

# The Decentralized AI Society

## Mission Statement

The Decentralized AI Society (DAIS) brings together leading players in the decentralized AI ecosystem. It supports the development and adoption of AI products founded on self-sovereign data and identity, digital assets, open-source code, privacy-preserving models, edge computation and security, and decentralized infrastructure. DAIS's mission is to share information, organizational heft and resources to ensure the internet of AI is built by and for the benefit of human beings rather than a few giant data-hogging social media companies.

The broad-based economic integration of artificial intelligence – now being accelerated by large-language models and generative AI interfaces – holds abundant promise for humanity. It portends quantum leaps in medical treatments, food production, energy efficiency, climate science, finance, entertainment, even software engineering itself. Virtually every field of inquiry, endeavor and industry is poised to leapfrog into a new era of innovation and productivity.

Yet there's also a high risk that if the AI economy is dominated by data-aggregation platforms in the model of the Web2 economy, it will foster even greater abuses of privacy, insurmountable economic and political monopolies, and an even deeper polarization and breakdown of society than we've seen the Web2 era. The economic logic of that centralizing business model – founded on mass surveillance, secret proprietary algorithms and mental manipulation – will incentivize its masters to treat both individual and business users as their digital serfs. What's more, the security vulnerabilities in centralized models – from both hacks and human-introduced bugs such as that of the giant CrowdStrike outage – will only grow larger.

Society's choice is clear: either we allow Big Tech's corporate incumbents to put the abusive, insecure Web2 model on steroids, bringing about dystopian AI feudalism, or we decentralize AI to empower people to turn this technology into an instrument for advancing human wellbeing.

The good news is that the history of the internet shows that open systems eventually win out over closed systems. Whatever organizational and engineering efficiencies are offered by centralization, they will ultimately be overwhelmed by the innovation advantage that stems from gaining access to the widest possible pools of knowledge, information and intelligence.

However, this happy outcome is not achieved easily and won't just happen on its own. Open, decentralized systems must first resolve challenges of trust and consensus, security, scalability and ease of use. With the AI arms race well underway, the DeAI and crypto industries must now accelerate its work in solving those problems. The interests of humanity demand it.

This is why we are calling on leading crypto protocols and providers, DeAI pioneers, and all who ascribe to these principles to join forces under the DAIS umbrella. If this nascent industry is to defeat its well-capitalized, centralized competitors, its participants must collaborate in areas of common interest. Together, we greatly boost our chances of winning this vitally important battle.

## The DAIS Value Proposition

DAIS functions as an information clearing house, event host, and collective action body to help developers of different components in the DeAI technology stack coordinate around shared core objectives while retaining their individual capacity to compete for market share. The Society embraces an open, transparent governance model where community representatives set goals, work priorities and resource allocations to best serve the many areas of common interest.

### Focus of Work

Notwithstanding the primacy of that governance model for setting future priorities, DAIS's founding team has identified four areas of focus in which it foresees DAIS adding value. Each pillar addresses a specific set of challenges that DeAI must address if it is to succeed.

#### 1. Engineering

The prevailing wisdom within the centralized AI industry is that network latency, coordination challenges and the high cost of hardware mean that decentralized compute, machine learning and data ownership models will always be more inefficient than centralized, siloed approaches to AI development. The flaw in this viewpoint is that their assumptions are based on an existing paradigm in which the training algorithms and learning models are designed to work with concentrated clusters of expensive, high-powered GPUs. There is nothing that sets that model in stone. Many in the DeAI community are already working on outside-the-box approaches that intend to enable developers of decentralized machine learning and inference models to run them on distributed networks of more commoditized, lower-cost devices. Accelerating this work is vital if DeAI is to win on its economics as well as on moral grounds.

With initiatives such as sponsoring a major prize for researchers to design efficient models for decentralized machine learning and to overcome other pressing challenges, DAIS can help crypto innovators overcome the speed, latency, scaling, security and coordination hurdles that decentralized models face. A collaborative, coordinated effort across the DeAI technology stack will unlock a core crypto advantage: permissionless, low-friction development via open-source, composable software.

#### 2. Capital for Entrepreneurship

The funding numbers quoted for the AI revolution are staggering. OpenAI founder Sam Altman is seeking up to \$7 trillion - more than the GDP of all but two nations – to accelerate chip manufacturing for the industry. In less than two years, the market cap for Nvidia, the leading GPU producer, has increased 11-fold to over \$3 trillion, a measure of the expected future demand for AI compute.

These figures quantify the AI arms race. If DeAI is to win, the industry must attract large portions of such funding. That job will be easier if it can make formidable progress on the engineering challenge laid out above, because a more efficient computation and data-sourcing system will lower the cost of capital. Meanwhile, innovative tokenized funding approaches such as Morpheus.AI's model built on interoperable staking yields will help drive inflows from crypto sources and rapidly deploy them to startups and developers. But DeAI projects must still appeal to traditional funding sources from venture capital, private equity and hedge funds.

To help the DeAI industry propagate and develop, DAIS can boost its capacity to attract the vast amounts of capital needed to keep up with centralized players. Three possibilities:

- Funding and operationalizing a DAIS accelerator
- Promoting innovative DeFi solutions for capital-raising
- Fostering an internal economy for members to cost-effectively pay for each other's services.

