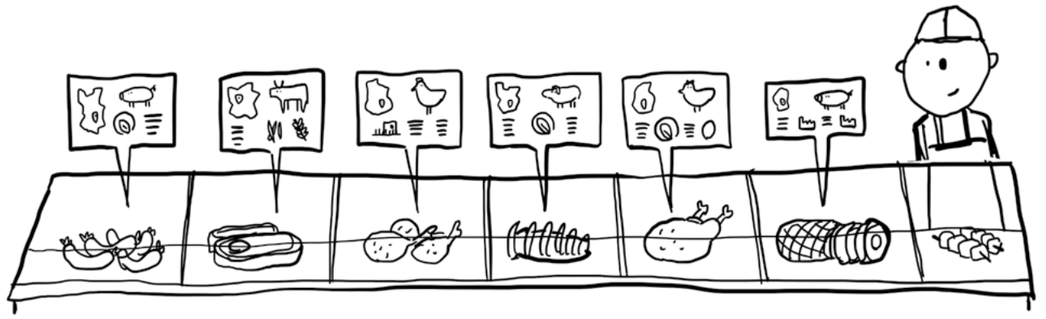
WEAK SIGNALS FROM THE MEAT COUNTER

ASSUMPTIONS ON THE RECEPTION OF BLOCKCHAIN TECHNOLOGY AND THE CONSEQUENCES FOR ADAPTATION.

Interview with Dr. Martin Kiel, Codecentric AG / the black frame



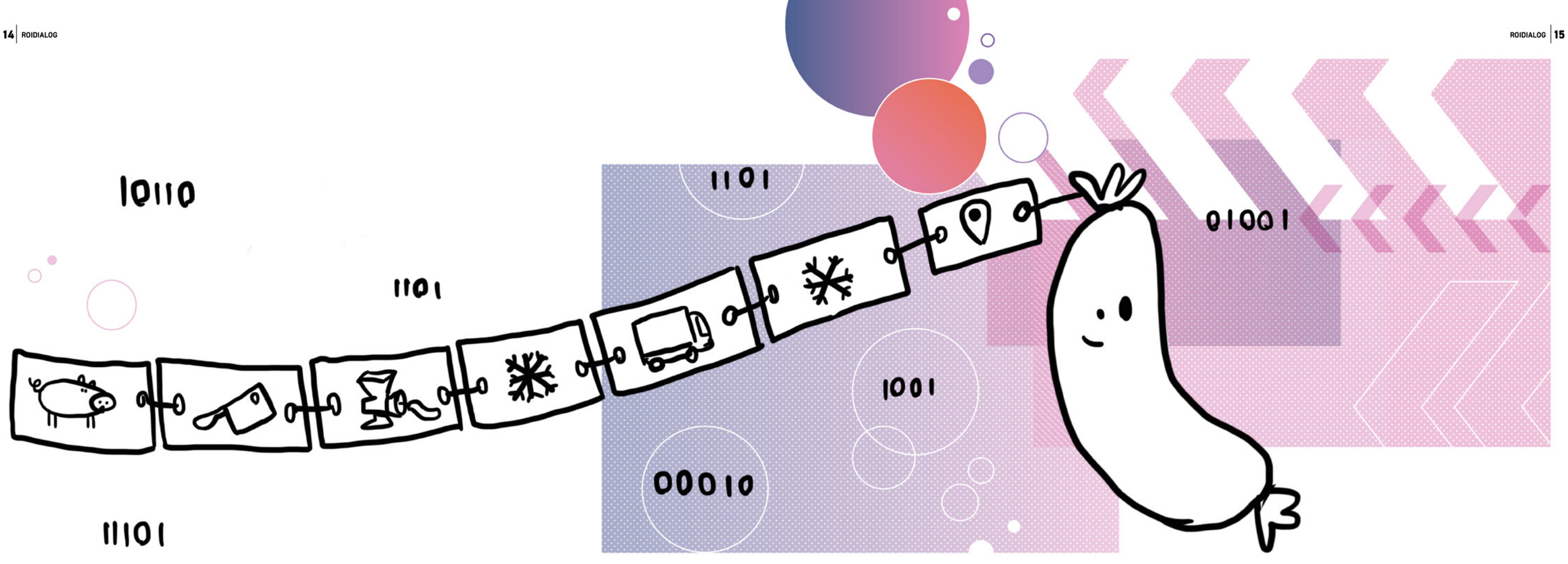
ABOUT THE INTERVIEWEE

Dr. Martin Kiel *has been visiting professor for communication theory and verbal communication at the University of the Arts Berlin since 2015. His research focuses on strategy development and narration in cultural studies, digital transformation, investigative aesthetics and maker thinking. For codecentric AG he heads the Dortmund site and is director of the think tank the black frame.*

Mr. Kiel, the topic of blockchain was lately discussed by a broad public, triggered by the Bitcoin hype. You have long been involved in the reception of new technologies as part of a university project. How do you assess the current debate?

