

Interoperability and Big Sky thinking will take blockchain to the big league

By  Danette Breitenbach

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Interoperability is the key to achieving blockchain adoption at scale, even though this creates competition between currencies. The most important factors are liquidity, speed and cost, said Stefan Thomas, chief technology officer at Ripple, in his keynote address at the recent [Blockchain Africa 2018](#) conference.



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Interoperability will allow for decentralisation and makes it viable to have more systems. “Airtime providers allow you to call any network. Payments are the opposite, if you sign up with one payment provider, you cannot use others. Interoperability allows the user the freedom to use many payment routes instead of being stuck in one,” he explained.

On flip side, he acknowledged that it does put the different currencies in competition with each other, but interoperability is also the key for financial inclusion, as Project Mojaloop demonstrates.

Mojaloop project

Named after Moja, the Swahili word for ‘one’, Project Mojaloop was started in 2015, funded by the Bill and Melinda Gates Foundation and worked on by Ripple, in partnership with Dwolla, ModusBox, Software Group and Crosslake Technologies. It is an open-source software for financial services companies, government regulators, and others taking on the challenges of interoperability and financial inclusion.

Mojaloop is on the Ripple Interledger that would be capable of enabling digital transactions to take place as 'fluidly as cash'. Customers should be able to send digital payments to anyone, regardless of what kind of account or service they use. The project also makes it easier for financial providers to achieve interoperability.

"By providing national level payments, interoperability can lower costs and help bring the poor into the greater economy," Thomas said.

"Ultimately the difference will be the user experience, so it is not about what we want, but what the user wants or chooses and that is the only way to become mainstream."

Big Sky thinking

Naomi Snyman, blockchain lead for Standard Bank and chair of the South African Financial Blockchain Consortium, believes a greater vision is necessary if blockchain is to move into the mainstream. "Blockchain is being held back because we are too technical or philosophical when we talk about it. We need to move past this and through the hard lessons we have learnt and start to articulate the difference blockchain it is going to make to your business as well as the benefits of the technology in a much more practical way."

It's also not enough to talk about the operational benefits. "By scaling blockchain, a business can cut operational costs and free up operational time and resources, but this is short term thinking. What we should be thinking about is how we can leverage blockchain to set up an entire new business. That's how we should be thinking."

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.

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