

Exploring the evolution of blockchain

By  Danette Breitenbach

29 Mar 2018

When Bitcoin and cryptocurrency first hit the scene, people really jumped on the bandwagon, thinking they were part of a revolution. Now, there is more of an appreciation that the technology behind it is more of an evolution of gradually building and improving on how to apply blockchain.



Adrian Hope-Bailie, chief standards officer: Ripple

“There are a lot less of the pretenders. A lot more people involved in this space are actually genuinely interested in learning about the technology, applying it to problems, being critical about it as well, not just thinking it’s something you can just throw at anything,” says Adrian Hope-Bailie, chief standards officer at [Ripple](#).

Last year, the value of Bitcoin surged to almost \$20,000 amid an investment bubble. Hope-Bailie says he’s not sure what caused it. “Maybe it was the whole ICO thing. There was this influx of people that just wanted easy money, people thought this is a great way to con a bunch of people into giving them money.”

This has caused a bit of a shake out. “So, now it feels like most of the people involved in blockchain have genuine interest in using it to solve really problems.”

The use cases are crystallising and the way we would use the technology is becoming clearer. That is part of why you see a difference between now and last year, he adds.

Regulation

The other side of the coin is regulation. “A lot of people using blockchain technology are doing it in spaces that have traditionally been quite heavily regulated. Now a lot of regulators, such as central banks, are sitting up and taking notice and are actually interesting in understanding it a bit more,” he says.

The people looking at blockchain before were considered to be on the fringe and a little bit crazy, but are being taken more seriously. This leads to real money, real investment, coming into this space as well.

He uses the [Blockchain Africa](#) conference, where he was a speaker, as an example. “It has two of the biggest technology companies as sponsors, big banks and the local blockchain consortium are involved. It’s no longer the lunatic fringe, now we the early adopters” he says.

Talking about cryptocurrencies, Hope-Bailie says that there will be some in the future that will have value because the platforms that they are native to are useful. “People actually use them and that adds value. Right now, most of the value is very speculative, based on an assumption that that platforms will have value in the future.”

Applications

Explaining what blockchain, in general, means to people, he says that where the technology is used well, it will change industries. “Everything and anything in our world is being made digital and sometimes it is necessary for the digital version of something to be stored or exchanged, in a way that is not controlled by a single entity. That is what blockchain gives you,” he says.

It is system that is transparent and easy to track. Government land registers is an interesting case study. Government control it, but why not have a system that is easy for people to access?

Financial transactions

Despite this, he says, the case for blockchain is not always crystal clear. “At Ripple we see the value of neutral digital assets and the means of exchanging value across borders as really useful.”

For example, instead of buying dollars to send from South Africa to Kenya, you buy a neutral asset, not counter value, so transferring it is seamless. There is no entity you have to interact with to do that. That is a use case where consumers will see the value. “Customers of ours cutting costs by 60% in some cases. Assuming this is passed onto the consumer then they will pay 60% less.”

Network effects

He believes South Africans would struggle to initiate a new project such as a public blockchain-based system like Bitcoin. “This system ultimately requires network effects, so you need lots of people to buy into it before it really delivers on the value of being a distribution system and we have seen projects from the country struggle with this.”

On the other side, he says, the country has one of the best pools of talent and skills related to blockchain relative to its size in the world participating in projects. “I am hoping that this means that we will see a lot of blockchain-based apps and services coming out of South Africa.”

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a

Masters in Financial Journalism from Wits.

- BNP Paribas no longer operating in South Africa - 7 May 2024
- New payment methods show signs of growth - 11 Nov 2021
- Downgrades, elections and surviving the Zuma era. There's still hope - 1 Mar 2019
- Exploring the evolution of blockchain - 29 Mar 2018
- Taking blockchain mainstream - 27 Mar 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>