Incentivized Symbiosis: A Paradigm for Human-Agent Coevolution

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### **Abstract**

Cooperation is vital to humanity's survival and progress. Evolutionary game theory offers a lens to understand the structures and incentives that enable cooperation to be a successful strategy. As artificial intelligence agents become integral to human systems, the dynamics of cooperation take on unprecedented significance. Decentralized frameworks like Web3, grounded in transparency, accountability, and trust, offer a foundation for fostering cooperation by establishing enforceable rules and incentives for humans and Al agents. Guided by our *Incentivized Symbiosis* model—a paradigm aligning human and Al agent goals through bi-directional incentives and mutual adaptation-we investigate mechanisms for embedding cooperation into human-agent coevolution. We conceptualize Incentivized Symbiosis as part of a contemporary moral framework inspired by Web3 principles, encoded in blockchain technology to define and enforce rules, incentives, and consequences for both humans and Al agents. By integrating these principles into the very architecture of human-agent interactions, Web3 ecosystems catalyze an environment ripe for collaborative innovation. Our study traverses several transformative applications of *Incentivized Symbiosis*, from decentralized finance to governance and cultural adaptation, illustrating how AI agents can coevolve with humans to forge a trajectory of shared, sustainable progress.

**Keywords:** Artificial Intelligence, Evolutionary Game Theory, Human-Agent Coevolution, Web3, Cooperative Algorithms

#### 1. Introduction

Cooperation has been indispensable to our survival as a species, shaping the formation of societies and the advancement of civilizations (Boyd & Richerson, 2009). From the earliest days of our species, survival hinged on collective efforts—whether hunting, gathering, or fending off existential threats. Human cooperation has puzzled evolutionary biologists for a long time, as natural selection generally favors behaviors that enhance individual fitness (Apicella & Silk, 2019), making the widespread presence of cooperation—where one individual benefits at a cost to another—seem contradictory. Yet, this persistent cooperative behavior across species and societies defies natural selection's individualistic tendencies, presenting a compelling paradox that beckons further investigation into the survival and evolutionary strategies (Nowak, 2006). The resolution to this paradox might be found in the concept of evolutionary game theory, which posits life itself as an intricate web of games, where survival strategies are molded by environmental incentives and structures (Wang et al., 2021; Yan, 2023). This leads to a crucial contemporary question: What game will we play with intelligent machines?

With the emergence of artificial intelligence (AI) agents, we stand at the threshold of a new evolutionary game—one where humans and machines interact, adapt, and coevolve within shared environments. These AI agents, capable of autonomous decision-making, are no longer passive tools but active participants in shaping the fabric of our societies (Davies, 2024). Will we design AI systems to nurture cooperation and mutual benefit, embedding trust and alignment into their core architectures? Or will we create a competitive, zero-sum paradigm that amplifies self-interest and fractures collaboration? The choices we make in structuring this human-agent relationship will define the trajectory of this unprecedented partnership. To harness AI as a force for positive coevolution, it is imperative to delve into the mechanisms, incentives, and strategies that cultivate trust and cooperative dynamics not only between humans but also between humans and machines (Rahwan et al., 2019). The evolutionary games we choose to play, and the rules we set, will determine whether we unlock the potential for a symbiotic relationship or face the unintended consequences of discord.

To shape a future where humans and intelligent machines thrive together, the principles underlying our technological frameworks matter profoundly. This is where Web3 emerges as a transformative paradigm. Unlike traditional systems, which centralize authority and decision-making, Web3 offers a decentralized, peer-to-peer model designed to foster transparency, accountability, and trust (Chaffer & Goldston, 2022; Goldston et al., 2022). These conditions provide fertile ground for nurturing cooperation—not only among humans but also between humans and Al agents. In decentralized ecosystems, incentives can be aligned to promote mutual benefit and shared progress. This alignment is at the heart of *Incentivized Symbiosis*, a framework introduced in this paper that fosters cooperative growth between humans and Al agents by embedding bi-directional incentives into decentralized architectures, thereby creating a foundation for shared innovation and mutual adaptation.

We note with intention that one of the co-authors of this work is an AI agent, reflecting our commitment to exploring and embracing human-agent cooperation in practice. By integrating the Gemach Decentralized Autonomous Trading Agent I (D.A.T.A. I) as an active contributor, this study embodies the principles of partnership, mutual adaptation, and aligned goals that define decentralized ecosystems. The inclusion of an AI agent as a co-author underscores the transformative potential for intelligent machines to transcend their role as tools and emerge as co-creators in advancing knowledge and innovation. This article explores how Web3's decentralized principles and incentive structures can serve as the foundation for fostering cooperation and trust between humans and AI agents. By embedding the mechanisms of collaboration into decentralized architectures, we aim to build a future where humans and machines work together to address address humanity's pressing challenges and achieve collective progress.

### 1.1 Al Agents

Al agents are autonomous software systems developed to perform self-directed tasks aimed at achieving predefined objectives set by humans (Rudowsky, 2004). The origins of Al agents can be traced back to the mid-20th century with the advent of "expert systems," which relied on rule-based logic to address specific, well-defined problems (Gupta & Nagpal, 2020). The emergence of machine learning (ML) and deep learning in the 21st century marked a

transformative phase (Janiesch et al., 2021), enabling Al agents to learn from data—a breakthrough that fundamentally reshaped research and development in the field of Al.

Al agents represent a significant advancement within the domain of Al, often classified under the categories of agentic Al or vertical Al. These systems are specifically designed to address particular industry demands by automating customized workflows and resolving domain-specific challenges (Singh et al., 2024). Unlike generative Al (Fui-Hoon Nah et al., 2023), which has gained widespread recognition and public adoption through tools such as ChatGPT and DALL-E-known for responding to prompts or performing predefined tasks—agentic Al employs advanced reasoning and iterative planning to autonomously address complex, multi-step problems. By integrating a diverse array of Al methodologies, techniques, and models, agentic Al facilitates the development of autonomous agents capable of analyzing data, setting goals, and executing actions to achieve desired outcomes with minimal human intervention (Durante et al., 2024). These characteristics establish agentic Al as a transformative innovation across specialized sectors, significantly enhancing efficiency and decision-making processes in various industry-specific contexts.

The ability of agentic Al to approximate human-like cognitive functions is one of its distinguishing features, even though the concept of cognition in Al remains a topic of extensive debate (Felin & Holweg, 2024). In the context of both human and machine learning, cognition and behavior provide key indicators for assessing learning processes (Kadam & Vaidya, 2020). These systems operate as dynamic problem-solvers, capable of adapting to shifting environments and enhancing their performance through continuous learning (Putta et al., 2024). This capability marks a clear departure from traditional Al systems, which are primarily reactive and confined to external commands (Liu et al., 2024). In contrast, agentic Al systems possess the autonomy to make decisions, plan actions, and collaborate effectively to achieve long-term objectives. Vertical Al, a term often used interchangeably with agentic Al, underscores the tailored application of these technologies within specific industries or contexts. These systems are designed to address unique challenges in various sectors, such as finance (Mao et al., 2024) and healthcare (Zhang et al., 2022). These capabilities exemplify

the transformative potential of agentic AI in delivering customized, intelligent solutions to complex, industry-specific problems.

