

# Governance

Main challenges and 3 possible models



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Following

Capital raised in a **#token** sale is capital for the network, not capital to enrich an operating company.

10:34 PM - 12 Oct 2017

Open projects with tokens are **not** startups

# Challenges

- Tokens are **transferrable** → Traditional 1 person/1 vote breaks
- Code is law → **No undo** for bad actions
- Transferring power from operating foundation/co to **the network**

# Model #1: Liquid democracy

- Since not all hodlers can be experts, they can **delegate** their voting power
- Delegates can also delegate
- Low risk of centralization b/c **anyone can become a delegate**

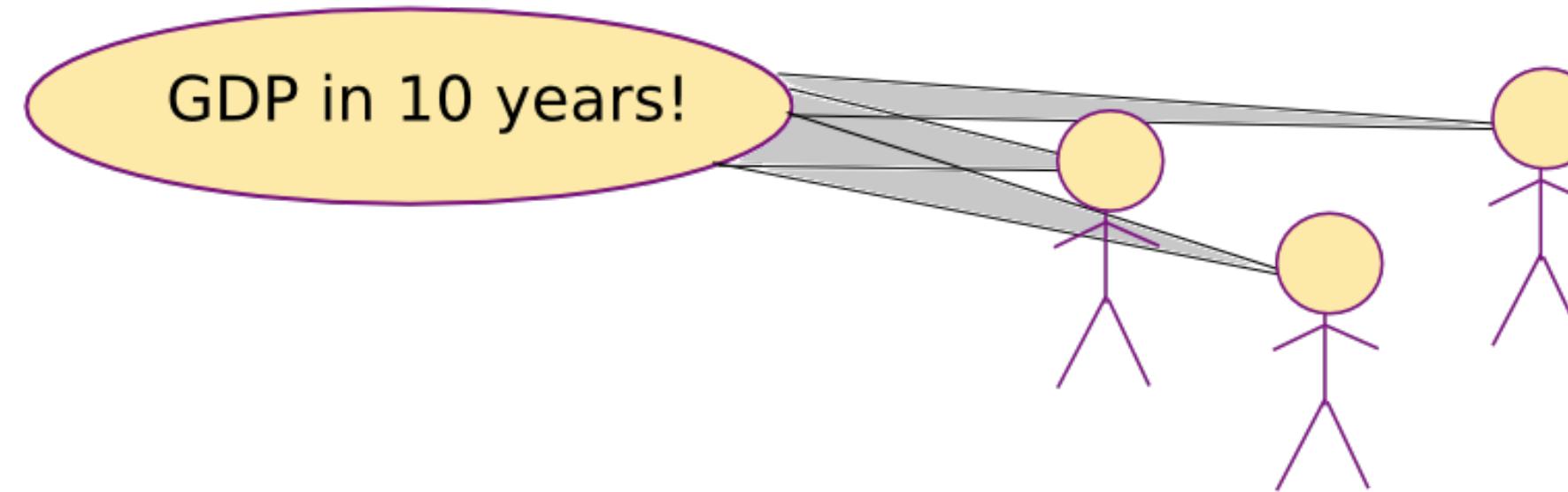
# Model #2: Expert networks

- $X$  asks a question  $Q$
- $Y$  offers an answer  $A$  to  $Q$ , and stakes  $S$  tokens
- Other peers review  $A$ , and  $Y$  is rewarded/punished depending on the correctness of  $A$
- Some decisions for the network can be **outsourced to expert networks**, with a final veto of the token holders

