Money-Go-Round

Web3 doesn't eliminate the problems posed by social media; it capitalizes on them

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Uncontained (Pixel Heart), (2020) by Wendy White. Courtesy the artist and Shulamit Nazarian, Los Angeles.

A towering wave of hype and speculation is forming around "Web3," fueled by speculative windfalls, blockchain boosterism, and a general dissatisfaction with the established social media platforms. Cryptocurrency-based forms of interacting with internet content — e.g. NFTs — are the essence of what passes for Web3 innovation. They have moved into such fields as gaming, the art market, and the sales pitch for Facebook's Metaverse; they have been touted as designer accessories, Twitter profile-pic bling, and as a means to try to legitimate exclusive ownership in digital marketplaces.

Yet the idea that "Web3" constitutes some new framework that corrects or repudiates the problems of the previous "Web 2.0" paradigm misrepresents the emerging interactions and continuities between them. As interested parties try to push NFTs and crypto into the mainstream, they don't upend the current platforms' mass markets and cultures of virality but become embedded within them.

Platforms like Facebook, Twitter, Instagram, and TikTok — the bedrock of what's being post-scripted as Web 2.0 — may appear to focus on publishing user-generated content, but their main product is virality. Their interfaces, replenishable feeds, audience metrics, and ranking algorithms are all aimed at creating and rewarding viral content. Its spreadability and instantaneity connects people, refashioning user bases into industrial-sized audiences, or "communities," as those platforms tend to euphemistically describe them. Virality connects audiences and attracts advertising revenue; it determines the spaces and markets that social media currently monopolize.

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After all, it's not as if any content is intrinsically contagious. Virality depends not on really great dance moves or memes but global distribution systems that take advantage of digital media's easy reproducibility while simultaneously tracking its circulation. It is a product of platforms operating at scale, which requires a global user base and the computational power to track and support a massive number of user interactions — millions per second for the likes of Google and Facebook. Viral content is dependent on the platform architectures and underlying legal structures on which it transpires and flows. The larger the platform, the more it operates at scale and centralizes its distribution mechanisms, and the more widespread, instantaneous, and valuable virality becomes.

With this, an entire media culture that is hooked on virality comes into focus. Social media's marketing engines extract cultural creation from smaller localized communities and situate it within massive marketplaces where it must compete for attention on platforms' terms. For this reason, there are how-to guides that instruct readers in how to "be authentic" within a platform's algorithmically driven constraints: creating cultures of clickbait, thirst traps, Instagrammable facial expressions, and the reckless politics of retweetable sound bites. As virality becomes an obsessional and aspirational goal, creators go to significant personal and financial lengths to compete in an oversaturated media environment, which increasingly resembles a battle royale of micro-content. This generates a huge amount of wealth for platforms but much smaller rewards for creators, who generally must "go viral" to see any revenue trickle in. TikTok users with less than a million followers, for example, will likely not make any money at all. In this context, going viral is not recreational or pleasurable but an onerous job requirement.

If "Web 2.0" produced and valorized virality, Web3 purportedly sustains other forms of community, anchored in different organizing principles based on blockchains, cryptocurrencies, and tokens, turning users into crypto-earners and platform stakeholders. These tools attempt to cut every user in on financial incentives at every possible level as well as let them maintain ownership of their work and its distribution. That is, Web3 aims to seize on the communicative motives of social media and fuse them more directly with transactional ones, as every interaction can be recast as a transaction backed by the blockchain. Content is still tracked with granularized metrics, but these are now deployed to try to directly generate micro-revenue for creators. "Trustless" peer-to-peer systems are meant to move currency, data, and content between users and "nodes" without the meddling of third parties, whether they be large platforms, financial institutions, or advertising firms.

But this hardly does away with virality. With cultural production and communication completely exposed to financialization, Web3 converts virality into speculative volatility and pyramid schemes. Creators hoping to secure more stable incomes from gaming or content creation can become readily done and undone by these unwieldly forces of speculation.

On Web3, global-scale media will be supplanted by many decentralized and disconnected platforms, functioning like micro-empires or digital fiefdoms

In the case of DAOs, or decentralized autonomous organizations — another widely touted Web3 innovation that uses crypto to organize firms — decentralization does not in itself ensure that the organization's opportunities will be distributed openly and equally over time. Since there are no external stakeholders, management teams, or boards of trustees, a DAO can regard itself as self-managing. However, as technologists Vitalik Buterin and Jaron Lanier note in the forward to *Radical Markets* (2018), decentralized collectives tend to disproportionately reward founders and early arrivers, re-creating forms of centralized control and tending toward constituting hierarchies.

Specific protocols for distributing value and opportunities over time would be necessary to correct this, but this would also hamper early adopters' ability to make large returns, thus de-incentivizing projects from the start. For example, NFT-based games like *Axie Infinity*, which allows players to earn crypto, initially showed promise as a way for some players to earn income during the pandemic. But as more players got involved, the cost of joining the game skyrocketed and payouts decreased. The gaming platform depends on recruiting new players to maintain growth, but growth also discourages new players from getting involved. It depends on virality-like mechanisms even as it depletes them. Gamers and content creators looking for fairer or more stable revenue opportunities on Web3 would find themselves still exposed to the cutthroat ups and downs of social media hype and virality-creating mechanisms.

