

## Tuesday 22 November | The Promises of FinTech: A Future for the Financial System?

Some believe that FinTech is the future of the financial system: innovative digital technologies aimed at making banking cheaper and more efficient. It may offer opportunities to connect supply and demand in the financial world without banks being 'owners' of financial flows. But is FinTech really a new way of transferring financial resources? Are digital platforms also creating trust, and what is their responsibility and liability in the system? Is the digitalization of the financial world an opportunity for low-income countries, solving traditional problems of retail-banking for people with limited resources?

### Alain Nkurikiye - HiiL

HiiL is a non-profit organisation that promotes entrepreneurship around justice issues; it supports entrepreneurs that solve justice issues. For example: if someone in Uganda creates an app that helps the police to get information around crimes in the city and nobody provides funding for them, HiiL provides them with seed funding for them to be able to raise more money.

The promises of FinTech: it provides a big opportunity, especially in Africa, most notably to increase financial inclusion, as 80% of population lack access to financial services. This is also tied to the growth in internet penetration and smartphone ownership. Yet it also provides a number of challenges: lack of regulation for FinTech and crowdfunding; lack of trust among diaspora; lack of financial skills among diaspora; and lack of impact investors to promote diaspora investment. Alain proposes that the way forward would need to include: building a trustworthy investment vehicle which includes all the stakeholders (such as the diaspora government and impact investors), provide financial literacy programmes to diaspora, and create a pilot project with seed funding.



### Geert Lovink – Institute of Network Cultures

MoneyLab – a project of the Institute of Network Cultures, is, based in the Amsterdam University of Applied Science. It is a small research unit (2014) that does critical internet research, bringing together designers, programmers, researchers, and artists, to create multidisciplinary research around emerging topics, one of which is FinTech.

MoneyLab interferes in the process of coding. The idea is: 'Let's open it up and bring in other values into software because we are in the right stage to intervene in underlying architectures'. Geert states that as the technologies have not matured, it allows us to ask a lot of questions and look for inspiration in the role of designers, artists and activists.

Furthermore, there is a slight shift away from cyber currencies to Blockchain: a new accountancy system, which is basically a dynamic and open excel sheet; it is about a new way of administering financial flows. Geert highlights that how to do this is completely up for grabs, and it is one of the reasons why MoneyLab was founded; it opens up the debate with accountants, directors and programmers that build Blockchain and Bitcoin applications and mixes it with bigger debates, for example around universal basic income, crowdfunding and crowdinvesting, to stimulate and gather critical research.

### Is FinTech a Real Alternative?

Alain believes that FinTech promotes real financial inclusion, and that it is the future of finance: FinTech tries to create new products, faster and cheaper services, and reaches more people. Nevertheless, he states that although "the banking system will change, ... the big names will stay."

Geert believes that the "alternatives are post-apocalyptic", meaning they are proposals for a world after the collapse of the current financial system. Bitcoin only provides a fundamental critique on money as such; it provides a sped up process of transferring money within national currencies. But what happens when national currencies lose their value? Blockchain, Geert concludes, can provide a solution by having a group of people from diverse backgrounds be part of the imagination and creation process of an open system; the more we experiment, the more we diversify and democratise trust.

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