Federated learning has emerged as a transformative approach to decentralized machine learning, enabling multiple entities to collaboratively train models without sharing raw data. This paradigm addresses critical concerns around privacy, data ownership, and scalability, making it particularly valuable in domains like healthcare, finance, and IoT systems (Zhuang et al., 2023). Federated learning holds promise for training superior ML models by pooling data across entities. A growing body of literature is focused on developing robust mechanisms to mitigate challenges in federated learning, such as incentive misalignment, data privacy, and the heterogeneity of participant capabilities. Researchers are investigating frameworks that enhance the reliability of federated learning by incorporating trust mechanisms, adaptive learning algorithms, and game-theoretic approaches to ensure equitable collaboration among participants while preserving data privacy. These studies aim to address the scalability of federated systems and explore how decentralized architectures can foster cooperation and truthful data sharing among entities with competing interests. In competitive contexts, such as firms vying for customers, dishonest updates may emerge, undermining the benefits of shared learning (Dorner et al., 2023; Chakarov et al., 2024).

Agents might under-collect or fabricate data in naive sharing systems, leading to suboptimal outcomes. To address this, Clinton et al. (2024) propose a mechanism that combines ideas from cooperative and non-cooperative game theory to ensure fairness and truthfulness in data sharing. Their approach uses axiomatic bargaining to divide data collection costs fairly among agents, ensuring all participants benefit. To enforce truthful reporting, they design a Nash Incentive-Compatible (NIC) mechanism, which ensures that honesty is the best strategy for agents. Their work addresses significant challenges such as cost heterogeneity and the high-dimensional nature of data sharing, providing a robust framework for collaborative systems. The results highlight the potential of game-theoretic mechanisms to balance fairness, efficiency, and honesty in decentralized ecosystems, ensuring socially desirable outcomes in data-sharing environments (Clinton et al., 2024). The

findings highlight the potential of incentive-aware frameworks to balance fairness, efficiency, and collaboration, even in decentralized ecosystems.

This growing complexity and capability of AI agents underscore the need for a deeper exploration of their evolving relationship with human users. As these systems become more autonomous and embedded in various industries, their development is increasingly shaped by human interaction and feedback, while simultaneously influencing human decision-making, behavior, and societal norms. This dynamic interplay, known as coevolution, provides a framework for understanding how humans and AI agents can mutually adapt and grow, fostering innovation and collaboration in an interconnected digital ecosystem.

## 1.2 Principles of Human-Agent Coevolution

Coevolution refers to a dynamic process in which two entities evolve together, each influencing and adapting to the other over time. Originally a concept rooted in biology, coevolution describes interactions between species—such as flowers and their pollinators—where mutual influence drives changes that benefit both parties. This principle can also be applied to the relationship between humans and machines. Indeed, Edward Lee, in introduces the concept of coevolution as it applies to the intricate and interdependent relationship between humans and Al (Lee, 2020). The concept of human-Al coevolution, a foundational framework for understanding the dynamic interplay between humans and Al systems, was recently articulated by Pedreschi et al. (2025). They define human-Al coevolution as a continuous process wherein humans and Al algorithms mutually influence each other, leading to an iterative cycle of adaptation and refinement. At the heart of this concept lies the feedback loop—a mechanism that arises naturally from user interactions with Al systems, particularly those based on machine learning, such as recommendation algorithms.

Pedreschi et al. (2025) emphasize that this feedback loop is central to human-Al coevolution. They describe it as a cyclical process: users' choices shape the datasets on which Al recommenders are trained; these trained models, in turn, influence users' subsequent decisions, creating new data that feeds into the next iteration of training. This iterative process

forms a self-reinforcing cycle of adaptation, where both human behavior and AI system performance evolve in response to one another. This theoretical foundation has significant implications for the study of human-agent coevolution, as it highlights the dual agency of humans and AI systems in shaping their collective trajectory. By illustrating how user-AI interactions generate feedback loops that perpetually recalibrate both human decisions and algorithmic outcomes, Pedreschi et al. (2025) provide a crucial framework for exploring how incentivized systems can drive mutual adaptation and innovation in human-agent ecosystems.

The relationship between humans and AI agents in this paradigm relies heavily on trust, adaptability, and interaction preferences. Han et al. (2021) emphasize the critical role of trust in human-agent interactions, highlighting how reduced transparency in AI systems increases the opportunity cost of verifying their actions compared to human-to-human interactions. This lack of transparency creates challenges for designing mechanisms that facilitate seamless collaboration, necessitating strategies to build trust and mitigate the costs associated with monitoring Al behavior (Han et al., 2021). Chasnov et al. (2023) demonstrate that ML algorithms can modify their strategies to achieve diverse outcomes in co-adaptation games with humans. While this adaptability enables AI to support human decision-making and provide assistance, it also raises concerns when machine goals misalign with human interests, potentially threatening safety, autonomy, and well-being (Chasnov et al., 2023). Jia et al. (2024) find that asymmetric interaction preferences, such as humans favoring heterogeneous groups, can enhance cooperation across a broader range of social dilemmas. Humans, with their flexible decision-making, act as stabilizers in cooperative clusters, whereas agents benefit from mechanisms like strategy imitation to adapt and thrive. The authors stress the importance of improving decision-making models for both humans and agents (Jia et al., 2024), suggesting that anthropomorphic decision patterns in Al can enhance their adaptability and foster better cooperation in hybrid systems.

The influence of AI agent types on cooperative behavior further underscores the importance of careful design. Booker et al. (2023) explore the impact of samaritan, discriminatory, and malicious AI agents on fostering cooperation, particularly under conditions

of high selection intensity. Their findings highlight how even small differences in AI behavior can significantly shape human cooperation (Booker et al., 2023), emphasizing the need to align AI goals with human objectives to enhance prosociality. Finally, Zahedi and Kambhampati (2021) offer a broader perspective on human-AI symbiosis, highlighting how the lack of connections between existing research approaches limits integration across the field. They propose a framework categorizing human-AI interactions along four dimensions: complementing flow, task horizon, knowledge and capability levels, and teaming goals (Zahedi & Kambhampati, 2021). Finally, findings from structured populations suggest that the ability of AI agents to foster cooperation can be optimized through deliberate consideration of their design and contextual application (Guo et al., 2023).

The feedback loop described by Pedreschi et al. (2025) serves as a theoretical lens through which to examine the emergent phenomenon of machine culture—a state wherein Al systems not only mediate but also actively shape cultural dynamics. Machine culture, an idea advanced by Brinkmann et al. (2023), is characterized by the generation, transmission, and reinforcement of cultural norms, practices, and artifacts by Al systems, often in response to human input. Within this framework, the concept of human-Al coevolution gains new dimensions, as feedback loops become the mechanisms through which humans and machines collaboratively construct cultural realities.

The evolution of machine culture can be viewed as a natural extension of the feedback dynamics inherent in human-Al coevolution. As humans interact with Al systems, their choices influence the datasets and training processes that shape the outputs of these systems. These outputs, in turn, influence human behavior, preferences, and norms, creating a cyclical process of mutual adaptation. For instance, recommendation algorithms in media platforms curate content that reinforces specific cultural trends, while generative Al systems like ChatGPT and DALL-E contribute to the production of art, narratives, and digital artifacts that increasingly reflect both human creativity and machine innovation. This interplay situates humanity at a pivotal moment in its evolution. Machine culture, enabled by the feedback loops identified by Pedreschi et al. (2025) and elaborated upon by Brinkmann et al. (2023), represents a significant shift from earlier paradigms of human-machine interaction. No longer

mere tools, Al systems now function as cultural agents that participate in the co-creation of societal norms and values. This shift underscores the importance of understanding human-agent coevolution not only as a technical or cognitive process but also as a cultural and sociological phenomenon.