### 3. Policy

The centralized AI industry has scared policymakers into making some rash decisions. With the "Pause" letter of March 2023, that industry's representatives used warnings of apocalyptic consequences if artificial general intelligence (AGI) develops without oversight to call for a pause in R&D. In doing so, these incumbents set themselves up for regulatory capture. If they define the standards by which governments set rules for AI development, these players will entrench their monopolies with a costly compliance moat that underfunded newcomers will struggle to cross. Since then, the European Union's AI Act and the Biden Administration's Executive Order on AI in the United States have established high bars for developers of AI systems on reporting, registering and meeting other compliance goals, all of which imposes costly barriers to entry on DeAI protocols and startups. Some fear that open-source AI software is being treated as a potential weapon for defense policy, impinging on people's right to code.

DAIS will be a forum for legal experts and developers to lobby for legislation that establishes developers' rights and removes unreasonable barriers to the DeAI industry's capacity to compete. DAIS's founding team has established relationships with influential policymakers, with whom it can work to draft rules that support token-based finance and provide sandboxes and safe-harbor protections giving startups a fighting chance.

### 4. Outreach and Promotion

Decentralized AI will have failed if it stays within the narrow confines of the crypto industry. The industry must build bridges to the non-crypto world, including mainstream corporations, non-profits, governments and universities. There is a need for education and promoting awareness of the positive potential for edge computation and data ownership, for preserving the privacy of businesses and individual users of AI, for running decentralized computation and storage infrastructure and for models built on open-source, composable code.

Led by a team with strong ties to traditional media and a reputation for trusted information and outreach, DAIS can spearhead the outreach, generating content and staging events that encourage mainstream companies and institutions to join DAIS and invest in DeAI solutions.

## **Activities and Outputs**

The precise program of activities and deliverables will be determined in concert with member representatives. However, the founding team perceives opportunities to develop services in the following categories as DAIS's funding grows:

1. Events. Tapping the founding team's deep experience in events, DAIS and its partners will host premium symposiums, meetups and conferences at times and places around the world where the industry gathers. There will be an emphasis initially on intimate, high-powered gatherings that foster deep connection, collaboration and problem-solving. Larger, more inclusive events are further out in the roadmap.
2. Working Committees: DAIS members will be invited to form committees and working groups to focus on core areas of interest.
3. Reports. With the founding team's deep media experience, DAIS will establish a research and content-generation arm whose reports provide valuable insights to members and help educate and attract institutions outside of the organization.
4. Shared data lake. DAIS has an opportunity to develop and operate a shared data lake drawn from members' inputs that's built on privacy-preserving, confidential computing technology. With AI-driven analysis, it can generate proprietary insights for members into ecosystem-wide network activity, market trends and user preferences.
5. Accelerator program. With funding from members and other sources, DAIS could establish an accelerator program for startups building on DeAI infrastructure. It's an opportunity to drive capital into the sector and to attract a pipeline of early-stage projects that use the tokens and technologies of DAIS's varied members as they access different layers of the DeAI stack.
6. Innovation prize: With shared funding, DAIS can sponsor competitions with major prize money to incentivize researchers to solve for some of the biggest technological challenges facing the DeAI industry.
7. Shared professional services. There is potentially common interest in DAIS being a conduit for low-cost legal help, public relations, tax accounting and other professional services for members.
8. Security services. DAIS has an opportunity to coordinate audits and bug bounties to test the integrity of members' codebases in the common interest of optimizing security for all

## **Membership and Dues**

DAIS membership status and dues – payable in crypto tokens, stablecoins or fiat – will be based on tiers, with a phased invitation process.

### Tier 1/Phase 1: Founding members

- Targeted at cross-section of established crypto and DeAI providers and protocols
- Full access to member services
- As early, premium-rate members, founders play a leading role shaping the organization's goals and governance
- Prominent logo and name placement on DAIS website and media assets

### Tier 2/Phase 2: Associate members

- Open invitation
- Available for all established crypto projects, non-crypto companies, VCs, financial institutions, law firms, non-profits
- Full access to member services

### Tier 3/Phase 3: Startup members

- Reserved for early-stage projects
- Limited, reduced-rate access to member services

## **Governance and Treasury Management**

The precise organizational structure of DAIS is to be determined by the founding members. However, contributors can be assured of a system of full transparency, regular reporting and, to the maximum degree possible, on-chain record-keeping.

*Note: The founding team aspires to create an innovative tokenized governance and funding model, with contributions flowing from staking yields derived from members' tokens locked on their own chains. In concert with such an initiative, the team foresees converting the existing and future DAIS treasury into a native DAIS token with cross-chain interoperability to encourage an internal economy that drives activity back to members' blockchain networks. This future project would be initiated in consultation and coordination with the DAIS membership.*

## **Founding Team**

### **Michael Casey**

Media executive, journalist, podcaster, author, public speaker, researcher and advisor. Michael's work in media and education has focused on the opportunities and challenges arising at the intersection of digital technology and society. He has held senior roles at The Wall Street Journal, MIT Media Lab and, most recently, as Chief Content Officer at CoinDesk, where he built up an awarding newsroom and chaired the annual Consensus annual conference..

### **James Haft**

Serial entrepreneur specializing in AI, Web3, and distributed ledger technologies. At PALcapital, James architected transformative businesses and liquidity strategies for the decentralized economy. As co-founder of CryptoMondays, now in over 70 cities, he champions the power of decentralized tech to democratize data and build self-sovereign communities.

### **Alexa Karp**

Growth and marketing executive with over six years of experience in the crypto industry. Alexa has held leadership roles at various protocols including Lumerin, Metaplex, Synesis One, and ICHI. She is the former co-founder of a PR agency dedicated to helping grow crypto startups. Before entering the crypto space, she worked in finance and real estate in NYC.