

EOS and the Dawn of the Voter Rewards

NEW YORK, UNITED STATES, July 30, 2019 /EINPresswire.com/ -- One of the most polarizing topics within the EOS community today is voter rewards.

Some fear it will lead to the demise of the network as vote rewarding Block Producers “race to the bottom,” while others applaud the free market reward sharing model as an unstoppable force distributing value back to token holders. The fact is, history has told us voting rewards have not been kind to DPOS chains, but EOS is altogether a different animal. Will history repeat itself as token holders line up to “collect those divs,” or can EOS still find a way to prosper with Block Producers sharing rewards with their voters and running on thinner margins?

Race to the bottom

What does a race to the bottom look like? Pressure begins to build forcing Block Producers to exchange rewards for votes in order to stay relevant. Block Producers compete by increasingly giving away more than the next. Looking for ways to save on operating costs, Block Producers scale back, halting development, and band together to share infrastructure. Decentralization diminishes, upgrades and development screech to a halt, the community becomes frustrated and angry as the token value plummets, and a migration to potentially greener pastures ensues.

Why would the fate of EOS be any different? Network effects are the moat. EOS has real users that companies can harness and build profitable blockchain applications around. The success of these applications creates an even bigger network effect, which in turn brings in even more users. These companies, with profitable applications, can then leverage their profits and become Block Producers. Sound familiar? That’s because it’s already happening. Vote rewarding Block Producers like Newdex care about the success of the network because they have skin in the game in the form of their profitable business built on EOS.

EOS Resources

From a token owners perspective, one of the most dynamic features of EOS is the fact that the network is built around resources. Token resources like CPU and NET have value. Voting is also a token resource that has value. As a token owner, you not only own these resources, but also have the freedom to be compensated for them. By owning EOS, you own your vote, and the right to be rewarded for it.

The Future of EOS

The world is changing at an incredible clip and crypto-tech is at the cutting edge. Businesses are beginning to discover the amazing effects of a reward/profit-sharing model facilitated by smart contract platforms like EOS. As EOS continues to gain more adoption through social media applications like Voice and games like Blankos, Block Producers attempting to get votes with community contributions alone are in big trouble. A new wave of Block Producers will emerge, not dependent on block rewards and better equipped to run on thinner margins. These companies with their deeper-pockets can afford to pay voter rewards and upgrade infrastructure as a way to market and secure the success of their EOS-based applications.

EOS Isn’t Dying Anytime Soon

There are no easy solutions on EOS. Things can be done to break up vote sharing cartels and hold Block Producers to high levels of performance, but the rewarding of token holders for their

votes is nearly impossible to stop. What adjustments do we make going forward? Do we grandstand about ethics while vote buying continues to lurk in the shadows? Or do we shine a light on voter rewards and increase visibility by creating competitive and transparent markets around it? I challenge the community to continue to explore and the different options and new ideas through mindful communication with Block Producers and with each other. EOS isn't dying anytime soon. Unlike other blockchains EOS is agile in its ability to evolve through working governance. There is not another blockchain that scaled and accomplished more in its infancy as it races to the top.

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