

Web3 Is Predicted to Be the Next Iteration of The Internet

TechRounder PDF Edition

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By Vipin PG | Published April 2, 2023 | Updated January 28, 2025 | Format: Article | 5 min read

In brief

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Web3, also called Web 3.0, is poised to be the next (and better) Internet iteration. Computer scientist Gavin Wood, who coined the term in 2014, firmly believes that decentralization technologies are the only hope of preserving liberal democracy, laying out his vision of the future. The question now is: What's wrong with the current Web? The Internet is controlled by the likes of Amazon, which are more dominant than Google and own most of the Web's infrastructure. If something were to happen with one of these services, the Web would suddenly become unavailable to many people. Decentralization is of the essence when it comes to guaranteeing that the Internet remains a public resource available to everyone.

Why Is Web3 Called Web3?

The first version of the Internet, launched in 1983, was called Web1. The global network, which offered the potential for digital communication and information-sharing, comprised static Web pages connected by hyperlinks. Next came Web2, which describes the current state of the Internet, with more user-generated content and usability for end-users. We've witnessed the rise of e-commerce platforms and social media sites known as walled gardens. Tech companies are embedded into every aspect of our lives, causing a mindset shift from "just because" to "trust because." There's a tech clash caused by the tension between consumer expectations, technology models, and business ambitions. It's estimated that Web3 will become widespread in a few years. Web3 is an alternative vision of the Internet built on blockchain technology and artificial intelligence, marked by decentralization. Many argue it will provide users with improved data security, scalability, and privacy. For developers and tech enthusiasts eager to explore this revolutionary shift, you should learn Web3.js, a powerful JavaScript library that simplifies interacting with the blockchain, making it easier to help the potential of Web3. However, even if people leverage free services and centralized data, they're seriously questioning the influence of large technology companies and whether their control over data is inappropriate. In Web3, information would be stored in Solid Pods, in other words, personal data stores that enable the sharing and discovery of data in a way that preserves privacy.

Web3 Is Built on Blockchains That Are Immutable & Have No Central Authority

Web3 takes advantage of emerging technologies such as blockchain, the Internet of Things, artificial intelligence, and augmented and virtual reality as part of its technology stack. First, let's focus on blockchain technology for a few moments. A blockchain is an incorruptible digital ledger maintained across numerous computers linked in a peer-to-peer network. The ordered records, i.e., the blocks, are connected using cryptography; a hash identifies each block within the network. Blockchain technology is mostly associated with Ethereum. It can be used to build decentralized applications (dApps) accessible via conventional browsers like Chrome or Firefox and communicate using smart contracts. Each person interacting with a dApp will need a wallet and Ethereum. You can check the ETH price chart before making any purchase. Blockchain technology provides transparency, enabling parties to trade confidently without an intermediary. Data is available anytime because the blockchain is open-source software, so it's difficult, if not impossible, to cheat the network. Since there's no authority to control the code or how it's edited, anyone can suggest changes or upgrades to the system. In addition, blockchain technology guarantees security through cryptography, preventing a third party from accessing and gaining knowledge about the data. Cryptocurrency holders use private keys to ascertain they're the owners of the funds; a private key is just like a password, meaning it's a string of letters and numbers. Last but not least, blockchain technology allows the creation of non-fungible tokens (NFTs) to exchange value equitably. Real estate property, paintings, company shares, and virtually anything can be tokenized on the distributed ledger. Since the ownership of the assets is secured on the blockchain, users can buy, sell, and trade NFTs without the need for middlemen. In addition, social media sites now have built-in NFT verification systems, so users can use their cryptocurrency wallets to prove ownership or use the NFTs as their profile pictures. NFT domains, also called Web3 domains, are available from the Ethereum Name Service; they're launched as smart contracts on the public blockchain.

Decentralized Autonomous Organizations Are a Staple of Web3

Decentralized autonomous organizations, DAOs for short, are entities with no central leadership, leveraging blockchain technology to automate some aspects, such as voting and transactions. They're agreed-upon smart contracts that use data, machines, and algorithms to make decisions in various contexts. Users with tokens decide how the resources should be spent, and the code automatically performs the outcome. DAOs have the potential to disrupt traditional business models by providing greater ownership and decision-making opportunities, allowing for greater collaboration and cooperation among members. They can share resources, knowledge, and skills in a way that benefits everyone. Web3 projects are open-source and require global participation to evolve and grow. To get more people into Web3 roles, you must support a sense of belonging that you can use in the community. DAOs offer the right incentives for collaboration among multiple people, increasing collective traction and, most importantly, leading to better decisions. By merging decentralization and ecosystem building, DAOs might well become the core building blocks of Web3. Anyone can become part of a DAO if they purchase its native currency during the funding phase of the project. The best way to create a DAO is through an established platform like Aragon.

Wrapping It Up

There's no denying that Web3 brings about many benefits, but attention must be paid to the fact that many limitations must be overcome. For instance, Sign-In with Ethereum, which enables users to control their digital identity, is available for everyone to use, yet the cost of transactions is still prohibitive to many. In addition, one of the barriers to adoption is the technical know-how. Users must grasp security concerns, technical documentation, and unintuitive user interfaces. Efforts are made to solve this, but more progress is needed. At any rate, Web3 is on the way, so soon enough, we'll have a decentralized version of the Internet. Until then, we'll operate in the Web2 world.

References

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