

Rebase Elimination

The justification for Rebase has been a point of ongoing debate. Questions often arise about whether the anti-dilution effect triggered by rebasing persuades individuals to lock up their assets and if it positively impacts the overall system and eventual token price.

[Equilizer's comprehensive article](#)

offers an extensive numerical analysis on this subject, eventually concluding that Rebase doesn't serve these intended purposes. Ultimately, the platform needs to continue inviting new participants. The presence of rebase, however, eventually solidifies influence and disproportionately rewards those who don't contribute, thereby creating an excessively high entry barrier for new users.

An inactive system doesn't foster a vibrant ecosystem. Just as liquidation should be straightforward, new entrants should be able to join without facing severe penalties. This ensures a thriving ecosystem that continually circulates and evolves. The essence of all the aforementioned modifications is to ensure that contributors to the ecosystem consistently receive their due rewards. Consequently, the removal of rebases is a step in implementing this principle.

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