

8 Billion People and the Avatar Economy: A New Space Where "Ordinary People" are Transformed

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The Sandbox, which aims to be a full-fledged metaverse, allows you to create and sell characters and vehicles

The Earth now has over eight billion people living on it. It's a big number, but the rate of increase is slowing as populations age, and competition is intensifying for talent.

If we want to maintain the vitality of society and seek sustainable economic growth, it is important to have an environment in which each individual can develop and demonstrate their abilities. It is for this reason that the metaverse must not be ignored.

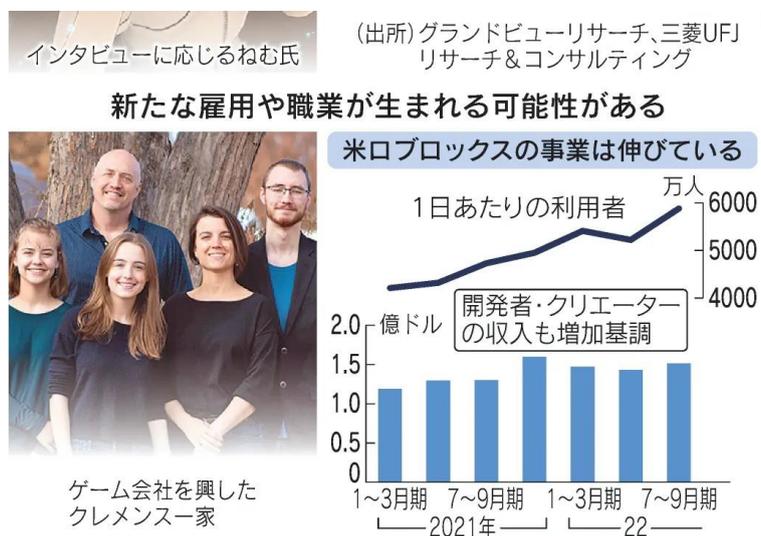
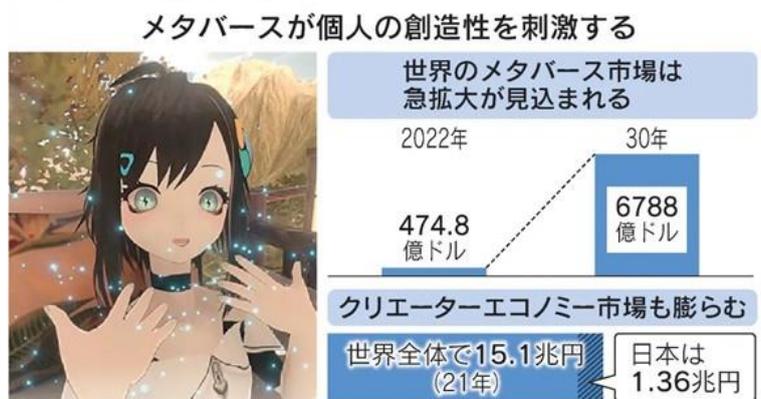
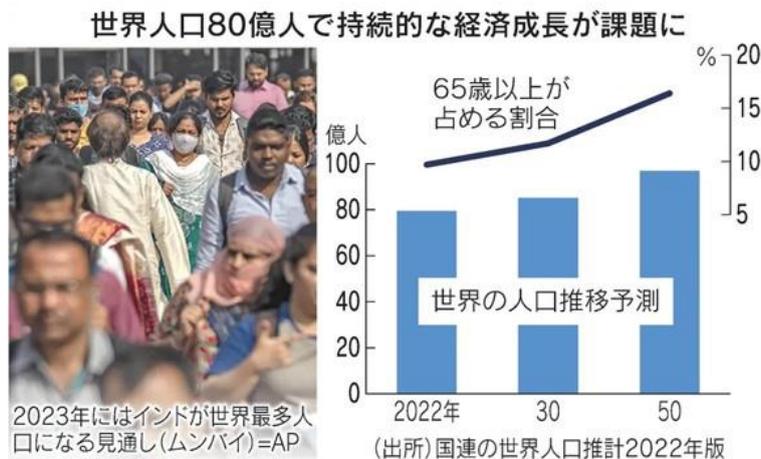
■ Multiple economic entities in a single human being

Let's talk about what actual people in the metaverse think. We spoke to Nemu, a virtual model who started VTubing in 2017.

She spends most of her time in her avatar (alter ego) form while wearing a virtual reality (VR) headset. She is active in a great range of areas, including organizing music events and publishing books, and has been invited to government and United Nations meetings as an expert on metaverse culture.