The discourse about "the blockchain" is characterized on many levels by paradoxes and contradictions. Take the subject of cryptocurrencies, for example, which promise greater security and transparency in payment transactions on the one hand, but which still have a certain wickedness on the other. Interestingly, it is precisely this paradox that is driving the trend and its spread. It is therefore no wonder that this application of blockchain technology has received such public attention. But we also experience similar effects with the blockchain technology itself: On the one hand, there is the promise of trust and transparency and, on the other, a lack of understanding of the technology itself. Because what "happens in the blockchain" usually remains a black box for the user. And yet - or precisely because of this - the confidence in this black box seems to be almost boundless. This can be seen critically, but I think it shows that today we are much further in discourse and in the use of technology than we were 20 years ago, in that we are prepared to approach new technologies and allow such paradoxes. One could throw in critically: It is only because there is so little trust in the world that there are the blockchain and smart contracts that secure this trust. But it seems to be the other way around, that nevertheless there seems to be a trust in technology. So in this respect, I would rather see the current discourse as a discourse of trust, although that sounds a little strange, because it is precisely the lack or the securing of trust that blockchain is concerned with.

Another common narrative with regard to the blockchain is that of total disruption. Banks, insurance companies and industry – the blockchain revolution is being propagated everywhere. What do you think?



I think such statements are exaggerated. For me the blockchain technology has nothing to do with Disruption, but is rather a logical further development. The American economist Shoshana Zuboff already formulated a law on the influence of information technology in the 1980s, which consists of three stages: Firstly. Everything that can be automated is automated. Secondly, anything that can be converted into information becomes information. And thirdly, it is finally monitored. Blockchain technology is, so to speak, an omnipotent redemption of this three-stage law. It is therefore not disruptive, but rather the logical step of digitizing entities to make them comprehensible. A development that, incidentally, has been emerging for some time.

How can you tell?

Well, we come across the topic of provenance again and again in everyday life, whether this is the art of prey or the schnitzel at the meat counter. Questions such as "Where does my steak come from" or "Were these jeans produced sustainably" are, as the trend researcher would say, weak signals for the desire for transparency. Because as a consumer or as a contractual partner I have the choice: I can either trust that a product has been fairly traded or that the right component has been installed in the right place, or I can demand proof of this. Compliance regulations or state regulations, such as the GDPR, already function according to the principle of the duty of proof and are thus the precursors of a development in which transparency replaces trust to a certain extent. Right in the middle of this development, blockchain is now the first comprehensive solution that is no longer linked to proprietary systems to secure trust - and that is almost a postmodern promise, that is, to tear down these boundaries that are no longer based on trust and proprietary knowledge, but on transparency and traceability.

This naturally also opens up numerous application possibilities for the industry with regard to compliance with quality and origin, for example through Smart SLAs in the sense of blockchain-based Smart Contracts - by solving the problem of trust and transparency beyond a permanent contractual review. We are just starting to think about new contracts between companies - that's exciting, of course.

Smart contracts are one of the best-known varieties of blockchain technology. But here, too, there are countless possibilities for implementation. How should companies that have no experience with the technology proceed with the implementation of blockchain solutions?

In my opinion, the challenge lies less in the technical implementation than in the development of suitable scenarios for the use of blockchain within the framework of existing and new business models and in their validation. Companies are often very technology-driven here. In such cases, it makes sense to take another step back and think thoroughly about the topics of one's own business model and which technologies are actually useful here. This can also lead to the realization that a conventional database is currently better suited for use in the company.

In principle, however, we try to find the first practical solutions in the form of Minimum Viable Products (MVPs) very quickly, namely within twelve days. This enables us to validate at an early stage whether the business model idea and the associated technical implementation are at all viable. Take the example of bicycle insurance, which we developed as a scenario for a customer: With the help of a unique number printed on the frame, the bicycle should be registered and secured in the blockchain. This is not a technical problem. However, the procedure had considerable weaknesses when playing through with test users. For example, it was no longer possible to give away or rent a bike without making a formal handover, as it was firmly registered in the blockchain. This means that the persistence of artifacts meant that simple trust-based actions were no longer possible. The example shows how important it is to reach a testable prototype as quickly as possible, which makes it possible to check not only the technical aspects but also the social acceptance on the market.

The example also shows that blockchain is not yet completely transparent for companies and end users. After the hype at the beginning of the year, when several companies wanted to develop their own crypto currency, things now seem to be quieter around the topic. Was the first wave too early?

We should distinguish between two perspectives here: Coming from a technology perspective, blockchain could also be regarded as a kind of database, i.e. an almost basic technology or IT solution. Blockchain gets this special nimbus only by the speculative elements, which are added by the almost pop cultural element of the crypto currencies. So on the one hand we have a controllable technology with which very concrete projects can already be implemented today and on the other hand, superseded by it, a pure object of speculation. That should be clearly separated in the discourse - but commonly it is usually thought together latently.