



## OPPORTUNITY #30

What if decentralised autonomous organisations (DAOs) became a force for positive change?

# DAOs FOR SOCIAL GOOD



Advanced connectivity and digital realities enable globally minded individuals and communities around the world to collaborate and exchange knowledge, data and services and become partners in DAOs focused on specific global social issues or challenges.

### MEGATREND

Borderless World— Fluid Economies

### TRENDS

Advanced Connectivity  
Community-based Solutions  
Digital Communities  
Distributed Ledger Technologies (DLT)

### SECTORS AFFECTED

Communication Technologies & Systems  
Consumer Goods, Services & Retail  
Cyber & Information Security  
Data Science, AI & Machine Learning  
Education  
Financial Services & Investment  
Health & Healthcare  
Immersive Technologies  
Insurance & Reinsurance  
Media & Entertainment  
Travel & Tourism  
Government Services  
Professional Services

---

## WHY IT MATTERS TODAY

There has been a rise in online communities over the past few years,<sup>546</sup> – a trend that accelerated during the pandemic.<sup>547</sup> People are finding a sense of community and discovering new ways to express their identity and their views within online groups,<sup>548</sup> sometimes even anonymously.<sup>549</sup>

Over 12 trillion hours were spent online in 2021 with close to 5 billion internet users (63% of the population) and 4.6 billion active social media users (58% of the population).<sup>550</sup> In 2022, Facebook had just under 3 billion users and YouTube trails behind at 2.5 billion users followed by 2 billion users on WhatsApp.<sup>551</sup> With greater demand for feeds that match real life and with connection central to social media use across Gen Z, Millennials, Gen X and Baby Boomer generations, a sense of community is important.<sup>552</sup>

Online communities are also important for business. Around three-quarters of internet users use social media to find more information on brands,<sup>553</sup> and community programmes that created or enhanced their use of online communities helped bring 74% more visibility to their programmes and 62% greater engagement.<sup>554</sup>

Online gaming is a multi-billion-dollar industry that is also based on building communities. The global market for cloud gaming was valued at \$1.5 billion in 2021 and projected to grow at a compound annual growth rate of 43% by 2028, when it is expected to reach \$12.6 billion.<sup>555</sup>

In the Middle East, Egypt was the most active country on Facebook in 2021, with 44 million users, compared to 13 million users in Saudi Arabia and 7.7 million in the United Arab Emirates.<sup>556</sup> On Instagram, Saudi Arabia had 15 million users, compared to 14 million in Egypt and 4.7 million in the United Arab Emirates.<sup>557</sup>

Both a form of organisation and a system, a DAO is an emerging approach to decentralisation that is meant to provide greater transparency, agility and efficiency.<sup>558</sup> Since the first known DAO formed in 2016,<sup>559</sup> and despite risks in cybersecurity, governance and legal liability,<sup>560</sup> the number of DAOs more than doubled throughout 2022; from 4,228 in early 2022<sup>561</sup> to 10,904 in early 2023 and close to \$11 billion in total assets.<sup>562</sup> The largest DAO in assets (\$2.6 billion) was Uniswap and the largest DAO in number of token holders (1.3 million) is Polkadot.<sup>563</sup> However, only 293 DAOs have one or more tokenholders, 231 DAOs have 10 or more token holders, and 167 DAOs have 1,000 or more token holders with the remainder having none.<sup>564</sup> PancakeSwap is the top DAO by both the number of proposals (3,900) and the number of active votes (659,300).<sup>565</sup>



---

## THE OPPORTUNITY

Digital communities with international reach have the tools and access to data and information to make a concerted effort to address global challenges. With advanced computing power, organisational tasks and governance structures can be automated and run by machine intelligence, enabling the set-up of DAOs that can act as a new form of social business, going beyond profits to undertake global challenges.

With these advantages, motivated groups of like-minded individuals will be able to take and support action, drawing on their collective expertise, skills and finances. Communities will be able to use the tools offered by DAOs<sup>566</sup> to assess their plans and targeted outcomes, improve their effectiveness through community-led planning, and identify and engage with decision-makers and actors of influence. These communities will be able to expand their focus from legacy areas, such as the environment, to more hands-on issues such as access to education or health-care, or even scientific research or technological innovation.

---

## BENEFITS

New thinking and innovation from the mobilisation of pan-community action. Influence of communities on behavioural change and on raising awareness and funding. Through technology, ability of communities to deliver outcomes, not just ideas, and pioneer new forms of income generation.

## RISKS

Misuse and exploitation of DAOs to intentionally or unintentionally cause harm. Global legal gaps resulting in unclear liability and accountability. Exposure of community-based systems to increased cybersecurity risks.



The number of DAOs more than **doubled** throughout 2022; from

**4,228**

in early 2022 to

**10,904**

in early 2023 and close to

**\$11  
BILLION**

in total assets