

# **IM 450-01 Issues in IM: *Blockchain, Cryptocurrency, NFTs***

**Spring 2022**

**Classes 21 & 22—April 12**

**NFTs**

**Which people and what institutions will be most seriously harmed by this new technology?**

**&**

**What sort of people and institutions gain special economic and political power from this new technology?**

# Which people and what institutions will be most seriously harmed by this new technology?

**[the very people they were supposedly helping: artists]**

- “NFTs Weren’t Supposed to End Like This”
  - When we invented non-fungible tokens, we were trying to protect artists. But tech-world opportunism has struck again.
  - For the entire first week of March, our most popular offering each day was a Twitter app that let people block lists of users en masse. The app skyrocketed in popularity because artists were using it to block NFT spammers from hijacking their works and monetizing them as NFTs without permission.
    - <https://www.theatlantic.com/ideas/archive/2021/04/nfts-werent-supposed-end-like/618488/>
- “For most artists, NFTs are a false bill of goods. In the end, they’re a game for the super-wealthy who keep starving artists starving”
  - <https://48hills.org/2022/03/for-most-artists-nfts-are-a-false-bill-of-goods/>

# Which people and what institutions will be most seriously harmed by this new technology?

## artists

- “Think cryptocurrency is bad? NFTs are even worse”
  - NFTs don't even guarantee any money goes to the person who created the work. As it currently stands, there is nothing stopping people from simply tokenising other people's work, claiming it and profiting off it.
- NFTs are not a boon for struggling artists. They are a plague facilitating art theft. Numerous creators are having their content stolen, with artists angrily speaking out and setting their Twitter accounts to private in an attempt to curb the soul-less free-for-all. Unfortunately, right now it feels like building a lean-to in the path of a tsunami.
- "The art community has been so preoccupied with art theft and copyright NFTs, the realization that someone can attach a nude to an NFT is truly horrifying," Palmer tweeted. "Someone can just sell a photo of your body without permission. What the fuck do we do about that?"
- Somehow, NFTs can make even the nightmare of revenge porn more hellish. And there is absolutely no plus side to any of it at all.
  - <https://mashable.com/article/nft-cryptocurrency-bad-environment-ar>

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## Users

- “NBA Top Shot customers can't get their money out. Experts are confounded”
  - here is what an un-regulated, privately operated financial market looks like and why they shouldn't be used or supported until they ARE REGULATED.
  - <https://www.cnn.com/2021/04/27/investing/top-shot-withdrawal-nba-nft/index.html>
- “He tried to cash in on the NFT craze by auctioning a California house. It didn't work”
  - <https://www.ocregister.com/2021/04/27/he-tried-to-cash-in-on-the-nft-craze-by-auctioning-a-california-house-it-didnt-work/>

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## The Environment (everyone)

- “HERE IS THE ARTICLE YOU CAN SEND TO PEOPLE WHEN THEY SAY ‘BUT THE ENVIRONMENTAL ISSUES WITH CRYPTOART WILL BE SOLVED SOON, RIGHT?’”
  - Cryptocurrencies and NFTs are an absolute disaster for so many more reasons than the ecological.
  - <https://everestpipkin.medium.com/but-the-environmental-issues-with-cryptoart-1128ef72e6a3>
  - PS: check out what creative designer with a CLUE about how to display themselves does on their web pages:
    - <https://everest-pipkin.com/>
    - Everest Pipkin is a writer, game developer and software artist . . . They hold a BFA from University of Texas at Austin, an MFA from Carnegie Mellon University, and live and work in southern New Mexico. They have shown and spoken at The Design Museum of London, The Texas Biennial, The XXI Triennale of Milan, The Photographers Gallery of London, Center for Land Use Interpretation, and other spaces.
    - No, your self-presentation does NOT belong on someone else’s platform, though your work might often be displayed in appropriate places. YOU should represent YOU and your values.
    - Everest: *This website was handcoded in html, and has no tracking or analytics.*

