A Blueprint for Associative CryptoEconomics

TL;DR by Sebastian Bilbao, 2020

Governance

All members are to be part of a Guild or form their own. All Guilds form a federation to run the DAO.

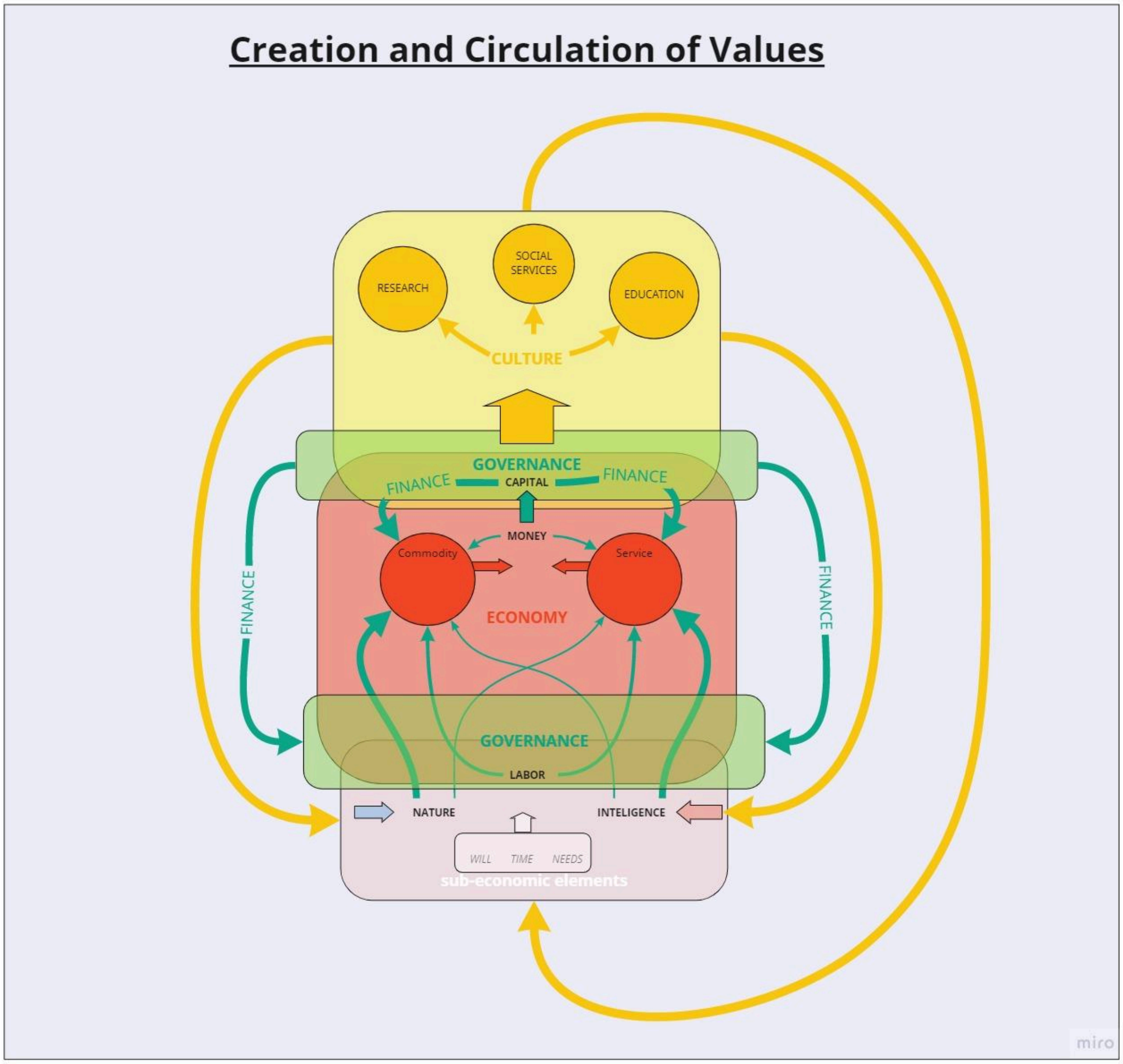
Monetary Policy Based on Productivity

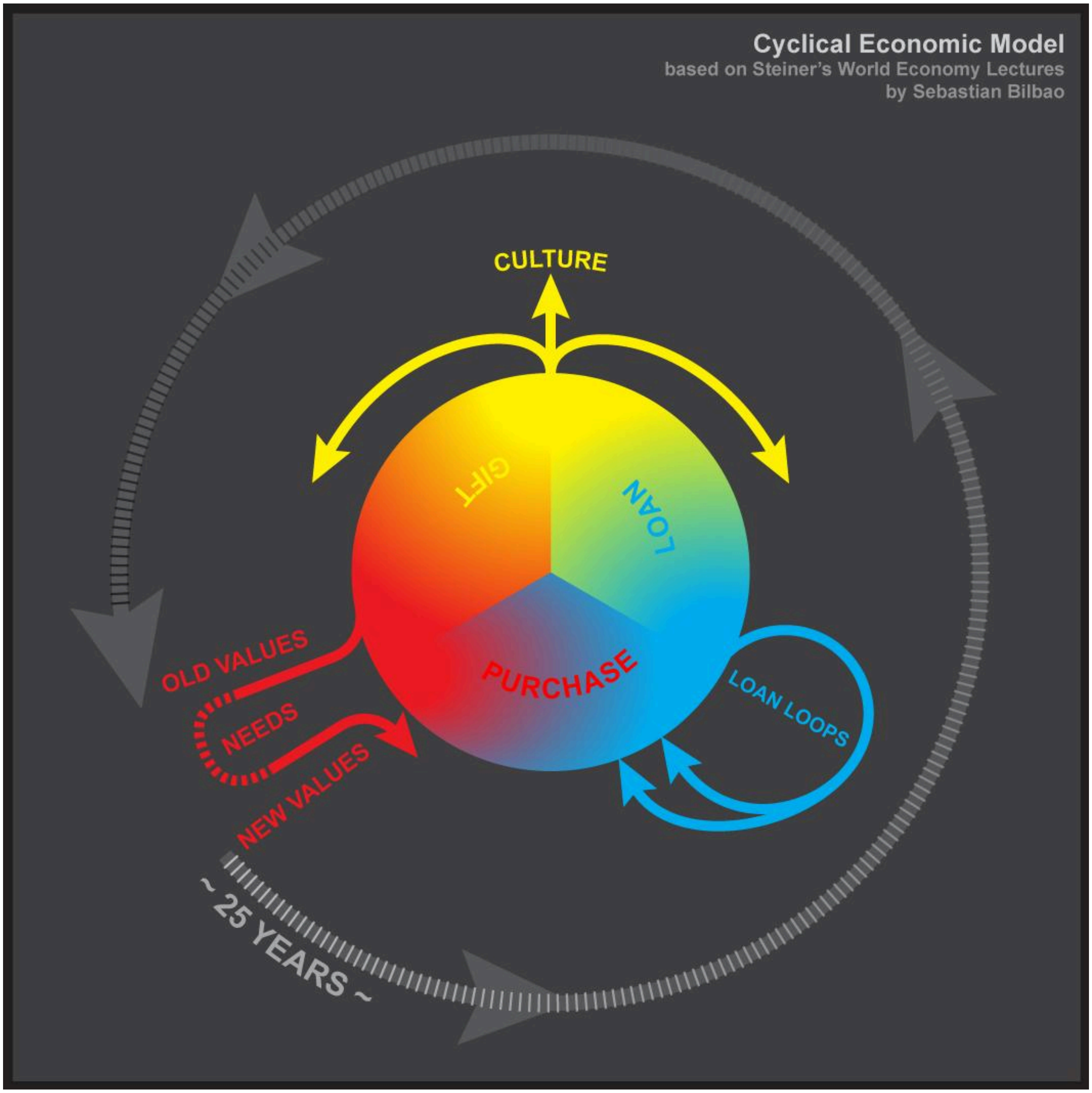
All tokens are NFTs mirroring real world production of goods and services. The NFTs also acquire the lifespan of the goods and services they are paired to. These NFTs can be converted into a standard fungible token which also acquires an average lifespan from all the NFTs, roughly 25 years. No mining, the network is maintained by fees (gas) proportional to the transactions, no POW, POS, no yield farming. The incentive for the network is to remove speculation, hoarding, and prevent the falsification of prices by misconstrued values.

Demurrage and Three Kinds of Money

During these 25 years, Tokens live through three stages, Purchase, Loan and Gift.
Purchase stages: The surpluses that emerge from the Purchase stage are emancipated from their owners and standardized into fungible tokens and passed into the Loan stage. Here they fund entrepreneurs to further grow the economy with real life activities. This stage is repeated for ~24.9 years. The massive surpluses of this stage are passed onto the Gift stage to fund all people that do not participate in the first two stages. When Gift tokens are used, they can either be renewed into Purchase tokens-if they meet newly created goods- or expired if they meet goods from inventory. The goal is to start a perpetual economic cycle, without the need of fiat, or abstracted mining. It fosters the will of people and the upkeep of natural resources. Consumers, producers and distributors form a DAO to govern every aspect of the cycle via quadratic voting or better.

In the below two diagrams the flow of the circular economy is depicted.




Cyclical Economic Model
based on Steiner's World Economy Lectures
by Sebastian Bilbao
CULTURE
GIFT
LOAN
PURCHASE
OLD VALUES
NEEDS
NEW VALUES
LOAN LOOPS
~ 25 YEARS ~