

# Blockchain

---

Made Simple

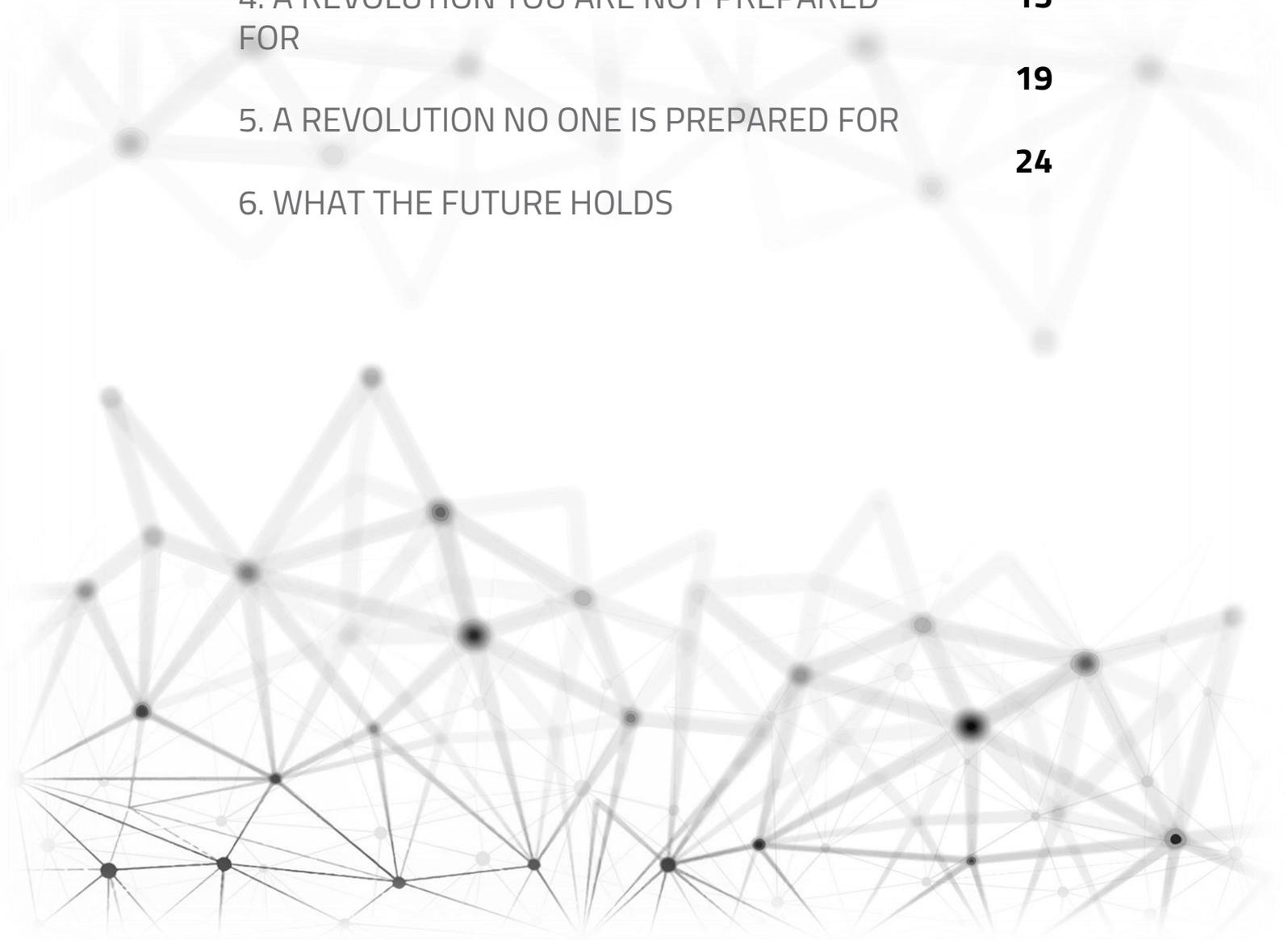
*Rufus Lidman*





# TABLE OF CONTENTS

ABOUT THE AUTHOR	<b>3</b>
PREFACE	<b>4</b>
1. THE REVOLUTIONARY TECHNOLOGY	<b>5</b>
2. A VERY SPECULATIVE THEORY	<b>6</b>
3. A VERY REVOLUTIONARY REALITY	<b>11</b>
4. A REVOLUTION YOU ARE NOT PREPARED FOR	<b>15</b>
5. A REVOLUTION NO ONE IS PREPARED FOR	<b>19</b>
6. WHAT THE FUTURE HOLDS	<b>24</b>



# ABOUT THE AUTHOR



The Digital Guru of Europe, Rufus Lidman is also an innovator and strategist. He holds a Fil.lic in Change Processes from Uppsala University and has never stopped moving forward with his career since then.

He authored three books in digital strategy, founded the international organization within digital marketing, IAB Sweden, received the honor of serving as digital advisor for the World Federation of Advertisers (WFA) and is a highly contacted Keynote speaker with more than 300 sessions in his portfolio.

His first venture took off when he was 19 and today he is recognized as a serial digital entrepreneur and strategist to some of the world's leading brands such as Samsung, IKEA, Mercedes Benz and Electrolux, etc.

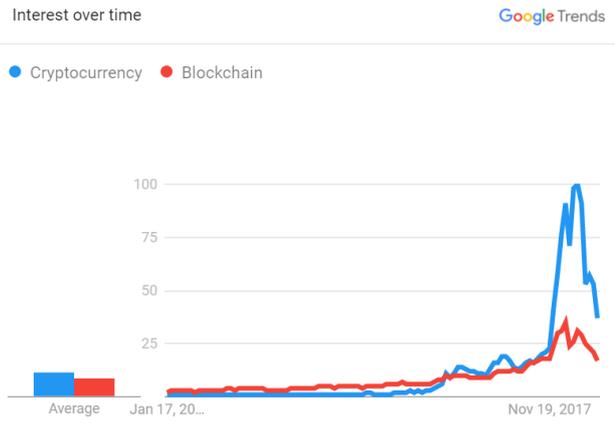
Lidman is the founder & CEO of the EdTech start-up AIAR that aims to completely democratize lifelong learning for the 2.5 billion people in need of education worldwide using AI, utility tokens and blockchain certification.

