Participatory design of token economies for local communities

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5th Distributed Ledger Technology Workshop
Blockchain
For
Social
Good
(Social Economy)
Applications

Different from DeFi applications

>>> Requirements

>>> Incentive mechanisms

>>> Governance

>>> Scale (global vs local communities)

Examples

>>> Sarafu Network

>>> Circles UBI

>>> Trustlines

https://www.grassrootseconomics.org/pages/sarafu-network
https://joincircles.net/
https://trustlines.network/
OPEN ISSUES

(Blockchain for Social Good Report 2022)

Peer to peer cash system

How bridges could develop between the real economy, whether informal or formal? How to overcome technical obstacles to the adoption of cryptocurrencies?

Governance and Democracy

Need for new forms of governance, more participatory, transparent and decentralized.

Financial and speculative logics can take precedence over decentralization, horizontality, independence or transparency.

Production and consumption

Few empirical cases and experimentations within local communities.
The challenge: MAKING THE BLOCKCHAIN CIVIC

WHY?
• To make the blockchain advantages accessible to local communities
• To support social collaborative economies and related participatory processes
• To offer an alternative to speculative cryptocurrencies in global financial markets

HOW?
• Internet of Values 2.0
• Technical and economical accessibility
Why blockchains for LOCAL COMMUNITIES?

• Cities are often organized in small interconnected communities
• ... made up of citizen, associations, businesses....
• .. that are managed with different tools and rules

Tokenization and smart contracts can provide a layer to:

• Represent communities’ rules with common tools
• Enhance interoperability
• Create new inter-community services
COMMONSHOOD

Concept and aims
- Providing communities with instruments for **financial inclusion**
- Supporting **sustainability** of the local economy.
- Facilitating and enhancing the **interactions** among the local socio-economic actors.
- Create a toolkit **replicable** in different communities
CommonsHood promotes the **Internet of Values 2.0**

In analogy with the Web 2.0, CommonsHood allows **non-technical users** to **create and distribute** different types of tokens

CommonsHood is designed to democratize local financial instruments to support urban commoning efforts by offering to users a **single wallet Dapp**.

Focused on the **local dimension** through geolocalization (*integrated with the geolocated civic social network FirstLife*)
coupons
loyalty tools
access rights
rewards
voting rights
complementary currencies
coupons
digital collectibles
crowdfunding
...
ASSETS AND LOCAL FINANCIAL INSTRUMENTS

- Coins
- Coupons
- Crowdsales
- Token exchange
- NFT
  - Auctions
  - Marketplace
- “Library of Things”
Crowdsales

• Enable the creation of fundraising initiatives
• Accept a specific token
• Distribute coupons representing the right to obtain a real asset or a service
• Liquid participation
Token exchanges

• Allow citizen to acquire different tokens to enable the participation to other initiatives
• Based on the order-book metaphor
• m-to-n time constrained exchange pattern
ACTORS

• Individual users
• Activities (DAOs)
  • Civic associations
  • Neighbourhood shops
1. The young people of the city of Collegno participate in initiatives of youth protagonism and volunteering.
2. They receive recognition for their effort (time) in the form of tokens, which they can also donate.
3. Local retailers issue coupons that represent incentives:
   ○ discount coupons from local merchants;
   ○ vouchers for free access to cultural initiatives;
   ○ hours of use of shared spaces, e.g. music rooms.
4. Tokens can be exchanged for coupons, thus incentivizing the participation to the socio-economic life of the city.

https://nlab4cit.eu/
Funded by the EU - Grant Agreement LC-01688130
Implements a loan system of tools.

The citizen/association
- Creates a digital twin of the tool, represented by an NFT
- Select a specific token (ERC20) required for the loan

The citizen/association
- If it owns the required token, it can proceed to the reservation (remotely) and then the loan (in presence)

The loan ends and the deposit is returned
In the A.C.A. people co-produce services through novel forms of socio-economical interactions, enabled by the CO3 APP (AR + Blockchain + Geolocation + Liquid Democracy + Gamification).

**TURIN PILOT:**
- Interaction with **blockchain-based augmented contents**: augmented spaces where CdQ managers, associations and citizens can create and visualize different contents
- Creation of the **House’s coin**: blockchain currency managed via a wallet app for making transactions for enhancing the services
- Management of volunteers' activities: AR, First Life and the blockchain wallet used to advertise, manage and reward volunteering activities

[https://www.projectco3.eu/](https://www.projectco3.eu/)

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Thank you!

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