# **What sort of people and institutions gain special economic and political power from this new technology?**

## **Rule #1: The House Always Wins (the most)**

- **Basic platform realities:** Although these platforms are **ALSO** risky investments and are **NOT** sure winners, losses (and pain) incurred by platform owners are first passed on to users, then to investors, and finally to owners.
  - Who then often turn around and do it again, this time with more savvy and often with even more \$.
  - Valley/MIT/Seattle/Austin/new tech mantra: Go big, go fast, fail hard.
- **IF/when they succeed, they can be WILDLY profitable.**
- **Disruptive/new tech can open opportunity spaces for entrepreneurs and/or established outfits alike (see the Gartner Hype Cycle)**

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- **“They Made Millions on Luna, Solana and Polygon: Crypto’s Boom Beyond Bitcoin**
  - In this case, \$200,000 down to start. That’s peanuts in the start-up world.
  - How much \$ you got handy?
- **“Crusading for God, Family and ... Bitcoin?”**
  - Particularly appealing to libertarians, anti-government types
  - Political party notwithstanding, people who believe in unsupportable conspiracies based in wild and ignorant claims
    - <https://www.nytimes.com/2022/01/10/opinion/crypto-cryptocurrency-money-conspiracy.html>
- **NFTs Supplant Rolexes and Lambos as the New Digital Savvy ‘Flex’**
  - Isn’t this incredibly cool, aren’t I really hip, and why not make another few million on top of the pile I already have?
  - <https://www.bloomberg.com/news/articles/2021-08-26/nfts-supplant-rolexes-and-lambos-as-the-new-digital-savvy-flex>
- **Why Is Matt Damon Shilling for Crypto?**
  - Because HE CAN, silly
  - <https://www.nytimes.com/2022/02/02/magazine/matt-damon-crypto.html>

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- **Why New York State Is Experiencing a Bitcoin Boom?**
  - “A Bitcoin Boom Fueled by Cheap Power, Empty Plants and Few Rules”: Cryptocurrency miners are flocking to New York’s faded industrial towns, prompting concern over the environmental impact of huge computer farms
    - <https://www.nytimes.com/2021/12/05/nyregion/bitcoin-mining-upstate-new-york.html>
- **“After Chinese Ban, Cryptocurrency Mining Got Worse for Climate”**
  - New research shows that China’s Bitcoin ban has sent the process of creating new coins, known as mining, to countries where it uses far less renewable energy.
  - Including, but not limited to the sovereign state of Texas
    - <https://www.nytimes.com/2022/02/25/climate/bitcoin-china-energy-pollution.html>
- **“Ukraine Wants to Be the Crypto Capital of the World”**
  - Whoops. Sorry. Not a joke. Very bad deal. But they were hoping to better fund their defense industry and build the economy.
    - <https://www.nytimes.com/2021/11/14/business/crypto-ukraine.html>

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- **What To Know About Cryptocurrency and Scams**
  - I know.. Crypto not NFT. But currently, one can only negotiate NFTs with crypto and therein lies a tale (that may well be true)
  - **How To Avoid Cryptocurrency Scams**
    - **One sure sign of a scam is anyone who says you have to pay by cryptocurrency.**
      - Tthat's an interesting observation: if they required its probably a scam.
      - **ALL NFTs, by this definition, are a likely scam**
    - **Buyer beware:**
      - if it sounds too good to be true, it probably is.
      - If you can't find out much about the outfit, it may well be scammy
      - THIS IS ONE OF THE WORST PARTS OF CRYPTOS INSISTING ON BEING ANONYMOUS AND DISRUPTIVE. Makes identifying scammers VERY difficult.
      - <https://consumer.ftc.gov/articles/what-know-about-cryptocurrency-scams#scams>

**NFTs—  
What new problems might be created by solving the  
original problem  
Q&A/comments?**

**15**

**8:00 am**

**Level 3 Material 11**