



SOLIDARITY

democracy of the future

Solidi coin - white paper

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Economics of the Solidi Coin

- **Exponential Conversion.** A member can spend money to “pump up” his reputation. As reputation gets higher, it is increasingly harder to increase one unit of reputation, following an **exponential** curve: e^{kR} is required to increase one unit of R , where R is reputation, k is a scaling constant, eg. 1/1000.
- **Withdrawals** can be performed as the inverse conversion of the above. But this will be problematic; see below.
- **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, ie 0.01 unit.
- Due to exponential conversion, when a member gets a considerable reputation, she may be tempted to cash-out (withdraw), causing the platform to run out of cash and collapse. How to prevent this?
- A solution is: withdrawals are calculated as a **proportion** of the reputation pool, instead of exponential conversion. This means that when the total cash reserve of the platform is low, withdrawals would also be insignificant.

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DAO – more even distribution of earnings