# PREFACE

Over the past couple of years, we have seen interest in blockchain technology soar sharply. Despite all this hype and buzz, there have been only a few, rather unsatisfactory attempts to explain what this powerful technology entails for society.

With blockchain's full potential and implication left unanalyzed, we are already deep in the process of a technological revolution. Some tech-savvy people might be fortunate enough to foresee the future we're headed but unfortunately, regular people are blind, guessing and wondering at best.

A few noteworthy events last year (for example, over 1,000% increase in the value of major cryptocurrencies and hundreds of ICOs taking place) further ignited already-intense curiosity. As one of Sweden's most sought-after digital strategists, everyday I am bombarded with questions about Blockchain, cryptocurrency, ICO and the like. It hit me that there is this dramatic need to bridge the distance from techie, cryptic knowledge from deep-tech hackers, ICO experts and crypto-anarchists to the



Worldwide. 1/14/16 - 2/14/18. Web Search.

*Worldwide Google search occurrences for 'Cryptocurrency' and 'Blockchain' from January 2016 until February 2018. This exponential curve clearly shows an explosion of general public's interest.*

everyday happenings of the average businessmen.

This ebook was born as my answer to fill such gap. It contains unprecedented insights drawn from my numerous years of international, digital career. And of course my latest venture as the founder & CEO of one of the world's most promising unicorns-to-be (with blockchain in its core technology portfolio) led me inevitably to gain unparalleled depth and width of knowledge on the topic.

After reading this, you will also be way way ahead of most people. Are you ready to open your eyes?

**For any questions please contact me at [rufus.lidman@aiar.com](mailto:rufus.lidman@aiar.com).**

Chapter 1.

# THE REVOLUTIONARY TECHNOLOGY THAT WILL CHANGE YOUR WHOLE LIFE

Blockchain has been around for some time but only recently did it gain a significant foothold in our daily life.

The very technology has been disruptive. For example, consider [Bitcoin's environmental footprint](#) with its global electricity consumption being the equivalent amount spent by 186 million Nigerians in a year. At a minimum, worldwide mining of the Bitcoins could power 821,940 average American homes on a day. What about cryptocurrencies being used for criminal activities? A 2018 study found that [44% of the Bitcoin transactions made were associated with illegal activity](#). Annually, about US\$72 billion worth of Bitcoins have been transacted for illegal purposes. Bloomberg recently reported about the shift in the criminal underworld's taste from Bitcoins to privacy coins, such as Monero, [which provide more anonymity](#). These are just the beginning. It will further disrupt and revolutionize almost every aspect of your life and the whole world's life.

It is usually said that what blockchain is doing for transaction is what the internet did for information (and social media for interaction). Compared to the cool and impressive AI, the technology itself is not "magical" in practice - it is basically a distributed database, a shared irreversible book of records (so-called "immutable ledger").

But with the help of it, the possibility of "track and trace" simplifies for every transaction worldwide, both tangible and intangible. This not only increases efficiency but also confidence in exchanges between anyone and anything, fundamentally revolutionizing transactions and relationships and thus how the whole world has worked until now.



Image: Shutterstock

## Chapter 2.

# A VERY SPECULATIVE THEORY

In the corporate world, it was mostly about the bubble and speculation in 2017. When the British company On-line Plc changed its name to On-line Blockchain Plc, [their stock price jumped as much as 400%](#). When the fintech company Longfin, just a few days after its own IPO on Nasdaq, purchased a small blockchain company, Ziddu.com (95% owned by Longfin's CEO), [theirs surged to over a whopping 2,000%](#). And if that was the degree of hype in the corporate world, its counterpart in the currency market was even greater.

## 2.1. THE DEVELOPMENT OF THE WORLD'S FIRST AND LARGEST CRYPTOCURRENCY

It is because blockchain in the currency market has a longer history than the corporate's recent upswings. The first application of blockchain technology, like most of us already know, was the Bitcoin (BTC). It began as a [rather charming idea](#) when an anonymous programmer in 2008 tried to conceptualize a democratizing monetary system that operated outside corrupt and repressive centralized states. The reality became something else when the cryptocurrency was picked up by drug dealers and others seeking privacy in their transaction records, as well as by people who wanted to speculate the development of currency value.



Image: Freepik

Many of the latter have since become millionaires with BTC. Among the world's 22 million BTC owners, [there are a thousand people owning about 40% of the currency](#), i.e. over 150M SEK per person. Apart from the fact that the founder himself, Satoshi (whoever that is) is believed to own BTC worth \$20 billion, and Ripple's founder Chris Larsen is said to own \$40 billion BTC. We have now also seen our first BTC billionaire investors.



Image: Hacked.com

By the way, these are humble examples compared to the comeback of the Winklevoss twins. After the dispute with Zuckerberg, the twin brothers have invested their \$11 million Facebook payout in BTC, which has [grown to \\$1.3 billion today](#). In Sweden, too, there are hyped stories about people who sold all their shares and spent all their savings to invest in BTC, which [then increased by 460 times in value](#). To put this into perspective, the initial investors of Spotify had 300% return upon its IPO. You get the idea.

What everyone in the game is not aware of is that this unusual return was possible not only because the demand for the "digital gold" dramatically increased but also the supply of it is capped constant. For fiat money, government can crank up its supply by making the central bank to print more. On the other hand, the supply of cryptocurrency resembles that of gold and some other "persistent" commodities (new gold can only be generated by a supernova explosion).

