Property in a digital age

PART 4

> Security and adoption of bitcoin

BY ***BRIAN CHUNG***

LAST week, we explored points to clear doubts on bitcoin technology. We also shared bitcoin entrepreneur Andreas Antonopoulos' tips and advice, bidding the authorities to think twice before making any decision on regulating bitcoin.

In this last of our four-part series, we share more of Antonopoulos' insights, including how safe it is to use bitcoin.

SAFE AND SECURE TECHNOLOGY

"The bitcoin network has been secure since Jan 3, 2009. There has not been a successful attack on the bitcoin system." Why one wonders, to which Antonopoulos says: "It's either that nobody has tried to attack it or everyone is trying to attack it."

The expert justifies the reason behind his rationale, considering that many have been trying to attack it. He says: "Everyone is trying to attack bitcoin. They have been at it continuously since 2009. Bitcoin now protects 12 billion US dollars, which is a big prize for whoever is successful in attacking it. It also serves as a lesson to teach bitcoin and its users to be more careful as each person tries to attack it; the system adapts itself and becomes more secure. There is no one who has successfully attacked bitcoin over the past seven years; unlike regular financial institutions, where not a single bank in the world can accede to this."

It is remarkable but not magic, Antonopoulos feels; not that bitcoin has found a way to secure itself that nobody else is able to. "It is simply the result of de-centralising control among all the participants or players. So the only way to attack it is to attack everyone successfully," he said, which is quite impossible.

GOVERNMENT VIEW

In response to the emergence of "disruptive technology", the government has set up an organisation called the Malaysia Industry-Government Group for High Technology (MIGHT), to help understand new technology. MIGHT is a not-for-profit company under the purview of the Prime Minister's Department.

Its immediate role is to bring policy-makers and companies together to discuss leveraging new disruptive technologies. MIGHT and Bloktex were the two parties whicho recently invited Antonopoulos to share insights on bitcoin technology. The intention was to provide the public and policy-makers with insights into this technology, and from who better than the expert himself.

MIGHT president Datuk Dr Mohd Yusoff Sulaiman shared his reason behind collaborating with Bloktex on the talk.

"Why we are very interested in working with Bloktex in this event is because we see Blockchain as the technology that will change the whole way of doing business. It will especially impact the financial and property sectors among others. I think this technology will mature and further develop and once it does, it will also affect the non-financial sectors," Mohd Yusoff shared. Another reason for hosting Antonopoulos and presenting the public with the talk on this growing new technology is to help Malaysia remain relevant and competitive among the global industry players.

Mohd Yusoff then shared about the nature of bitcoin and other disruptive technologies. "I think the nature of some of these new technologies that come under the umbrella of the fourth industrial revolution tends to be multidisciplinary and brings sectors closer together, further redefining the sector in itself.

"For example, Uber itself is a combination or merging of two industries – telecommunications and transport. This is where we need to get industries and policy-makers together, to look into the future of how this new innovation is 'disrupting' our businesses and economy, hence use it to create more opportunities to improve businesses and economies," Mohd Yusoff added.

He urged the authorities, those in the financial sector, including the man on the street as well as business entrepreneurs, to look at today's modern technologies and new developments, and try to tap into these to further grow, improve and move from the traditional way of doing things.

"It is very important for us to look at the overall technology development, not in isolation but as a bigger picture; how it will affect and change things for the better," he added.

MORE TIPS AND ADVICE

Today, bitcoin continues to impact industries, property included. However, Antonopoulos advocates the importance of fully understanding the concept of bitcoin before one "invests" into it.

"I 'speak for' bitcoin as an experimental technology that one should only invest in if one really understands the mechanics of it. You should primarily invest in learning and fully understanding the technical aspects that could turn bitcoin into an innovative industry that can lead to business start-ups and build careers," Antonopoulos said.

