PODCAST What if blockchain changed social values?

Voice 1: Brian

Voice 2: Sarah

JINGLE to open intro to podcast

VOICE 2

You're listening to the European Parliamentary Research Service podcast on blockchain technology.

VOICE 1

Hitting the headlines thanks to its use for the digital currency Bitcoin, blockchain technology has evolved into something greater that could shake up many aspects of our daily lives…

VOICE 2

But what are the values underpinning blockchain applications and what are the policy options? Stay with us to unlock the secrets of blockchain!

END OF INTRO JINGLE

VOICE 1

Blockchain technology is complex, but the idea is fairly simple…

VOICE 2

Imagine a list of transactions, millions of copies of which are reproduced over a network of computers controlled by different users, and designed to regularly update the list, you have a very basic picture of the blockchain!

VOICE 1

Blockchain technologies provide a remarkably transparent and decentralised way of recording lists of transactions, and not just financial transactions but virtually everything!

VOICE 2
They can be used for casting votes in elections, or proving that a document existed at a specific time, or to manage supply chains better so that we know whether our diamonds are ethically sourced, whether our clothes were made in sweatshops, and whether our champagne really comes from Champagne…

VOICE 1
They could also put an end to music and video piracy, while enabling second-hand markets for digital content. And they offer enormous opportunities in public services such as health and welfare payments.

VOICE 2
But, there are also challenges to consider… For example, blockchain's transparency is fine for matters of public record such as land registries, but what about bank balances and other sensitive data? Identifying who is involved in a specific transaction could compromise people's privacy and anonymity…

VOICE 1
It is also possible that future decryption technologies may one day be applied to information that we encrypt and store on public blockchains today… so, even if some blockchains do offer full anonymity, maybe some sensitive information should simply not be stored in distributed ledgers…

VOICE 2
So how might blockchain technology change the way we live? Let's look ahead…. MUSIC JINGLE

VOICE 1
Well, it's difficult to predict exactly where and how blockchain will change our lives… but some of the impacts are already known. Blockchain-based transactions are often faster, cheaper and more secure, but they are also extremely energy-intensive… which could pose a real problem in the future!

VOICE 2
With blockchain technology, some jobs may disappear and be replaced by automated processes such as peer-to-peer transactions and smart contracts, but new jobs working on blockchain may also appear.

VOICE 1
And there's the question of values… because all technologies have values and politics, we need to ask ourselves which kind of values do we want at the core of blockchain?

VOICE 2
Each time we use a centralised ledger – like a bank or government database – we confirm their owners' legitimacy and strengthen their position. But using a decentralised blockchain ledger instead, means we participate in the shift of power from central authorities to non-hierarchical and peer-to-peer structures, prioritising transparency over anonymity.

VOICE 1
But not all blockchains mean total decentralisation, it is also possible to develop "permissioned" blockchains which retain some sort of centralised control… so there are options to be explored!

VOICE 2
What's clear is that, even if blockchain only lives up to some of its hype, it will have an impact on our lives… so regulators need to anticipate solutions to avoid uncontrolled development. So, what can they do?

VOICE 1
Well, there are 4 broad options … One is not to use blockchain at all, and to find other solutions to problems that blockchain could solve. Another option is to actively encourage this new technology by legitimising its products.

VOICE 2
A third option is to do the exact opposite, so to actively discourage its advancement by refusing to accept the legitimacy of blockchain-based transactions. And a fourth option is to favour the development of “permissioned” blockchain systems so as to retain some form of control… So what will happen?

VOICE 1
Well, our future policy may be based on a combination of elements from all 4 strategies, but for now, there seems to be little appetite for intervention in blockchain development at European level…

VOICE 2
In a recent report on virtual currencies, MEPs warn that the increased risks of blockchain technology will require enhanced oversight and adequate technical expertise to handle such currencies. But they also call for a proportionate regulatory approach to give this flourishing technology a chance to develop.

VOICE 1
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MUSIC JINGLE TO CONCLUDE