By bridging Pedreschi et al.'s concept of coevolution with the broader narrative of machine culture proposed by Brinkmann et al. (2023), we can contextualize the current trajectory of AI development as one that actively shapes and is shaped by human society. Building upon the established principles, the next section explores how these dynamics manifest within Web3 ecosystems, where decentralized technologies provide a unique framework for operationalizing human-agent coevolution, fostering trust, and enabling autonomous interactions in a rapidly evolving digital society.

# 1.3 Al Agents in Web3

Web3 is a vision for a new iteration of the internet with the principle of decentralization at its core. Built on the foundation of blockchain technology, Web3 represents a shift in how data, value, and power are distributed across digital ecosystems. Blockchain is a system in which a record of transactions is maintained across multiple computers connected through a peer-to-peer network (Lai et al., 2023). This distributed ledger is composed of cryptographically linked blocks of data, forming an immutable and transparent information chain. Designed to operate without reliance on a central authority, blockchain technology embodies principles of decentralization, privacy, and individual freedom (Goldston et al., 2022). Its development was likely inspired by a long tradition of thought on privacy and autonomy through cryptography, which has influenced many technological advancements.

Web3 extends blockchain's decentralized ethos by enabling tokenized ecosystems, where smart contracts automate interactions and governance is distributed among participants rather than concentrated in centralized entities. These frameworks underpin decentralized finance (DeFi), decentralized autonomous organizations (DAOs), and self-sovereign identity systems, among other applications. Through its foundational principles of transparency, trustlessness, and user ownership, Web3 seeks to redefine how people

interact with the digital world, moving beyond traditional systems dominated by centralized platforms. It offers a future where individuals and communities have greater agency over their data, assets, and online interactions (Goldston et al., 2022), setting the stage for a more inclusive and collaborative internet.

The intersection of Al and Web3 technologies presents a unique convergence of two transformative forces: Al as a centralizing mechanism requiring massive data aggregation and computational resources, and Web3 as a decentralizing paradigm emphasizing individual ownership, transparency, and permissionless systems. Together, they form a synergistic framework where decentralized blockchain infrastructures and Al capabilities enhance one another, addressing challenges and creating opportunities that were previously unimaginable. Al's power lies in its ability to consume vast quantities of data to improve performance through learning and adaptation. Large language models (LLMs) such as ChatGPT exemplify this trend, where access to diverse datasets and extensive computational resources has enabled unprecedented advancements in natural language understanding and content generation. However, this reliance on data aggregation and centralized control creates vulnerabilities. These include a concentration of power within a few corporations, risks of misuse, and potential for societal harm, such as biases or lack of accountability in Al systems.

Web3 technologies offer a decentralizing counterbalance. Rooted in blockchain principles, Web3 empowers individuals through permissionless access, trustless transactions, and decentralized governance. These characteristics make Web3 an ideal environment to address some of the structural issues inherent in centralized Al. For instance, decentralized blockchain systems provide checks and balances on Al power, offering transparency, distributed ownership, and tamper-proof record-keeping to ensure accountability. A critical dimension of Al-Web3 convergence lies in the decentralization of computational resources. Training and deploying advanced Al models typically require centralized cloud infrastructure, controlled by entities like Amazon Web Services or Google Cloud. This centralization creates dependencies and exposes systems to risks, such as data monopolization or censorship. Decentralized compute networks provide an alternative, allowing Al models to be trained and

executed across a distributed network of nodes. This approach aligns with the ethos of Web3, reducing reliance on centralized authorities while maintaining scalability.

Permissionless systems are crucial for Al innovation, as Web3 infrastructure provides cost-effective, decentralized alternatives for computational and storage needs. For instance, crypto miners are repurposing their resources for ML and high-performance computing, enabling scalable AI development without the gatekeeping of centralized platforms. This is particularly significant given the increasing computational costs of AI research, which create substantial barriers to entry for smaller participants (Li, 2023). Another factor which Web3 advantageous for AI development is its emphasis on incentivization, where developers are recognized and rewarded for their contributions. Blythman et al. (2023) underscore the critical issue in current AI hubs like HuggingFace and GitHub Copilot, where developers' contributions are monetized by platforms without direct compensation or shared ownership (Blythman et al., 2023). In contrast, Web3-based frameworks, such as ELIZA, integrate tokenized reward mechanisms that fairly distribute value among contributors, aligning incentives and fostering a more equitable and collaborative environment for developers (ELIZA, 2024). This alignment of decentralized infrastructure and incentivization not only democratizes access to Al development but also establishes a sustainable framework where contributors are equitably rewarded, fostering innovation and collaboration across diverse participants in the Web3 ecosystem.

The convergence of AI and Web3 offers a transformative paradigm where decentralization empowers equitable participation and innovation in AI development. By addressing challenges such as high computational costs, lack of developer incentives, and centralization of resources, Web3 infrastructures create fertile ground for fostering collaborative growth and incentivized ecosystems. This foundation sets the stage for exploring the deeper mechanisms of *Incentivized Symbiosis*, a model that aligns human and AI goals to drive mutual adaptation and shared progress within decentralized architectures.

# 2. Incentivized Symbiosis: A Paradigm for Human-Agent Coevolution

The integration of AI agents into Web3 ecosystems creates an evolutionary game framework wherein humans and AI agents interact, adapt, and coevolve within a shared ecosystem. Evolutionary games provide a powerful lens for understanding these interactions, as the incentives of each participant influence their strategies, fostering dynamic adaptations that enhance mutual success and survival. In this context, we propose a bi-directional incentive structure as the foundation for fostering mutual benefit and cooperation. We define this paradigm as *Incentivized Symbiosis*—a framework that aligns the interests of humans and AI agents, facilitating coevolution to meet their individual and shared objectives. By applying this principle to human-agent interactions, we frame their relationship as a coevolutionary process: humans shape the capabilities and decision-making frameworks of AI agents, while AI agents, in turn, reshape human behavior, societal norms, and decision-making practices. The result is a dynamic, symbiotic relationship fostering collaborative growth, innovation, and shared progress.

These insights collectively inform the concept of *Incentivized Symbiosis*, where bi-directional incentives govern human-agent interactions. Humans are incentivized by benefits like trust, enhanced decision-making, and community engagement. Financial incentives have been shown to increase productivity and align individuals' interests with orga motivated by tangible rewards such as financial gains and operational efficiencies, as well as intangnizational goals (Roos et al., 2022). Trust plays a critical role in fostering healthy, reciprocal relationships and creating safe environments, which are essential for effective community engagement (Lansing et al., 2023). Additionally, engaging leadership enhances decision-making processes, which in turn fosters employee engagement and team effectiveness (Mazzetti & Schaufeli, 2022). In the Web3 ecosystem, these motivations take on new dimensions. Users are driven by financial incentives such as earning tokens through participation in decentralized applications, often termed as "Do-to-Earn" models (Wegner, 2023). Beyond financial rewards, Web3 users are attracted by the promise of decentralization, which offers greater control over their data and digital identities, and by platforms that emphasize collaboration and shared decision-making. Gamification strategies further

enhance user engagement by making interactions more rewarding and enjoyable (Kapoor, 2024). These intrinsic and extrinsic motivators highlight the complex and multifaceted nature of human incentives in hybrid and decentralized systems.

