

The Ethereum Foundation

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The decisive event in the early history of Crypto Valley was the establishment of the foundation that developed the Ethereum protocol. Ethereum was conceived in late 2013 by Vitalik Buterin, a young programmer born in Russia and raised in Canada, who had co-founded Bitcoin Magazine in 2012. His white paper proposed a blockchain that could do more than process payments: a platform on which programs, so-called smart contracts, could be executed in a decentralised way. Buterin was joined by seven co-founders, among them Gavin Wood, who developed the programming language Solidity, Joseph Lubin, who later founded the software company ConsenSys, and Charles Hoskinson.¹ The founders established the Stiftung Ethereum, a foundation under Swiss law with its seat in Zug, in 2014.² Between July and August 2014, the project raised about 31,000 bitcoins, then worth about 18 million dollars, in a public sale of ether, the token of the future network. The network, launched on 30 July 2015 with the creation of its first block, moved in September 2022 from the energy-intensive proof-of-work mechanism to proof-of-stake, in which validators secure the network by committing their own ether.³

The choice of a Swiss foundation reflected the aims of the project. Its founders wished to develop an open protocol that no one would own and that would, once launched, run independently of its creators. The foundation, a legal entity without owners or members, dedicated to a purpose and supervised by a public authority, seemed to express this aim better than a company with shareholders. The foundation would receive the proceeds of the token sale, finance the development of the protocol and support the ecosystem that would grow around it, but it would not control the network. Buterin himself described the goal in terms that the foundation form suited: once an application is built, it should not depend on any single person for its continued existence.⁴

The success of Ethereum made the Zug foundation a model. While ether became the second-largest crypto-asset by market value, the Ethereum network became the platform on which thousands of other tokens, applications and projects were built. Many of these projects imitated the structure of the Ethereum project: a foundation in Zug, a token sale to finance development and a network intended to become independent of its creators. The foundation model, which Chapter III examines, became the signature of Crypto Valley.

1 Notes

1. ethereum.org, "History of Ethereum: founder, launch and ownership", accessed September 2026: Ethereum conceived by Vitalik Buterin in late 2013; born in Russia in 1994 and raised in Canada; co-founded Bitcoin Magazine in 2012; white paper proposing "a blockchain that could do more than just payments"; co-founders Gavin Wood, Joseph Lubin, Jeffrey Wilcke, Mihai Alisie, Anthony Di Iorio, Amir Chetrit and Charles Hoskinson. ↩
2. Source as cited in the printed edition. ↩
3. ethereum.org, "History of Ethereum": public crowdfunding from July to August 2014 raised about 31,000 BTC (about \$18 million); mainnet launched on 30 July 2015 with the genesis block; Homestead upgrade in March 2016; proof-of-stake since September 2022; the Ethereum Foundation is a non-profit supporting development that does not control the network. ↩
4. ethereum.org, "History of Ethereum": Buterin: "once you build your application, the application does not need to depend on you or any other single person for its continued existence." ↩

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