



Länsstyrelsen
Skåne

Thoughts and reflections

CordaCon 2019

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Interreg
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Background

On October 23-24 2019 Jörgen Dehlin, from the County Administrative Board of Skåne, and Leif Wennerberg, from Wennerberg Kreativ4you and member of the BLING-projects local support group, visited the CordaCon Conference in London, UK.

CordaCon is one of the worlds biggest events on blockchain.

A trend at the conference was that there is still a very big focus in the blockchain world on financial and technical matters and crypto currencies. But there where also some interesting discussions about other ways to use blockchain, for example for elections.

As so very often on such big conferences the informal meetings and discussions with colleagues from around the world was even more interesting than the formal parts.

Here is our thoughts and reflections from the conference.



What is CordaCon?

R3 is an UK-based enterprise blockchain software firm, working with a global ecosystem across multiple industries to develop on Corda, an open-source blockchain platform that enables businesses to transact directly and in strict privacy using smart contracts, reducing transaction and record-keeping costs, and streamlining business operations.

CordaCon is the R3's flagship conference, that took place in London this year.

This year the event brought together over 2 000 people to look at key blockchain trends. There were about 45 speakers on different subjects.

Highlights: <https://www.r3.com/event-highlights/cordacon-2019/>



Our general findings from CordaCon

The vast majority of the participants came from the financial sector. It is undoubtedly in that sector of society where the blockchain has its biggest enthusiasts and supporters.

While R3's chairman Frédéric Dalibard said that he is seeing blockchain adopted beyond finance; the big consortia currently readying for launch are in insurance, trade finance and capital markets. All connected to the financial sector.

During the conference Accenture's John Velissarios and SAP's Peter Bramm presented a prototype for real-time gross settlement (RTGS) systems. This news was received with great interest at the conference.

Deutsche Boerse's Jens Hachmeister and HQLA's CEO Guido Stroemer presented the news that they are getting ready to launch their blockchain based collateral management platform with a handful of clients in the next few months. Collateral management is the method of granting, verifying, and giving advice on collateral transactions in order to reduce credit risk in unsecured financial transactions. This news was also received with great interest at the conference.

So; was there anything useful for us in the public sector?

Yes, of course there were.

However, much was about technology, rather than substance and content. When technicians meet, it becomes easy to focus on the tools themselves rather than on the method and effects.

But we could see that a number of future trends were noticeable.

One of the more obvious is that there is a clear need for an international conference on the blockchain in the public sector. Maybe something to build on for the BLING project?

CordaCon 2019 – thoughts and reflections from a public sector point of view

Gender inequality

One thing that struck us very clearly during the conference was the gender inequality among lecturers and participants. Without having any exact figures, we would say that 90% were men and only 10% were women.

The current Swedish government has declared itself a feminist government, devoted to a feminist foreign policy. Even if the idea has been met with both praise and criticism, domestic and international, the word feminism is not as charged in Sweden as in many other countries. The government uses the ‘F word’ to stress that gender equality is vital to society and that more needs to be done to achieve it.

From a Swedish perspective, therefore, the gender imbalance at the CordaCon conference was very surprising.

What then causes this imbalance?

There can of course be many reasons for this and we refrain from speculating on this subject here and now.

However, we can state that if the blockchain is to be established as a tool in the public sector, the gender balance must be more even.

Here we can see that the BLING project can have an important role to play.

Blockchain in public sector

During the conference, we were able to note that it is mainly in the case of real estate registers, patient records and e-voting systems that the blockchain is linked to the public sector.

The blockchain can contribute to reduction of costs of public processes, reduction of fraud, decrease making mistake payments and creating transparency in transactions between authorities and citizens.

One area that particularly interests us at the County Administrative Board of Skåne is how the blockchain can be used in public elections.

Governments can use the blockchain to implement digital systems that increase transparency electoral process and maintains unchanging records for elections. In order to maintaining the virtues of impartiality and neutrality, there are essential requirements of every voting mechanism.

However, there have always been doubts about election results because of human involvement. Most selection systems are centralized in their nature and source code, database and outputs these systems are defined by the developer. Blockchain has the potential to create a drastic change in this system.

Most blockchain-based selection systems mimic the logic of the crypto currencies blockchain. The difference is that instead of coins, the votes are sent as transactions that require consensus with the public ledger. With the fact that the unchanging blockchain ledger is public and anonymous, the identity of the voters is protected and the election results can published without manipulation. This eliminates the possibility of illegal votes and maintains the right of citizens to vote fairly.

The consultancy agency Deloitte have made a list of problems in today's voting systems and the advantages of blockchain:

Existing pain points:

- High costs related to ballot printing, electronic voting machines, maintenance, etc.
- Increasing threats of cyberattacks compromising election results
- Lack of transparency due to a centralized process of election results audit
- Voting delays or inefficiencies related to remote/absentee voting

Blockchain value proposition:

- Potential cost savings through blockchain-enabled voting
- Potential for enhanced security and audibility of votes
- Potential for greater participation in elections, including remotely
- Greater transparency meeting citizens' needs

Another important aspect is about the new sharing economy that is becoming more and more parallel to the "gig economy" which is gradually dissolving the labor market as it looks today. This, in turn, means that the tax base is at risk of eroding, and where the blockchain can play a major role in making social service possible at a reasonable cost.

One area in the public sector where the blockchain can be of great importance is healthcare. Here, the issues of ethics, morality and integrity are central and very important.

A number of questions arise:

- Will the transformation mean that healthcare has access to a common database of all health information, regardless of which electronic healthcare system they use?
- How should technology simplify the sharing of research results and hence drive the development of new drugs and treatments?

Threats to the use of the blockchain in the public sector

Lack of overall understanding of the basic functions of the blockchain may discourage organizations from seeing the potentially great values that can be created.

Since experience in blockchain implementations can still be considered limited, there are no developed guidelines. This fact creates uncertainty.

This challenge can be solved through a concerted effort to educate people about the blockchain and its potential. Many organizations have stated that lack of confidence is one of the biggest obstacles to being able to start working with the blockchain. This is especially true in the public sector.

Our conclusions from the conference

- The needs of the public sector are not something that has a higher priority when it comes to the development of the blockchain. The development that takes place is aimed at financial services in various forms.
- However, there is clear development potential for the public sector, not least in terms of agreements, registrations and elections.
- Much of the development in the blockchain is focused on technology rather than content.
- Two issues that can be discussed in the context of the BLING project are how to create a greater interest and focus on the blockchain in the public sector and how to balance the obvious gender differences in the blockchain.

Malmö, Sweden in November 2019

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