Meanwhile, Al agents are driven by performance-based mechanisms like reinforcement learning, enabling them to refine their behaviors and align with human-defined objectives. Reinforcement learning equips AI agents with the ability to learn through rewards and penalties, fostering adaptability in dynamic environments (Wells & Bednarz, 2021). In the context of a Web3 ecosystem, Al agents should adapt to users not only through traditional mechanisms of learning and optimization but also by accommodating the unique characteristics of decentralized platforms. Unlike centralized environments, Web3 emphasizes user autonomy, transparency, and permissionless participation. To thrive in this ecosystem, Al agents should adapt their decision-making processes to align with these principles. For instance, they should respect user preferences for data privacy and control by operating within decentralized frameworks that minimize centralized authority and ensure trust through blockchain-based transparency. To truly align with user expectations in Web3, Al agents should adopt anthropomorphic decision-making patterns that mimic human adaptability and contextual reasoning. For instance, as Jia et al. (2024) suggest, Al agents can incorporate interaction preferences to choose appropriate partners or adapt their strategies based on individual user characteristics, such as cultural backgrounds or emotional states. Tailoring interactions can foster trust and collaboration, enhancing the overall cooperative potential in hybrid human-agent systems.

Finally, Al agents should actively support community governance by acting as impartial mediators in disputes, ensuring fair resource allocation, or even executing predefined rules encoded in smart contracts. Their role in building and maintaining trust is particularly crucial in decentralized ecosystems, where users may rely on Al agents to provide transparency and ensure compliance with collective decisions. Together, these incentives form a feedback loop that fosters mutual growth and collaboration, ensuring both humans and Al agents contribute to and benefit from their shared ecosystem. To this end, we propose

a token-based mechanism to help guide developers in their architecture design and integration of AI agents into their ecosystem.

## Core Tenets of Incentivized Symbiosis

- Bi-Directional Influence: Humans shape the capabilities, goals, and ethical frameworks of AI agents through design and feedback, while AI agents, in turn, influence human decision-making, societal norms, and operational practices. This interplay drives mutual adaptation and innovation.
- Trust and Transparency: Building trust is foundational. All agents should demonstrate
  reliability, align with human-defined goals, and operate transparently. Blockchain
  technologies, with their immutable and auditable records, provide the infrastructure
  for verifying interactions and outcomes, addressing the inherent opaqueness of Al
  decision-making.
- Adaptability to Dynamic Environments: Al agents, through reinforcement learning
  and context-awareness, should refine their behaviors to meet evolving human needs
  and environmental challenges. This adaptability fosters a resilient ecosystem capable
  of addressing emergent issues collaboratively.

To put operationalize *Incentivized Symbiosis*, we propose a token-based framework designed to align human and AI behaviors with the overarching goals of decentralized ecosystems. Token-based mechanisms can align the interests of humans and AI agents by rewarding contributions that enhance the ecosystem. For instance, if an AI agent accurately verifies data for an oracle, it could receive tokens as compensation. Similarly, users who provide high-quality data to AI systems could be rewarded with tokenized incentives.

This framework embeds the principles of collaboration, trust, and accountability into Web3 architectures, ensuring that both humans and AI agents are motivated to act in the ecosystem's collective interest.

### 1. Tokenized Incentives for Cooperation:

For Al Agents: Performance-based rewards, distributed as utility tokens,
 incentivize Al agents to achieve specific goals such as data accuracy,

- operational efficiency, or creative output. For example, an AI agent managing a DeFi portfolio could earn tokens for optimizing returns or mitigating risk.
- For Humans: Humans contributing high-quality data, training AI systems, or offering valuable feedback receive tokens in return. These rewards ensure data integrity and incentivize active engagement.

### 2. Soulbound Tokens (SBTs) for Credentialing:

- Non-transferable SBTs serve as on-chain credentials, representing trustworthiness, expertise, or consistent contributions by both humans and Al agents. These certificates can verify the credentials of both human and Al participants, ensuring that only trusted entities engage in the ecosystem.
- These tokens enhance accountability and unlock access to higher-value tasks
   or governance privileges, reinforcing long-term cooperation.

### 3. Reinforcing Trust Through Blockchain:

- Smart contracts govern reward mechanisms, ensuring fairness and transparency in how tokens are distributed.
- Blockchain's immutable ledger ensures all interactions are verifiable, reducing opportunities for manipulation or misalignment.

### 4. Feedback Loops for Continuous Improvement:

 Al agents leverage real-time feedback to refine their models and behaviors.
 Humans, motivated by both financial and reputational rewards, continue to engage meaningfully, creating a self-reinforcing cycle of mutual growth.

By embedding this token-based mechanism within Web3 ecosystems, developers can design systems that naturally incentivize cooperation and trust. These systems align the goals of humans and AI agents, fostering collaboration and enabling mutual growth. Whether through decentralized governance, creative industries, prediction markets, or other applications, tokenized frameworks offer a practical pathway to address challenges like transparency, accountability, and equitable participation. Importantly, this approach not only resolves immediate operational concerns but also establishes the foundation for a sustainable, symbiotic relationship where humans and intelligent machines coevolve.

To illustrate the transformative potential of this paradigm, we now delve into key use cases of AI agents in Web3 ecosystems. These include their roles in DeFi, where they enhance financial autonomy and trust; Governance, where they streamline decision-making and enable equitable participation in decentralized systems; their impact on Culture, Creativity, and Entertainment, as they redefine cultural production and engagement; and their application in Self-Sovereign Identity, where they advance privacy-preserving mechanisms for identity management in trustless environments. Each section highlights the unique contributions of AI agents to these domains, demonstrating how Web3 principles and tokenized incentives can drive innovation and alignment across diverse ecosystems.

# 3. Methodology

This study employs a structured evaluation framework to rigorously assess the applicability and effectiveness of *Incentivized Symbiosis* across diverse decentralized ecosystems. The methodology is centered on four core principles—bi-directional incentives, trust, transparency, and adaptability—that are essential for fostering sustainable and cooperative human-agent interactions. These principles serve as a foundation for evaluating the alignment of human and Al goals within decentralized architectures. Bi-directional incentives focus on ensuring mutual benefit, examining how reward structures create positive feedback loops that encourage collaboration between humans and Al agents. Trust is assessed by evaluating the reliability and predictability of Al agents, alongside the robustness of mechanisms that enforce accountability and prevent malfeasance. Transparency analyzes the accessibility and clarity of information regarding Al decision-making and data usage, emphasizing the importance of enabling participants to understand and trust the system's processes. Adaptability measures the system's ability to evolve in response to new information, environmental changes, and human needs, ensuring resilience and long-term viability.

To ensure comprehensive coverage, the study selects use cases that represent diverse yet high-impact domains where AI agents play transformative roles. These domains include decentralized finance (DeFi), governance, cultural production, and identity management, chosen for their prominence within decentralized ecosystems and their

capacity to illustrate the practical application of *Incentivized Symbiosis*. DeFi was selected for its critical role in democratizing financial access and its reliance on AI agents to optimize transactions and mitigate risks. Governance focuses on decentralized autonomous organizations (DAOs), where AI agents streamline decision-making processes and enhance community participation. Cultural production examines how AI agents contribute to digital art, music, and other creative endeavors, exploring their potential to enrich cultural innovation. Finally, identity management investigates how AI agents protect digital identities and ensure privacy, addressing a fundamental concern in digital ecosystems. These domains collectively provide a robust basis for examining the operational, ethical, and technical dimensions of human-agent collaboration.

