

Proposal: Users should vest their tokens before being able to vote/sell them in the DAO. This can be achieved by implementing a lock-up period for tokens. Such a mechanism would also prevent whales from buying and selling tokens quickly to influence elections. This would ultimately benefit the DAO by promoting decentralization and encouraging meaningful participation from all members. If this is too hard, you could add an option for quick withdrawal, which imposes a penalty.

One of the biggest challenges facing DAOs is the influence of large token holders, commonly referred to as “whales,” who have the ability to dictate decision-making through their voting power. In some cases, these whales may buy up large amounts of tokens before a voting period, vote in their own interests, and then sell their tokens immediately after the voting period without incurring any penalty. This behavior can lead to the centralization of decision-making power and a lack of trust in the democratic process.

One potential scenario is that a whale with a significant amount of funds could buy into the election by purchasing a large number of tokens just before the voting period begins. They could then vote in their own interests, knowing that their voting power would likely carry the day. Once the voting period is over, the whale could then sell their tokens, potentially making a profit from their influence over the decision-making process. A tracking feature or tool could prove helpful in this case. Native tracking of tokens from DAO members wallet addresses can help easily fish out irregular token movement from wallets during voting proposal seasons.

Moving on: this behavior can lead to an unequal distribution of power within the DAO, with a small group of large token holders wielding disproportionate influence over the decision-making process. This can erode trust in the DAO and lead to a lack of participation from smaller token holders who may feel that their vote does not matter. By implementing a token vesting requirement, DAOs can help prevent this type of behavior by requiring members to hold their tokens for a minimum period before they can vote or sell. This aligns their interests with the long-term success of the DAO and reduces the potential for short-term manipulation by large token holders.

Vesting is in the best interest of all who have the true desire to do the DAO good because it would ensure members who are committed to the DAO's long-term success. Locking up their tokens, members can demonstrate their commitment to the DAO's objectives and promote its stability. This would also prevent the potential entry of opportunistic actors who may seek to manipulate the system for short-term personal gain.

I believe the vesting should be around 30 days, so you would have to be vesting before a proposal is made public + you cannot make it to vote. So this require a actor to be vesting before a proposal is made public.