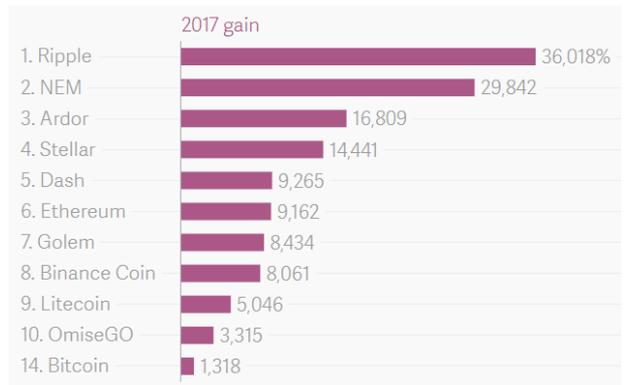
It simply exists. It is here and it'll always be here through mathematics in blockchain technology. Cryptocurrency is "impossible" to fake, and it's impossible for anyone to sell the same coin to several people at the same time. The fact that there are [only 21 million bitcoins](#), of which 17 million are mined in digital mines until today, contributed strongly to its popularity.

## 2.2. THERE'S MORE TO THE FIELD OF CRYPTOCURRENCY THAN JUST THE BITCOINS

Many have compared the rise of BTC and other cryptocurrencies called Altcoins to that of the [Dutch tulip bulbs of the 17th century](#). And that is understandable. In January 2018, the total value of the 1,360 crypto currencies was [\\$700 billion](#), while it was a meagre \$20 billion a year ago. Bitcoin with the highest market value among them (\$265 billion) has exploded in value by 1,300% in 2017. This number pales in comparison to how much it has increased since the start of 2010 when the first purchase with BTC took place. From ordering two pizzas with 10,000BTC, its value has now gone up 6,000,000%. Yes, six million percent!

Well, that's not the end of the story.

At the beginning of 2016, there was a single cryptocurrency valued at over \$1 billion. Just the Bitcoins. Today, the number is [a staggering 36](#). At the turn of the year 2017 to 2018, BTC (despite its over 1,000% growth) didn't even make it to the [top ten fastest growing cryptoassets list](#). The value of Ripple, not as widely known as but actually [older than Bitcoin](#), skyrocketed by 36,000% in just one year (\$100 billion in value), followed by Nem, Stellar and Dash by 10-30,000%. The even more famous Ethereum (\$80 billion) and Litecoin rose by 9,000% and 5,000%, respectively. All insanely high numbers, when in the rest of the world, the biggest rise for established, centralized currencies, let's say the US dollar, was an increase of... 20% in 2014.



*The biggest cryptocurrencies of 2017, ranked by growth (Image: Quartz)*

### 2.3. THE TOTAL EXPLOSION OF ICO

Equally jaw-dropping figures are found as we shift our gaze to the more dynamic phenomenon of Initial Coin Offering (ICO). Companies have started sprouting up all over the world, unleashing the revolutionary potential of blockchain technology whilst soaking up capital to grow and materialize their ideas into powerful commercial products. In terms of the capital, ICO is equivalent to a crowdfunded IPO for a company that uses the blockchain technology in a new way. Instead of shares, you sell blockchained coins that can be used for future applications or tokens that are linked to the project and entitle token holders to hefty earnings, hopefully.

In 2017, some larger blockchained "IPOs" raised a record value of \$3.7 billion (with startups [raising \\$5 billion](#), a shocking 40-fold increase in capital [than the previous year](#). During the year, 50 ICOs were launched per month on average, with the 5 largest mustering over \$100 million and the fastest (ICO for the new web browser Brave) generating \$35 million in 30 seconds (yes, you read that right, seconds).

And the return on investment for the successful ICOs was 1,280% on average. It's worth noting that the top three had [the ROIs of around 10,000%](#) - to put this in perspective, when Nasdaq is said to have had a "good year" when it rose by 27%.

[The Ethereum platform](#) is in a league of its own. It had a relatively slow start, its launch being the summer of 2015 but just after 8 months [it was valued to over \\$1 billion](#). Come 2017, it has become ["the" platform for ICOs](#) with thousands dApps (distributed applications) mushrooming, resulting in a heated discussion about ["flipping"](#).

Those who believe in Ethereum are saying that soon Bitcoin will stop being the dominant cryptocurrency, and that Ethereum will take its place. This is based on ETH's wide range of possible applications, where companies can easily launch an ICO through the Ethereum network from anywhere in the world. That is, you can catalyze an explosive innovation through decentralized cooperation in line with the Fourth Industrial Revolution.

Even the payment for ICOs usually takes place via just BTC or ETH, meaning the ICOs also contributed to jacking up their demand.



*Image: onemonth.com*

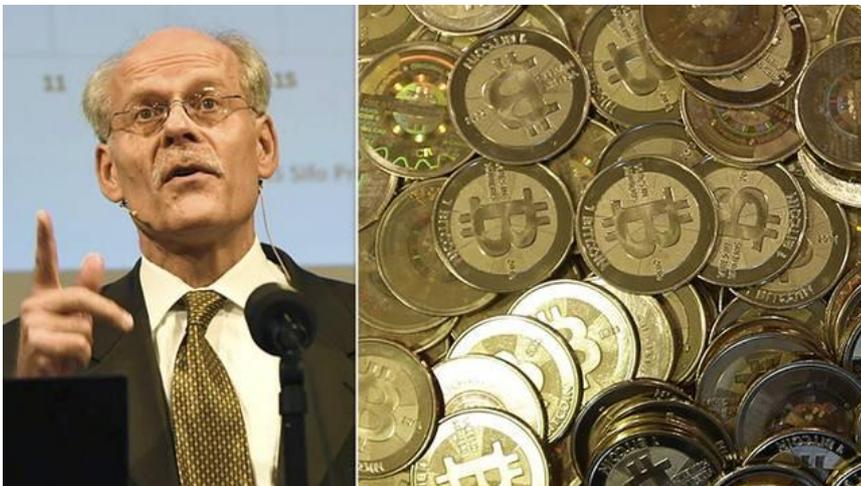
## 2.4. THE OLD DINOSAURS MAKING NOISE

All of this doesn't occur in a social vacuum of course, but in the eye of the storm, centered on [the enormous polarizing we've seen worldwide over the past years](#). And while the global, often digital, giants in the corporate world have increasingly assumed power in society, so too have we as individuals. Both at the cost of politics, where for hundreds of years was seen as a given that the state controlled both corporations and individuals with an iron fist, which isn't nearly as often the case today. Adding to this, social media (even those controlled by large global digital corporations as well as the individually controlled sites) have entirely superseded traditional mainstream media in importance.