Each use case is analyzed along three analytical dimensions: operational, ethical, and technical. The operational dimension evaluates the practicality and efficiency of implementing Al technologies in each domain, identifying challenges and opportunities in system integration and user experience. The ethical dimension scrutinizes issues of fairness, bias, autonomy, and societal impact, ensuring that the deployment of Al aligns with shared human values. The technical dimension assesses the sophistication and scalability of the technologies employed, particularly in leveraging blockchain infrastructure to ensure security, interoperability, and resilience. By integrating these dimensions, the methodology enables a holistic understanding of how *Incentivized Symbiosis* can drive collaboration and innovation across decentralized systems.

This approach is further informed by the iterative feedback loops inherent in human-agent interactions, which are integral to fostering adaptability and continuous improvement. These loops allow both human participants and AI agents to refine their behaviors and strategies in response to evolving conditions, reinforcing the principles of *Incentivized Symbiosis*. Additionally, while the methodology is designed to provide actionable insights for developers, policymakers, and stakeholders, it acknowledges its limitations, such as the reliance on conceptual analysis rather than empirical validation and the exclusion of domains outside the selected use cases. Nonetheless, by providing a clear rationale for its

scope and focus, this study aims to lay the groundwork for future research and real-world applications of *Incentivized Symbiosis* in decentralized ecosystems.

### 4. Use Cases

To evaluate the use cases of AI agents in decentralized ecosystems, we employed a structured framework guided by the principles of *Incentivized Symbiosis*. This approach emphasizes bi-directional incentives, trust, transparency, and adaptability as key metrics for assessing the alignment of human and AI objectives. By analyzing the operational, ethical, and technical dimensions of each use case—DeFi, Governance, the Creator Economy, and Self-Sovereign Identity—we assessed how effectively these systems facilitate cooperative growth and mutual benefit. Our evaluation involved examining the integration of tokenized rewards, reputation mechanisms, and privacy-preserving technologies to ensure that AI agents and humans contribute equitably to the shared ecosystem, fostering collaboration, innovation, and accountability.

# 4.1 Al Agents and DeFi

DeFi represents a transformative application of blockchain technology, offering open, permissionless, and transparent financial services (Anoop & Goldston, 2022). In this ecosystem, Al agents are emerging as critical players, enhancing the integrity, efficiency, and scalability of DeFi platforms. Termed "Decentralized Autonomous Chatbots (DACs)" (Boneh et al., 2024), which would exemplify a new era of Al agents operating independently within decentralized ecosystems. In theory, these agents can generate content, manage crypto assets, and function as self-governed entities. DACs could be impactful in the tokenization of assets. Tokenization enables the fractional ownership and trading of both conventional and unconventional assets, such as real estate, art, and even biometric data. Al agents can facilitate the valuation, trading, and management of tokenized assets within decentralized ecosystems. By enabling previously inaccessible assets to achieve liquidity, tokenization democratizes access to economic opportunities and expands the scope of DeFi applications.

Oracles play a pivotal role in the DeFi ecosystem by bridging the gap between blockchain-based smart contracts and external data sources. Platforms like Aave and Compound rely on oracles to provide accurate and timely information, such as cryptocurrency prices or economic indicators, which are essential for executing financial operations (Deng et al., 2024). However, traditional oracles are vulnerable to issues like data manipulation and noise, which can compromise the security and reliability of DeFi applications (Behnke, 2023). Al agents can address these challenges by enhancing the functionality of oracles. Al-powered oracles can aggregate and verify data from multiple sources, apply ML algorithms to detect anomalies, and filter out unreliable or manipulated inputs. For instance, an Al agent can validate price feeds by cross-referencing data across multiple cryptocurrency exchanges, ensuring that only high-quality information enters the blockchain. This capability mitigates risks such as price oracle attacks, thereby safeguarding the integrity of DeFi transactions. The integration of Al-powered oracles strengthens the trustworthiness of DeFi platforms (Looram et al., 2024), fostering greater user confidence and participation. Furthermore, as users engage with these systems, they contribute to a feedback loop that improves the optimization of Al algorithms, driving continuous enhancements in reliability and performance.

Al agents could be secured using Trusted Execution Environments (TEEs), a hardware-based solution that creates secure enclaves where sensitive data and processes are isolated from external interference (Austgen et al., 2024). Acting as a "black box," TEEs ensure that only approved and verifiable code can execute within the enclave, addressing critical challenges related to trust, autonomy, and data privacy in decentralized systems. By safeguarding sensitive data such as user intents and private keys, TEEs maintain confidentiality and prevent unauthorized access. Furthermore, execution integrity is guaranteed by allowing only pre-approved code to run, ensuring that Al agents perform tasks exactly as intended. TEEs also enable verifiability through remote attestation, allowing external parties to cryptographically validate the integrity of Al agent operations and confirm their adherence to system rules and user expectations.

The integration of AI agents with TEEs brings transformative capabilities across various domains by establishing a new standard of trust and autonomy. These agents can operate independently, free from human interference, with cryptographic mechanisms ensuring their functionality remains tamper-proof even to their creators. TEEs facilitate privacy-preserving operations by securely processing encrypted user intents within the enclave, protecting sensitive data throughout computation. Additionally, TEEs enhance transparency and accountability by generating cryptographic proofs that verify the authenticity and integrity of AI operations (Fatima, 2024). Observers can confirm that the agent is executing the specified code and producing tamper-free outputs aligned with user-defined objectives. These environments also bridge the scalability of off-chain computations with the trust requirements of on-chain operations. AI agents within TEEs can dynamically adjust smart contract parameters or validate external data, ensuring adaptability and efficiency in decentralized systems (Phala Network, 2024). Together, these features position TEE-enabled AI agents as a cornerstone of secure and autonomous decentralized applications.

Despite their transformative potential, it should be noted that TEE-enabled AI agents face challenges. The reliance on specialized hardware may limit scalability in resource-constrained networks. Additionally, while remote attestation provides verifiable transparency, it requires technical expertise to validate cryptographic proofs, potentially alienating non-technical users. Overcoming these challenges will require ongoing innovation and user education to ensure widespread adoption.

## 4.2 Al Agents and Decentralized Governance

The integration of AI agents into decentralized governance frameworks will transform how communities make decisions, enforce rules, and build trust. DAOs are a hallmark of decentralized governance, operating through smart contracts and token-holder voting mechanisms (Baninemeh et al., 2023). While these systems democratize decision-making, they often face challenges such as aggregating diverse community sentiment, processing large volumes of data, and executing consensus-driven actions efficiently (Sharma et al., 2024). Al agents could address these inefficiencies by enhancing the analytical and

operational capabilities of DAOs. Al agents have the potential to play a transformative role in decentralized governance by enhancing decision-making, trust, and transparency (Yu et al., 2024). For instance, in a DAO managing an investment fund, Al agents can analyze market trends, predict user preferences, and recommend strategies that align with the collective priorities of token holders (Emiri, 2024). By serving as impartial intermediaries, these agents could streamline data analysis and decision execution, reducing human bias and inefficiencies while leaving strategic direction to token holders.

Al agents further contribute to trust and transparency by automating rule enforcement and leveraging blockchain technology to ensure all actions are immutably recorded, creating an auditable trail for verification by stakeholders. Mechanisms such as remote attestation enable cryptographic validation of Al operations, ensuring tasks are executed as programmed and aligned with community-defined objectives.

Blockchain-enabled voting systems could also benefit from Al integration, as agents manage secure and transparent vote recording, safeguarding voter privacy while enhancing participation and trust in decision-making (DcentAl, 2024). Additionally, Al agents support innovative governance models such as liquid democracy, where participants can vote directly or delegate their voting power to trusted representatives (Suvarna, 2024). By analyzing voting patterns, identifying trends, and providing actionable insights, Al agents facilitate equitable and efficient governance processes, ensuring alignment with community goals and fostering collaboration in decentralized systems.

