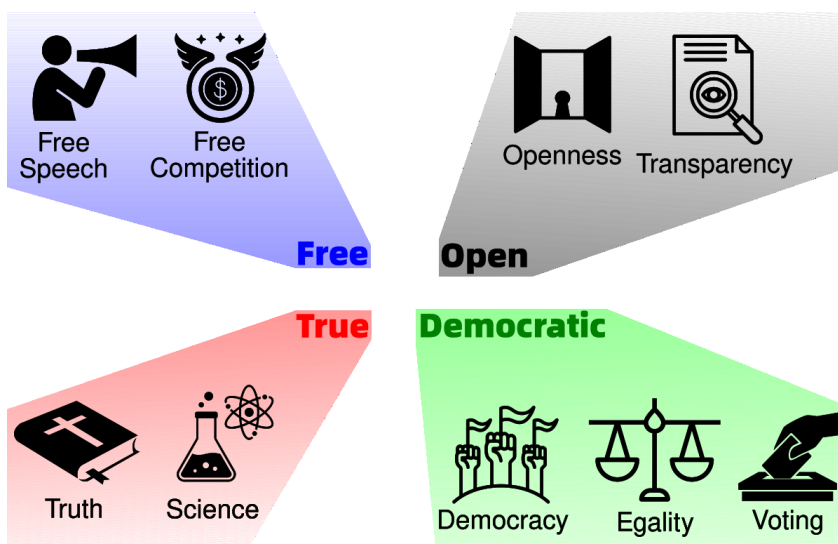


Solidi Coin - White Paper

April 18, 2025

Economics of the Solidi Coin

- Solidi coins are earned via **voting**. For example, if your comment on a news site is liked by someone, you get rewarded with Solidi. Coins are also synonymous with **reputation**, and also equivalent to **voting power** (explained below).
- **Exponential Conversion**. A member can spend money to “pump up” his reputation, but it gets **exponentially** more expensive as his reputation goes up. This prevents reputation from being dominated solely by capital, as even the wealthiest individuals or funds could not buy a lot of reputation. In other words, Solidi is essentially different from traditional money; It may correct the problem of unfair wealth distribution¹, as current wealth in our world follows a log-normal distribution. Below, “cash” refers to traditional money.
- **Withdrawals** is the reverse of the above, but this may be problematic. As some users get considerable reputation, they may be tempted to cash-out (withdraw), causing the platform to run out of cash and collapse. How to prevent this? A solution is to calculate withdrawal as a **proportion** of the reputation pool. This means that when the total cash reserve of the platform is low, withdrawals are also insignificant. In slogan this may be summarized as: *buy exponentially, sell proportionately*.
- **Generosity of Likes**. Every time a member likes a comment, the creator of the comment get +1 unit reputation, while the sender gets $\frac{1}{100}$ deduction in reputation. This encourages users not to be stingy with likes.
- Our **Core Values** are:



These are all very classical ideas developed in the Enlightenment period in the West, but are increasingly promoted as “universal” as they have primitive roots in almost every culture. It does not mean imposing Western values on the rest of the world. As our technology progresses, all these notions can now be **verifiable**, eg. blockchains and open-source.

- **What is the economic value of Reputation?** Expertise in one domain does not imply it in other domains; so Reputation should be classified by domain. We intend the Solidi platform to operate strictly by democracy, ie. via **weighted voting** where weights are reputation. But Reputation need not be confined to the Solidi platform; it extends to other domains such as: business, technology, and political activism. Many people don’t understand why business should involve politics, but the lack of well-functioning political institutions in developing countries is a major obstacle to their economic development. This includes various forms of **corruption**. The people of developing nations must strive to reform our political institutions, and Solidi is a step towards this direction.

¹As Michael Sandel, Harvard professor and author of the book “Justice,” says: most of us are grateful to our high school teachers, and we also appreciate the soccer skills of Lionel Messi, but Messi’s salary is many thousands of times that of a school teacher’s, making us question that something may be wrong with our society.

Some formulas:

- To buy N Solidi with cash W :

$$W = e^{k \cdot N} \quad (1)$$

where k is a conversion constant such as 1000.

- To sell m Solidi, withdrawing cash W . Suppose the whole platform has a total of N Solidi (generated by mutual "liking"). Suppose the actual cash pool of the Solidi platform is $T = e^{k \cdot n}$, in other words, n Solidi. We cannot simply let users withdraw $W = e^{k \cdot m}$ as that would eventually bankrupt the platform. Instead we will let him withdraw, proportionately,

$$W = e^{k \cdot m \frac{n}{N}}. \quad (2)$$