BLOCKCHAIN RESEARCH INSTITUTE

Newsletter

Hi there,
Welcome to the August 2022 edition of the BRI Newsletter. We hope you find this content useful. As always, if you have any comments or recommendations for content in future editions or would like to contribute content, please let me know: douglas@blockchainresearchinstitute.org

From the editor's desk

Douglas Heintzman, Chief Catalyst, BRI

We had lots of feedback on last month's topic: Web3. Web3 isn't really a disruptive technology that will erode business models by lowering costs, it is a foundational technology. Entirely new business models and configurations will become possible. The idea that the "state" of multiparty transactions, the remembering of preceding events and user interactions, can be maintained by the network itself, as opposed to a collection of private companies, is a very big deal (we will be releasing a research brief on this in the near future).

In the many letters to the editor, we received over the last month, the most common questions and requests for elaboration related to the question of governance. When the state of transactions and related data were owned by private companies, those companies had governance control. When the state is an inherent part of the network, completely new business configurations become possible, and governance becomes decentralized. In a decentralized world, governance can be equated with stewardship, and we need to ask the question: "what is the best way to steward an initiative such that it engages stakeholders who have a shared interest in the stability, functionality, resilience, cost effectiveness, and veracity of the network, the digital systems running on the network, and the value creating ecosystems that form around those systems?" The answer involves collaborating, identifying common interests, and creating incentives to act on them.
As we get closer to Web3 & Blockchain Word, in this issue of the newsletter we are going to take a closer look at decentralized governance.

Topic of the Month:

Governance

Getting Governance Right

The BRI recently published a research brief titled Decentralized Resource Governance (DRG) that summarized a joint research project between the BRI, Boston Consulting Group and Cardano. This very important project examined the thorny issue of how to find the right balance between the ""organized chaos" of products, projects, and commercial migrations with all their diversity and nuance bubbling up within an ecosystem or community, with the "directed efforts" of ecosystem building and proven management, to develop new capabilities, grow the user base, and enter new markets."
In these early days of the ecosystem economy we have, quite expectedly, seen many projects fail including many Distributed Autonomous Organizations (DAOs). The reason that some projects succeed while other fail often comes down to a governance issue. Governance will most assuredly play the central role in the long-term success of any project or ecosystem.

For a project to be successful, the long-term benefits must be realized and distributed fairly, not only between investors and business executives, but also between employees, customers, suppliers, and the communities in which the project operates.

The tokens, made possible by blockchain (see our June newsletter), provide a mechanism to not only move value around an ecosystem and reward or penalize certain behaviors, they also allow for opinions to be expressed and decisions to be made by stakeholders collectively. Most current on-chain governance models allot more power and decision making to the wealthy (those that own and stake the most coins). This is understandable as those people have the most stake in the success or failure of the system. It is not democratic however, and resentments may grow among smaller stakeholders, leading to project failure, if benefits are not equitably distributed.

As the research brief makes clear, the DRG model aims to address this issue and "leverages the features of blockchain technology to increase participation among consortium or community members, align their goals, and cohere their collaboration, thus unleashing the full power of diversity and inclusion of talent and expertise."

So, what is DRG all about? The core principles of DRG are that a project or ecosystem have an overarching vision and strategy, a balanced distribution of power, and operational stability. They should also feature "rapid and relentless innovation coupled with broad and diverse participation as well as robust execution in launching rival technologies, disruptive business models, and all-new areas of application".

The research found that successful governance models should have a project charter, formal treasury management and a facilitation council. It also suggests a modular approach and hybrid of on-chain and off-chain governance mechanisms that incorporates the strengths of each. Finally, the DRM model suggests a system of checks and balances to avoid the concentration of power, a flexible legal structure, and an agile model for continuous evolution.

DRG, well implemented, can result in new sources of funding, better building and scaling of businesses, the effective incorporation of Environmental, Social and Governance performance into decision making (see our May newsletter), and continuous improvement of the sills and competencies of ecosystem participants.

