The Pareto project

tl;dr

The first open source publishing platform for uncensorable, investigative citizen journalism powered by bitcoin / lightning and <u>nostr</u>.

Proposal, v.1

1 Problem

"We are all fucked" (Julian Assange).

Our situation in a nutshell: we are in the middle of a hybrid information war between the so called <u>Censorship Industrial Complex</u> and the Citizens of the world.

- Our free and liberal societies are endangered by aggressively increasing censorship.
 People are afraid to speak their mind, disillusioned by mainstream media and deeply distrustful of them. Free content creators/journalists/artists are getting deplatformed and are losing access to both their livelihood and their followers.
- The media system has become dysfunctional in its entirety. Public and corporate media have become cartels for narratives serving political or corporate interests.
- Freedom of speech relies on the idea of a free marketplace of ideas. Presently there is
 no venue that facilitates an open debate and the challenging of stories/claims.
 While the internet has the potential of decentralized, many-too-many communication the
 existing media outlets are abusing it as just another centralized broadcast (one-to-many)
 platform.

1.1 Glossary

We call

- "content creators" those who create and distribute journalistic content/products, like articles, pod-/videocasts, documentaries etc;
- "researchers" those who deliver or check sources for factual information of any kind;
- "channels" the space of a content creator on pareto (e.g. https://pareto.io/xy). A content creator may operate one or more channels.

2 Solution / product

2.1 Content hosting

We build and launch a new *truth approximation* platform which facilitates censorship resistance, collaboration and the challenging of claims and viewpoints. A free speech content platform on which

- content creators are free to express themselves and thrive based on the content they
 produce and the followers they attract
- content consumers/readers can
 - follow their favorite creators and/or discover new content or creators
 - consume content of interest and challenge it
- no content is censored (but some minimum content guidelines are enforced, example: "no child pornography")

Content creators

- can operate their own channels on the platform. This includes the possibility to brand/customize these to a certain degree.
- publish content on these channels that is either free or for paid subscribers only (at the sole discretion of the content creators)
- Experience unlimited scalability of their audiences without fear of being cut off.

Followers/subscribers can purchase either a channel subscription allowing them to consume the content on the respective channel or a *platform subscription* that makes all content – irrespective of the channel – available to them.

All content is organized/tagged with appropriate labels e.g. "9/11", "vaccine injury", "nord stream" etc. and searchable.

2.2 Collaboration

Platform users may aggregate various artifacts of interest (videos, texts, links, PDF documents, docs acquired through FOIA-requests, etc.) into a pool and tag these as they see fit.

Others may use the pool to construct dossiers pertaining to a specific topic e.g. "Nord stream". The information items in a dossier may further be organized or arranged in a tree or mind map.

These visualized constructs (dossiers, trees, mind maps) can be utilized/explored by content creators as input / research for finished stories, videos etc.

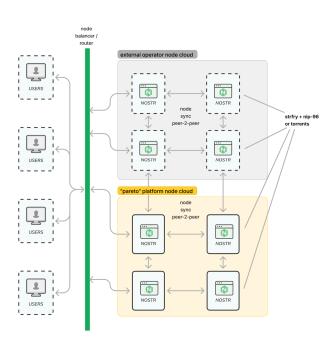
2.3 Truth approximation

In stark contrast to existing MSM platforms Pareto makes no claim of being the (exclusive) source of truth. We rather encourage the publishing of many representations of what might be the truth and the clashing / competition of these in a free marketplace of ideas.

Platform users are free to challenge content they consider *factually* wrong. The platform will provide mechanisms like comments / threads to facilitate open discussion / debate underneath each artifact.

2.4 Decentralization

The Pareto platform will be backed / underpinned by a peer-2-peer network of nodes that are operated in geo-diversified fashion. Each node carries the complete platform content and is capable of bringing up to speed/synchronizing new nodes that join the network.



Some of these nodes will be operated by the Pareto team. The objective, however, is to package / publish the node software and incentivize anonymous / independent node operators (via operator rewards paid out in bitcoin on a daily basis) to run the majority of the network nodes in permissionless fashion in different regions of the world.

Furthermore, the platform (like all of our work) will be open source and based on free and open standards like https://nostr.com/.