As money pours into NFTs and cryptocurrencies, the appetite for Web3's speculative products continue to gather strength on massive platforms' virality-generating infrastructures. Many vintage memes, from Disaster Girl to Jack Dorsey's first tweet, have turned up as NFTs after years of gathering value on social media. Fanfare and coverage of rising NFT stars have largely come out of existing platforms and centralized news outlets. Pop celebrities such as Grimes and Snoop Dogg have released NFTs that cash in on notoriety and fame produced by centralized entertainment. Most recently, fashion labels, from Nike to Dolce and Gabbana, have released digital accessories to be sold as avatar bling in AR or VR worlds. So far, as mainstream coverage has emphasized, Web3 innovation has mainly manifested as digital luxury chic and boutique collectibles.

By collapsing the communicative motives of social media into the transactional, we risk giving even less importance to the truly social and civic problems that emerge in digital spaces

This complicates any attempt to cleanly divide Web 2.0 from Web3. While news media jumps on NFT mania, as must-have digital collectibles or as way to "accessorize the metaverse," what goes unnoticed is how dependent on social media all this is. What makes something seem like the hottest crypto token or pixelated NFT character is exactly the hype-generating and trend-setting mechanisms that cultures of virality produce.

The rise of virality has meant the corralling or cutting short of alternative forms of public space that are not organized by attention and data extraction. What the digital "community" is left with are industrial-size hyper-marketplaces where users can wander "freely" while platforms sell audience attention and forms of digital real estate. However, these massive enclosures of commercial interests are dogged by very real social and civic problems. Mark Zuckerberg's appeals to "help people connect" and "find communities and grow businesses" using the tools of the metaverse have rung hollow in the wake of Facebook's failure to moderate hate speech and disinformation across global communities.

The decentralized protocols that would be implemented with Web3 bring added layers of complexity to these problems. For example, Mastodon, a decentralized Twitter-like social media platform, has been hit with significant challenges brought by the migration of an alt-right group that includes neo-Nazi extremists to the site. As Mastodon's software is open-source and can be duplicated with a "copy left" license, this means that anyone can build of its code and create a "fork." While the platform has responded by committing to moderation against all forms of racism and hate speech, the node is impossible to shut down because it is decentralized.

Decentralized technologies predicated on self-sovereignty could breed not just outlets for user-owned creative content but protected enclaves for hate speech whose users are even more directly incentivized to generate viral outrage. And with Web3 platforms, you would not be able to haul someone like Zuckerberg in front of a congressional committee to dodge questions about the safety of digital communities. Nor could you deplatform someone like Donald Trump, whose new media company also draws on Mastodon's code. Communities that call themselves Web3 could and have already developed as self-enclosed echo chambers, forming niches of anti-social media without a notion of a larger public or civic responsibility. Stemming the tide of public or pirated information might prove to be expensive and elusive, like having to continuously upgrade a dam against rising and unpredictable waters.

If Web3 were to catch on in the way that its boosters hope, global-scale media will be supplanted by many decentralized and disconnected platforms, functioning like micro-empires or digital fiefdoms. Each would have its own distinct organizational culture reinforced by decentralized protocols and rendered into specific political geographies and micropolitics. These developments could signal a movement toward a “postviral” media, but only at the risk of creating pockets of anti-social media. These may not have viral reach but could evolve and multiply filter bubbles and echo chambers. This would diminish the power of tech giants but would also continue to undermine the ability to hold platforms accountable, not only for producing monopolies and exacerbating inequality but for their tremendous impact on individual, political, and social life. By collapsing the communicative motives of social media into the transactional, we risk giving even less importance to the truly social and civic problems that emerge in digital spaces and communities.

Slapping a Web3 moniker on a digital venture might seem like a promise of winning out in tomorrow’s uncertain markets, yet it has done little to substantively change what exists today

On current social media platforms, the sheer superabundance of content and appearance of media circulating “freely” just barely holds out the illusion that users are communicating and sharing with another, not just engaging in explicit economic transactions or creating value for monopolistic tech companies. Platforms’ dependence on user-generated content has meant rallying around the so-called creator economy, which hopes to forestall the inevitability of user exhaustion. Viral media takes creativity, funds, and time to make but costs almost nothing to digitally reproduce. As social media companies exploit this differential by offloading production costs on users, the reality of slim and diminishing rewards means the rise of burnout.

Adding a crypto-layer to everything is meant to incentivize users and creators at every instance. In doing so, it also converts every digital task or action into a potentially crypto-earning opportunity. Users already weary of venturing deeper into digital marketplaces that have no end may end up incentivized to spend more time offline, where every action is not necessarily a transaction. The pressure to create viral content out of daily life is already entangled with one’s professional, emotional, and financial life. And if that is not enough, you might have to splurge on the avatar version of yourself in the hopes it will go viral too.

Slapping a Web3 moniker on a digital venture might seem like a promise of winning out in tomorrow’s uncertain and unwieldy digital markets, yet it has done little to substantively change what exists today. Perhaps digital markets, both centralized and decentralized, collide around the need to churn the currents of tech backlash into something desirable again. But we should be looking past the hottest new thing or most buzzworthy trend to figure out what that is. For now, viral media is still determining what counts as innovation in the digital sphere.