Decentralized Governance Headlines

- Will the Soulbound Tokens be the Future of Decentralized Governance?
- Andreessen Horowitz Leads $20M Funding Round for CreatorDAO
- The Center Will Not Hold: How Decentralization is Reshaping Technology and Governance
- First Binance Soulbound Token BAB Targets KYC user Credentials
- Uniswap DAO Considers Creating Uniswap Foundation
- Web3 Platforms Launch the Open Metaverse Alliance
- Cardano's Founder: Blockchain Can Radically Transform Governance

Announcements

W3B AWARDS
2022 WEB3 & BLOCKCHAIN TRANSFORMATION AWARDS
DEADLINE EXTENSION!
NEW DEADLINE
08.31.2022
www.judgify.me/w3bta2022

Nominations for the 2022 Web3 & Blockchain Transformation Awards (formerly known as the Enterprise Blockchain Awards) have been extended. The Web3 & Blockchain Transformation Awards (W3BTA) recognize the exceptional leaders, researchers, innovators, entrepreneurs, and service providers driving global blockchain transformation.

Individuals and organizations that qualify under the six award categories are encouraged to submit a W3BTA nomination form by August 30, 2022. Finalists will be announced on September 26, 2022, and winners will be recognized at the Blockchain Transformation Awards Gala in Toronto, Canada, on November 8, 2022.

W3B
WEB3 & BLOCKCHAIN WORLD
NOVEMBER 8-9, 2022
TORONTO, CANADA

Web3 & Blockchain World | November 8-9, 2022
The worldwide enterprise leadership community for Web3 & blockchain is convening in Toronto in November. W3B World brings together leading thinkers, builders, and pioneers to accelerate the Web3 & blockchain revolution.

Hyperledger Global Forum is the biggest annual gathering of the global Hyperledger community. It is being held in Dublin Sept. 12-14. You can register here.

The 6th annual Blockchain in Oil and Gas Conference will be held in Houston Sept. 14-15. The conference is exploring the role that blockchain is playing in an evolving industry. BRI's Douglas Heintzman will be keynoting. You can register here.

BRI RESEARCH

New and upcoming research

The Promise of Community-Owned Prediction Markets: Why Decentralized Crypto Networks Are Inevitable and Important to Society

This project examines blockchain-based prediction markets. Global prediction market protocols allow anyone to create a community-owned-and-operated marketplace to bet on the outcomes of future events, such as whether countries will fulfill their climate change commitments on time.

Filecoin and the Future of Decentralized Cloud Storage: Disrupting the Market for Data Storage and Retrieval Services

This project examines Filecoin and decentralized protocols that anyone can download to rent out spare storage space on their computer. An alternative to traditional cloud storage, the Filecoin blockchain-based storage solution leverages a peer-to-peer architecture, creating massively scalable storage capacity without building massive new infrastructure. Instead of entrusting one company to store and protect valuable digital assets and documents in a single jurisdiction, customers can split up and store their assets on different computers around the world.

The Digital Yuan and Cross-Border Payments

Members can get access this case study digs into the Chinese government's approach to the research, development, testing, and launch of its digital yuan. The authors analyze China's digital currency electronic payment in terms of the government's joint venture with SWIFT, its Regional Comprehensive Economic Partnership, and the Belt and Road Initiative and in the context of the Communist Party of China's political and economic goals. They cover the drivers of the technology, the People's Bank of China's careful testing of use cases, and the potential impact on Western businesses and other organizations conducting operations with and within China.

Decentralized Resource Governance
Members can get access to this research brief which summarizes the findings of a substantial research project worked on by two dozen researchers from IO, the Boston Consulting Group, and the Blockchain Research Institute and funded by Input Output (IO).
It proposed a new form of stewardship, called the decentralized resource governance (DRG) model.

A Taxonomy of Digital Assets
Members can get access to to this research brief which lays out a taxonomy of nine digital asset categories, including tokens for exchanges, natural assets, platform governance, and smart contracting protocols.

Read Latest Research

ECOSYSTEM NEWS

- Pinterest for Web3: Project Launches Curation Ecosystem on Avalanche
- Huobi Chief in Talks to Sell $1 Billion Stake in Crypto Exchange
- WISeKey Implementing Post–Quantum Algorithms in its Secure Semiconductors
- PepsiCo Targets Digital Recycling Solutions in bid to Enhance Supply Chain Sustainability
- Decentralized Apps on Polygon hit 37,000, Rocketing 400% this Year
- Gamestar+ Confirms Partnership With Ava Labs and Impending Launch on Avalanche

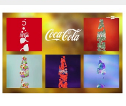
Members and Partners

BOSAGORA announced NHN Cloud Joined its Blockchain Network

Capgemini and Unity to help Organisations Build Metaverse Experiences

LongHash Ventures Launches Its $100 Million Web3 Venture Fund II

Microsoft Gives Grant To Blockchain-Based Web3 Game StarHeroes As Historic Partnership Gets Underway



