



PROBLEM

Under the current governance scheme anyone may submit a proposal to Snapshot where \$PEOPLE holders vote on and determine the outcome. Right now the average PeopleDAO voter has relatively little ability to affect the outcome of the vote, because the average holder possesses much less voting power compared to the \$PEOPLE whales. In the extreme, a single wallet can reach the quorum by itself and can sway the vote without challenge. PeopleDAO appreciates the whales because their existence signals bullishness for the DAO and \$PEOPLE token. Yet, we need to find strategies to make our governance more democratic.

POLICY OPTIONS

1) DELEGATION SYSTEM – Holders delegate their voting power to trusted and preferred representatives, who then vote on the citizen’s behalf. Delegation is used by other DAOs like [Gitcoin](#) and [ENS](#).

- **Democratizing effect** – Even if all the consistent voters, other than the whale, assembled to assign their votes to a single delegate, the delegate would have at most a third the voting power of the whale, at the time of writing (9/10).
- **Cost in resources to the DAO** – Different solutions exist. Snapshot has a [delegation strategy](#). Gitcoin uses [Tally](#). Another solution is [Boardroom](#), which is currently reviewing PeopleDAO’s application.
- **Speed of implementation** – The Snapshot delegation mechanism is likely the most feasible option. Matter created a Tally account for PeopleDAO, but that requires connecting a Governor contract for on-chain voting, which would likely take a couple weeks at the least. All delegation is as good as the adoption, and any strategy would likely require a couple months of consistent communication to gain momentum.
- **Usability and projected adoption** – Utilizing a Snapshot strategy would likely have higher adoption because PeopleDAO members are familiar with that tool. Tally would present more of a learning curve.

2) VE TOKEN SYSTEM – The [ve token model](#) allows users to stake the protocol token in return for yield and the ability to vote. The length of time users lock up their tokens increases their yield. Only bullish users will sacrifice liquidity and incur opportunity cost of locking their tokens, and they’re rewarded accordingly. Thus the ve model aligns the interests of the protocol with the interests of the holders. PeopleDAO could pivot to granting vePEOPLE exclusive power over governance, or could weight it relative to PEOPLE, such as 2x. Unlike Curve we cannot mint token emissions to reward stakers. PeopleDAO has discussed giving stakers exposure to subDAO tokens instead.

- **Democratizing effect** – A ve system in general might be a good policy for PeopleDAO, giving more voting power to active contributors who already invest resources. But the strategy wouldn’t necessarily level the playing field between the whales and average voters, if whales also stake their tokens. Although large whales face a larger opportunity cost in absolute terms.
- **Cost in resources to the DAO** – PandaDAO used a staking model we could possibly fork. Would still likely cost at least 100k PEOPLE to Dev Team, plus any funding to external developers we hire. We will need to commit meetings over the next couple week for planning.
- **Speed of implementation** – Likely up to 3 months to coordinate forking PandaDAO and establish a mechanism to distribute subDAO tokens to stakers.
- **Usability and projected adoption** – Some users are familiar with the ve Token system given the model’s popularity, but education is still necessary because the governance system is more complex than simple token voting. There is overlap in communities between PeopleDAO and PandaDAO’s old community, which might predict familiarity with the ve model.





3) QUADRATIC VOTING (QV) – Two notable features differentiate QV from single choice voting, the most common form of voting. Firstly, voters are assigned vote credit allowing them to distribute their vote across options and therefore express preference. Secondly, QV square roots each person's vote which means higher shows of preference get depressed at an exponential rate. This incentivizes casting votes wide across options, but also concentrating allocation towards one's highest conviction. Alternatively, CityDAO implemented a variation of QV which only uses the square root feature, not the allocation.

- **Democratizing effect** – Difficult to assess. It's possible to query Snapshot data and analyze what prior proposal outcomes would have been with partial QV in effect. PeopleDAO has a lot of smaller voters, which bodes well for QV balancing power.
- **Cost in resources to the DAO** – Snapshot QV is free to implement, but would require resources to educate the community about the vote credit aspect. CityDAO's module is likely free and would require little education, because the strategy is applied on the backend and the voting experience is almost identical to single choice voting. But they've encountered unintended consequences related to accurately achieving quorum.
- **Speed of implementation** – The Snapshot approach only requires selecting the QV option when making a proposal. Implementing the CityDAO module will take some coordination with CityDAO and/or Snapshot to activate the module in our Snapshot space. Estimate time: within two weeks.
- **Usability and projected adoption** – Quadratic voting is more complicated than single choice voting. It's not intuitive, especially the square root aspect. Inevitably, some people will not receive or engage the education. Practically, QV will exclude these individuals. Hard to estimate the effect without asking other DAOs or querying data on Snapshot.

4) CITIZEN'S HOUSE – Optimism has a bicameral government. The first chamber, The Token House, functions like most DAOs, using token voting. The forthcoming Citizen's House is a governing body consisting of leaders from the community responsible for issuing retroactive funding to protocols who demonstrate value. Members of this house are given NFTs, granting their role within the system. PeopleDAO could similarly elect governors who exercise outsized voting power, such as equal to 10M People.

- **Democratizing effect** – The DAO could decide to weigh the governor NFTs however it wants, including rivaling any whales. Yet, one concern is that the same people who would get voted in as governors are all the same individuals who are already policy makers within the DAO, slipping into oligarchy. Perhaps there could be a rule against this dual-role, holding both executive and legislative power within the DAO simultaneously.
- **Cost in resources to the DAO** – It's easy to tailor Snapshot to weigh an additional token in our votes. We've discussed how our DAO's incubatee, Soulbound, could provide its soulbound NFTs as part of the Citizen's House. Soulbound is still developing its smart contracts, which will take time and energy of project devs.
- **Speed of implementation** – Currently Soulbound expects to ship its SoulGov feature in a month.
- **Usability and projected adoption** – Usability for this method is high, as PeopleDAO has a track record of running successful elections, such as for our multisig or Incubator Team. From the perspective of governors, exercising their NFT in a Snapshot closely resembles voting with \$PEOPLE.





Scoring – (One represents a poor score and five represents an optimal score.)

| | How democratic? | How cheap is it? | How fast can we implement it? | How usable is the method? | Total |
|--|-----------------|------------------|-------------------------------|---------------------------|-------|
| Delegation System | 1 | 5 | 3 | 4 | 13 |
| Ve Token system, where staker gets more voting power | 2 | 1 | 1 | 3 | 7 |
| Quadratic voting | 2.5 | 5 | 4 | 5 | 14 |
| Citizen’s House | 3.5 | 2 | 1 | 4 | 10.5 |

Recommendation

These strategies are not mutually exclusive, but can be combined. For example, Optimism uses a combination of Citizen’s House and token delegation within the Token House. Thus this report recommends a combination of strategies, both delegation and quadratic voting provided in-app by Snapshot. They should be introduced in phases, starting with the quadratic voting, since it’s the easiest to implement, and only requires education versus delegate campaigning.