

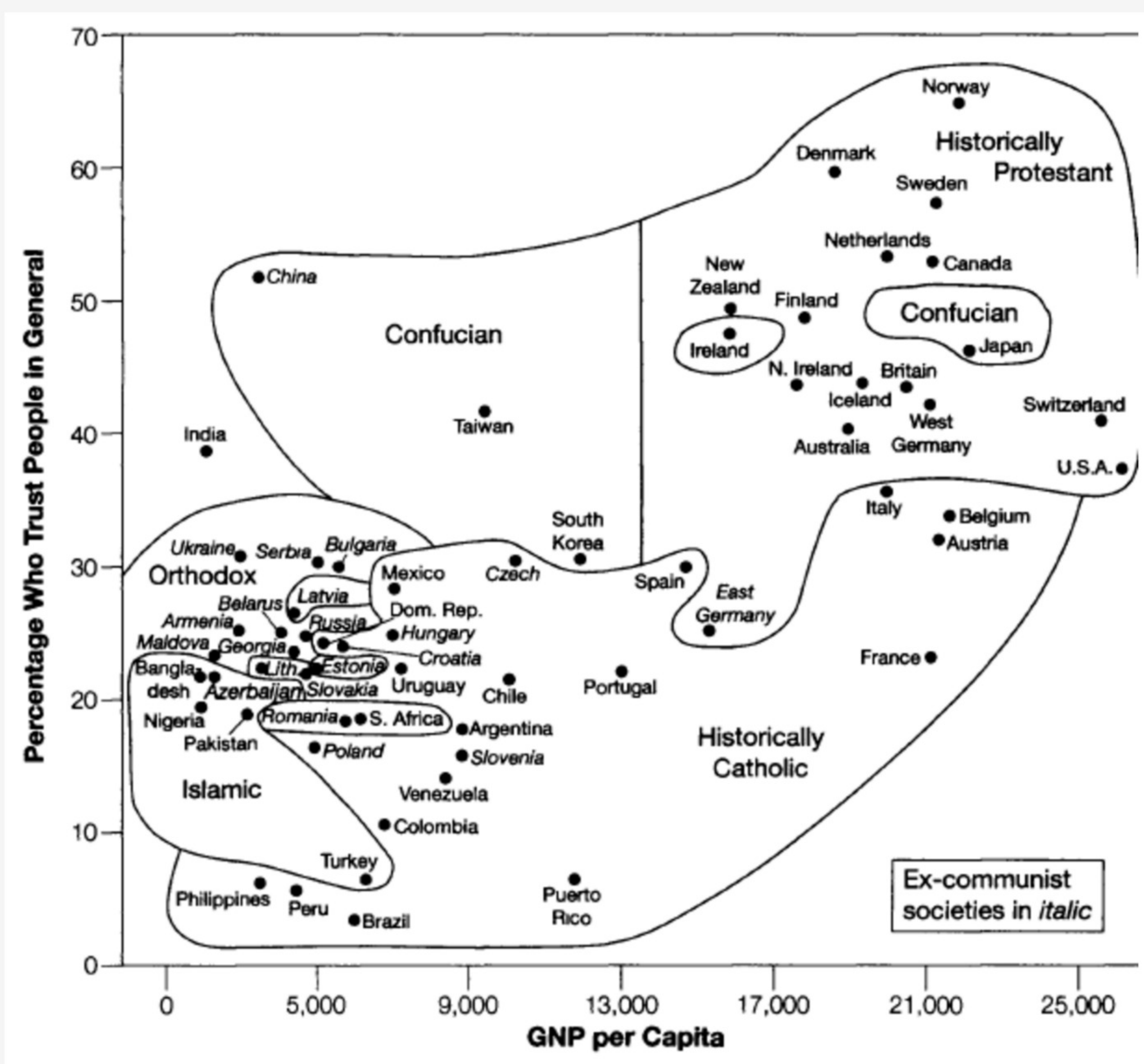


# No Place To Hide

## DISTRIBUTED TRUST NETWORKS CREATE HAPPIER SOCIETIES

For all of human history we have struggled to keep bad actors at bay. We invented social groups like guilds to preserve a common level of quality among producers and practitioners, and created intricate contractual methods to agree up-front how to handle potential future situations. A large proportion of the world's economy is based on ensuring trust between various parties, everything from security guards to litigators.

Given such huge costs of doing business in a sketchy environment, it's not surprising that increased trust directly correlates with GDP. The fewer fears about being cheated, the greater the likelihood of choosing to invest in others, and increased conspicuous consumption due to less fears of being targeted for shakedown.



Until recently, it was very easy to get away with providing shoddy service, since reputation was based almost entirely on word of mouth, a synchronous communication between local. People would generally not bother gossiping about one either, unless one had done something particularly offensive.

Advances in the 90s such as eBay and Amazon's seller and product rating systems, along with Paypal's escrow system, conducted via TLS/SSL, made commerce online feasible for the masses. Today the sharing economy offers another revolutionary leap. When your Uber ride is finished, you not only rate your driver, but your driver also rates you. We see similar bilateral review systems in other sections of the peer-to-peer economy, such as AirbnB.

Yelp may help you to pick a decent restaurant, but it tells you nothing about the people you dine with. Being able to verify the common decency of others means that bad actors have nowhere to hide. Radical transparency is a silver bullet against all deceptions. A well-armed society (in terms of information and awareness) is a highly polite one.

The eventual societal effects of such systems are easy to underestimate. This has the potential to trigger behaviour change across world society within 10 years. You simply won't be able to get away with being a jerk any longer. You will be judged, not only by peers, but by a variety of algorithms that monitor every aspect of your life, from expenditure, to promises kept or broken, and use of language.

Will this make us better people, or simply appear to be better people? The difference probably matters less than it first appears. Behaviour matters vastly more than intention or wicked thoughts, since behaviour is what has an impact upon others.

Can transparency be abused? Potentially. Almost all of us break the law every day, in some way or another, even if to a meaningless degree. Overzealous logging of such infractions could be used as a form of harassment or revenue collection – a swear jar that makes you pay directly for your 'sins', or indirectly in increased expense for services. It could also create a chilling effect, whereby one is punished for the company one keeps, leading to social ostracism from one's peers due to contagious reputation effects.

Today people's lives online are often siloed within their respective spheres of interest and political belief, soon this will have direct economic impact, as we can better specify our commercial interaction preferences beyond price and location. Being able to make such value decisions digitally, on an automatic basis, helps to negate state monopoly rating systems, bringing them back to the peer-to-peer basis upon which they originate.

Advances in computational ethics will soon enable machines to be able to make decisions on our behalf. In fact, we may choose to boycott those who do not share our values by default, never even seeing commerce with that party as an option, as if having blocked them on social media (which can be done en masse if desired).

Indeed, there may be new outlaws created, who are so far beyond the current system of credit and trust that they cannot meaningfully participate in the economic system.

A whole underclass of disenfranchised peoples, many of them exiled virtually to that status as a shortcut for justice in a law and order system that needs no jails to keep people in, merely the ability to remove their ability to buy or sell with anyone, or perhaps to even communicate with others.

Will such a system largely negate the need for states as we know them today? Will some people also get locked out of ever participating economically in the world, through being born to outlaw parents?

Can such tools enable the freest, safest, and most efficient society ever? Can such tools also be used as the ultimate oppression device?

All technology is a dual-edged sword that may be wielded for good and ill. Only the wisdom, kindness, and bravery of good people can make the difference.

To what extent do you consider customer reviews when making purchase decisions?

Never

Rarely

Occasionally

A moderate amount

A great deal

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