# Arbitrum GovHack Track

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Contributor Onboarding

# Challenge Statement:

Incentives for contributors are WEAK. Arbitrum needs more contributors. Liquidity is incentivized to the tune of $100mn, but DAO contributors are hardly incentivized.

Put Simply…. Same logic as the STIP program, but for contributors.

What if we took a portion of the money that was distributed to the STIP program & directed it to governance?

(Reminder: we all just spent the past 2 days working on ARB governance for free

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# Members:

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# Background:

DAOs historically have not been great at getting things done. More often than not, the root reason things don't get done is that there simply isn't enough mindshare being put upon the issues.

For example, in the past 2 days we identified & are presenting solutions to some of the DAOs biggest problems. In most cases, this isn't rocket science — someone just has to give the issue some love & attention to come up with a course of action.

We NEED more contributors & we need them FAST!

The Arbitrum DAO sometimes struggles to acquire & retain top-tier contributors. People come and go when it's convenient; some enter into more committed roles, but mostly out of altruism or strict business interest, leaving less room for other areas that need attention like experimentation, organic working groups, etc.

A lack of strong economic incentives is in part to blame. There's a reason why the best talent in the marketplace goes to work for projects/companies & often not DAOs. There is huge overhead to getting involved with the Arbitrum DAO, and for most, it's confusing to join the DAO and not worth their time to onboard.

In traditional companies, employees get a salary & stock options, but in the Arbitrum DAO, many contributors pushing the DAO forward have little to no ownership and/or long-term incentives to contribute. Maybe they're able to get a proposal passed and get some small incentives, but this is not easy to do.

# The Vision:

DAOs usually slow things down…. But what if you could actually speed things up & get more things done through a DAO.

From "Governance Mining" (2021):

It's 2023, and governance mining is prevalent. A hot new protocol launches and everyone apes in — but this time, they're aping in with governance mindshare, not liquidity. Immediately after launch, all the best crypto funds, governance mining shops, and independent contributors rush to 'contribute' in various ways, each within their own specialty, in hopes of capturing a portion of token supply. The protocol's governance functions move at breakneck speed — within a couple months, the protocol has multiple pods of full-time contributors focusing on different protocol needs, almost all existing protocol pain-points and tech debt have been identified and eliminated (or en route to a solution), multiple new products are in development, etc.

In the context of Arbitrum, economic incentives have supercharged growth on-chain, but not in DAO governance. Arbitrum has many very-high-value issues that need attention, solutions, and execution — many of which were discussed over the past 2 days. What if we could harness the energy behind liquidity mining & points mechanisms and use it to get people excited about solving Arbitrum governance problems.

Some examples of potential forms of contributor mining programs:

- Retroactive airdrops to contributors — The Arbitrum Retro QFunding Round was a great start

- Arbitrum Gov Hack 2, but with real incentives ($1mn prize for best proposal or for top 3/5)

- Incentives for contributors that help grow the ecosystem (projects, DAO, individual contributors)

- Reputation staking- stake on your favorite contributors and they get paid via a fluid stream, we can use conviction voting also

- M&A

Contributor Mining could also be as simple as paying above-market rates to onboard the best talent quickly! It doesn't have to be complicated.

# Solution

Spin up & fund a Human Capital DAO focused on contributor mining efforts, with the goals of onboarding the next wave of contributors to the Arbitrum DAO.

North Star

: Establish contributor incentives as an entrenched institution within the Arbitrum DAO

(That is, valuing contributors becomes part of the Arbitrum ecosystem culture!)

How it will be accomplished

: A progressive set of programs aimed at rapidly expanding the top of the funnel of Arbitrum DAO contributors through contributor mining programs and experimentation.

KPI

: Scale the number of full or committed (but part-time) contributors

in a way that's aligned with Arbitrum DAOs strategy and goals. The KPIs should be ideally co-created with the DAO to ensure strong alignment.

To minimize the risk, we recommend breaking this proposal down into multiple increments / milestones

. Milestone 1 & 2 are digestible first steps that the DAO can get startup on, while Milestone 3 & beyond bridges to the longer-term vision.

## Milestone 1

: Establish Human Capital DAO Team & Refine contributor onboarding process.

Team structure:

1 Team lead or group (preferably full-time, or at least 20 hours per week) — included in proposal and/or elected

2-4 Contributors (part-time, only a few hours per week) — included in proposal and/or elected

The Human Capital DAO is tasked with designing & operating contributor mining programs, and establishing the frameworks & onboarding processes to convert governance participants into longer-term, incentivised contributors. This includes getting the infrastructure ready to be able to onboard contributors, as well as defining the types of contributors we want to target.

## Milestone 2

: Proof of concepts… Run 2-3 contributor mining experiments

The Human Capital DAO will design & operationally execute the first few contributor mining programs. The economics will start relatively small (say maybe around $50k-$500k), and the program will serve as a proof of concept for what a much larger program could look like (think: much higher economics). We also want to experiment with multiple contributor mining pathways.

Some simple examples of possible proof of concepts :

1. Arbitrum Gov Hack v2, with a $100-500k prize pool for top proposals

2. A QF round with a matching pool of $100-500k/. Donations = votes by leveraging QF the ones that do not win have an incentive to continue to build because they get donations.

3. POC submitted by the DAO — Hosting contests for the best POC via Jokerace or other tools

4. Gamifying onboarding experiments- leveraging web3 tooling to create gamified onboarding pathways for all types of contributors.

These approaches would bring in a significantly larger pool of contributors, solutions, and general excitement around Arbitrum, some of which the Human Capital DAO would look to retain and convert into long-term energy. This experiment would serve as the grounds for igniting one of the Arbitrum DAO talent acquisition pipelines.

Some core challenges to address in the mechanism design of the mining program:

1. Risk of attracting people just in it for the MONEY

2. Too much noise, not enough signal

3. People who don't get rewards feel left out

4. Incentive driven comp may prioritize short-term projects

Some examples of ways to address these: vesting of rewards, tiers of rewards that acknowledge all levels of contribution, non-linear rewards distributions, etc.

## Milestone 3 & Beyond

: Routine/Ongoing governance mining with gradual growth.

After completing Milestone 2, the Human Capital DAO will submit a separate proposal outlining the learnings & structuring a longer-term plan.

In line with starting with a couple clear Milestones, the goal for milestone 3 & beyond is to gradually increase the size of the contributor mining programs and the number of contributors in the Arbitrum DAO. This will help grow the precedent over time and allow things to evolve safely.

Bigger & bigger contributor mining programs push us closer to what was discussed in the vision section. Arbitrum governance moves fast, the DAO is full of contributors, and people are leaving their jobs to come join Arbitrum governance.

Maybe one day we'll see a $100mn Contributor Mining Proposal…