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## NEWSLETTER #4 – JULY/AUGUST 2022

### –WEB3–

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**T**he vision of Web3 is **built upon open-source technology**, utilizing blockchain technology to **build trustless** and **permissionless information architectures**.

The technology's evangelists justify the push towards Web3 **to mitigate the dominance** of big tech over internet use and **to better protect** our personal data.

In this month's Muse newsletter, we examine a diverse collection of recent articles **praising, qualifying** and **challenging** the vision of the Internet of Value.

Several authors **explore why Web3** is being touted as the future of the internet.

Others argue **that beyond cryptocurrencies** and **the black market**, there are few sensible use cases for a blockchain.

Some conclude that the **reality** of Web3 **is nothing more than a cover to get rich scams, crime** and **money laundering**.

It appears undeniable that the current gap between the current practice and the promise of Web3 **will require focusing our attention** on the technical preconditions for **utilities, innovation, and value**.

Enjoy reading!

- [How AI will revolutionize the practice of law](#) — [The Brookings Institution](#)

In this commentary for the Brookings Institute, John Villasenor argues that law firms that leverage AI technologies will be able to offer services at lower cost, higher efficiency, and with more favorable outcomes in litigation.

He suggests that such technological innovation will spur the creation of new legal tech companies, as well as new opportunities to use AI for more fully automated provision of legal services.

He concludes, however, that while AI will fundamentally reshape the landscape of legal services, by leveling the playing field, it will underscore the importance of the human element in the practice of law.

- [What is Web3?](#) —[Harvard Business Review](#)

Thomas Stackpole, in this HBR article, explores why Web3 is being touted as the future of the internet.

This vision offers a read/write/own version of the web, in which users have a financial stake in and more control over the web communities they belong to.

Web3 promises to transform the experience of being online as dramatically as PCs and smartphones did.

The author argues none the less that this vision faces serious challenges.

Some companies have entered the space only to face a backlash over the environmental impact and financial speculation (and potential for fraud) that comes with Web3 projects.

Blockchain is offered as a solution to privacy, centralization, and financial exclusion concerns, it has created new versions of many of these problems.

- [Web3: A terrible idea that is ignorant of history and technology](#)—[Medium](#)

InStyle argues provocatively in Medium that the Web3 is worth less than nothing—the world would be better off without it.

Her contribution goes into some length to support her contention in exploring a number of historical and technical reasons of why decentralized systems have failed in business and society.

She concludes that the reality of Web3 enables greater fool theory scams, crime and money laundering.

- **Web3 and what it means for data in the future—Equinix**

Simon Lockington and Hari Srinivasan suggest that although Web3 is still conceptual, the applications and thoughts of its technology are being explored heavily today.

They argue that Web3's potential revolves around how we conduct agreements and value exchange.

They describe how blockchain, cryptocurrencies, dapps and NFTs can qualify as examples of decentralization and the Web3 concept.

They target Asia-Pacific's thriving startup ecosystem as one of the top booming markets for Web3.

They conclude that one of the critical success factors for future success is the need for a future-ready digital infrastructure.

- **The hype around Web3 and how it can transform the internet—World Economic Forum**

Rebecca King makes three points in her contribution: The third iteration of the internet—Web3—will be defined by open-source technology, utilizing blockchain technology to be trustees (not requiring the support of a trusted intermediary) and permissionless (it has no governing body).

The justification for the move towards Web3 is premised on the dominance of big tech over internet use and its control over personal data.

Web3 is still in its infancy and there are still a number of major questions to address including can Web3 scale sustainably? Will Web3 really deliver online sovereignty? Can we educate the user community to leverage Web3?

- **In a decentralized Web3, DAOs will be the driving force of decisions—Venture Beat**

Max Kordek suggests that Web3 will be built on blockchain technology whose distributed ledgers hand data ownership back to the individual.

The author argues that while Web3 offers the same connectivity as its predecessor, with the proper foundations of decentralized autonomous organization, it also adds the opportunity to reclaim our digital voices and personal identities.

DAOs, as decentralized governance tools, allow us to participate proactively in the digital apps, projects, and visions that shape our virtual communities.

- **[Don't believe the hype: Web3 is not going to change the world](#) – Sifted**

Edwin Kirk argues that beyond cryptocurrencies and the black market, there are few sensible use cases for a blockchain. To begin with, distributing a database poses a challenge to scalability.

Next, public databases are not always the best solution for storing confidential information. Third, immutability has its downside, and potential errors are difficult to fix.

Finally, commercial activities do not run in trust-free environments, the blockchain simply replaces one intermediary with another.

The author concludes that while Web3 and blockchain might not pave the way for some much-promised digital utopia, it will serve to feed future innovation.

- **[Building on the promise of Web3 to deliver a future of utility, value and empowerment that benefits everyone](#) – Forbes**

Brian Solis's contribution here in Forbes comes from his research for his presentation at the Web 3.1 conference. The author argues that the current gap between the current early state and the promise of Web3 will require vision, utilities, value, and execution.

This gap is fueled by weaknesses such as NFT and crypto thefts, plagiarism and fakes, as well as exclusivity and elitism.

Creating a more promising future in his requires design Web3 concepts, inventions, and businesses around user relationships, those between companies and assets and people, and also between people and communities.

