BREAKING DOWN THE HYPE AROUND METAVERSE

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The race between technology companies to build the 'metaverse' has officially started. On October 28, 2021, Facebook Inc. announced that it was restructuring and assuming the corporate name, Meta Platforms Inc., announcing that 'from now on, we're going to be metaverse-first, not Facebook-first'. 'Metaverse' is a broad term encompassing interconnected 3D virtual worlds made possible through advancements in technologies such as augmented reality (AR)/virtual reality (VR), artificial intelligence (AI) and blockchains, originating from Neal Stephenson's 1992 speculative science fiction novel, *Snow Crash*.

Web 3.0 is the name given to the next generation of Internet architecture that will supposedly be free from the centralisation that is a part of today's Web 2.0 Internet systems, which are largely controlled by tech giants such as Google, Facebook and Amazon. Web 3.0 proponents advocate the use of technologies such as blockchains and tokens to create a decentralised Internet for online interaction and online payments, and a hypothetical metaverse run on these platforms could be a good example of what an ideal future digital environment could look like; hence the push for an 'Open Metaverse' by some organisations.

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In an ideal world, the metaverse would be a truly open and inclusive space for empowerment, expression and exploration. However, these are not likely to be the corporation's goals in the world we live in. If the corporation's previous products are anything to go by, the aim is likely to get to the next level of commodification of human interaction, where every single action, down to the tiniest levels, is tracked and surveilled for profits, and designed in a way to maximise data collection and keep the user coming back for more.

Facebook/Meta is not the only company that has been pushing for the idea of the metaverse to become a reality lately; although the branding exercise that has just begun will likely make millions believe so. The chosen name reflects an attempt to associate the idea of the metaverse with one particular corporation and turn it into a household name. Other companies that have similar metaverse-building goals, such as Epic Games, now face a huge disadvantage.

However, the metaverse in the hands of one corporation would surely be detrimental to the entire Web 3.0 decentralisation movement. Competitors are likely to pop up with their own versions of the technology, leading to a number of 'Closed' metaverses, which would basically be the Web 2.0 system all over again. Oligopolies or monopolies in something as revolutionary as the metaverse space is a cause for concern and competition law regulators might have to look into them someday.

What kind of economic systems would exist in Facebook/Meta's metaverse? Interoperability, or the ability to seamlessly transfer data between different virtual worlds is being promised, which allows for rich social and economic possibilities. One phrase that has been regularly coming up is the 'creator economy' that will become a reality in the metaverse thanks to the popularity of NFTs (non-fungible tokens) over the past year. NFTs will allow proof of ownership of digital assets, for example, virtual goods, paintings and memorabilia. However, the most common criticism of NFTs is that they are an attempt to create value and scarcity where there should not be — that they are nothing more than another new avenue for capitalist expansion. The

arguments are that nothing in the virtual world is actually scarce, and any scarcity is actually by design. Artificially created scarcity helps drive profits and money-making. The debate continues. Metaverses have great potential to revolutionise fields such as education and health care, but as long as they are run purely from a profit motive, the benefits would likely be lesser.

Virtual economies might also develop around the customisation of metaverse 'avatars'. Recent whistle-blower revelations have unveiled that the corporation was well aware of the psychological effects Instagram was having on teenagers. One can therefore assume that metaverse 'avatars' will be the new version of showing off glamorous social media profiles — both masking who the person really is behind-the-scenes, perpetuating narcissism, mental health issues and insecurities.

Privacy and security are, of course, significant concerns, and indeed, Facebook/Meta has acknowledged this, declaring its commitment to creating secure platforms. Yet, rampant health and biometric data collection are expected to continue in the metaverse, as real world identities will be more connected to the system than ever before. Data breaches and theft, thus, could prove even costlier. While Web 3.0 systems are supposed to give more power to users over their personal data, it still remains to be seen if corporations such as Facebook/Meta will follow Web 3.0 standards or come up with their own standards in closed corporate metaverses. Cybercrimes could also take on new forms in these new virtual worlds.

Facebook's role in promoting violent and hateful content to drive user engagement has been well documented. If left unregulated, something similar could happen on an even larger scale in immersive virtual worlds, through targeted advertising and propaganda. The corporation cannot be trusted to moderate its platforms properly if it goes against their economic incentives, as has been proven time and time again. Regulators need to step in right from the start when it comes to the metaverse, following a precautionary rather than a permissive approach instead of taking too long and allowing certain problematic and dangerous practices to get entrenched and difficult to deal with. The tussle between lawmakers around the world and Facebook still continues today.

Finally, metaverses will bring up challenging questions of jurisdiction and governance. In the distant future, virtual worlds could even someday grow into alternatives to the nation state itself, as the rise of blockchain-based DAOs (decentralized autonomous organisations) seems to suggest. Big Tech firms already have GDPs higher than several small countries — if they all get to operate full virtual worlds of their own, it could necessitate large-scale rethinking of the very foundations of technology law.

The metaverse, as it is promised, will combine the technologies of cloud computing, big data, advanced AI systems, AR/VR, blockchains, NFTs and much more. Each of these technologies requires tremendous processing power and, consequently, would lead to a great cost in terms of the environment. The level of resource extraction required to run such a huge system smoothly is too gigantic to comprehend. And that is not even taking into account the exploitation of millions of underpaid workers upon which a lot of the critical infrastructure and supply chains of Big Tech depend. This stark reality behind our everyday conveniences is unknown to many, and this could only intensify with a corporate project as huge as the metaverse. Ultimately, a corporation is beholden to its investors and not to the public at large. With the metaverse, possibilities are aplenty. But so are the dangers.

Kaif Siddiqui is an LLM (Law and Technology) student at the West Bengal National University of Juridical Sciences, Kolkata. Shifa Qureshi is a B.A. LL.B (Hons.) student at the Faculty of Law, Aligarh Muslim University, Aligarh

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