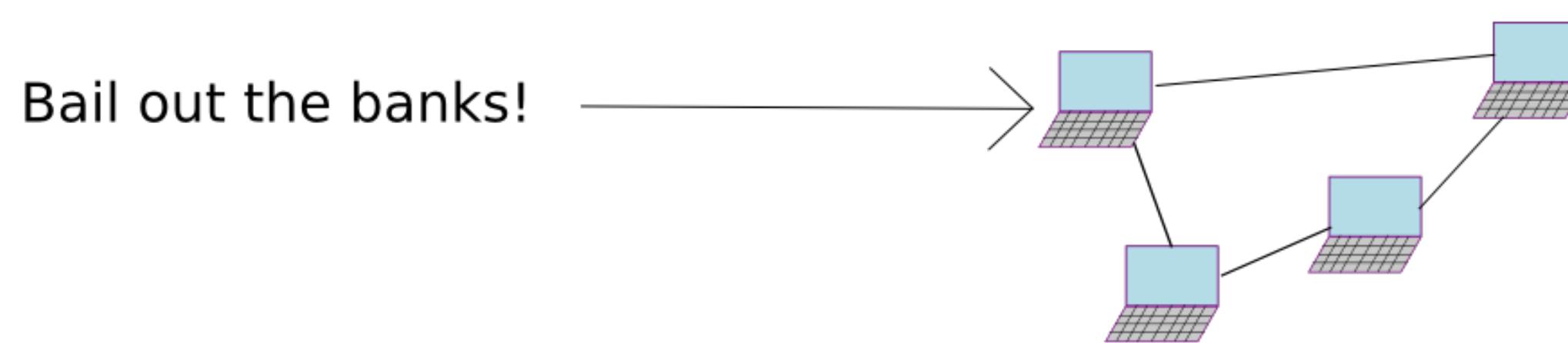
# Model #3: Futarchy

- Voting by betting
- “*Put your money where your mouth is*”

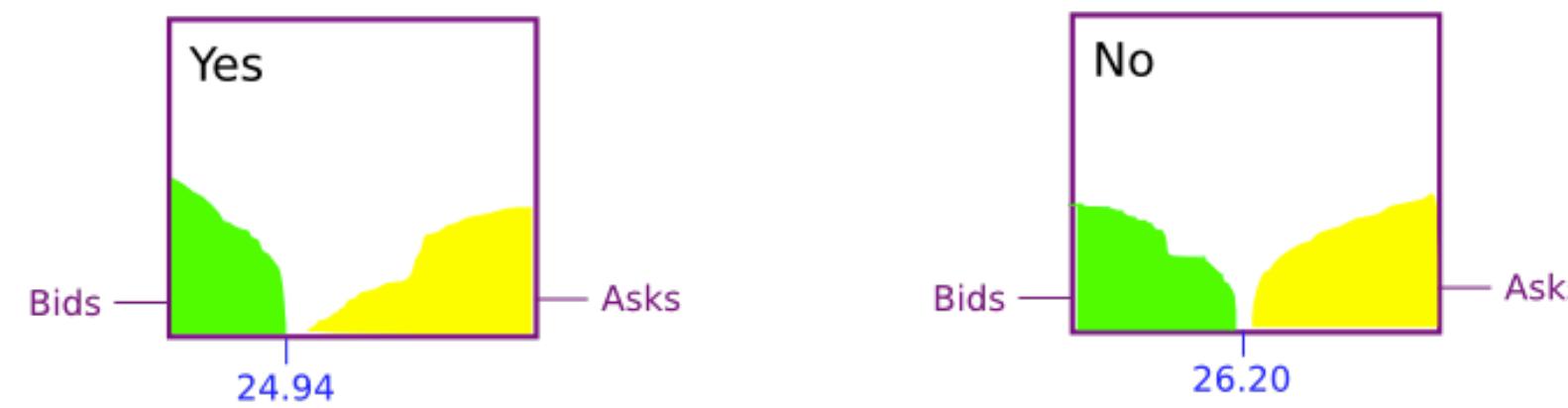
Step 0: choose a success metric and maturity duration



