Howdoo Economics

<u>Abstract</u>

Howdoo is a new blockchain-based platform designed to empower developers, content creators and influencers to exercise greater control over their data. Designed in a way to allow infinite scalability, Howdoo's blockchain is ideal to build social networks and other dApps.

However, to build and maintain a self-sustaining ecosystem based around a decentralized blockchain platform, Howdoo must become economically viable. Furthermore, a self-sufficient economy guarantees equality in economic affairs, sovereignty and stable relations amongst users. This paper explores the economic model that will support the Howdoo ecosystem as its user base expands, including how users, SuperNodes and VirtualNodes function.
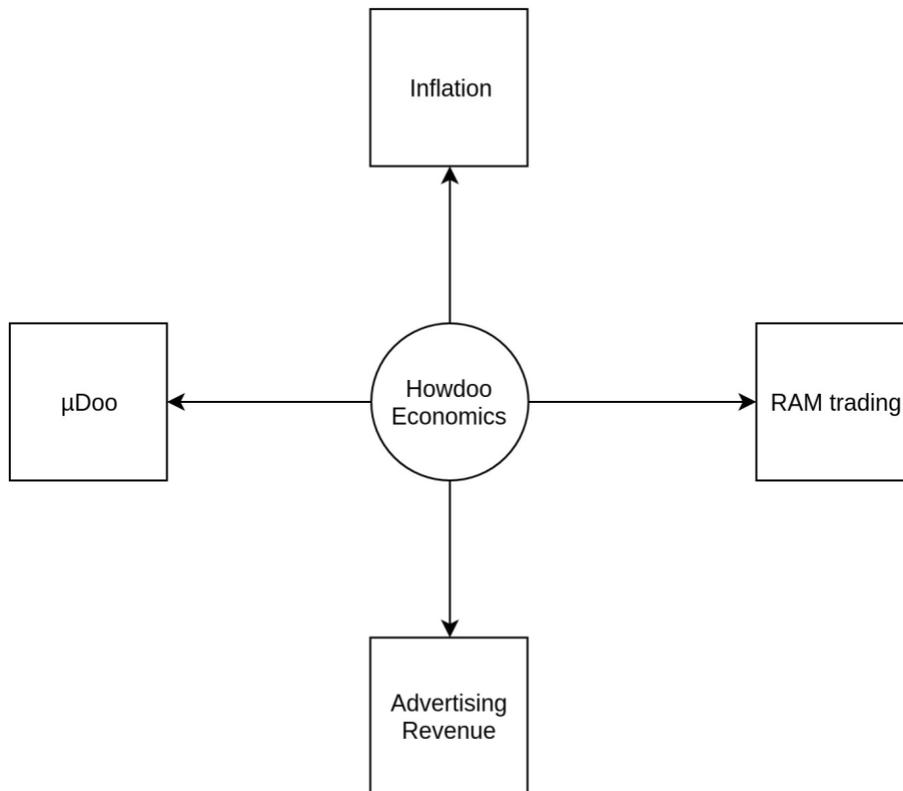
Through its combination of technical and economic considerations, Howdoo is positioned to be the platform for the first major blockchain-based social network, among other dApp categories.

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1 Introduction

The Howdoo economy will essentially comprise of the following components.

2 μDoo

The Howdoo network is fueled using its own cryptotoken: μDoo. It functions as a vehicle for transferring value between users, advertisers, and operators of the Howdoo network.

Howdoo's own cryptotoken will serve following functions:

➔ A single μDoo controls an element of network resources.

➔ DApps will be required to stake μDoos.

➔ The μDoo is the only token of exchange across the network.

3 SuperNodes

Howdoo token economy will be subject to a 2.5% yearly inflation on a pro-rata basis. This inflation rate can be changed to better suit the Howdoo economy at any stage by putting forth a proposal and having the proposal upvoted by 15 out of the 21 Super Nodes. The inflation amount will be broadly divided into Rewards for the Super Nodes, Spare Nodes, Virtual Nodes and Future Workers Proposal Funds.

3.1 Rewards for the Super Nodes

At any given time there are 21 active Super Nodes and other spare nodes. The top 21 Super Nodes will divide up the 1.50% per-block rewards proportional to the number of blocks each one produced on a daily basis. The top 21 Super Nodes for the day will be the ones with the most number of Votes.

All Super Nodes plus spare nodes will divide up the remaining 0.50% per-vote rewards budget proportional to the total number of votes they receive, also to be divided on a daily basis. In order to claim this per-vote reward share, the nodes must qualify for at least 100 tokens/day. Nodes which do not qualify for at least 100 tokens/day on a per-vote basis are not entitled for any rewards for that particular day.

The idea behind this algorithm is to ensure all candidate producers have sufficient pay to provide full-node services to the community and to ensure no one is in the position of receiving money that is insufficient to cover their costs.

It is critical to have a minimum per-day payment so that wealthy individuals who have no intention of producing blocks don't attempt to earn interest on their producer candidate by voting on themselves.

3.2 Future Worker Proposal Funds

The remaining 0.5% of the 2.5% inflation amount will be stacked for future development with the Howdoo ECO company, distributed or burnt based on user voting.

4 Virtual Nodes Revenue Scheme

A μDoo represents an element of the networks resources. A user that has a minimum of 125,000 μDoos can enroll as a VirtualNode. They will stake their μDoos with one of the approved SuperNodes for a specific return. The SuperNodes will then lease the μDoos our to Dapps in order to secure the required resources in order to support their DApp.

The SuperNodes will compete with each other to secure the VirtualNodes from the users by offering incentives to stake with them. A user will have to own a minimum of 1,250,000 μDoos to become a Virtual Node.

Developers wanting to launch dApps on the Howdoo platform must go through a vetting process. One aspect that will be reviewed before dApps can be deployed is a load test. Howdoo will estimate the percentage of resources the dApp will require in order to maintain the integrity

of the network. Then, the developer has the option of buying µDoos from the open market or renting equipment to meet µDoo needs. A mix-and-match approach where µDoos are rented according to load peaks and lows could also be a viable approach

As the network grows and more dAPPs launch, we foresee great demand for VirtualNodes.

5 Network Revenue

Using the Howdoo AdAuction application, advertisers will be able to purchase µDoo in their wallets, and set bidding limits for acquiring personal and community advertising space which will be distributed to viewers and Howdoo company on fulfilment of the contract rules. The sharing ratio will be based on a 60/40 rule (60% to the community and 40% to the Howdoo ECO Company). Howdoo will also receive revenue from other fees.

Super Nodes, Spare Nodes & Virtual Nodes will be entitled to a part of the Network Revenue. This provides a strong economic incentive for participants who own enough µDoos to operate these nodes.

6 Conclusion

By offering enticing incentives for all participants, Howdoo is positioned to attract the best blockchain developers, content creators, and Node operators. This will create the first truly scalable, self-sustaining decentralized platform where users control their data and receive fair compensation for their participation.