay lol. We'll be looking forward to your feedback!