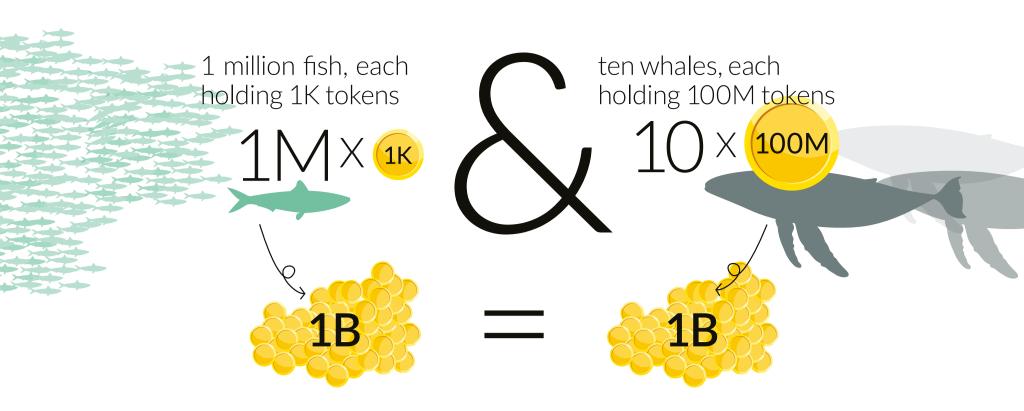
Democonomy Voting: Resolving the Voting Power Dilemma

A Story of Fish and Whales

Imagine an economy consisting of:



When a problem arises in the ecosystem and decisions need to be made, how do we determine voting power to best serve all parties? There are two common methods to distribute

voting power: Used in corporations and many crypto-projects Stake-based: Participant-based:

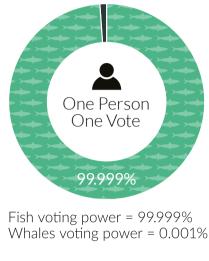
Each participant gets one vote

Stake is not

Represented

Voting power is proportional to holdings But these two methods have their shortcomings if used

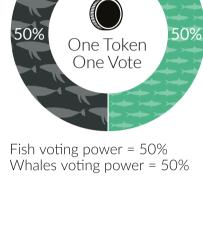
our ecosystem: 0.001%



invested half of the value. they have only a tiny amount of voting power.

Although the whales have

Introducing Sögur's Democonomy* Voting:



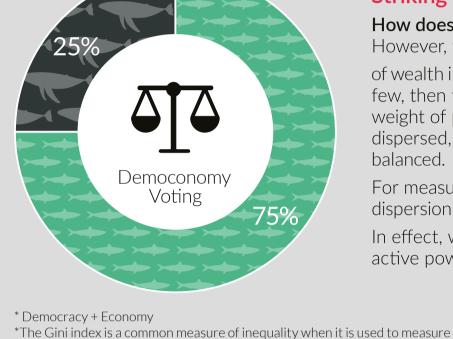
people to agree with you takes less time than it would to get 1

Plutocracy in Effect

We all know that getting 10

million people to agree with you. This gives the whales a significant advantage and essentially puts them in control.

Striking a Viable Balance



of wealth in the economy. If much wealth is concentrated in the hands of

few, then the weight of stake-based voting will be relatively low and the weight of participant-based voting relatively high. If wealth is more evenly dispersed, then the stake-based and participant-based weights are more balanced. For measuring concentration we use a standard statistical measure of dispersion - commonly known as the Gini coefficient* In effect, we are turning the Gini coefficient from a passive measure into an

How does it work? both stake-based and participant based are used.

However, the weight each is given depends on the concentration

active power balancing tool. the dispersion of income. We use it to measure the dispersion of holdings.

very big whale takes an interest in our ecosystem and wants to control it for his own purposes.

0.0001%

Now, imagine that a

They decide to buy two billion tokens, immediately doubling the size of the economy.

50%

Will the super-whale gain control over the ecosystem?



One Person One Vote

0.001%





Whales Super-Whale



of the population

20% of the population holds 80% of the wealth.

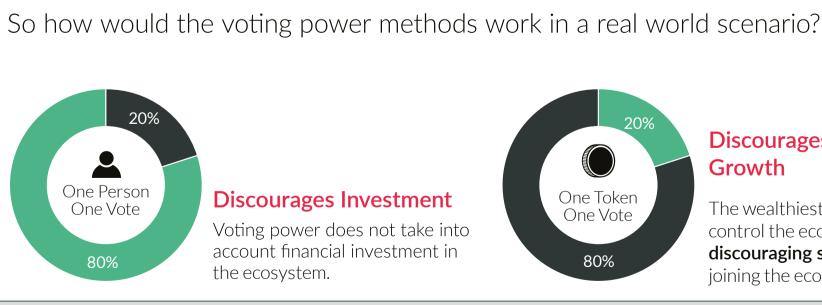
holds

Sybil Attack Protection

to they voting power.

Even if the super-whale managed to split their holdings between

1,000 different accounts, they would only gain a marginal addition



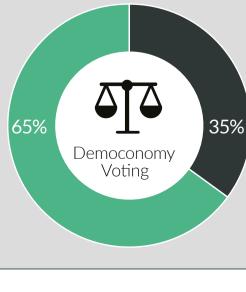
Discourages Investment Voting power does not take into

represented.



A Real World Scenario

The wealthiest 20% control the ecosystem. discouraging small holders from joining the economy. Representing Stake, Protecting from Plutocracy



This solution provides incentives for both investment and network growth - two key factors for the success of many financial ecosystems.

The top 20% have no control over the system but their higher financial interests are

Discourages Network

Growth

*According to the commonly accepted Pareto principal for wealth distribution

Democonomy Voting promotes a sustainable, growing economy, where both people and money count.

By balancing between participation and stake, Sögur's

