

Three trends reshaping blockchain as we know it

By [Riccardo Spagni](#)

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What's hot in blockchain technology right now? It's a question I get asked a lot. And people often think I'm being snarky when I tell them my answer can change practically every day. That's the beauty of a young industry like this one: it's continually reinventing itself as it finds its way in the world.



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Of all the so-called 'hot-button topics' in the blockchain space, though, there are three that stand out for their ability to fundamentally reshape this space over the next year – well, at least the next few months, anyway.

Security tokens

The current debate around security tokens vs ICOs (initial coin offerings) is an interesting one – but for me, it largely misses the bigger point. The thing about tokens is that you can tokenise almost anything. It's particularly interesting when you tokenise an entire company. Instead of issuing traditional shares, you issue tokens, where each token is worth one share. They behave like share assets in many other ways (like paying dividends). They just happen to live on some blockchain somewhere.

Right now, this is a murky area from a regulatory perspective. Part of the reason for this is the current process of trading shares is a formal one, which takes place only through accredited agents. When it's a token on a blockchain, you can't restrict where and how they are bought and sold.

But it's really interesting what you can do when you start tokenising things. There is so much that can be done. Imagine voting electronically in board meetings, based on token holdings, where your vote is instantly verified according to the weight of your shareholding. Or allowing people to buy 'shares' in commercial developments as security tokens to raise capital, and paying dividends just as with any other investment. Once we see more regulatory clarity, we're going to see companies issuing security tokens en masse.

Digital assets

We're only just starting to scratch the surface of what can be done with digital assets. The most amazing aspect about digital assets is that they can be totally unencumbered. Case in point: you spend years, and probably a good chunk of

money, building up in-game currency and rare items in Game X. After a couple of years, you want to play Game Y instead. What now?

Today, that means walking away from years of accumulated assets to start at zero. With digital assets, you can sell in-game currency and assets for digital currency, which you then use to buy assets in the new game. It's like any hobby, really. Drone geeks end up with roomfuls of drone hardware. If they suddenly discover mountain biking, they sell their drone kit and go and buy a bike. (And lycra outfits, but that's another discussion.) Why shouldn't you be able to do the same digitally?

It's the same for software licensing: if your license activation is a digital token in a decentralized network, you will always be able to validate your ownership, adding longevity to software licenses that we currently don't have. Feeling a nostalgic need to play the games from your youth? Tokenised licenses would make it a breeze.

Right now, I'm more excited about digital assets overall than digital collectibles subsets. The scope is huge. Watch this space.

Privacy-enhancing technologies (PET)

It's 2019, and people are starting to realise that privacy is not something that only criminals use. Apple is probably one of the first mainstream tech companies to realise this. As the world continues its mass digitisation, and we move more of our day-to-day business and personal communications and interactions online, the trail of personal data breadcrumbs we leave behind grows.

Take something as simple as an online transaction: when the average consumer pays a merchant in Europe via their PayPal account, their data goes to as many as 600 different companies. The consumer has zero visibility over any of the companies involved. The amount of metadata about our lives is staggering - and we have no control over any of it.

You may think it's okay for a bank, or a hospital, or a government, to have all your information - but the major problem is that you can't control how that info is stored and secured. We close office doors for private calls, but we share our intimate information with untrusted companies and social media platforms. That makes no sense.

There's a popular argument that honest people 'don't need privacy since they have nothing to hide'. That's nonsense. As Edward Snowden put it, saying you don't care about the right to privacy because you have nothing to hide is like saying you don't care about free speech because you have nothing to say. Your private information should stay private. As more companies and people wake up to the fact that privacy is important, we're going to see so-called PETs becoming far more prevalent and useful.

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