Step 1: create and publish proposal

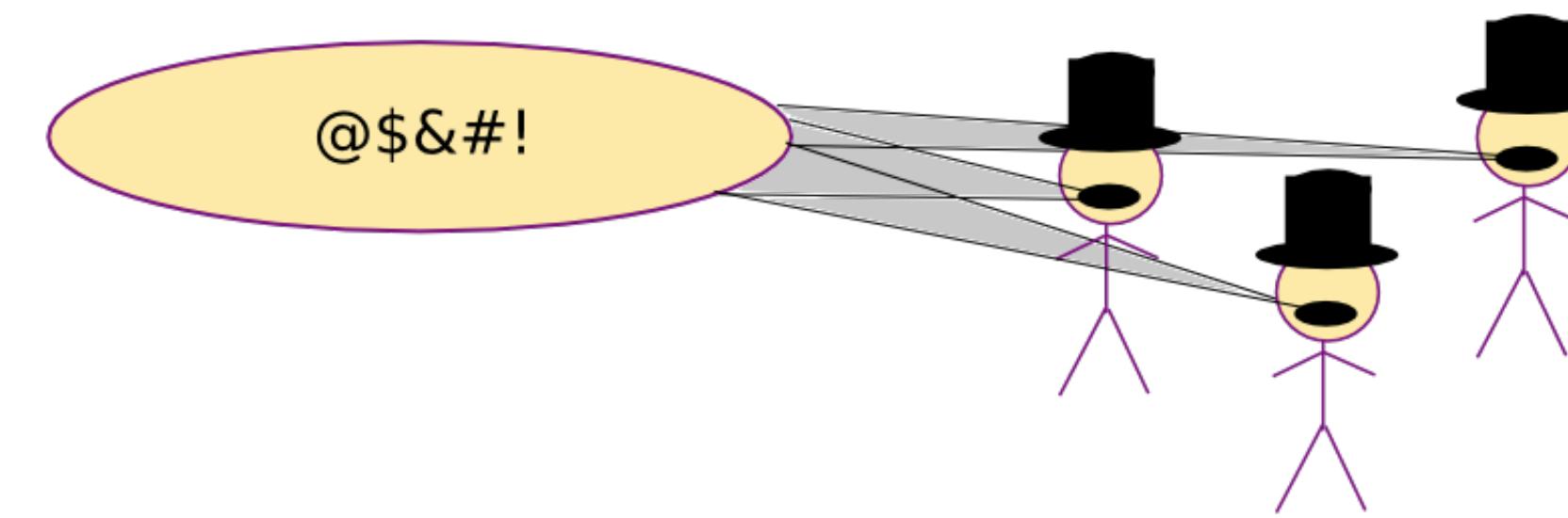


Step 2: set up prediction markets for "yes" and "no"



Note the average price of both over some period

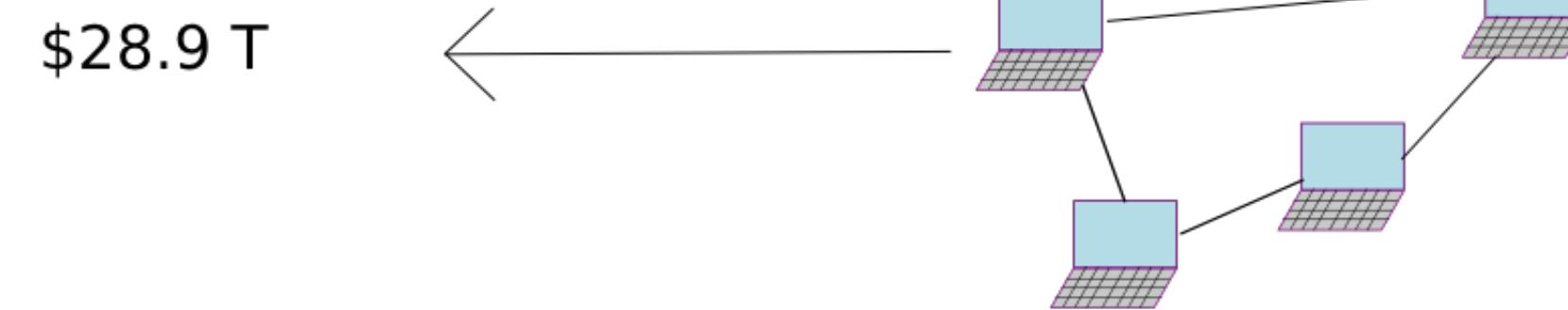
Step 3: close both markets, implement the policy with the higher price



Step 4: revert all trades on losing market

Yes
eda1: +10
cfb8: +200
ea36: -75
27e2: -125

Step 5: wait for maturity, and measure success metric



Step 6: reward everyone on the winning market in proportion to how many tokens they have

No
f889: +50
4a11: -500
73b0: +200
9418: +250



AragonOS



## APPS

- Home
- Tokens
- Voting
- Groups
- Finance
- Fundraising
- Permissions
- Identity
- Settings

## AVAILABLE ACTIONS

**Open a new voting**

Approved votings will perform the given action as if they were executed by this app

## CAN BE PERFORMED BY:

Tokens ANT

Multisig

Groups Core Devs

## REVOKABLE BY:

Multisig

**Stop an open voting**

Will stop an open voting and won't perform the voting's action

## ASSIGNED PERMISSIONS

**Issue new tokens on Tokens (ANT)**

Will mint new ANT tokens

*Revokable by Multisig*[Revoke](#)**Create new permissions on Kernel**

Will create new permissions if the receiving actions and entities...

**Create a new public token sale on Fundraising (ANT)**

Will create a new public token sale and will be able to receive funds...



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