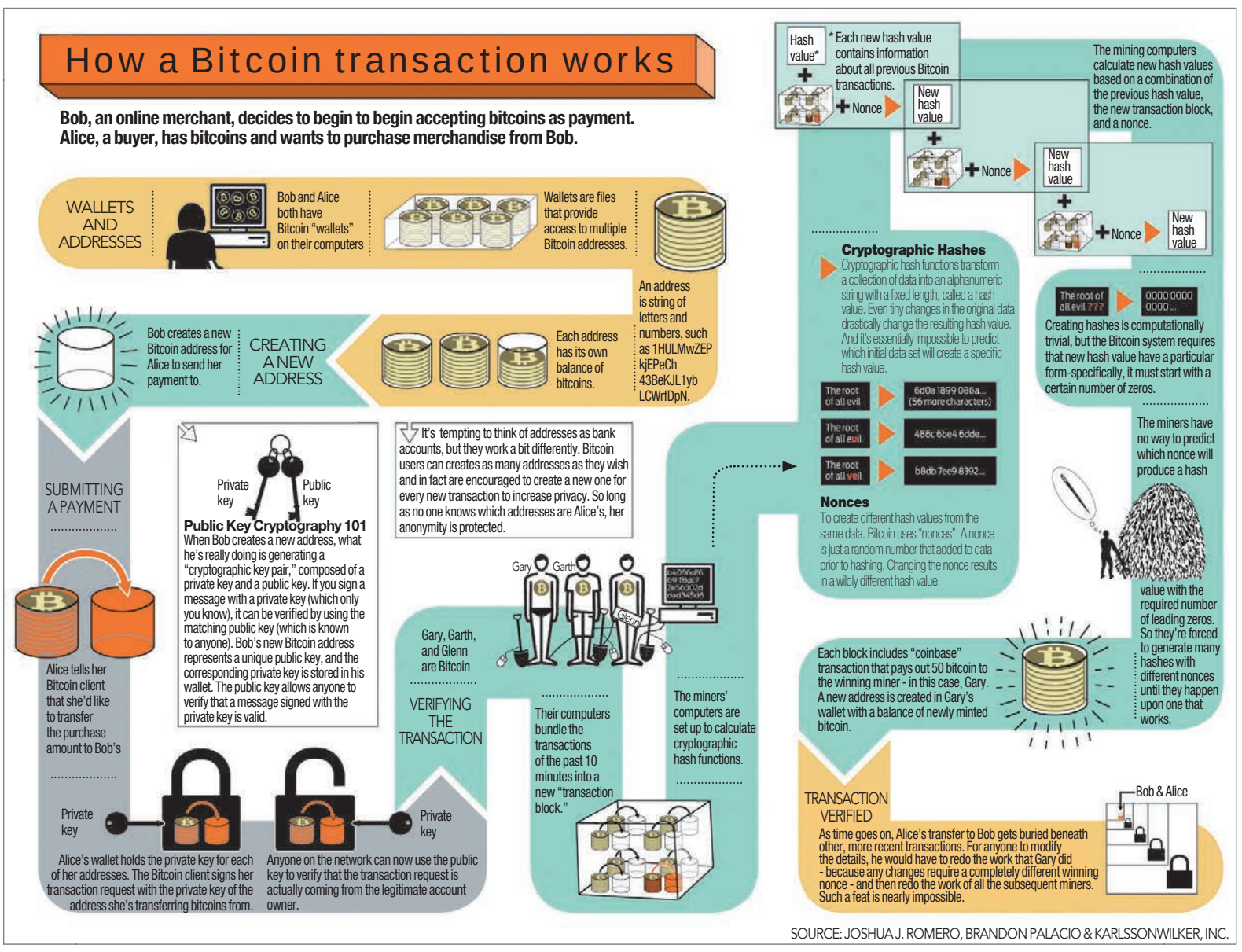
He reminds interested parties that bitcoin is not a stock investment. "If you hear someone tell you that this system is a sure investment, run away as fast as you can because those characteristics are shared by only one category of investment – scams."

The expert also prompts one to be alert and aware, especially in the Southeast Asian region where there are large numbers of new middle-class investors, many for the first time entering into the investment market. "Scams are extremely popular. When you hear things like bitcoin will make you rich, walk away. Bitcoin will not make you rich, but make you poor quickly. It is a volatile experimental system that comes with risks. I am advocating the understanding of this technology, not the use of it as speculative investment. Unless you need to use it and know how to use it, it is not an investment or a get-rich-quick scheme," Antonopoulos drives his point home.

Sharing Antonopoulos' sentiments, Mohd Yusoff said: "Blockchain is currently all the hype in Asia and we should look at it, learn and understand it, and relate it with the fourth industrial revolution. It is no longer business as usual as it fundamentally changes the way we work and live. Bitcoin might affect our work culture, policy and lifestyles. And MIGHT is looking at how we can and should integrate this technology into our lives." Follow out column next week featuring our monthly read on interior decor.

RECOMMENDED RESOURCES AND READING FOR BETTER UNDERSTANDING OF BLOCKCHAIN AND BITCOIN TECHNOLOGY

- **Mastering Bitcoin by Andreas Antonopoulos**
- **The Internet of Money by Andreas Antonopoulos**
- **Bitcoin.org**
- **Blockchain: Blueprint for a New Economy by Melanie Swan**



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