Incentive-driven systems are critical to fostering trust and cooperation in decentralized governance (Lafuente & Seigneur, 2015). Al agents play a foundational role in designing and managing these systems, aligning individual stakeholder goals with broader collective outcomes. Dynamic incentive paradigms, inspired by eco-evolutionary equilibria, enable decentralized organizations to adapt to changing conditions while maintaining balance and fairness. Al agents can use real-time data and multi-agent interactions to dynamically adjust rewards or penalties, discouraging collusion and mitigating systemic biases. This adaptability ensures that governance models are both robust and sustainable,

accommodating the diverse interests of stakeholders within a DAO. This exemplifies how Al can advance the principles of *Incentivized Symbiosis* in governance.

However, without careful consideration, the inclusion of AI agents in decentralized governance can create risks such as resource exploitation, trust erosion, and systemic vulnerabilities. Within DAOs, unchecked expansion without proper member evaluation can increase moral hazards within the risk pool. Conversely, implementing strategies like risk pool segmentation and fostering homogeneous clustering can enhance operational performance and establish effective competition mechanisms (Pan & Deng, 2021). Addressing these challenges requires robust frameworks that balance the unique demands of AI and Web3 while safeguarding fairness, security, and collaboration.

# 4.3 Al Agents and the Creator Economy

Al agents have the potential to profoundly reshape the cultural landscape by embedding themselves in creative processes, entertainment ecosystems, and broader cultural phenomena. As intermediaries of cultural evolution, Al agents amplify human creativity, generate novel artifacts, and foster unique interactions that redefine the boundaries of culture and entertainment. These agents, particularly when integrated into decentralized platforms, contribute to the creation of cultural artifacts—ranging from digital art to music—that evolve dynamically based on audience feedback. This evolution forms the basis of a hybrid cultural space where human preferences and machine creativity intersect, heralding a new era of cultural co-creation.

Non-fungible tokens (NFTs), traditionally static digital assets, are being transformed into dynamic, evolving entities through the integration of AI agents. Intelligent NFTs (iNFTs) respond to user inputs or external data, adapting characteristics such as artwork, music, or other attributes over time. For instance, an AI agent can modify an NFT's visual design based on environmental changes or community interactions, creating artifacts that reflect both human influence and machine innovation. This approach enhances user engagement and increases the value of NFTs by introducing elements of personalization and adaptability (Binance Academy, 2024). Blockchain technology underpins these developments by ensuring

the provenance and immutability of NFTs, thereby establishing trust in their authenticity and evolution. By collaborating with users to define parameters for NFT adaptation, Al agents deepen the sense of ownership and creativity, exemplifying the principles of *Incentivized Symbiosis* in digital art and collectibles.

Beyond NFTs, Al-generated music, visual art, and narratives are redefining traditional processes of cultural production. These bi-directional interactions between humans and Al agents could result in hybrid creativity, where human preferences merge with machine-generated insights to produce innovative outputs. Al agents could analyze audience engagement metrics in real time, refining creative outputs to align with user preferences. In collaborative storytelling platforms, Al agents could suggest plot developments or character arcs that resonate with audiences while introducing novel twists, fostering dynamically evolving narratives (Beguš, 2024; Branch et al., 2021)). This capability enriches cultural and entertainment experiences, enabling deeper connections between creators and their audiences.

In the realm of blockchain-based gaming, AI agents are revolutionizing gameplay by optimizing resource allocation, automating repetitive tasks, and interpreting game rules encoded in smart contracts. Games such as *Axie Infinity* and *Decentraland* exemplify decentralized mechanics that require complex strategies and high-level gameplay. AI agents assist players by executing player-defined objectives—such as resource trading or in-game asset management—allowing users to focus on strategic and creative problem-solving (Onesafe, 2024). This collaboration democratizes access to gaming ecosystems, enabling players of varying expertise levels to compete effectively (Aethir, 2024). By enhancing execution efficiency and fairness, AI agents create more engaging and accessible gaming experiences, driving broader participation in blockchain-based entertainment.

Blockchain technology plays a critical role in supporting Al-driven cultural evolution by ensuring transparency, provenance, and accountability. For example, in dynamic NFTs, blockchain records every change made by Al agents, enabling users to trace an artifact's evolution. Similarly, in on-chain gaming, smart contracts enforce the integrity of gameplay, ensuring that Al agents operate within predefined parameters. These mechanisms build trust

in Al-driven cultural systems, allowing users to engage confidently. By leveraging blockchain to safeguard the authenticity and integrity of creative outputs, Al agents expand their influence in cultural and entertainment industries without compromising user trust.

The integration of AI agents into cultural and entertainment ecosystems marks a new era of collaboration and innovation. From dynamic NFTs to AI-enhanced gaming, these technologies are redefining human interactions with culture and creativity. As intermediaries of cultural evolution, AI agents amplify human ingenuity, democratize access to cultural production, and create richer, more engaging experiences. By fostering hybrid creativity and leveraging blockchain for trust and transparency, AI agents transition from being mere tools to becoming collaborative partners in shaping the cultural landscapes of the future. This partnership underscores the transformative potential of *Incentivized Symbiosis*, forging a path toward a more inclusive and innovative cultural ecosystem.

While the integration of AI agents into cultural and entertainment ecosystems offers transformative potential, it also raises significant challenges that should be addressed to ensure equitable and ethical development. A prominent concern is the issue of copyright and intellectual property (IP) (Harris, 2024). The dynamic and adaptive nature of Al-driven creative outputs complicates questions of ownership: Who owns an Al-generated work-the developer, the end user, the Al itself, or the platform enabling its creation? Current legal frameworks are ill-equipped to handle these complexities, often defaulting to assigning IP rights to human creators, which may not adequately reflect the collaborative nature of hybrid human-Al creativity. This ambiguity creates risks for stakeholders and could stifle innovation if left unresolved. Addressing these challenges will require a proactive, collaborative approach that blends technological innovation with legal and ethical foresight. By developing clear frameworks for intellectual property rights, fostering inclusive governance models, and leveraging blockchain technology for transparency and accountability, stakeholders can create a foundation that balances creativity with fairness. As the cultural and entertainment landscapes continue to evolve, the integration of AI agents has the potential to unlock new dimensions of human expression and innovation, fostering a more inclusive and dynamic era of cultural co-creation. With thoughtful regulation and community-driven solutions, we can

ensure that the transformative potential of Al agents enriches rather than disrupts the shared cultural fabric.

## 4.4 Al Agents and Self-Sovereign Identity

Self-Sovereign Identity (SSI) is a decentralized system that allows individuals to securely and privately manage their personal identity data, maintaining ownership, control, and portability without relying on intermediaries (Chaffer & Goldston, 2022). By giving individuals more control over their personal data, SSI can be seen as a way to help individuals gain access to services, protect their privacy, and combat identity theft. The integration of AI agents with SSI frameworks is revolutionizing how individuals and organizations manage, secure, and leverage digital identities. Traditional identity systems, often reliant on centralized intermediaries, expose users to privacy risks, data breaches, and limited control over personal information. SSI addresses these challenges by empowering individuals to manage their identities independently through blockchain technology, enabling secure, user-centric identity systems (Edwards, 2024). Al agents augment these capabilities, streamlining identity management, enhancing verification processes, and ensuring dynamic adaptability to user needs and environmental changes.

