Interview with Business India, May 2018   
  
‘Public blockchains can change the way businesses are conducted in India’  
  
   
  
Arifa Khan is the Founder & CEO of Himalaya Labs and the India Partner of Ethereum Foundation. She has been researching blockchain space since 2015. After numerous successful Blockchain Summits across the world, Arifa is hosting India’s first ever crypto fair, the Himalaya Crypto Summit from 25-26 May in Mumbai. In an interview, the crypto pioneer shared her thoughts about blockchain and the wide-reaching benefits that India and various industries can reap from it.  
  
   
  
What is Blockchain all about?  
  
In the language of cryptocurrency, a block is a record of new transactions. Once each block is completed (with transactions that fill the block size), it is added to the chain, creating a chain of blocks: a blockchain. Because cryptocurrencies are encrypted, processing any transaction means solving complicated math using computing power. People who deploy their computers to solve these equations (and therefore participate in running the blockchain network) are rewarded with cryptocurrency in a process called ‘mining’.  
  
   
  
What is the scope of blockchain for India?  
  
There is a lot of potential for growth in Indian sectors where traditional methods have failed to add value to the industry, like frozen goods transportation, skills certification, authentication of high value goods, preventing fake drugs from the supply chain etc. Blockchain developers and entrepreneurs can bring new ideas and build the industry’s significance. Blockchain can play a bigger role in areas where massive public records are maintained, such as disbursement of government funds, health sector, education, sports, immigration, driving licenses, criminal records etc.  
  
   
  
What features of blockchains do people usually miss out on?  
  
Public blockchains have the scope to rearchitect traditional business processes, make the market more competitive for intermediaries, and reduce the monopoly power of centrally-run institutions, marketplaces and platforms, unlocking huge value for the common man. Blockchain can create great new industries,trigger the next industrial revolution. It can be used as a provenance, an origin and ownership tracking mechanism –e.g. diamonds, and pharmaceutical drugs. It can also be used to ensure authenticity of high value art and precious jewellery, insurance against fraud, and as a tool to build peer-to-peer marketplaces and exchanges.  
  
   
  
How can the government benefit from blockchains?  
  
The governments should not go after only the low-hanging fruit of digitising public records like birth & death certificates, identity, education, medical, subsidy distribution, and social security data. They can also build an enabling ecosystem for educating and skilling youth, R&D & training centres, incubators and start-up funds, and facilitation of partnerships between government, academia, industry and start-ups. The government should create a vibrant ecosystem, thus inviting innovation, crypto wealth, and a new gateway for capital infusion for the Indian startups.  
  
   
  
What are your views on the statement made by finance minister Mr. Arun Jaitley in the Budget session that cryptocurrencies shouldn’t be considered as legal tender?  
  
Calling bitcoin “not a legal tender” does not make it illegal. It simply means you cannot use bitcoin officially as a substitute for Indian Rupee. This is not different from the stand of many governments around the world such as China, and European countries. Bitcoin is not legal tender in Europe. Yet, Europe is a thriving hub for blockchain and cry

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ptocurrencies. Governments cannot embrace blockchain technology and shun crypto. You need a platform such as Ethereum to code smart contracts, which has a native token running its ecosystem called‘ether’, which is a cryptocurrency. So, even if you ban mining or buying or selling of “ether” in your country, somebody somewhere is mining and trading in ether to keep the platform going. Regulation is not going to stop it. Policymakers and regulators in India have a steep learning curve ahead on cryptocurrencies and blockchain.  
  
   
  
Why are the powerful at war with crypto?  
  
Billions of dollars are being made and lost each day. In the calendar year 2017, the overall crypto economy boomed from $20 billion to $800 billion! The rising influence of crypto affluent is causing a rise in concerns of the fiat-wealthy too who have traditionally controlled most wealth, and clout. On the other hand, banks and financial institutions are finally waking up to the real risks to their business models from crypto, which they had been dismissive about all along.