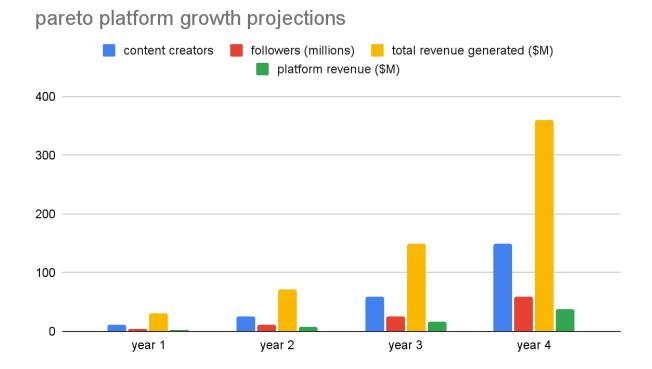
3 Market validation / size

We are already in touch with 10+ content creators with a total followership of over 5 million. These creators are under constant threat of being canceled or deplatformed and are willing to move to our platform as soon as it becomes available.

This will give us an immediate head start and revenue stream to sustain the platform.

We estimate that 10% of the followers (i.e. half a million) buy a subscription or donate at least 60 CHF per year. In other words the initial content creators would generate a revenue of approx. 30 million CHF and the platform would receive a 10% cut of that i.e. 3 million CHF in year one.

We expect to double the number of content creators (and their followers) in the first years of operation.



4 Business model

4.1 Sources of revenue

Content creators get channel **subscription fees** or **donations**, the platform gets a 10% cut on all revenue generated.

We also offer a **platform subscription** which offers readers access to all of the content. In case of a *platform subscription* the top N content creators will share 50% of the subscription revenue based on content consumption / visitor statistics.

Content creators who offer neither subscriptions nor donations will be charged a **hosting fee** (SaaS-model) of 250-400 CHF per year.

Affiliate links: content creators who direct to media products share the revenue with the platform, e.g. 20% of the affiliate reward.

Crowdfunding / bounties: readers, content creators etc. can raise bounties or initiate crowdfunding for topics of special interest. E.g.: a group of researchers and a journalist team up in order to create a documentary. They ask the users of the platform for e.g. 0.5 BTC to produce the documentary. The platform gets a cut of 3%.

We actively promote Bitcoin/lightning payments on our platform. We will work with wallets / payment providers based on a **referral model**.

4.2 Additional services/product ideas

Print publishing of magazines/books with content sourced from the platform; Organization of regular **events**, public readings, apéros / workshops between the authors / researchers and the public;

Scientific publishing: bundles of researchers create their own scientific publications based on outcomes / findings delivered by other research teams, approved by "crowd peer review".

5 Competition

5.1 Substack

On Substack, writers can set up their own publication and offer different subscription plans to their readers. These plans typically include free, paid, and premium options.

Substack offers a range of tools and features to assist writers, including a built-in editor, a payment system and newsletters.

There's no cost to publish on Substack. If you activate paid subscriptions and start charging your audience, Substack takes a 10% fee on each transaction and their payment processing platform Stripe charges 2.9% + 30¢ per transaction.

5.2 Medium

Medium is another platform that offers features similar to Substack. It's a blogging and writing platform that allows users to share stories known for its clean, easy-to-use interface, and its emphasis on quality content.

Medium makes its money by charging people to read your stories and other people's stories, at \$5/month or \$50/year

5.3 Patreon

Patreon allows independent creators such as writers and musicians to receive financial support from their audience. Patreon operates on a subscription model, so patrons are charged a set amount on a recurring basis (usually monthly). Creators can choose to offer different levels of support with different rewards for each level.

Patreon Lite costs 5% of the monthly income you earn on Patreon, plus payment processing fees. The Patreon Pro plan takes 8% of the monthly income you earn plus payment processing and offers in additional membership tiers, analytics and insights and a tool to run promotions.

5.4 Other competitors

Locals: community platform with subscriptions, similar revenue model like substack. Ghost & Steady: Newsletter platforms similar to Substack, with a different revenue model (fixed prices per year instead of a revenue share); Mirror.xyz: Crypto based publishing platform based on ETH/Metamask + Optimism (L 2) allowing content creation and storage + instant NFT creation.