Partly because of this, [block-averse statements](#) have rained down from both established companies such as [traditional VC](#) but also from the financial elite of Wall Street, such as JP Morgan and Vanguard, as well as academics and Nobel Prize-winners, all proclaiming they avoid bitcoin like the plague. Above all though, this is all happening in an age where one of the few monopolies the old governments retain aside from violence, is monetary creation and management.

Due to the more speculative elements of cryptocurrency, countries such as [Israel have proposed outright bans on bitcoin-driven companies](#) on the stock market, and [South Korea recently banned](#) anonymous trading in cryptocurrencies. In Sweden, the Financial Supervisory Authority is issuing formal warnings about ICOs and our dear governor of the Swedish Central Bank has stated that people who invest in cryptocurrencies "are on their own". Then again, Sweden has both the oldest Central Bank in the world, as well as the oldest currency still in use.

What is becoming gradually apparent is [the differentiation and polarization between third world and first world countries](#) in terms of adopting future technology in general, and particularly with regards to the adoption of the disruptive blockchain technology.



*The governor of the Swedish Central Bank, Stefan Ingves, is among the critics of cryptocurrency, claiming they are purchased at the consumer's own risk. (Image: NyTeknik)*

# A REAL REVOLUTION IN REALITY

## 3.1. THE FIRST RIPPLES

A number of cryptocurrencies have more substantial purpose, such as Ripple, being used for a particular financial end and having the potential to be the established norm within its niche. But at the same time, crypto is thus far [not a particularly efficient currency for transactions](#) since each bitcoin transaction can take 4 to 5 hours to complete and when the bitcoin network is only able to handle 7 transactions per second (TPS). Compare to, for instance PayPal at 115 TPS, or Visa at 4000 TPS, and IoT's TPS being in the hundreds of thousands.

As a response to this, there are Altcoins to solution this problem (e.g. the new IOTA that can manage between 500-800 TPS, inching closer to Visa's standard than PayPal) and the related cost per transaction (such as with [Bitcoin cash, which so far is holding at .10 SEK per transaction](#) rather than the Bitcoin default at 250 SEK).

Yet there's still only a few thousand large or medium-sized companies that accept BTC in exchange for goods and services. Save for of course certain digital networks such as Dish Network, Overstock.com, Shopify.com,

as well as others such as Microsoft and PayPal). On the flipside of that, we have today only 10 million users of cryptocurrency worldwide – that is only a tiny fraction of the global population use or own any kind of cryptocurrency.

Of the 1,360 cryptocurrencies of today, only [350 of them are valued in excess of \\$10 million](#), and not even 30 of them have a combined value of \$1 billion. The total marketvalue for all cryptocurrencies combined is, in February 2018, only \$500 billion total. That is less than Apple's market worth or the Swedish BNP. While some would argue a better comparison would be the gold market, where people place their capital to avoid currency crashes, the gold market is still worth around \$8,000 billion today – leaving the cryptomarket woefully short either way.

And even if the evolution of ICOs is brutal, there is a historic lack of regulation, which in its infancy turned it into a Klondyke for reckless projects and even scams that would otherwise not have survived in the capital market. These also make up less than [2% of the capital raised by IPO](#), and not even 1% of all the value of the combined exchange markets (in excess of \$80,000 billion).

What we've seen so far are thus scarcely anything but the first ripples of what's to come.

## 3.2. A MOB OF APPLICATIONS TO WASH OVER US

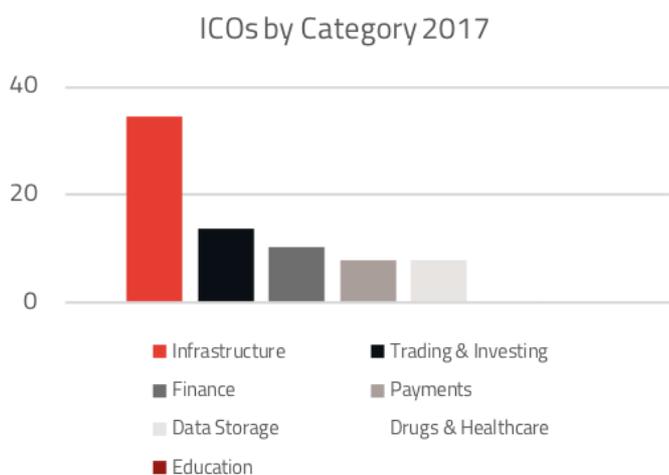
But while Bitcoin and certain Altcoins can be seen as speculative (this being where the gold has to be taken into account), the blockchain is nothing other than a revolution – and I'll say this only once:

*Whoever doesn't understand that, hasn't understood anything at all.*

We have in truth been swarmed with different [outright brutal applications](#), and which gives us an indication for how the blockchain will destroy area after area of inefficiency in global and local transactions. And this will encompass anything from entertainment to deadly serious affairs. Looking at a few of the "lighter" applications, the company CryptoKitties have over [quarter of a million avatars that 180,000 registered users bid on](#). And this is not just for fun and laughs, but has generated over \$25 million in transactions, with 10 digital "kitties" that have sold over \$100 000 a piece.

Excited? Great, but how long has it taken CryptoKitties to work up a userbase that big and revenue that impressive for its field? Yeah, it was a long and arduous process of... *1 MONTH!*

If we're looking at it purely from a business perspective, it becomes apparent how "play becomes work", but even then the serious-minded may question if the blockchain is only good for such playful concepts. The honest answer? The exact opposite. CryptoKitties is the first blockchain game and most of what we've seen last year have been deadly serious affairs, with far reaching consequences for companies, nations and even you, the individual.