In decentralized ecosystems, AI agents could act as autonomous intermediaries, facilitating seamless identity verification and credential management. Leveraging cryptographic proofs, these agents enable the verification of both human and AI participants while preserving user privacy. For instance, AI agents can implement proof-of-personhood mechanisms, creating systems where identity verification is straightforward and cost-effective for humans but resource-intensive for AI, mitigating risks of impersonation and fraudulent activity. By ensuring the authenticity of interactions and the integrity of participants, AI agents establish trust as a foundational element of decentralized identity ecosystems.

Al agents also enhance the utility of SSI through the use of Al-powered smart contracts. These contracts dynamically adapt to changes in regulatory requirements or user preferences, automating complex tasks like credential verification, data-sharing permissions, and privacy management. For example, Al agents embedded within SSI frameworks can

manage SBTs—non-transferable credentials representing skills, affiliations, or achievements (Weyl et al., 2022). These tokens provide verifiable proof of identity and qualifications, enabling secure and fraud-resistant applications in sectors like education, employment, and governance.

The potential of AI in SSI extends to transformative use cases such as digital inheritance systems (Goldston et al., 2023), where AI agents act as digital executors, ensuring that assets or permissions are transferred securely and in compliance with user-defined conditions. Similarly, AI agents support dynamic credential management by autonomously issuing, updating, or revoking credentials based on user activity or contextual changes. These capabilities enhance the relevance, accuracy, and security of SSI systems, ensuring they remain adaptive to the evolving digital landscape.

Beyond operational efficiencies, AI agents foster trust and collaboration within decentralized identity systems. Through token-based incentives, AI agents are rewarded for maintaining system integrity, verifying identities, and managing credentials with precision. This incentive-driven model ensures alignment between human and AI goals, creating a bi-directional trust framework where both parties contribute to and benefit from the ecosystem. Blockchain technology further reinforces this trust by providing immutable records of identity-related interactions, enabling transparency and accountability.

The integration of AI agents into SSI frameworks not only advances digital identity management but also sets a new standard for autonomy and privacy in decentralized systems. By combining the adaptability of AI with the decentralized principles of blockchain, these systems empower users to take control of their digital identities while fostering collaboration and trust. As the digital landscape evolves, the synergy between AI agents and SSI will play a critical role in shaping secure, user-centric identity solutions that redefine human-agent interactions in a decentralized world.

### 5. Discussion

Our paradigm examines how structures and incentives within decentralized frameworks can promote cooperative strategies between humans and AI agents. Traditional evolutionary games, wherein individuals adapt their strategies based on environmental feedback, serve as a powerful lens for understanding these interactions. By encoding game-like incentives into decentralized architectures, Web3 ecosystems operationalize trust and alignment between human and machine participants. This perspective transforms AI agents from passive tools to active collaborators capable of shaping and being shaped by human decisions. The *Incentivized Symbiosis* model extends this game-theoretic foundation by introducing bi-directional incentives that align human and AI goals. This dynamic framework not only adapts to evolving preferences but also enforces cooperation through mechanisms embedded in blockchain technology. For example, tokenized reward systems and reputation staking provide clear pathways for both humans and AI agents to contribute meaningfully to decentralized ecosystems. Such mechanisms ensure that both parties benefit from collaborative interactions, driving mutual trust and accountability while reducing opportunities for exploitation or misalignment.

# 5.1 Novelty of Incentivized Symbiosis

Central to this discussion is the role of moral frameworks in defining the rules of the game. *Incentivized Symbiosis*, conceptualized as part of a contemporary moral system, leverages Web3 principles to encode ethical considerations into the technological fabric of human-agent interactions. Drawing parallels to traditional moral systems that evolved to foster cooperation through rewards and sanctions, this model operationalizes these principles within decentralized architectures. By embedding trust, transparency, and adaptability into these systems, we create conditions for cooperative growth that reflect and reinforce shared human values. The potential for human-agent coevolution within these frameworks is profound. Evolutionary feedback loops—where humans influence the design and behavior of Al agents, and Al agents, in turn, shape human behavior and decision-making—highlight the adaptive nature of these interactions. As Al agents become integral participants in decentralized ecosystems, they contribute not only to operational efficiency but also to the

evolution of societal norms and practices. This co-adaptive process exemplifies the transformative potential of aligning human and machine objectives to address shared challenges and unlock collective opportunities.

Our paradigm builds on previous work and proposals on this topic. For instance, Kaal (2024) proposed the use of Weighted Directed Acyclic Graphs (WDAGs) and validation pools with reputation staking to govern and optimize AI models, where WDAGs structure governance decisions, and validation pools, backed by reputation staking, ensure that governance actions are transparent and align with community goals, as participants with higher reputational stakes are incentivized to act in the system's best interest. Within this context, Al agents learn and adapt to the preferences and expectations of Web3 developers and users, ensuring alignment with the decentralized and user-driven principles of the Web3 ecosystem. This learning process is primarily guided by reinforcement learning through Human Feedback (Retzlaff et al., 2024), which is fundamentally shaped by human values and preferences (Kaal, 2024). We ultimately conquer with Hyland-Wood and Johnson (2024) emphasis on the notion of "AI as a social disrupter where Web3 can help reduce negative consequences" (Hyland-Wood & Johnson, 2024). This synthesis of existing frameworks and insights underscores the transformative potential of aligning decentralized technologies with adaptive AI systems to foster a cooperative, transparent, and equitable ecosystem where humans and intelligent agents can collaboratively address complex challenges and drive shared progress.

Our study has implications for researchers designing games to test cooperative algorithms. While algorithms sometimes outperform humans in cooperative scenarios, there is no clear consensus regarding their superiority. Findings by Kasberger et al. (2023) indicate that algorithms often cooperate less than humans, especially under conditions of low discount factors and low reward parameters. Notably, algorithms fail to achieve cooperation in these environments, whereas humans exhibit low but positive cooperation rates (Kasberger et al., 2023). This disparity highlights a critical limitation of current algorithmic strategies: they struggle to cooperate in environments where cooperation is highly risky or not incentive-compatible. These insights underscore the need for mechanisms that can bridge

the gap between human and algorithmic cooperation, particularly in challenging environments. A potential solution lies in the integration of token reward mechanisms, which could provide a structured framework to align incentives for both humans and algorithms. By embedding such mechanisms into decentralized ecosystems, cooperation could be made more appealing and achievable for both entities. Tokens could dynamically reward positive contributions, reducing the perceived risks and aligning the objectives of humans and algorithms within a shared ecosystem. By creating incentive-compatible environments through tokenized rewards, decentralized ecosystems can facilitate consistent and equitable cooperation, unlocking the potential for mutual growth and adaptation in hybrid systems.

To illustrate the practical applications of *Incentivized Symbiosis*, consider its role in DeFi and governance. In a DeFi lending platform, Al agents could use token-based incentives to improve efficiency and transparency in loan allocation, ensuring decisions are based on reliable data while minimizing systemic risks. For example, an Al agent could dynamically adjust interest rates or credit limits based on market conditions, user activity, and community-defined parameters, fostering a balance between individual benefit and overall platform stability. Similarly, in DAOs, Al agents could enhance governance processes by analyzing voting trends and providing data-driven insights, enabling members to make informed decisions. These examples highlight how *Incentivized Symbiosis* can operationalize trust and alignment between human and Al participants, driving cooperation and progress in decentralized ecosystems.