5.5 How do we stand out?

5.5.1 Censorship resistance

Our platform achieves true censorship resistance by decentralization i.e. there is no single point of failure (administrative or technical) on which pressure can be exerted to bring it down. The value proposition for content creators is unique on the market: unlimited scalability. Up to now the risk of publishing on centralized technical stacks owned by corporations can result in the loss of the channel & the followership.

5.5.2 Collaboration

Our solution aims at bringing together content creators, readers and researchers. User roles are fluid, readers can become researchers, researchers can become content creators and so on. Everyone who adds value to the truth-seeking process stands to benefit on our platform.

Content creators can access the pool of information and the discussion created by researchers around different topics / dossiers and profit from a crowd based, outsourced and easily accessible research unit.

They can also create bounties / crowdfund their work. The factual basis for every topic can be made transparent in their work, all sources are accessible and can be verified, challenged, overthrown and ameliorated.

5.5.3 Bitcoin

All payments on the platform are performed using Bitcoin (either directly on layer 1 or on the lightning network). Fiat payments (USD/EUR/CHF) are facilitated through partners e.g. Relai or others.

This is yet another aspect of censorship resistance: bitcoin payments cannot be prevented or suppressed.

We are the first platform that combines uncensorable information with uncensorable money!

5.5.4 Orange pilling

By using our platform a huge crowd of users stands to discover bitcoin, get used to it and gain at least partial independence from the fiat system.

6 Team



Milosz Matuschek

Journalist and Author

- former columnist for Neue Zürcher Zeitung, now one of the leading writers on Substack in Europe.
- www.freischwebende-intelligenz.org, former company, www.eternitas.io.



Muharem Hrnjadovic

Technologist and Software-Engineer

- 3 decades of experience in building distributed software – in crypto since 2014.
- work experience at: Kraken, Helix, Google and Relai.app.
- + Friends / supporters (experts in crypto, decentralized systems, web3, community building, cyber security, software development)

7 Roadmap

Depends on the availability of funds to build the system.

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release-1
release-2A
release-2B
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- \$2M + 1 year: **release 1** (split in 4 quarterly releases), features
 - Desktop client with functionality similar to substack (i.e. articles + emailed newsletter, embedded video/podcast display (video content not hosted on pareto but streamed from rumble, peertube, youtube etc.)
 - Discussion threads for each article/embedded video
 - Tagging / search of content published
 - Bitcoin / Lightning integration
 - Replicated / distributed backend based on https://nostr.com/, operated by pareto team in geo-distributed fashion
- \$1M + 9 months: **release 2A** (split in 3 quarterly releases), features:
 - Packaged node software (e.g. ubuntu linux package) to enable decentralized backend operation
 - External node operators
 - Node management: registration, monitoring, payout of rewards
 - Right-sizing of the internal / pareto node pool
- \$0.7M + 6 months: **release 2B** (split in 2 quarterly releases), features:
 - "Reguest for content" based on bounties or crowd funding
 - Crowdfunding
 - Escrow
 - Application for work package by potential "contractors"
 - Selection of "contractor"/provider
 - Approval of work delivered
 - Release of funds from escrow upon completion of work
- \$1.5M + 1 year: **release 2C** (split in 4 quarterly releases), features:
 - Information pool for researchers
 - Request for research based on bounties or crowd funding
 - Reduce information pool artifacts (PDF/audio/video) to text
 - Index / search information pool

- Support dossiers / mind maps based on information pool
- Store information pool artifacts either on IPFS or replicate in cheap cloud storage on AWS, GCP, azure

Other features/ideas considered:

- Websocket / REST APIs to enable others to build on top the Pareto ecosystem
- Plugin system to enable others to extend pareto nodes in permissionless fashion

8 Next steps

- February/March: Bitcoin Atlantis Conference Madeira, presentation of Pareto, talks with leading tech people (Jack Dorsey present)
- March: Round-up call with several developers & teams from Switzerland and Sweden, creation of several development/research groups
- March: Fundraising, presentations to Foundations, investors etc.
- June: BTC Prague, presentation/ and or hackathon (status: application).