*ICO distribution by category 2017*

Fact is, when you [add up the 235 biggest ICOs](#) from the past year, only 10-11% have been concerned with gaming, gambling, music or other forms of entertainment. Among the top 5 categories (which together represented 80% of all major ICOs worldwide), we find only a single "lightweight".

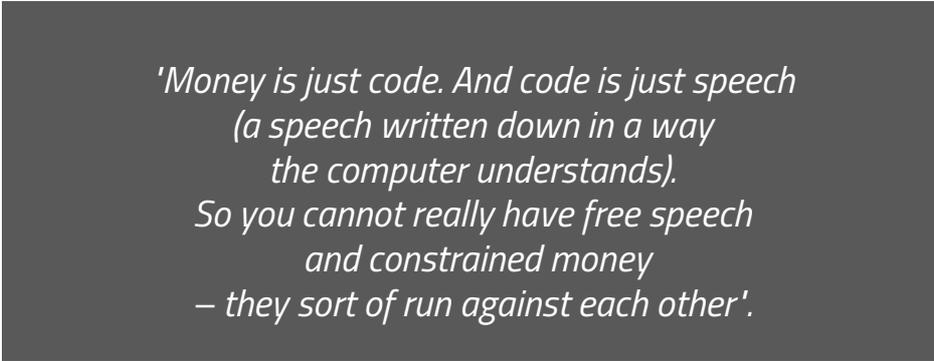
Instead they've all concerned serious matters such as infrastructure, trading, finance, data storage, healthcare and pharmaceuticals.

### 3.3. A RUDE AWAKENING

As we can now so plainly see, developments in the field have accelerated so fast and so strong that there's no stopping it. This runaway train of the future has given every indication of momentous change, just hanging in the air, and now the establishment can't help but to tremble – that is, if they're *smart*. Of course, some aren't and opt to ignore the way the wind is blowing and stick their heads in the sand, but a few have the forethought to try to get ahead of it, lead the way and embrace the inevitable future rather than fight it.

It's been claimed that during 2017 the blockchain got "too big to ignore", while during 2018, it will get "too big to fail". Some of the smarter ones have realized exactly this. Google is already the years' second biggest investor in blockchain-technology and in the final hours of 2017, Amazon entered into partnership with R3 to let Corda be one of the first distributed ledger technologies on Amazon Web Services.

Peter Thiel publically declared that Bitcoin is [what he wished PayPal had been](#), and now invests heavily in it. Others, even smarter people like Naval Ravikant (founder of Angellists) is deep in it and [has spoken out about it](#):

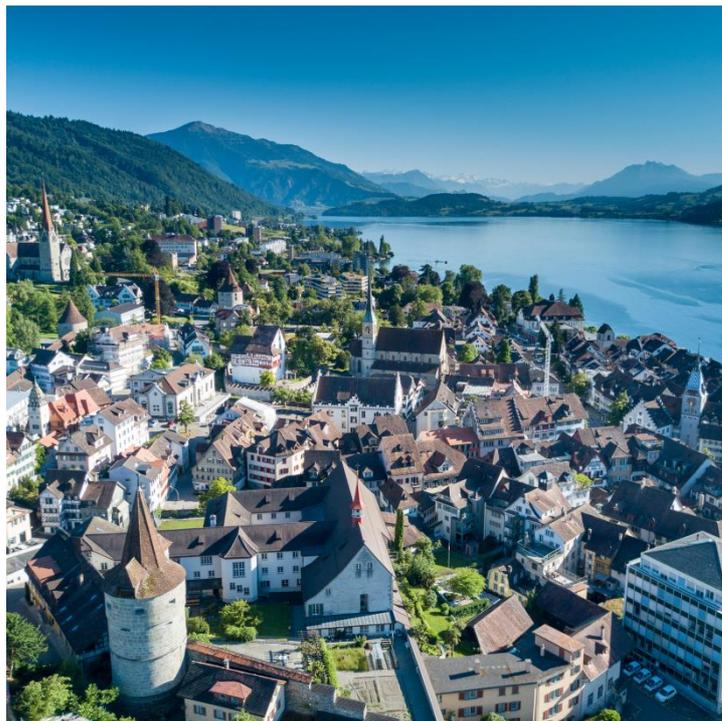


*'Money is just code. And code is just speech  
(a speech written down in a way  
the computer understands).  
So you cannot really have free speech  
and constrained money  
– they sort of run against each other'.*

A slightly older comeback-kid like Bill Gates in turn sees the obvious potential in Bitcoin, but aboveall in the underlying blockchain technology that he claims will be one of the greatest breakthroughs of the decade, if not the century.

As for the rest of the world, it's more of a [rude awakening](#) for many. In the United States, cryptocurrency is seen as raw materials, again comparable with gold, and the supervisory authority of CFTC approved at the tail-end of 2017 public trading with terminals for cryptocurrency on the stock market in Chicago. The EU themselves consider BTC as a currency directly and in Germany they've taken actions to give the cryptocurrency a more formal status. No matter what the financial elite of Wall Street say, public interest among professional investors and stock markets alike has blown up to a massive scale, with hundreds of hedgefunds investing in BTC today.

And it doesn't stop there. Authorities in the UK themselves [started testing blockchain technology](#) over a year ago, and countries like Dubai are launching blockchain technology to "save the environment and 25 million manhours". [Malaysia, however, is even creating their own regulatory bodies](#) for cryptocurrency transactions and is positioning themselves to surpass the western world in the field. The fact that the so-called "crypto valley" happens to be in Europe (specifically Zug, Switzerland) and that Spain is soon to follow with tax incentives for companies and investors in ICO notwithstanding, this is also closer to the epicenter, near the eye of the storm.



