

Money is meaningless

 By [Nicci Botha](#)

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In this digital era in which we find ourselves, we are undergoing a massive revolution of humanity which has virtually democratised every aspect of our lives. This is the premise of [Digital Human: The Fourth Revolution of Humanity includes Everyone](#), by fintech commentator, [Chris Skinner](#).



Chris Skinner

The four ages

He breaks down four ages of mankind. The first - becoming human; the second becoming civilised – when we developed money; the third – becoming commercialised with the advent of banks; and now the fourth revolution – where our interaction with technology has impacted whenever we do business, make friends, and go about our lives. “We are becoming digital humans,” he says.

Now, companies own nothing, compared to the industrialised era where companies owned everything. Skinner explains this by using the now ubiquitous examples of Uber operating the largest taxi fleet in the world without owned any vehicles, and Airbnb offering the most hospitality beds without owning any hotels.

“Companies today are platforms that have nothing, but are connecting people who have something with people who want something,” he says.

Plug-and-play banking

When it comes to banking, application programming interface (API) has created a plug-and-play scenario, where customers can build their own banks.

“Traditionally banks controlled the back, middle and front offices of their operations. Some they did well and others badly, whereas fintechs do one thing extremely well,” Skinner says.

“Millennials can create the future of banking. API can apply to every part of the market by doing one thing incredibly well. Blockchain and artificial intelligence can transform the back office. Banks will know us intimately. It’s scary, but also what we want.

“Software is eating the world, and releasing people to do other jobs. What these are is still unknown, because they are still being created,” he explains.

Blockchain creates a database that can be shared by people who traditionally don’t trust each other, and technology will radically transform planet earth once we’ve worked out how to use it.

“If banks don’t change their back offices, they will cease to exist. Collaboration between banks and fintechs will create a marketplace, and the banks’ job will be to curate that marketplace to bring the best bank to me.”

In addition, Skinner says that the boards of directors of banks are still dominated by middle-aged men, with no youth or diversity, who are primarily focused on compliance and regulation. “Only 6% of bank executives have tech experience. This is the type of legacy leadership that needs rejuvenating.”

New models

To see the future of banking, we must look to the east and other emerging countries, where credit cards don’t exist and ecosystems comprise QR codes and mobile payments. Skinner went on to discuss the success of Alipay and Ant Financial, which he says are far more than just payment systems, but smokescreens for building financial systems.

In Africa, something far more innovative is emerging, focusing on the inclusion of the underbanked and unbanked.

“Banks should be there for the difficult things such as mortgages and foreign exchange, and mobile for everything simple. Once you give a person access to a mobile network, they can become an entrepreneur.”

The benefits of blockchain

Other applications where blockchain can change the world is achieving goal 16 of the United Nations Sustainable Development Goals, which is to provide legal identity for all. This can bring to a halt human trafficking, which vastly relies on the fact that so many people do not legally exist through lack of documentation. “Using blockchain and biometric mobile apps, we can start recording births in even the most remote areas,” Skinner says.

Moving onto cryptocurrency, he says Bitcoin in its current form doesn’t work and other cryptocurrencies are far more effective.

He also raises the issue of how to regulate something like technology that has no borders? Governments and central banks are already starting to step in, Skinner says, as is the case of Apple and Facebook facing tax issues in some European jurisdictions.

“We are working towards compelling behaviour changes, and evolving from the traditional to the new,” Skinner concludes.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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