From Hobbes to Blockchain: Do DAOs Undermine the Social Contract?

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In 1651, Thomas Hobbes said **we must surrender to the sovereign to escape chaos**. In 2025, DAOs ask: **What if we don't need a sovereign?**

Thinker	Core Idea of the Social Contract	Implication for Law & Governance
Thomas Hobbes (1588-1679)	People surrender liberty to a sovereign for protection from chaos	Legitimizes absolute state power to enforce order and security
John Locke (1632-1704)	Government exists to protect natural rights (life, liberty, property)	State must be limited, rights-based, and accountable
Jean-Jacques Rousseau (1712-1778)	Legitimacy comes from the general will of the people	Emphasizes collective decision-making, participatory governance
Modern State-Corporation Contract (1800s - present)	Corporations receive protection and legal personhood in exchange for compliance	State regulates economic life for public safety, order, and taxation

Code, Cryptography, and the Cypherpunk Revolt

Blockchain as Trustless Tech	No need for the state to enforce rules — rules are enforced by code
Key Cypherpunk Values	State must be limited, rights-based, and accountable
Manifesto (1993)	*"Privacy is necessary for an open society. We cannot expect governments to grant it."* – **Eric Hughes**
Goal	Replace legal contracts and regulators with math, cryptography, and protocols
Impact on Social Contract	Blockchain erodes the state's monopoly on rule enforcement and identity control

DAOs vs. Traditional Corporations

Aspect	Traditional Corporation	DAO
Legal Status	Registered	Often unregistered
Governance	Hierarchical	Token-weighted or algorithmic
Identity of Participants	Known	Anonymous/pseudonymous
Jurisdiction	National law	Borderless
Dispute Resolution	Courts, arbitration	Smart contracts/internal votes
Accountability	Legal liability applies	Often anonymous, no liability

Ideology Clash – Social Contract vs. Cypherpunk

Concept	Social Contract	DAO/Cypherpunk
Authority Source	Sovereign state, legitimized by people	Code/protocol
Legal Enforcement	Courts, laws	Self-executing code
View of the State	Necessary to prevent anarchy	Distrustful of state; prefers decentralization
Individual's Role	Surrenders some liberty for protection	Retains full autonomy
Privacy Norms	Regulated, limited	Maximal, cryptographic

Legal Futures for DAOs

Scenario	Description	Legal Implications
Adaptation	States create legal DAO models	Legal integration with compliance
Repression	DAOs outlawed or heavily restricted	Pushes DAOs underground
Separation	DAOs evolve into autonomous systems	State loses legal dominance

Thank you for listening!

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