# Developments in Web3 for the Creative Industries

## A Research Report for the Australia Council for the Arts

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with contributions from Alana Kushnir, Tim Webster, and Benjamin A. Morgan

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# About the Researchers

**Professor Ellie Rennie**

Ellie is a Professor at RMIT University. Her current research is looking at the social and policy issues arising from automation technologies, including blockchain. She is an ARC Future Fellow, working across RMIT's Blockchain Innovation Hub, the Digital Ethnography Research Centre, and the ARC Centre of Excellence for Automated Decision-Making and Society. Prior to commencing her Future Fellowship, Ellie's research was focused on the topic of digital inclusion. She has written five books.

**Dr Indigo Holcombe-James**

Indigo is a Research Fellow in the ARC Centre of Excellence for Automated Decision-Making and Society at RMIT University. Indigo's research examines digital inequalities and transformation in creative and cultural industries and institutions. She has worked with more than 100 cultural institutions, from remote First Nations art centres to regional community museums, artist-run initiatives, public galleries, and state and national institutions. Her research appears in *Cultural Trends*, *Archival Science*, *Informatics and Telematics*, and the *International Journal of Communication*.

**Alana Kushnir**

Alana is an art lawyer, advisor, and curator based in Melbourne, Australia. In addition to being the Founder and Director of Guest Work Agency and Guest Club, she is the Principal Investigator of the Serpentine's Legal Lab, a space for investigating legal issues and prototyping accessible legal solutions for the arts technologies field. She is also a Board Director of the Australian Centre for Contemporary Art (ACCA), a member of the Art, Cultural Institutions and Heritage Law Committee of the International Bar Association, and a member of the Coalition of Automated Legal Applications (COALA) NFT Licensing Taskforce.

**Tim Webster**

Tim works at the intersection of art, technology, and commerce. He has worked as a filmmaker, artist and art organisation director and has spent the past 10 years working with some well-known tech companies in product and commercial roles. Tim founded Hey Pixels, a lab to experiment and critically think about web3 related technology and how we might use it in our everyday.

**Dr Benjamin A. Morgan**

Ben is a US music business veteran who has worked with international development institutions such as The World Bank and UNICEF. His current research interests intersect creative practice, technology, and media/cultural industries policy. He completed a PhD on Australian music industries and streaming services at RMIT University in 2021.

# Acknowledgements and Contributions

# Disclaimer

The contents of this report, including Part 5, are not legal advice and should not be considered as such.

# Introduction

The cultural and creative industries involve the production, circulation, and consumption of symbolic texts (Hesmondhalgh, 2012). In this domain, aesthetics, historical value, authenticity, and social value coexist with, and sometimes resist, economic value (Throsby, 2001). These industries are also prone to technological disruption, connected to social movements, and reliant on intellectual property (IP). Web3 introduces the ability to move value in a peer-to-peer fashion across the internet. So, what happens when 'the internet of value' meets 'symbolic value' as generated through the cultural and creative industries?

This report identifies how artists, musicians, games designers, and other creative practitioners are pushing the established boundaries of the creative economy using the tools and platforms of web3. We steer clear of aspirational 'use cases' and focus instead on the industrial transformations that have manifested to date, including new ways of manufacturing ownership, rewarding and incentivising fans to sustain creative projects, and the use of web3 for organising and managing collaborative creative endeavours.

We also look at *who* is participating, identifying which segments of the creative industries have led the charge into web3. Creative practitioners whose works were previously considered either too commercial or too digital (i.e., easily replicable) for the arts have found prestige and buyers through web3. Meanwhile, some who have achieved or strived for acclaim within prestige art markets are now beginning to navigate their way into the fraught field of crypto art investors and speculators. We also look at where art, music, and games are occurring inside web3, identifying emerging virtual and physical galleries and art collectives, and how existing arts and culture institutions are responding.

This report asks, "what are Australian artists *doing with* web3?" But we also address the bigger question of "what have artists around the world *done to* web3?" The evidence shows that arts and culture, including games and brands, have transformed web3 by drawing the public's attention to the technology and its use beyond finance. Creative practitioners have made web3 fun for people other than coders. At the same time, they have raised concerns about the social consequences of infrastructures built on financial incentives and drawn attention to the relationship between blockchains and carbon extraction. Through their use of web3, creative practitioners and cultural intermediaries have also pushed legal boundaries (creating 'fun' for lawyers).

We are researchers who study the adoption of new technologies. We undertook a two-staged research program of desk research and empirical data collection that aimed to address the state of the field, including issues of inclusion and exclusion. **Our key message is this: the technology adoption curve could be different this time.** We should not assume a typical bell curve, whereby innovators and early adopters are the first to take it up, followed by the rest of the population.

While web3 might never be for everyone, those creative practitioners who immerse themselves in it will experience radically different capabilities and outcomes. They will need different skills and a willingness to search out fans across a globally networked internet of value. Those who stay away may remain happily unaffected as this doesn't have to replace what is already there. The danger, if anything, is that we will see more polarisation between those who are willing to engage and benefit and those who vehemently resist it. If you are a creative practitioner, this report may help you decide whether web3 is for you.

# References

Hesmondhalgh, D. (2012). *The cultural industries.* Sage Publications.

Throsby, D. (2001). *Economics and culture.* Cambridge University Press.