

# Decentralization, DeFi and MakerDAO





What is Decentralization?

“decentralized: used to describe organizations or activities which are not controlled from one central place, but happen in many different places”

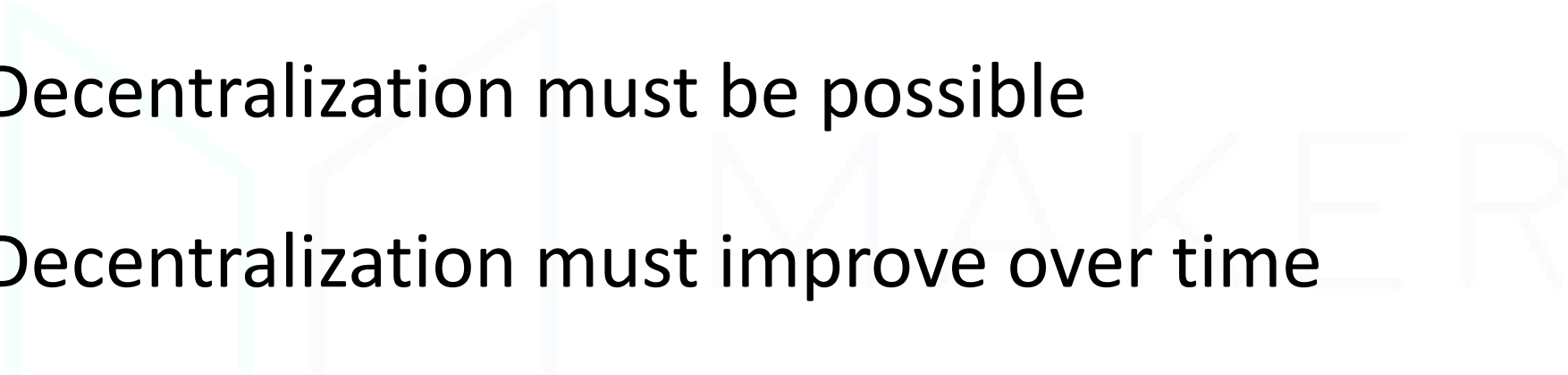
[dictionary.cambridge.org](https://dictionary.cambridge.org)

“decentralization: the dispersion or distribution of function or powers.”

[merriam-webster.com](https://www.merriam-webster.com)



# Framework Attributes

- 
- Decentralization must be possible
  - Decentralization must improve over time
  - Decentralization should support the intended function



Why Does Decentralization Matter?

- Accessibility and Independence
- Opportunity and Innovation
- Competition and Efficiency
- Growth



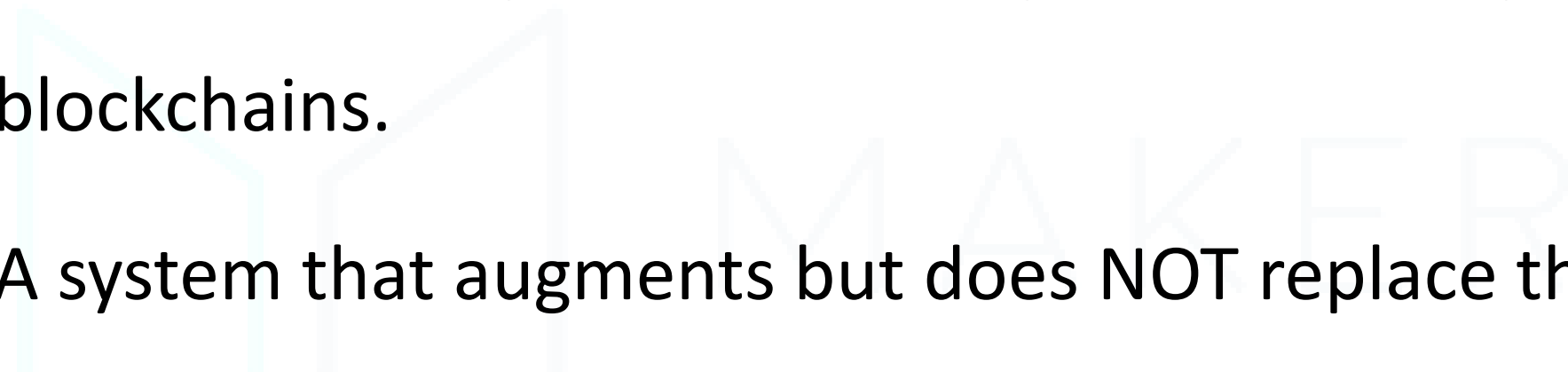
# Misconceptions, Issues and Solutions



- Misconception: Lawlessness
- Application of regulation
- Solution:
  - “Regulation at the edges”
  - “Walled gardens”

