Informal Specifications for DGO Main Service

DGO Sub-Governence

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The DGO System should be designed in a way to give options for a community member to vote and decide the future of FreeTON in a decentralized and Democratc way.
The software of DGO should be made in the form of a website, which will be available to all users and doesn't need a very high budget for annual maintenance and any changes can be pushed immediately to the public.

How It Works

- Users can Login to Platform using their Public Keys or Seed Phrase.
- Users will remind login to the browser till the session expires or manually logs out.
- Every user will get a reputation score based on their work in the community.
- Users can create posts, groups (public and private), participate in voting, comment on proposals and submissions.
- Platform will also have a like and dislike functionality, which will also play a role in the reputation of a user.
- 3 main voting blocks will be there on the Platform:
  - General Voting : All users will be able to vote by Staking 1 Crystal
  - Sub Governance: Initial Members and Jury Members of that Sub-Gov
  - Main Sub-Governance: Initial Members and Jury Members of all Sub-Gov (Important working members of Community)

    * At later stage we can make one more category of members with higher reputation score, when the system becomes more mature.

Process of Creating a New Sub-Governance

- Users will be able to create a new Sub-governance with the help of multisig Wallet.
- Before creating a proposal the team of initial members of the Sub-governance will extensively discuss their proposal in the forum by creating a post.

Only after getting positive feedback from the community and incorporating all constructive feedback, they should move forward to make a formal proposal.

- All community members will be able to vote on any new sub-governance by staking 1 crystal. 1 crystal will be blocked using smart-contract for the voting period.
- To make a proposal the team has to stake 1% of the total budget of the sub-governance for creating a proposal.

For Example : If I want to create a Social Media Sub-governance, and the budget is 100,000 Crystals then I have to initially Stake 1000 Crystals and these crystals will be locked in a contract for the voting period.

For Voting users have to spend 1 crystal (or 1 Crystal will be locked for the voting period). All users who participate in the voting process will get **2 options : Accept and Reject**.

For the above example:
Case 1: Proposal get Accepted (by SMV 50% + 1 RULE)
60 people Said Yes ---- 40 people Said No
1000 Crystals of the Proposal Team will be released and returned back.
People who Voted Yes will receive the Crystals of People who Voted No.
YES voters will receive back their staked 1 crystals + 40/60 crystals each (in this case).

Case 2: Proposal gets Rejected (by SMV 50% + 1 RULE)
60 people Said No ---- 40 people Said Yes
In this case both crystals of the Proposal Team and Yes people will be distributed to the people who rejected the proposal.
NO voters will receive back their staked 1 crystals + 40/60 crystals each (in this case) + 1000/60 each (from Proposal Team Staked Crystals) .

- By incentivizing people to reject proposals, it will create a barrier for undeserving sub-governance to get passed. Only after thorough discussion in the forum teams

will propose a sub-governance otherwise they will lisk of losing their stake.

- To receive a budget amount from Giver Wallets, the proposing team has to stake 10% of the budget in their multisig wallet, and these crystals will be blocked for the sub-governance time period and will be released once time ends.

Proposal and Voting

- All users will be able to create a new contest proposal by staking 10 Crystals.
- Jury Members can Vote on Proposals and Submissions.
- If a proposal is accepted in the Sub-governance, the creator will receive 1% of the prize amount (maximum 1000 Crystals)
  For Example : I can create a contest proposal of a total budget 50,000 Crystals by staking 10 Crystals, if my proposal gets rejected, my staked crystals will go to the sub-governance multisig wallet.
  If my proposal gets accepted, I will receive back my 10 staked crystals + 1% (500 Crystals) as reward.

- This methodology will incentive users to create good and innovative proposals and protect against spamming, if we allow everyone to create a proposal without staking anything it will create a lot of load on jury members to go through all proposals and it will slow the overall development of FreeTON.

Jury Selection and Rewards

- All Sub-Governance should launch the first contest for Jury Selection according to the need and select Jury Members which are competent to judge the contests for their sub-governance.
- Jury rewards vary from proposal to proposal depending on the complexity of the judging process ranging from 5% to 20% of the proposal budget.

- All jury rewards will be calculated with each contest but rewards will only be distributed at the end when the time of sub-governance expires.
- If any Jury member is found doing fraud and giving higher points to their friends, an inquiry will be initiated in the forum where the accused jury will be given an option to clarify their vating.
- If the community is not satisfied with the clarification of the Jury member, a proposal will be initiated from the community to expel the accused Jury and if it passes with SMV(50% + 1 Jury voted), the suspected jury will be removed from the post and no rewards will be given.

Sub-Governance & Partnership Dissolution

- If a sub-governance is found wasting money and not doing good work or are involved in fraudulent activities by distributing crystals to their friends, an inquiry can be initiated in the forum and the members of the sub-governance will be given their chance to provide clarification.
- If the community is not satisfied with the clarification of the Sub-governance member, a proposal will be initiated from the community in the **Main Subgovernance** to dissolve the sub-governance and if it passes with SMV(50% + 1 Jury voted), the suspected sub-governance will be dissolved and the remaining budget and their staked 10% crystals will go the giver wallet.

  * Main Sub-governance consisted of initial members and Jury members of all sub-governance, general users can't vote in this Sub-governance.

  Similar inquiry and process will be followed in the case of Partnerships, if a partner is found wasting money and not achieving the goals that they mentioned in their partnership proposal, an inquiry can be initiated and if found guilty their further crystal distribution will be suspended.

Sub-Governance & Partnership Dissolution

A partnership proposal is as important as a sub-governance, so before initiating any proposal a thorough discussion should be done on a forum with the community. Alter taking all feedback and incorporating constructive points a detailed proposal with KPI's and milestones and payouts should be mentioned.

This proposal can be initiated by staking 1000 Crystals, if the proposal gets passed Stake will be returned, if it gets rejected shakes will be distributed in voting members rejecting the proposal.

OR

Proposal will be initiated in Main Subgovernance where only sub-governance members can vote on it and not general users. As subgovernments members are much more involved in the project they are in a better position to decide whether any partnership is beneficial for the community or not.

Reputation System

A reputation system is very important for long term functioning of the governance, not all members are equally involved in the project and the community should encourage people who are interested in the project and doing work to strengthen it.

Reputation will be a combination of various parameters with varying weightage, it's like a Credit score which every member can view on the User profile.

Rep = Successfully Managing a Sub-Governance + No. of Proposal Accepted + No of times Voted + (No. of Likes/Upvotes Received - No. of Downvotes Received) + Read

Time + Days Visited + Post Read + Topic Read , etc…

*Importance of No. of Times Voted is because user have to **spend crystals** to participate in Voting (discussed later)

When a community member comes with a partnership proposal, we can judge their commitment for the project with their reputation score and can vote accordingly. Similarly if a team comes up with a new sub-governance, we can judge their team members by their reputation score and decide whether to pass this proposal or not.

When any sub-governance time period completes, automatic feedback will be created on the forum and all users will be able to vote(upvote and downvote) and give feedback about the sub-governance work.
These upvotes and downvotes will be counted with high weightage towards the initial members and jury members of the sub-governance. If community members give more upvotes it will increase their reputation and if the community downvotes more it will degrade their reputation.

And these reputation and feedback will be considered by the community when these members will try to launch any new sub-governance.