Zug – The "crypto valley" of Europe (Image: Shutterstock)

While both Sweden and Iceland has become increasingly [popular for "miners"](#), who are attracted to the cold climate, low cost of electricity and stable political climate. Still, for historical reasons, more than 70% of the "mining pools" for Bitcoin are located in China today, as the Chinese market not too long ago made up 90% of all cryptocurrency ownership in the world, before banning exchanges of local currency for Bitcoin.

Now the market has shifted from yuan to yen, where half of all trading in BTC worldwide is based in Japan, [80% of traders being Japanese men between ages 30 to 40 years old](#). Japan is also the first country to recognize 17 different cryptocurrencies as valid currency and half of all BTC traders have also used Bitcoin to pay in restaurants and shops. This is also the first nation with an employer paying in cryptocurrency, with less and less hackers and more housewives and working parents engaging in the field.

Not far behind in second place is South Korea and Vietnam, both countries with widespread internet access. All areas where [it's happening right now](#), and where most developments, provided [us heavyweights in the rest of the world don't wake up to smell the roses](#), will continue to occur. That is Asia.

It may very well have been written in the stars that one of Asia's biggest companies, Samsung, and my former employer for over 10 years, is [first in line](#) to produce the chips to be set behind all "mining" operations worldwide.

# A REVOLUTION YOU ARE NOT PREPARED FOR

## 4.1. A REVOLUTION IN DATA INTEGRITY THAT MAKES YOU RICHER AND THE WORLD BETTER

From the traditional analogue establishment in the western world, transaction costs and transaction rates have both been viewed as the primary rational approaches and decisive factors back in the offline world when old currencies were the only one's in use. In the current online-world, that may no longer be the case.

Instead, from the digital block-elite, questions have now been raised about what will play the most crucial role in the online world. [One proposal](#) came from Don Tapscott, the author of "Blockchain Revolution". In the book, [he makes a case](#) of issues such as privacy, ownership of digital data and the dominion of your digital identity.

[As we've seen above](#), the data is "Today's Oil", something we as individuals provide that other digital gorillas then confiscate. Tapscott compares this relationship with the age-old feudal system. Feudal lords owned large areas of land which were then farmed and cultivated by peasants to create value, which was by a large confiscated by the lord.

Today, we continuously create the new "oil", the data that is being captured by our digital landlords, including social media, search engines, governments, banks, etc. Tapscott, like many others in the block chain community, strikes back at these issues, by goading us to attempt to regain this data - our "digital identity" - and handle it responsibly in favor of our own interests rather than the gorillas.

With the blockchain, people along with physical and digital objects can have unique, immutable identities in a "digital black box". This box, while protecting our privacy, will capture data that we need so we can profit from it and plan our lives with it. Or we can chose to not only use it to benefit ourselves, but to [benefit the world at large](#).



Image: RHEB and Eveline Grassman

It's not just that blockchain technology together with the trends of the sharing economy enables such an enormous capacity of resource sharing – and thus helping the environment – with blockchain and smart contracts, it will be possible for new companies to engage in more sustainable business practices. Tokenized "carbon credits" will be created with smart deals on marketplaces such as Veridium, with companies like Zerofootprint and CarbonX making it possible and rewarding individuals who manage their environmental footprint.

## 4.2. A REVOLUTION THAT MAKES THE GORILLAS POORER AND THEIR FUTURE LESS SECURE

As soon as we start talking about regaining your digital data, we'll come across an area that has sparked a lot of debate. We are talking about ["the evil Google"](#), whose data capture is compared to [evil in parity with Monsanto](#). In Sverige, that's certainly something our good friend [Staël Von Holstein](#) has been [raving about for years](#), last being during breakfast last fall when I tried to engage him in a debate about the "social benefit of global personalized learning" - Staël instantly dove right into the topic of protecting our data from the evil Google and, more importantly, how we should guard ourselves from becoming them ourselves.



Image: Emerald Frog Marketing

This is not an altogether irrelevant question in this context either. Because clearly, digital gorillas like Alphabet, Amazon, Apple, Android, Adobe and Facebook, just like the feudal lords of old, have built their momentous success on centralized models and data gathering. If you think blockchain technology wouldn't pose an immediate threat to their entire existence, think again. And if you think I'd shy away from waking a sleeping giant with it, think again on that one too.

But don't also expect them to [sit idly by in the age of the blockchain](#): *"The Empire WILL Strike Back"*.

### 4.3. A REVOLUTION THAT PRECISELY ELIMINATES ALL INTERMEDIATES

This is really rather modest technology that we're dealing with here, in essence a distributed database of irreversible data that happens to be arranged in blocks and made available to all parties involved – it is firmly encrypted to prevent access by anyone else. Yet it's this same basic concept that is changing the entire world.



Image: AIAR

Last year made history, as the cryptocurrencies grew to a point where the "traditional world" due wanted to get in on the action (=invest/speculate) and control (verify/regulate). It made a mark by showing incredible returns of 1,360 currencies where the largest increased in value by an insane factor of tens of thousands and generated billions of dollars of ICOs.

But what is really changing the world is that the blockchain and [fully digitized DAOs](#) (Decentralized Autonomous Organizations) as well as the [DAPPs \(Decentralized Applications\)](#) are removing the need for any and all intermediaries, not just the "digital gorillas", but everyone else as well.

We will be able to safely and simply manage every single transaction between people and machines, tangible or intangible. This is exactly what is happening currently and expect far more in the years to come. During 2017, we have seen concrete things like [systems for housing purchases](#), [safer voting practices](#), the creation of [encyclopedias impossible to either troll, censor or manipulate](#), and the [eased tracking and quality assurance process of food](#) in both production and distribution. [Shipping companies are already earning millions of dollars](#) by simplifying their workflow and cutting administrative costs. Traditional banks have even adopted blockchain for [reimbursement-flows and blockchain protocols from Ripple](#) to manage inter-group transactions between accounts across borders.

...and it just goes on and on.