Coca-Cola Celebrates Friendship Day With Its NFTs On Polygon

Industry Headlines

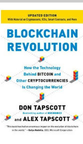
- BlackRock Teams Up With Coinbase in Crypto Market Expansion
- Strike's new Visa Card Allows Payments in Bitcoin
- Samsung Signs MOU to Build Galaxy NFT Ecosystem
- Nepal Prepares to Issue Digital Currency, Drafts Necessary Amendments
- Metaverse Market Share to Surpass $50 Billion by 2026
- Meta Enables Instagram NFT Integration in over 100 Countries

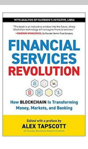
- Reserve Bank of Australia to Pilot Digital Currency, Explore Use Cases
- Maven 11 Launches $30m Loan Pool on Defi Lending Protocol Maple Finance
- OpenSea Introduces New NFT Theft Policy
- Ripple Discloses Interest in Bankrupt Crypto Lender Celsius Network
- Binance and Mastercard Launch Bitcoin Rewards Card in Argentina

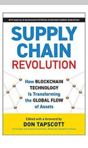
BRI NEWS & INITIATIVES

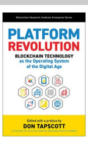
Book Series

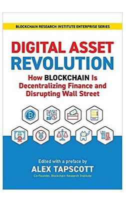
Buy our books on Amazon.com or Amazon.ca










DIGITAL ASSET REVOLUTION
How BLOCKCHAIN Is Decentralizing Finance and Disrupting Wall Street
ALEX TAPSCOTT

Our latest book

Digital Asset Revolution: How Blockchain Is Decentralizing Finance and Disrupting Wall Street

The Hon. J. Christopher Giancarlo, former chairman of the US Commodity Futures Trading Commission, sees the book as "a wake-up call for financial and business leaders everywhere."

Tyler Winklevoss, co-founder and chief executive officer of Gemini Trust Company LLC, calls it "an important book for enterprise leaders to better understand blockchain and how digital assets will change the future of business."
Available on Amazon

Thoughtful Articles

Alex Tapscott published two interesting articles on Fortune.

- The recent crackdown on Tornado Cash sets a dangerous precedent. Here's why it could be the beginning of an all-out 'war on code'
- The crypto crash resembles the Panic of 1907, with Sam Bankman-Fried in the role of J.P. Morgan

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Webinars

The Blockchain Research Institute hosts regular webinars featuring blockchain experts.

New Directions Webinar Series

Watch our webinar series exploring digital policy and strategy in government for the next era of the digital age.

Each webinar in the series discusses a technological theme and how it intersects with government policy, featuring leading experts in blockchain, government policy, digital identity, healthcare, and more.

Check out our past Webinars

Podcasts

Watch out for our upcoming podcast series on all things Web3

In the run up to Web3 & Blockchain World the BRI will be hosting a limited time series on Web3 and its impact in many industries.

BLOCKCHAIN RESEARCH INSTITUTE PRODUCTIONS
WHAT'S ON TAP

Watch the latest episode of Don and Alex Tapscott's weekly podcast "What's on Tap?", now available on Youtube, Apple Podcasts, Spotify, Anchor, Google Podcasts, Pocket Casts, RadioPublic, and Breaker.

Watch the Latest Episode

COURSERA Online Courses

Enrol in our online courses produced in partnership with INSEAD Business School.

Discover how blockchain is transforming business, government, and society with our suite of online courses hosted on COURSERA. Anyone can enroll in our Blockchain Revolution Specialization, which includes four courses taught by Don Tapscott and Alex Tapscott. Produced in partnership with INSEAD Business School, the Blockchain Revolution Specialization covers everything you need to know about the disruption, opportunities, and implications of blockchain across industries and business sectors.

About the Blockchain Research Institute

Navigate, accelerate, and lead the blockchain revolution.

The Blockchain Research Institute is a global think-tank exploring the promise of blockchain technology for business, government, and society. Our syndicated program is funded by an international community of Member organizations, including enterprises, governments, and technology start-ups from around the world.

We're always looking for new organizations to collaborate with, through a number of initiatives.

- BRI Member Program
- BRI Global Partnership Program
- Blockchain Revolution Global conference

For all inquires, please email douglas@blockchainresearchinstitute.org

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