DeCenter conference highlights cross-sector work needed to reap benefits of blockchain

Technological innovation alone will not be enough to produce the transformational benefits for society that advocates of blockchain technology envision, according to speakers at the April 17 research conference of Princeton University's Center for Decentralization of Power Through Blockchain Technology (DeCenter).

The second annual conference welcomed nearly 100 participants including computer scientists, engineers, economists, political scientists, ethicists, human rights advocates, regulators, politicians, and industry, ecosystem, and startup leaders.

"We are not aware of a center at any other university that is focused on blockchain, its applications and its impact on society, including policy," said Andrea Goldsmith, DeCenter co-director and dean of the School of Engineering and Applied Science at Princeton. Working across the domains of fundamental infrastructure, application use cases, and broader implications for society is core to the DeCenter's mandate.
"At Princeton, we are uniquely poised – given our strengths in policy and ethics and society and our strength in engineering, economics, quantitative finance, history, and politics – to be thought leaders in this transformational technology of blockchain, to show what it can be used for, and to help make sure it is used for societal good," Goldsmith said.

The day-long conference highlighted directions for future building and research of blockchain-related technologies. Many of the day's conversations focused on the potential for blockchain to serve as a coordination mechanism in industries with complex regulatory and logistical systems, as in the field of finance. Blockchains could provide a system of rewards and penalties that enables the creation of trustworthy public records of behavior and interaction, panelists said. One panel, which focused on underlying blockchain infrastructure, probed capabilities potentially useful to the financial sector, but also in other domains, such as the governance of generative AI. Panelists said blockchain tools may help drive compliant adoption and ensure accountability.

The intersection of new technology and legacy social and legal structures was also an important theme in the afternoon's discussions. Experts on digital asset regulation and enforcement discussed the potential for blockchains to help govern and allocate shared ownership of companies or payments among groups of individuals. They examined blockchains whose structures created the possibility of decentralized autonomous organizations, known as DAOs. DAOs allow very large groups of people to form quickly into organizations that share ownership of some property and share in decision-making, without any central leadership. Panelists noted that DAOs fall outside well-understood legal structures such as limited liability companies. Regulators and legislators have scrambled to adjust. In one example, the state of Wyoming created a regulatory framework, known as DUNA, allowing such organizations to be recognized as a "Decentralized Unincorporated Non-profit Association."

The day's final panel featured builders and organizers using blockchain to help direct resources to refugees in the Ukraine, women in rural Afghanistan and Americans in need of bail assistance. Panelists emphasized that the potential for positive outcomes in such situations requires regulatory structures as well as internal ethics in the industry. Panelists also noted that permissionless technologies – such as a blockchain with no centralized gatekeeper – are arguably only as good as their ability to expand access beyond conventional power structures. If successful, wider access to taking part in financial systems could be as revolutionary as the first public stock exchanges that greatly expanded the number of people who could own a small piece of a company, panelists said.

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