

# Tokenomics for the curation DAO

---

Adelina Shaydullina, Lisa Minaeva  
June 2022

# What is culture

---

We divide culture into four branches:

Art

Science

Religion

Education

They can both interact or develop internally.

By culture workers we mean all people engaged in culture aimed at both performing [tangible results] and research [processing], regardless of institutional education or official belonging to any parties.

# Key problems of culture workers

---

**As the key problems of modern culture workers activity we define:**

## **Social**

Cultural workers have to meet the official key discourse

Little cross-culture experience

## **Financial**

Need for funds for both research and production

Need to make a living with other jobs

## **Operating**

Tons of management, producer, financial and legal work

# Illustration

---

## **An artist has an intention of bio-art performance**

He/she goes to biology science representatives  
and ask for support at the research stage

A

Education representatives organise the research  
results in a simple and understandable form  
to introduce the audience into the research question

B

# Introduction of DAO

---

## **DAO's functions:**

- provide culture workers with independence of official culture and government institutions
- organise environment for cultural and disciplinary exchange
- redistribute financial, human, labor, professional and other resources
- get rid of third parties [art management, publishers, etc.] between creators and their audience

# DAO set up consists of 9 stages

---

**Stage 1:** First contributors gathering

**Stage 2:** White paper writing

**Stage 3:** NFT campaign

**Stage 4:** Pitch day

**Stage 5:** Research and production

**Stage 6:** Show, display, perform and act

**Stage 7:** Sale of pieces in MetaVerse

**Stage 8:** Review of results to be implemented in the next round

**Stage 9:** Opportunity of additional cash flow stream

# Stage 1: First contributors gathering

---

**The amount of participants from each branch should equal 20, that means 20 people [or teams] from art, 20 people [or teams] from science, etc.**

Avoid any official requirements such as previous experience or special education, we need a volunteer who will be ready to set up organisation reach out culture workers interested in and using Meta Verse as a medium and share the idea to set up DAO.

The first stage is over when there are at least 20 participants from each culture branch ready to be DAO members.

## Stage 2: White paper writing

---

Describe applied projects' ideas shortly [a couple of pages per project with some kind of illustrations where possible]

A

To create a teaser of future DAO activity that can be catchy for external participants

B



# Stage 3: NFT campaign

---

**Show the teaser to potential audience and offer them is to buy a one year ticket [issued as an NFT] providing access to all DAO events, displays, papers.**

A substantial part of DAO activity results is available for everyone  
specialties will be available for NFT holders only.

NFT drops take place on a regular basis

NFT can be sold and bought in the secondary market

NFTs are sold for ETH as the predictable and backed cryptocurrency

DAO's funds can be staked in ETH earning modest interest for DAO participants.

## **Funds distribution:**

50% for DAO participants projects funding

5% MetaVerse building and support

35% scholarships funding

10% contingency reserve

## Stage 3: NFT campaign: token

---

Utility governance token

Let us name it DAO\_TOKEN

An unlimited supply utility token  
that can be earned and spent while  
participating in DAO's development

# Stage 3: NFT campaign: math

---

**At the beginning 10M tokens are issued and equally distributed between DAO participants.**

**For all new participants the starting number of tokens is  $x = 10M / \text{starting\_number\_of\_DAO\_participants}$ .**

## **Funds distribution**

Once a period DAO has a meeting where funds are distributed to applied projects by participants voting

The share of held tokens reflects the vote's weight

Application fee is  $0.1x$ , only the project initiator is charged

The funding is always divided into three tranches

The project can be stopped after the first tranche for any reason without any questions.

If the project's team wants to interrupt the project after the second tranche — each participant has to pay  $0.01-0.05x$  penalties [in DAO\_TOKEN]

If that happens after the third tranche — the penalties will be as high as  $0.3-0.5x$ .

# Stage 3: NFT campaign: math

---

**New DAO participants invites.**

The application form is available in the website.

Each new member should be approved by four DAO participants

While approving DAO member spends  $t = 0.02x$  **DAO\_TOKEN**

When the new participant delivers his/her first project those DAO participant who he/she was approved by gets  $3t$  **DAO\_TOKENS**

# Stage 3: NFT campaign

---

**Additional opportunity to earn governance tokens  
the rewarding mechanism for collaborating and DAO operating  
processes participation**

When one comes up with an idea of a new project in  
a pitch day, he/she is required to prepare a list of resources

In case of successfully launched project its initiator gets  
 $p = 0.5x \text{ DAO\_TOKENS}$

those DAO participants who collaborated get  $2p \text{ DAO\_TOKENS}$

those DAO participants who helped with operating,  
administrative and production stages get  $3p \text{ DAO\_TOKENS}$

# Stage 3: NFT campaign

---

## **Additional source of funds for DAO participants**

DAO participants will be rewarded for each new NFT holder if the NFT holder was invited personally by specific DAO participant.