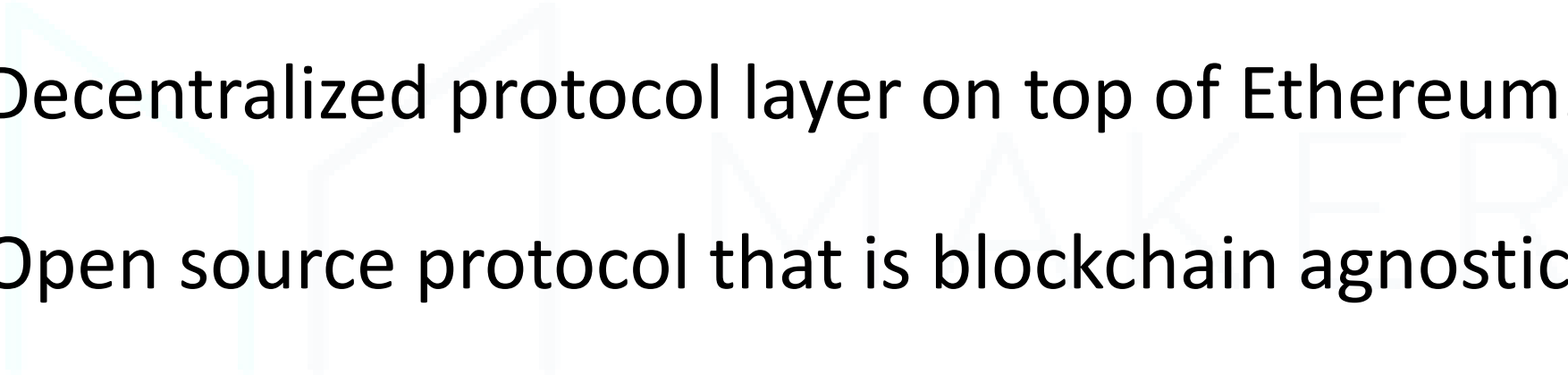


What is Decentralized Finance or DeFi?

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- A new monetary and financial system built on public blockchains.
  - A system that augments but does NOT replace the traditional one.
  - A system that creates value by enabling independent access to the global financial system.



What is MakerDAO and where  
does it fit in DeFi?

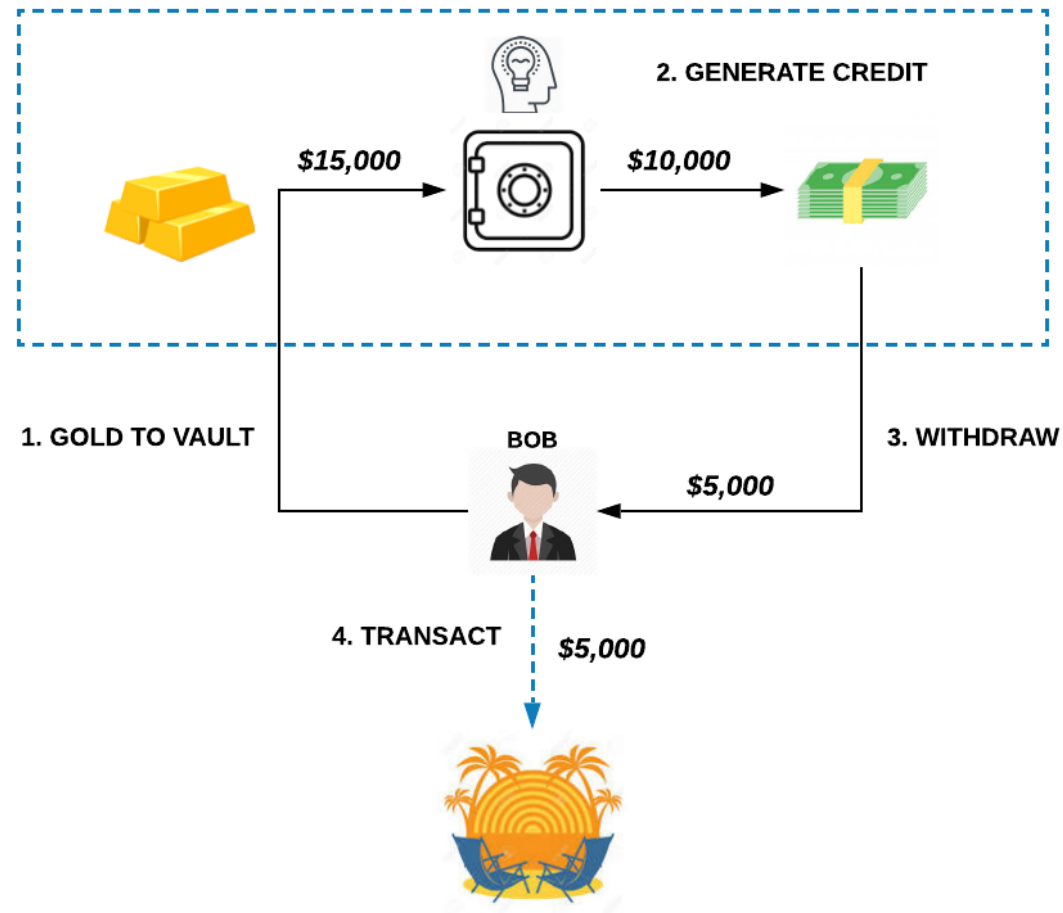
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- Decentralized protocol layer on top of Ethereum.
  - Open source protocol that is blockchain agnostic.
  - Provides tools for DeFi to grow the blockchain economy.