According to McKinsey, the value of services and products distributed through data flows in 2014 totaled \$ 2,800 billion, greater than the trade of physical goods. In 2017, we have 550 terabytes of data flow per second, a substantial increase from 46 already in 2010, with the numbers expect to quadruple over the next three years.

What technology do you think will take care of all this? And how many of the traditional intermediaries, trading houses, banks and retailers do you think will be needed in this process? Not many.

*Think laterally, go outside your comfort zone, think outside the box or call it what you will, but WAKE UP! And after you've awoken from your slumber, make sure you deliver on a level that's anything less than "close to impossible".*



*Image: Wallpaperpp*

## Chapter 5.

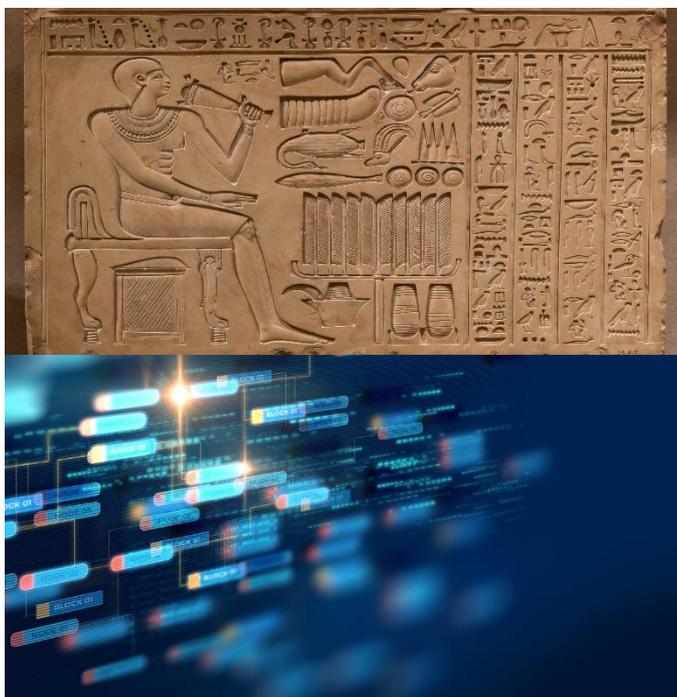
# A REVOLUTION NO ONE IS PREPARED FOR

## 5.1. BACK TO A PERMANENTLY DECENTRALIZED WORLD

The blockchain revolution will reach far, far beyond transactions and will have consequences on an entirely new level as well. As our old friend Kevin Kelly [points out in his latest book](#), we are in the middle of a hundred year-old trend (more appropriately, an oscillating process) of decentralization. Blockchain will constitute the final nail in the coffin. What does this mean, you ask?

*To be perfectly blunt: the blockchain will change everything.*

Everything you've learned, everything you're comfortable with, in finance, business models and their impact on the economy, all of it will change. And everything you think you know won't matter anymore.



*Blockchain will change everything. (Image: Merkel & Alphacoders)*

We have built our entire civilization on contracts, which was the first thing created after the creation of written language itself. That we now can generate secure contracts with millions of people who we may not know, but through the blockchain will be able to trust regardless, will change everything.

In my home away from home, the United States, we have PayPal. In my native Sweden, we have Swish. Both are cultural warning beacons of what's to come. It's a little bit like how NTT DoCoMo's device shepherded the population of South Korea into going mobile far ahead of the rest of the world, alongside early adopters such as Sweden and Finland.

Imagine a PayPal or a Swish without a bankconsortium or middleman behind it. Where the money doesn't have to go through a centralized database to safeguard for fraud or misappropriation. Imagine the day when, without a Visa, AmEx or any banks as an intermediary, can transfer your funds directly to your barber, to your Über or to your contractor.

But imagine also that you can block-transfer to anyone, wherever you want, without knowing the person or company in person, and still have a foolproof transaction and a foolproof currency that your counterpart wants.

Imagine block-transferring donations directly to a child born in poverty or a refugee of a war-torn country just as easily as you would give cash-in-hand to a homeless person you'd see on the street. Imagine block-transferring payment for your locally produced food to the farmer down the road for providing the free-range eggs or a farmer on the otherside of the world working the rice paddies where you got your pack of Uncle Ben's.

Imagine taking out a microloan from an unknown source. Imagine paying for your house directly to the seller and getting all the paperwork and pay 100% securely through the blockchain. Imagine paying for the ad via blockchain directly to the site instead of through an ad agency. Imagine paying your insurance to a group of likeminded individuals who all pay a part and automatically pay out according to the foolproof blockchain-secured terms and conditions agreement.

Imagine and then consider which of the old traditional institutions and middlemen that would be needed in a decentralized economy like that.

## 5.2. BACK TO A STATE OF LOVING CHANGE

Done daydreaming? By now, I'm sure you've realized that this isn't anything but a *real* revolution. A revolution so potent that we'll see powerful opposition from the traditional institutions to survive – to keep the old, to cling to their inefficiency and obsolete ways and risk as much fraud and corruption as ever.



Image: AIAR

But with such incredible gains for you as an individual, do you really think it will take more than a generation before the combined force of each individual standing to benefit from it pushes out the old in favor of the new?

If even that. If the past few decades have shown us anything, it's that it's not just the kids that embrace change, but anyone and everyone. The internet has only been around for 24 years and every single person on trains and cafés are hunched over, gawking at it, while more still work with it every day. The smartphone is even more of a novelty, having been around for barely a decade and even my 75 year-old mother can't leave home without it.

