Prediction Market of Prediction Markets or How to Hire Google to Create an Oracle. The 100 Years forward plan

- How to finance science and free software transferring money from the future.

- How to hire search engine owners to do the job for us (by transferring to them money from the future).

Prediction of Prediction Markets

How to use prediction of prediction markets to stimulate the market (in other words, how to hire Google) to create oracles for us.

Prediction Markets

- A *prediction market* is a market of some assets *(conditional tokens)* that can be exchanged for some valuable asset (*collateral*) in a given time of the future only in the case if a prediction comes true.

- The traders tend to buy a conditional token if they expect that an event happens in the future.

- So, prediction markets aim to "transfer" value from the future to the present!

Use Cases

- Prediction markets would be a good tool to determine salaries of scientists and free software developers: make salary determined by the predicted "score" (such as the number of citations of works of a scientist) in the future (like 100 years ahead).

- A promising student could receive the same salary as an established Nobel prize winner.

- We account for future donations for science and free software during 100 years. That could be huge salaries for best scientists and free software developers.
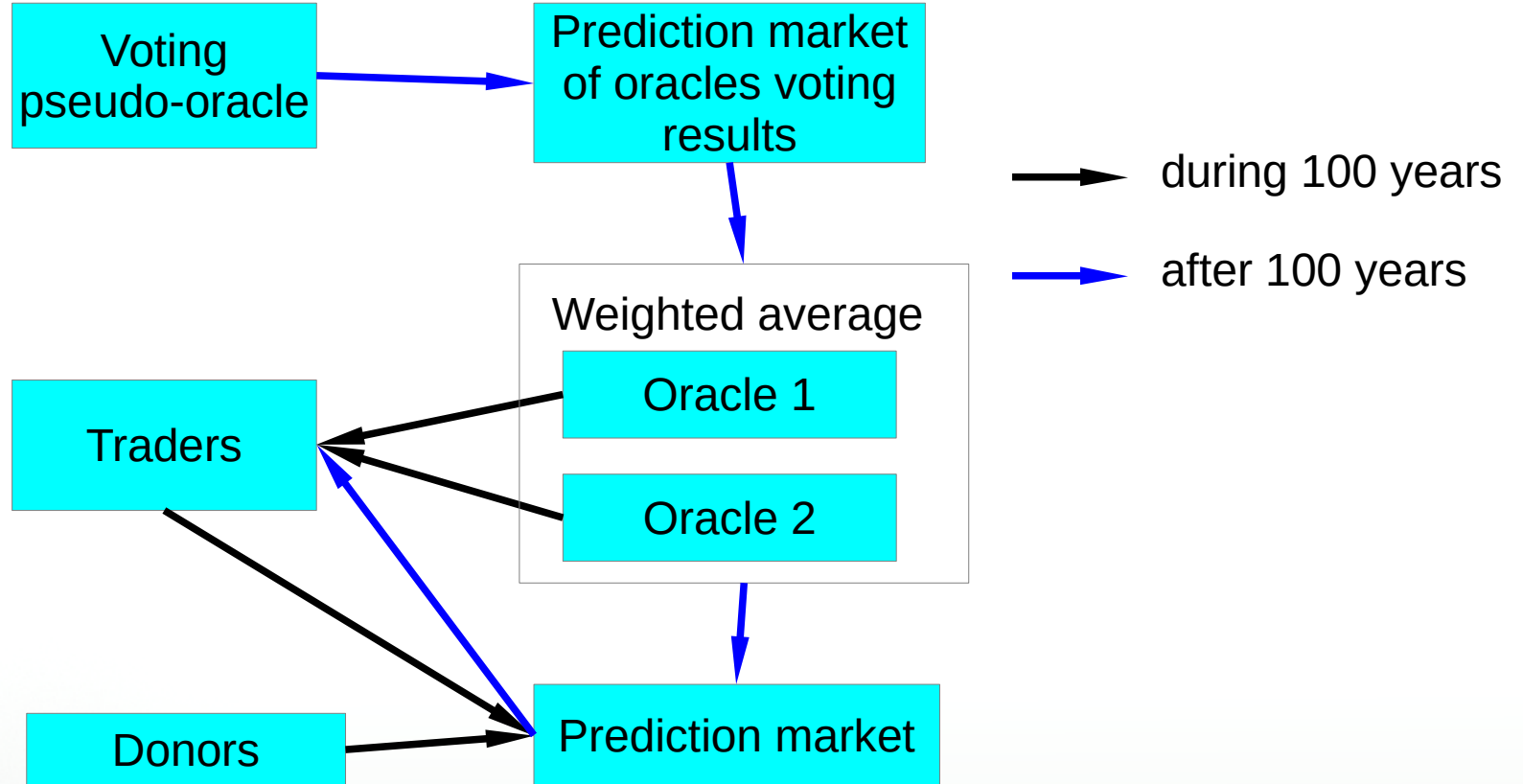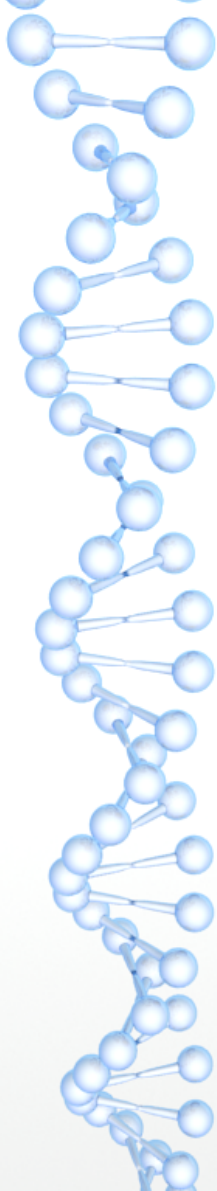
The Trouble

- The smart contracts are not very hard to implement. There is Gnosis.io a system of prediction markets in blockchain. (Well, it needs to be improved before we can use it.)

- The big trouble is that somebody needs to pay to develop and run the oracles for the future events. I'd like Google to do it for me, but I don't even know their email.

The Solution

- If we want Google to do it for us, we need to pay Google.

- We need to create a free market that will pay to somebody who will do the work.

- We create a prediction market of prediction markets. To this market we allocate a fraction of the scientists's salaries to oracle creators.

- To value the value of the oracles, we set a future (after 100 years) voting. The oracle creator who gets more votes gets a bigger fraction. Google will receive some money if they start to create a good oracle.

Voting pseudo-oracle → Prediction market of oracles voting results

during 100 years

after 100 years

Weighted average
Oracle 1
Oracle 2

Traders

Donors

Prediction market

Open Questions

- What should be the voting system? (apparently, voting should be able to upgrade the voting contract itself)

- What is a good way to determine the fraction of the profit allocated to oracle creators?

    - We could assign a fixed percent when setting up the system, but that's too arbitrary.

    - It can be decided by a 100 years later voting results, but will modern businesses trust that 100 years later voting will give them a good share?

Further reading

The detailed mathematical model and more in
my free e-book:
"Social Crypto Libertarianism" (Not Capital)
https://leanpub.com/socialcrypto