DAO participant gets 25% of NFT price available for funding his/her further projects or 10% of NFT price as his/her personal one-time scholarship.

# Stage 4: Pitch day

---

**Everyone has an opportunity to pitch his/her project with detailed description, roadmap, funds needed and requests for specific community help**

**Agenda of pitch days includes:**

- New DAO participants projects funding
- Considering applications for increased scholarships
- New DAO participants approval
- Other operating, strategic and financial issues that need to be discussed

# Stage 5: Research and production

---

All DAO members are required to participate in special part created for NFT holders only

The activities take place in DAO MetaVerse

Special NFT community events should be available for wide audience



## Stage 6: Show, display, perform, and act

---

When the project is ready the final point takes place [it can be a display or research presentation, public or private].

This point describes shortly the results of the project and [in case of display, event, etc.] the show-case itself.

## Stage 7: Sale of pieces in MetaVerse

---

The objects in MetaVerse can be then sold to NFT holders [or other external audience] in order to increase the DAO's funding for further projects and initiatives.

# Stage 8: Review of results to be implemented in the next round

---

**The point where any ideas and changes can be voted and put to the vote.**

- The goals of annual review are:
  - Make sure governance mechanism works
  - Review all the offers about it and make decisions about changes and improvements of governance mechanism
  - Discuss any operating and strategic issues
  - A display or open event can take place
  - Have fun and celebrating party, share impressions and feelings, be together

## Stage 9: Opportunity of additional cash flow streams

---

**If there are any commercial activities that fit in core DAO workflow and can increase DAO treasury — they are welcome.**

DAO can create environment for commercial services however the participation is fully up to each participant.

# critique

---

possible challenges and risks  
and how to handle them

# Risks: Risk of concentration of DAO participants

---

**DAO is still interested in good relations with as many different institutions as possible**

And while DAO is developing it should draw attention of more and more various institutions as the base to deliver DAO participants projects to for further displaying and exploring and to engage in DAO activity representatives of new cultures, traditions and discourses on another hand.

# Risks: Prevention from one culture branch occupation

---

DAO can come up with their own ideas how MetaVerse can be applicable for goals and needs of modern religion, science and education.

**The first stage:** interview/workshop stage when there is an opportunity to listen to modern religion, science and education representatives and define their daily needs, goals, etc.

**The second stage:** laboratory aimed at search and experiments to find new forms, formats and processes for religion, education and science based on MetaVerse.

**The final stage:** some laboratory participants will have a desire to work with MetaVerse further

**Another way:** the funding allocation can be restricted by formal numbers: the funding of each culture branch should be not less than 20% of total allocated treasury. >>> DAO participants from prevailing branches will have an incentive to cooperate with other branches

# Risks: Free-riders problem

---

- The problem can be defined either by the free-rider or by other team participants.
- Review the initial timeline and key milestones
- Find a new contributor to help the previous one with his/her work
- Ask the free-rider to leave the project and to find a new contributor



# Risks: Shield for the plutocracy

---

No plutocracy risk as when it comes to fiat it provides no real power

A

When it comes to governance DAO\_TOKEN it is equally allocated from the very beginning and there are no ways to earn a substantial amount of tokens easily

B

# Risks: Institutions identity and inherent values protection

---

## **Internal relations**

Institutions have an opportunity to enter DAO [as an institution] and participate in all DAO activities, they participate on an equal basis with individuals

## **External relations**

Institutions they are not obliged to accept DAO participants pieces

Institutions are free to follow their own way

# Risks: Enter and exit mechanics

---

**DAO participants will leave DAO for various reasons. And each DAO participant can leave DAO anytime without any limitations or penalties.**

## **Exit strategies:**

- Fully complete all the processes
- Complete the current stage of all the processes
- Leave all the processes but for each of them find proper contributors
- Just leave

# conclusions

---

first steps after the launch  
and challenges following them

# Conclusions: we haven't arrived yet

---

To be reviewed by first dozens  
of DAO participants and then

I

To be reviewed and iterated many times until it will work in a  
right way providing all the participants with the fair  
opportunities and environment they'd like to have

II

# Conclusions: what's next?

---

## **Open questions:**

- How to make MetaVerse environment as engaging as offline hubs?
- Where is a fair trade-off in relationships with institutions, to cooperate on one hand and to follow own way on another hand?
- How to maintain wide diversity in terms of countries, cultures, branches, mediums, gender, age, etc.?
- How to organise the workflow of joining, leaving, escaping, freezing, free-riding (either inside the project or inside general DAO)?
- How to set up and manage the operating branch of DAO?
- How to find Curators DAO place in total DAOs & NFTs landscape?
- How to introduce it into global web3 society?

# Conclusions: what's next?

---

**In the world permanently moving towards decentralisation,**

it's essential for culture workers to navigate through possible ways to independence from official institutions to take the place in the upcoming Decentralised Society

thank you

---

Cheers!

— Adelina, Lisa