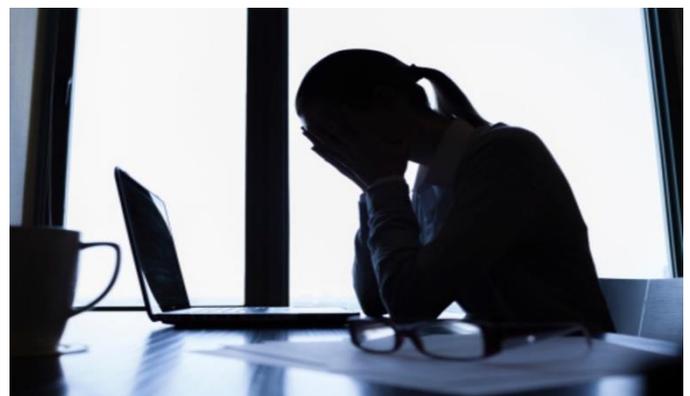
No matter what happens, we can't simply stay the course. That just won't scale. We have a revolution to look forward to and, again, the one who isn't leading it today won't be living it tomorrow.

### 5.3. THE FALL OF THE ESTABLISHMENT

Lets start off by saying this: Not a single company will survive this. It may sound provocative, but it's not just the most probable outcome but it will soon become the only one. Most of the biggest companies of the world are all decades old and based on centralised business model – the age-old and soon to be obsolete solution for parties that needed to work together when they can't trust each other on a larger scale.

This centralisation was designed to give confidence in most cases, and this confidence will be entirely replaced by the blockchain. In this new blockchained world, there won't be room for centralisation anymore, corporate structures that we know of will cease to exist as there won't be any need for it.

*The blockchain will simply change everything.  
And no one is prepared for this.*



*Image Ellevate*

All the experience and training today is based on the centralised model, and businessmen are neither ready or educated in how to deal with anything but. There is no template how to conceptualize, design and run a business model in a decentralized economy.

Within the financial sector alone, hundreds of billions of dollars will be ejected, making the industry faster, more efficient, more secure and reduce risk. And hundreds of thousands of people that are today engaged in trust management in centralised organisations like banks, funds, insurance and investors will disappear in favor of blockchain-based companies.

This is the sad story of the establishment, but there are plenty of positive stories too. It's not just a case of currencies like Bitcoin and Altcoins that are outside of government control that are valid across the globe, it can also give [a voice to the poor and the downtrodden](#) in the financial market, where as many as 2 billion people don't even have a bank account. Third world nations of today will also have the opportunity to play a different role in the future, as without the oppressive legacy of a centralised economy will be able to quickly and easily build new economies, free of centralisation, where each and everyone may become an entrepreneur in their own right.

Of course developed first world nations like the United States or members of the EU will see considerable financial gains in a

[decentralized and blockchain distributed world economy](#). But it is even more likely that it will give developing countries a chance to elevate their position globally, eliminating traditional distribution of wealth and socioeconomic limitations of old, with a huge impact not only financially but politically and socially as well.

## 5.4. THE BIRTH OF A BRAND NEW WORLD

In the end, this zerosum-game of equalization struggle between countries and regions, nations and professionals, the fight for limited resources isn't just unnecessary but insipid, utilizing new technology only to repair obsolete solutions to the eternal problems, rather than truly innovate and find new ways entirely, new applications for new solutions.

When I turn to the present reality now, with it's hourglass structure of diminishing top and broadly distributed bottom, I keep the projected fall of the establishment fresh in mind as an inevitable fact and say:  
*You ain't seen nothing yet.*



Image: Forbes

As we now see how all the middlemen and intermediaries will be eliminated by the security of the blockchain, what is the biggest middleman of all? The one based in the biggest contract we have, the one that takes up the biggest chunk of our economy, the one who then distributes it through transactions to both all of us and others.

When you've figured out who I'm talking about: How much do you think this gigantic middleman will be needed in a blockchain future?



*The global village is finally here. (Image: Freepik)*

Further, this implicitly means changes that I don't think most people are even capable of imagining. Just as the past few decades have led to a dominion of global corporations, so too will the next decade be centered on a whole new group of nations, global, fluid nations with no use for old-fashioned analogue borders and checkpoints or divisions of culture, finance or business, acting like tribes that are connected through the ether, through the blockchain rather than archaic concepts of nationalism. Instead, it will be about what nation you choose to adhere to, where you have the pick of the litter of currency, insurance, education and healthcare.

The global village is finally herre.

*So what should you do? That's right, think laterally, go outside your comfort zone, think outside the box or call it what you will, but WAKE UP! And after you've awoken from your slumber, make sure you deliver on a level that's anything less than*

***"close to impossible"***

## Chapter 6.

# WHAT THE FUTURE HOLDS

What else does it hold? Let's start with how the future will start. It's not a case of "probably" but "very likely" that what we're seeing now with Bitcoin and Altcoin is just the first wave of MySpace, Netscape and Altavista, that will be washed away by another wave of forward-thinking emerging giants, like Alphabet, Amazon or Alibaba, or even another kind of social organisation and structure entirely.

Some may call it socialist or even anarchist, wishing for a new world order of communal equality in a post-national world. This all probably sounds far too disruptive for many to serve as any positive change for mankind at large, indeed it may sound too disruptive to serve as anything but an indication of chaos to come.

But this isn't anarchy. No matter what you may think, this isn't a proposed destruction of the commonly accepted social order, but a proposed transition. A transition from old to new, from obsolete to optimal. From one type of society to another. And it's likely to be a better one.

Then again, the question of what social order is remains a relevant one, now more than ever.

As anyone familiar with social theorist Anthony Giddens would probably recognize, the permanency of structural assets such as "money", "corporations", "laws" and "states" is very much an open question. In a Giddensian sense, these are all reproductions of assumptions and actions taken by the populace at large. But they may all, just like the Soviet Union and the Berlin Wall, fall the day these assumptions and thoughts are no longer socially reproduced but socially transformed into something else.

And more than anything we have today, more than all the other technologies we have combined, more than any other starting point to a proposed utopian future that ever was, cryptocurrency and blockchain are set to be the spark of the next big paradigm shift of mankind.

*So think laterally, go outside your comfort zone, think outside the box or call it what you will, but WAKE UP! And after you've awoken from your slumber, make sure you deliver on a level that's anything less than "close to impossible".*

Because if there's anything that we who work with AI and blockchain technology have understood, it's that we're not here to just make a difference.

[We're here to change the world.](#)