Twitter Thread by Coopahtroopa ■_■



Coopahtroopa ■_■
@Cooopahtroopa

2020 was a game changer for Ethereum.

The vast majority of its success was fueled by #DeFi.

Here's what happened in 5 Tweets ■

1) Governance Tokens ■

Projects gave complete ownership of billion dollar protocols to their users, often using retroactive airdrops.

Early adopters earned tokens for past usage, and token-based voting now dictates all technical upgrades.

https://t.co/uzR8NW5AyD

> It pays to be a web3 power user.
>
> Five networks that issued retroactive airdrops to value added actors \U0001f4dd
>
> — Coopahtroopa \U0001f525_\U0001f525 (@Cooopahtroopa) December 9, 2020

2) Liquidity Mining ■■

Power users were the first to earn on-going distribution by providing liquidity.

$COMP sparked the wave, with $BAL coining the term a few weeks later.

https://t.co/BGqUNjc0kC

> BAL is live!
>
> The 435k BAL for liquidity providers of the first three weeks of liquidity mining (145k per week) have just been sent out to the wallets used to provide liquidity on Balancer.https://t.co/pkXFzwzPVC

— Balancer Labs (@BalancerLabs) June 23, 2020

3) Yield Faming ■

Projects coupled liquidity mining and governance tokens to boost 'yields' by combining lending rates with an incentive layer.

APYs peaked as high as 1M% during 'DeFi summer', leading to a 'food coin' craze like $YAM and $SUSHI

https://t.co/59pCAav7pk

> Check out @Cooopahtroopa's latest post for all the #DeFi farmers out there \U0001f468\u200d\U0001f33e
>
> Turns out @synthetix_io & @CurveFinance were ploughing the fields long before $COMP & $BAL came along.
>
> Learn how to put your #crypto to work with this #yieldfarming 101 \U0001f4b8
>
> \U0001f449 https://t.co/zYUKtqx3BK
>
> — Zerion \U0001f3e6 (@zerion_io) June 26, 2020

4) Fair Launches ■

Who needs investment when you can launch using yield farming?

@iearnfinance debuted $YFI with no formal funding, seeding a community treasury for self-sustainability.

The notion of a core team and community became one and the same.

https://t.co/OuTWjSrcjd

> 2/ What is a Fair Launch?
>
> A FL enables founders to bootstrap new crypto networks that are earned, owned, and governed by their community from the outset.
>
> In this dynamic, everyone participates on equal footing\u2014there is no early access, pre-mine, or allocation of tokens.
>
> — fair launch capital (@fairlaunchcap) August 26, 2020

5) Meta-governance ■■

Delegation and indexes allowed projects to vote on other protocols using assets under management.

$DPI is the best example, using its $COMP and $UNI to vote based on $INDEX sentiment.

https://t.co/XLjrtRau3w

> On the surface index protocols appear to just be vehicles for passive exposure to cryptoassets.
>
> However under the hood they're much more powerful than that.
>
> Through meta-governance index protocols may be an attractive DeFi aggregation play through voting power accumulation.
>
> 1/ pic.twitter.com/9AvmQFPhR8
>
> — Ryan Watkins (@RyanWatkins_) December 22, 2020

Key Takeaways:

- Early adopters got paid
- Putting capital to work netted the highest returns
- Liquidity allowed teams to seed a community treasury.
- Treasuries accrued tokens, used to govern other protocols.

Most importantly, team and community merged together.

What's Next?

Composability will flourish, and projects will win liquidity based on cash flows, rather than short-lived APYs.

Governance incentives will boost participation, leading to a vibrant number of protocol politicians.

Curation will thrive.
https://t.co/dxw2P0roQL

> Curation mechanics will dominate token economics in 2021 \U0001f525_\U0001f525
>
> — Coopahtroopa \U0001f525_\U0001f525 (@Cooopahtroopa) November 12, 2020

This was without a doubt my most exciting year in crypto.

If you're new to #DeFi, take time to learn more with great outlets like @DefiantNews @DeFiRate @BanklessHQ and @Yield_TV.

S/o Daily Gwei by @sassal0x and Daily Ape by @Darrenlautf ■

Until then, keep up the honest work!