Decentralized Tools Provided by  
MakerDAO

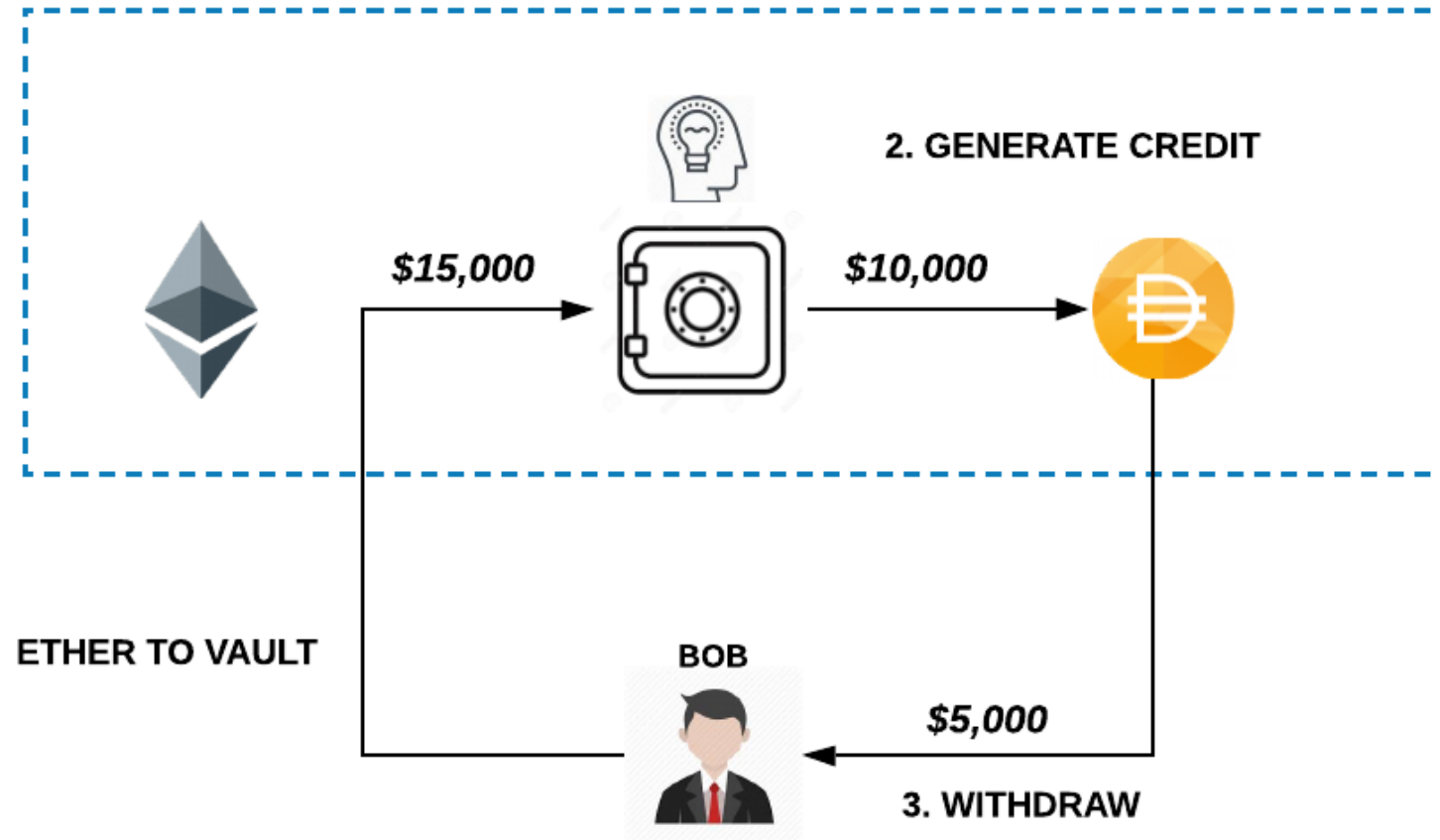
- Collateralization Tool – Any ERC20 compliant asset
- Credit Generation Tool – Generates stablecoin, Dai.
- Rewarding Tool – Rewards staked Dai with more Dai.

# How Does MakerDAO Generate Dai? - Analogy





# How Does MakerDAO Generate Dai?





Conclusion

- MakerDAO  $\subset$  DeFi  $\subset$  Decentralization
- Decentralization requires a change in perspective to see the Value to everyone.
- That Value comes from an open and free system that embraces accessibility and independence.



Thank You!

