

ARB has a quite a significant inflation, and fees based in ETH – aside from governance power, we should incentivize speculative investors by generating protocol revenue back to holders. Some potential options here are as follows;

Option #1

Timelock ARB for staking rewards – similar to Curve, people would timelock their ARB to acquire voting power relative to the duration. This can be the form of staking that part of the emissions would then distribute exclusively to those that timelock and stake. This not only increases scarcity, but brings a yield benefit to those that commit to greater lock times (skin in game theory)

Option #2

Similar to ETH, introduce a burn % of TX fee. Pretty strait forward – the greater the protocol activity, the more deflation.

Option #3

Change the unit of tx fee to ARB instead of ETH – Matic does this, Solana does this; its important to use the native token as that generates revenue and makes the token more valuable within the ecosystem.

From a speculative investment perspective, what is the value proposition to holding ARB? If 'voting rights' is all there is on offer, it will be difficult to sustain on-going investment. Voting rights is great, but that doesn't really appeal to the larger audience in crypto if that is all there is to the token.

Would like to hear communities feedback.