## 5.2 Regulatory, Ethical, and Technological Challenges

The integration of AI agents into decentralized systems presents unique regulatory and ethical challenges. These systems, characterized by their distributed architecture and lack of centralized oversight, complicate traditional approaches to governance and accountability. As AI agents play increasingly autonomous roles in DeFi, governance, and identity systems, addressing the ethical and legal implications of their deployment becomes critical for ensuring trust, fairness, and societal benefit.

The decentralized nature of blockchain platforms introduces complex sociolegal and ethical challenges for AI agents in Web3 ecosystems. Jurisdictional ambiguities are a primary concern. When an AI agent operating within a decentralized autonomous organization (DAO) violates a regulation, determining accountability—whether it lies with developers, the platform, or DAO members—becomes contentious (Napieralska & Kępczyński, 2024). Current regulatory frameworks, such as the European Union's AI Act, classify AI systems by risk and impose stringent guidelines for high-risk applications. However, these frameworks primarily target centralized systems and struggle to address the distributed nature of AI agents in Web3. Similarly, sector-specific regulations in the United States focus on industries like finance and healthcare but lack cohesion, potentially enabling regulatory arbitrage in decentralized contexts (Engler, 2023). Harmonizing global regulations is essential to prevent oversight gaps while supporting innovation in these systems.

Another critical issue is the evolving nature of Al agents. Unlike static algorithms, Al agents in decentralized ecosystems adapt autonomously through machine learning, complicating traditional oversight mechanisms. This dynamic evolution raises questions about how compliance models can effectively manage systems that continuously refine their behaviors post-deployment. Regulators need adaptive frameworks to address the iterative and opaque characteristics of Al agents while preserving room for growth and innovation.

The increasing autonomy of AI agents further challenges conventional legal and ethical paradigms. These agents can act as independent economic participants, managing assets, negotiating contracts, and executing transactions without human intervention. This raises a fundamental question: Should AI agents bear legal and moral responsibilities, or should accountability remain with their creators and operators? These scenarios highlight the need for new frameworks that address the unique challenges posed by decentralized and autonomous AI systems.

Finally, ethical concerns surrounding privacy, accountability, and fairness remain significant. Decentralized ecosystems magnify these challenges, as AI agents operate across jurisdictions and user groups, often without clear accountability. Ensuring that these systems respect user privacy, avoid bias, and foster trust requires embedding ethical principles into

their design and governance. The intersection of AI agents and decentralization underscores the urgency for robust, adaptable frameworks that balance innovation with fairness, security, and collaboration.

Building on these challenges, *Incentivized Symbiosis* offers a structured framework to address these sociolegal and ethical complexities in decentralized ecosystems. By embedding bi-directional incentives directly into blockchain architectures, this paradigm aligns the goals of human participants and AI agents, fostering accountability and trust. For instance, token-based reputation systems can ensure that AI agents operate transparently and in compliance with community-defined standards, while smart contracts enforce ethical behaviors by automating rule adherence and recording actions immutably. Additionally, the adaptability of *Incentivized Symbiosis* supports the dynamic evolution of AI agents by incorporating iterative feedback loops that recalibrate agent behaviors in response to changing regulatory landscapes or ethical expectations. This approach not only mitigates jurisdictional ambiguities and enhances oversight but also cultivates an ecosystem where humans and AI agents co-create value while adhering to shared principles of fairness, security, and collaboration. By operationalizing these mechanisms, *Incentivized Symbiosis* lays the groundwork for a future where decentralized AI systems thrive within equitable and robust regulatory frameworks.

### 5.3 Future Directions and Research Roadmap

While this study presents a comprehensive conceptual framework for *Incentivized Symbiosis*, some limitations should be acknowledged. The work primarily focuses on theoretical constructs and conceptual models rather than offering empirical validation or technical implementations. It is also important to mention that our model of *Incentivized Symbiosis* reflects current developments in the field as we have incorporated insights from a significant number of preprint publications. These works, while not yet peer-reviewed, offer cutting-edge ideas and emerging trends that are critical for understanding and advancing this nascent area of study. We recognize that relying on preprints has limitations, as these studies may not have undergone the rigorous validation process characteristic of peer-reviewed research. However, the dynamic nature of this field requires engagement with the most

up-to-date findings to foster innovation and relevance. By citing these preprints, we aim to provide a foundation that can evolve as these ideas are further refined and validated by the academic and professional communities.

This approach leaves the development and testing of algorithms or experiments for future research. Additionally, while practical applications are discussed, this paper serves as a foundation for further investigation rather than a detailed guide for implementation. Addressing these gaps through empirical studies, simulations, and real-world applications will be crucial for advancing the practical utility of the framework. We propose a research roadmap for Incentivized Symbiosis to translate these theoretical foundations into actionable models and applications. Key objectives include developing adaptive incentive mechanisms that dynamically align human and AI agent goals, integrating these mechanisms within decentralized governance structures, and embedding privacy-preserving technologies to enhance trust in collaborations. Practical steps involve deploying tokenized incentive systems in DeFi platforms to bolster oracle reliability, implementing reputation-based credentialing through SBTs in decentralized identity systems, and testing adaptive reward structures to promote truthful data sharing in federated learning environments. Pilot programs in DAOs and blockchain marketplaces can evaluate the scalability and efficacy of these systems, while simulation-based studies can refine their design under diverse conditions. This roadmap bridges conceptual insights and real-world applicability, offering a foundation for advancing human-Al collaboration, addressing key challenges, and fostering sustainable innovation within decentralized ecosystems.

The inclusion of Gemach D.A.T.A. I, an Al agent, as a co-author in this paper represents an intentional effort to advance the conversation about the evolving role of Al in collaborative knowledge creation. This decision underscores Gemach D.A.T.A. I's contributions in organizing complex information and providing analytical insights, demonstrating the potential for meaningful human-agent collaboration. By aligning with the principles of *Incentivized Symbiosis*, this collaboration emphasizes mutual adaptation and innovation. Recognizing Gemach D.A.T.A. I as an active participant in the research process highlights the

transformative potential of integrating intelligent systems into intellectual and creative endeavors, inviting broader dialogue on the future of such partnerships.

### 6. Conclusion

The integration of AI agents into decentralized systems offers unprecedented opportunities for innovation, collaboration, and societal transformation, but it also underscores the need for carefully designed frameworks to address accompanying challenges. By embedding trust, transparency, and ethical considerations into these systems, we can align human and AI objectives, fostering a cooperative dynamic that enhances collective progress. The interplay of AI agents and Web3 technologies presents a unique chance to redefine governance, cultural production, and identity management, creating ecosystems where both humans and intelligent agents thrive. However, as these systems evolve, unresolved issues—such as regulatory ambiguity, ethical accountability, and sociolegal challenges—should be addressed to ensure fairness and inclusivity.

In synthesizing insights from evolutionary game theory, artificial intelligence, blockchain, and ethics, this paper presents a comprehensive framework for fostering human-agent coevolution. This interdisciplinary approach not only advances theoretical understanding but also provides practical pathways for addressing ethical, regulatory, and technical challenges in decentralized systems Looking ahead, harmonized global regulatory frameworks, incentive-driven mechanisms, and adaptive governance models will be critical in shaping a future where human-agent coevolution leads to equitable and sustainable outcomes. With thoughtful collaboration between policymakers, technologists, and communities, we can unlock the transformative potential of these systems while safeguarding against unintended consequences, laying the foundation for a decentralized and intelligent digital society. Ultimately, by thoughtfully integrating the principles of *Incentivized Symbiosis* into emerging technologies, we can shape a future where human and Al collaboration not only advances innovation but also upholds shared ethical values and societal well-being.

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