One night, we met for a 90-minute interview. Her facial expressions were rich and her body language was natural. During the day, she is an ordinary office worker, but this was an entirely different kind of

presence.



This is how Nemu sees the world: In this age where simple tasks are automated, humans have no choice but to become creators. Avatars and metaverses are effective in helping us get to that point, allowing us to freely change our face, gender, and age, and to bring out our most creative selves. "You can create a number of economic entities within a single person. That's what's revolutionary."

In the metaverse, you don't need special talent, like singing or dancing. You could simply exist as a conversation partner in your avatar form.

■ Trends in the creator economy

The shift toward people demonstrating their capabilities as creators has become a worldwide movement. The Japanese domestic market for the creator economy, in which people earn compensation for their special skills and favorite activities, such as creating videos, text, and illustrations, and selling goods and skills, is expected to exceed 10 trillion yen by 2034, more than seven times the scale in 2021.

By 2026, one in four people will spend at least an hour a day in the metaverse to work, learn or socialize, according to an estimate conducted by Gartner. Thus, we may see more opportunities to move around in three-dimensional space and discover talents we didn't even know we had. Given that, an aging population of 8 billion people is not necessarily a constraint on growth.

There are other paths besides economic behavior as an avatar. Of them is the job of creating metaverse environments.

The online gaming platform Roblox boasts nearly 60 million people a day in the United States. In addition to enjoying the game as avatars, players can earn money by creating games and items. During the July-September period of 2022, the amount of money earned was \$151.5 million (about 21 billion yen), a 17% increase from the same period of the previous year.

■ A family who started a business with a game

For example, the Clemens family of five from Colorado in the United States founded the gaming company Simple Games in 2019. The family's business had once been renovating and selling old houses. The eldest son, Nathan, aged 21, had experience in CAD (computer-aided design), but the family did not have any expertise in terms of game-developing.

Four of them were trained within Roblox, and then developed 20 games. The company has grown to include eight people from outside the family, and is now their main source of income.

"Almost all the creators of Roblox are ordinary people like us. It's not easy, but it's possible if you try," Nathan said during an online interview. His father, Jeff, added: "The architectural, interior and landscape design skills I've accumulated in the renovation business are coming to life in the metaverse."

This is an especially important point not to be missed; real-world experience and knowledge can be of considerable use in building a metaverse that allows for diverse human endeavors.

■ The virtual space as a forum for career development

This wave is crashing onto Japan's shores as well. The Sandbox is an affiliate of a Hong Kong gaming company and seeks to build and operate a full-fledged metaverse.

The characters, buildings, and vehicles used here are non-fungible tokens (NFTs) that can be created and sold by the creators.

There are two Japanese people who have become creators and employees of the company under the names Ben Matthew and Master Tom, respectively. They are former employees from a toy planning and development company, and the design skills they honed there have come in handy in The Sandbox.



The Sandbox team members Master Tom (left) and Ben Matthew (right), who also have served as instructors for creator training

"With an economic sphere, you can have all sorts of occupations, all sorts of jobs," Ben said. Like an architect, fashion designer or tour conductor of the most famous places in this virtual space. This could lead to a shift in workplaces from the real world to the metaverse.

The flow of talent is not only about this. "People with day jobs as radiology technicians and real estate appraisers are also creating in the metaverse," says Master Tom. The number of people who see the new space as a place to develop their careers is growing, and when Digital Hollywood (Chiyoda Ward, Tokyo), an IT human resources development company, held a course to train sandbox creators this autumn, 128 people, mostly in their 20s and 30s, have participated in the program, with a ratio of six men to four women.

■ Challenges in full-fledged economic activity

Of course, there are many challenges. To realize a metaverse in which everyone can play to their fullest, a mighty information technology (IT) infrastructure is necessary, as is the interconnection of services. A GAFA-like approach, in which a single company maintains the right to determine operating rules, is not a viable option here.

According to Nemu, there is no safe and easy way to exchange money in the Metaverse. Many people use the method of sending online gift certificates by email, but this does not easily lend to great economic development. Even avatars that are disconnected from their real selves need a system that allows them to be trusted if their activities are appropriate and sincere.

The Metaverse stands at a crossroads of the requirements of the times, not only in terms of global aging and human resource shortages, but also in terms of the pursuit of authentic wellbeing and acceptance of diverse values. The metaverse's population is expanding and growing every day. What is happening where and what kind of problems are being faced? Perhaps we now need avatar journalists who can answer these questions.