# Governance Truth Report

[DAOName]

Decentralization Score

4/10

[DAOName] governance shows concerning power concentration with a Gini coefficient of 0.911, where top 10 wallets control 50.9% of voting power. However, the delegate-dominated structure (all top 20 voters are delegates) demonstrates a functioning delegation system, though participation rates are critically low across all major delegates.

Power Distribution at a Glance

8.9%
Top 1 Wallet

31.0%
Top 5 Wallets

74.4%
Top 20 Wallets

302
Unique Voters

11
Nakamoto Coeff.
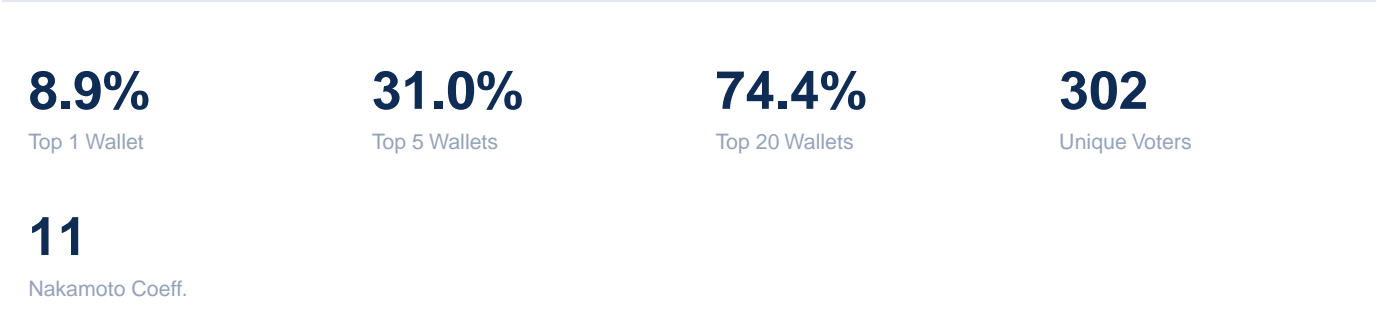
Participation Analysis

Participation rates are alarmingly low across all major delegates, with the highest being only 0.84% and many delegates participating in less than 0.5% of votes. Despite having 142,936 followers, only 302 unique voters participated in analyzed proposals, indicating massive disengagement.

- Top delegate (0x5BFCB4BE4d7B43437d5A0c57E908c048a4418390) with 276,598 voting power only participates in 0.84% of votes

- Several major delegates with 100K+ voting power participate in less than 0.25% of proposals

- Only 0.21% of followers (302 out of 142,936) actually participate in governance voting

Power Distribution Analysis

Power distribution is highly concentrated with top 5 wallets controlling 31.0% and top 20 controlling 74.4% of voting power. The Nakamoto coefficient of 11 indicates moderate resistance to collusion, but the extreme Gini coefficient of 0.911 reveals severe inequality.

- Gini coefficient of 0.911 indicates extreme inequality (well above the concerning 0.6 threshold)
- Top 1 wallet alone controls 8.9% of total voting power (276,598 out of 3,107,552)
- All top 20 voters are delegates receiving delegated power, showing delegation system adoption but potential over-concentration

Key Governance Participants

Delegates (Trusted with Delegated Power)

Address	Type	Voting Power	% of Total
0x5BFCB4...418390	DELEGATE	276 598	8.90%
0x89EdE5...dAAeDC	DELEGATE	189 309	6.09%
0x809FA6...eBF68e	DELEGATE	179 092	5.76%
0xb8c2C2...A267d5	DELEGATE	159 990	5.15%
0x048AA7...220493	DELEGATE	159 843	5.14%

Voting Patterns

Voting outcomes show mixed results with both 'For' and 'Against' outcomes represented. Participation varies significantly across proposals, ranging from 88 to 173 voters, with working group funding requests showing decent engagement.

Observed Trends

- Working group funding requests consistently pass and attract higher participation (170+ voters)

- Governance structure changes face more resistance (proposal replacing working groups was rejected)

Potential Concerns

- Massive delegate apathy with participation rates below 1% across all major delegates

- High voting power concentration could enable small group coordination to dominate decisions

Recommendations

Implement delegate accountability mechanisms such as mandatory participation thresholds (minimum 25% proposal participation) or automatic delegation revocation for inactive delegates

Create delegation caps to prevent excessive power concentration - limit any single delegate to maximum 5% of total voting power to improve decentralization

Launch targeted engagement campaigns to activate the 142,936 followers, including delegation education, simplified voting interfaces, and regular governance updates to increase the 0.21% participation rate

Methodology

Analysis based on 10 recent proposals with 302 unique voters. Power distribution calculated using maximum voting power observed per wallet across all analyzed proposals.

Classification Rules:
- WHALE: Wallet with significant direct token holdings (directTokenPower > 0 AND directTokenPower > delegatedPower)
- DELEGATE: Wallet deriving voting power primarily from delegation (directTokenPower = 0 OR delegatedPower > directTokenPower)
- WHALE-DELEGATE: Whale who also receives significant delegations
- TOP VOTER: Significant voting power but source unknown (voting strategy data unavailable)

Note: Some DAOs use voting strategies that don't provide breakdown between direct tokens and delegations. In these cases, top voters are classified as "TOP VOTER" rather than making assumptions about their power source.

All addresses and voting power figures are sourced directly from Snapshot governance data. Gini coefficient measures inequality where 0 = perfect equality and 1 = maximum concentration.

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About ChainSights

ChainSights provides identity-first Web3 analytics. We help DAOs understand who actually controls their governance by analyzing wallet behavior, voting patterns, and power concentration.

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