

Hey - quite a while ago [@vbuterin](#) suggested a bunch of crypto economic experiments [here](#)

We (Gnosis) are since a long time interested in providing the tools for projects to use

[Futarchy](#) for decision making. Thus we have been naturally interested in those experiments around market manipulation.

Long story short - we are now ready to start those experiments and are looking for people to participate. While in principal those experiments are open and anyone can participate we nevertheless want to have an active core group to make sure it makes sense to start them.

On a high level there will be a special actor that will get some incentives to MANIPULATE MARKET PRICES. And ideally we will be able to prove that this actor is not able to do this even if incentives are high.

An canonical example that is often given for Futarchy is the decision to fire the CEO (or pick a different CEO). So the setup is that you have two conditional markets of some success metric of the company (e.g. future revenue/ earning per share) under the condition that CEO A or CEO B is selected. The company would hire according to the forecast of the market. We want to simulate a decision where the market has CLEAR KNOWLEDGE that CEO A is better - but CEO B has of course an incentive to be hired nevertheless.

To simulate the future revenue of the company we will instead predict the difficulty (for CEO B) and the difficulty +x for the CEO A. We do not know what the correct forecasts are but we know that the difference should be +x. Now CEO B will get some payout IF the difference is smaller than X.

[docs.google.com](https://docs.google.com/presentation/d/1omvPYWndBZ0dat2j51-wQnaSvy6CIfhzUhRWCu9lrrY/edit#slide=id.g2737733097_0_170)

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## [futarchy-experiments](#)

Futarchy experiments Supported by the Ethereum Foundation

(Experiment Setup by [@josojo](#))

At this stage we would like to see who is interested in participating in those experiments. Someone will need to provide the payout for successful market manipulation. So we are now looking for people that are confident that this is NOT POSSIBLE and that are willing to contribute for this incentive pool. If the mechanism works (market can not be manipulated) this money will be given back and we would add a premium to insentience participation in the experiment.

Let us know what you think!