- **[Can Web3 change the world? —It's not just another smoke and mirrors story, says technology entrepreneur Ewan Kirk, "don't believe the hype"](#) – Developpez.com**

The advent of Web3 heralds greater control over data and improved redistribution of information.

To achieve this, Web3 works on the decentralization of data and applications (dapps: decentralized apps). To this decentralization of data, Web3 allows the use of blockchain technology, cryptocurrencies...

However, according to some technology entrepreneurs such as Ewan Kirk, founder of the hedge fund Cantab Capital Partners, Web3 is just a new version of blockchain technology.

Kirk also points out that the user's interest in using Web3 is limited to the creation of cryptocurrencies, darknet transactions or cybercrime.

Another point raised by Kirk is the environment of blockchain exchanges. In the banking system, if a bank makes a mistake, it can rectify the error. But with blockchain technology, when a mistake is made, the mistake can never be rectified. The blockchain is based on a principle of immutability.

The last point raised by Kirk is the ecological impact. By way of comparison, ethereum, the blockchain favored for Web3, uses the same amount of energy as the Netherlands.

Kirk remains optimistic that with the very low cost of bandwidth and storage, new business opportunities will emerge in the future.

- **The most important scarce resource is legitimacy – Vitalik**

Cryptocurrencies are powerful because they allow us to bring together large masses of capital through a collective economic will, and these masses of capital are not controlled by anyone to begin with.

Instead, these masses of capital are controlled directly by concepts of legitimacy.

The concept of “legitimacy” is the acceptance of a higher order. It is a phenomenon that appears in coordination games.

Also, it is a set of people who act in a coordinated way with a common motivation. Transposed into blockchain technology, this allows for example for the raising of capital.

Legitimacy manifests itself in different forms. The main forms are legitimacy by brute force, by continuity, by equity, by processes, by performance as well as by participation.

- **The Web3 decentralization debate is focused on the wrong question. Fixating on the degree—rather than the type - of decentralization is leading us astray — Wired.**

While Web3 advocates claim that the schematic structure of the current Web is centralized. In practice, the infrastructure is not. Servers are spread over several distinct geographical locations. On the other hand, the detractors of Web3 have emphasized the uselessness of a decentralized architecture.

As well as the need to implement exchange hubs in Web3 (wallet providers, currency exchanges, NFT platforms).

This shows that, in both a centralized and a decentralized infrastructure, an exchange hub is always necessary to perform transactions.

The real issue is not which architecture (centralized or decentralized) is best for the web. But rather, how can we improve this decentralized architecture?

To answer this, the new model would be based on a system of democracy: American federalism. In our case, the model is called: composable local control or subsidiarity.

Subsidiarity is not a new model, as it originated with the original “network of networks” the internet based on the TCP/IP protocol. Subsidiarity is based on **3 points**:

1. Keeping the data as close as possible to the social context of creation;
2. A multitude of solutions linked and integrated by coordinated mechanisms of the federation and interoperability;
3. The exploitation and extension of trusted relationships and institutions both online and offline.

- [Crypto and Web3 ethics: Rug pull – LightHouse3](#)

According to the Chainalysis report, in **2020 cryptocurrency scams** increased by **48%**.

What does the phrase “pulling the rug out” mean? In the cryptocurrency markets, this expression means that a team of cryptocurrency developers unexpectedly pull their projects. But all the while taking care to recover as much liquidity as possible.

Beyond this simple definition lies a simple yet complex financial mechanism. There are several methods to achieve this: limiting sale orders (by adding lines of code), manipulating the sale price (Pump and Dump) or stealing from the liquidity pool.

To guard against this, there are a few simple actions and research to do before investing.

**First**, be wary of anonymous projects. **Secondly**, don't be tempted by projects with a lot of hype on social networks and specialist websites. Beware of projects that promise huge returns or commissions when you refer users.

**Finally**, also check the TVL, if the TVL is low it may indicate a risk of scamming.

- [Web3: Can blockchain help build a nontoxic version of Facebook? —Protocol](#)

Billionaire Frank McCourt and Gavin Wood (founder of Ethereum) want to cooperate to set up alternative social networks with the aim that users can keep control of their personal data.

The two men want to set up an infrastructure based on blockchain and Web3 technology. They also want to separate themselves, dust Wood, “from the crypto crap” of the rest of the crypto technology.

Wood reminds us that Web3 means “less trust, more truth”. The goal of Web3 is the removal of servers and control authorities.

To achieve this, he wants to link the Decentralized Social Networking Protocol (DSNP) with the blockchain.

For McCourt, his involvement in this project stems from the observation of the current deterioration of democracy. He notes that mass disinformation is widespread through social networks.

Democracy, as we have known it, was based on an analog world. However, we have moved from an analog to digital era.

# Social Network

 **Business Blog and Website**

<https://listentoyourmuse.com/>

 **LinkedIn**

<https://www.linkedin.com/company/ia-muses>

 **LinkedIn Group**

<https://www.linkedin.com/groups/12627306/>

 **newsletter**

<https://www.linkedin.com/newsletters/muse-newsletter-6984537877409865728/>

 **Mastodon**

[https://mastodon.world/@AlexandreMartin\\_AI\\_Muse](https://mastodon.world/@AlexandreMartin_AI_Muse)

 **Twitter**

[https://twitter.com/musetm\\_grenoble](https://twitter.com/musetm_grenoble)

 **Bluesky**

<https://bsky.app/profile/muse-tm.bsky.social>