



# Transactions without 'money'



BANKING TRANSACTIONS WITHOUT 'MONEY'

# Barter reinvented

Transactions without money. You prune my garden, I cook your meal. This is possible with the app 'Givo', developed in 48 hours during the 2019 Odyssey Hackathon in Groningen (the Netherlands). Why did professor Jan Jonker (Radboud University, Nijmegen) and his fellow jury members choose especially this solution, which enables 'Inclusive Banking'?



Five teams. One challenge. Forty-eight hours. Build a prototype that allows people to exchange assets among themselves.





The prize-winning team Socialtec has built the app 'Givo' which allows users to trade a bucket of apples for piano lessons. No longer euros are involved.

➤ **A** team from Ukraine that traveled at their own expense only takes the fingers off their keyboards at the deafening end signal on Sunday at 12 o'clock pm sharp. They worked on their solution until the last seconds.

At the Hackathon, they are part of a competition of five different teams, that develop a model for new valuable asset transactions: "Inclusive Banking". Valuable transactions by citizens who offer each other services or products and together agree on what their value is. Imagine you are an elderly person sitting in your portico apartment; what would it be worth to have a cup of tea in a sunny garden? And does the host want that heirloom in return, that otherwise might go to a distant nephew or a forgotten niece?

**Unfortunately** for the Eastern Europeans, but the jury, led by professor Jan Jonker opts for an app from the Dutch Socialtec team. Team captain Michiel Heij (1984) from Zutphen (NL), presented some images from their solution, the App 'Givo', which seems to always have been there. So simple, so user-friendly. "Anyone can use this", the jury concluded, meeting in consultation after the presenta-

tions by the different teams, "So there is a good chance that a large group of users can be built up quickly." How does it work? It is a bit like 'Tinder' when someone is looking for a partner and swipes photos of possible matches away. At "Givo", you first search by subject on your smartphone. Icons indicate interests. Coffee, or in other words: company. Tools, or in other words: handy help. Music. Garden. And off you go. After some razor-sharp choices, the pictures pass-by until you find an offer that fits the need you are looking for. So, contact the provider. Ready in three steps. Or the other way around: you offer, among maybe other things, to capture a special occasion with your camera. The algorithm behind the app searches for other participants in the ecosystem who are interested in just that proposal. Once found, it proposes a match of assets. Swipe again and done! Complex calculations stay out of sight because here again, the beauty lies in the simplicity of the presentation.

**The App developed by** Socialtec makes a utopian ideal tangible. 'Givo' represents: give away what you have in abundance. 'Value pioneer'

Heij anticipates Web 3.0 technology that will make it possible for everyone to be the owner of their own information, decentralized. Facebook, which can collect personal data and resell it to third parties, will cease to exist. "The decentralized web of the future is 'ownerless'", says Heij. A database approach based on a Blockchain database completes the system.

**"We deliberately do not** use tokens," says the winner. "It raises too many questions. Is a car drive to Amsterdam worth more in a Porsche than in a Fiat? Yes? How much? Make a guess. For those who have a small apartment with no sun, a few hours sitting in a sun-drenched garden is worth much more than to someone who has the sun on their balcony. The value(s) of assets are subjective. We prefer to leave it to the users themselves about what something is worth to them when trading with each other. But the fact that this is possible in our system, is just so cool."

*"Is a car drive to Amsterdam worth more in a Porsche than in a Fiat? Yes? How much? Make a guess."*

## What do you get at a Hackathon?

The entrance is very dark. Ice-white flashes of light betray a deep and empty vault. A heavy digital sound is heard in the hall, which bumps onto bare concrete poles. After putting on the "Odyssey Hackathon 2019" wristband, it is as if you are heading for an air-raid shelter after an atomic attack. Leave what is usual behind – enter the fascinating world of engaged digi-weirdo's.

**O**pen iron stairs show the way up. Warning sign: 'One Way Up'. Where is the staircase down? Arrived at the next level, a huge factory floor with at least a thousand people, most of them young. But not with white masks on, the symbol of anti-globalists. Or with dark faces in the shade of their hoodie. It's rather spacey as if people in this abandoned Sugar Factory in Groningen are working feverishly on scripts for an imminent journey that must take us away from this planet in peril.

**In a certain sense**, it's a bit like this, even though it is sobering to learn that the Dutch Ministry of the Interior is one of the main sponsors of this massive event. And there are teams at work for the Chambers of Commerce. Their assignment: to find a way in which cus-

tomers cannot request information from companies under a false name.

**We now also understand** why there are a few Porsches outside in the parking lot of this industrial heritage. The business community likes to tap into the knowledge of these engaged nerds. The Hackathon offers an exciting ecology of like-minded people using Blockchain and open decentralized platforms such as 'Ethereum'. Here you can see how programs and Apps are built, using crypto-technology, with the aim to solve complex societal issues. The overall challenge of all 100 teams present is to build a working prototype in 48 hours. The challenge 'Inclusive Banking' has its own five teams supported by a Challenge-Mayor, a Process-manager and a broad spectrum of top

specialists in a range of topics from identity to GDPR laws, all presented with the Star Wars film reference nickname 'Jedi'. These kinds of challenges create very interesting new business opportunities, so a reward for the winning team of 10 thousand euros is waiting. In addition, the promise to help further develop a prototype and even, to market it.

**Upon entering the location**, the Hackathon seems to be about a lost world, a forgotten space Odyssey. In reality, teams are working hard, creating a world of hope. One in which sustainability and circularity of materials is taking shape. For the participants that is self-evident; no need to underline. Of course, the future is fossil-free, inclusive and peer-to-peer.





## Why does Jan Jonker want to go “Back to the Future”?

At the entrance of the Hackathon is the iconic car from the movie ‘Back to the Future’, a DeLorean DMC-12 with hinged doors. They are wide open, like an albatross that wants to take off. Jan Jonker likes the symbolism of this time-machine. The main-supporter and sponsor behind his work and also this challenge, the NGO ‘Our Common Future’ 2.0, ‘supports the idea of going back in time, in order to lay the foundation for a better future’.

**How can people shape** transactions based on the idle capacity of things and services, of which they determine mutually the value? “What we are working on is what we call Hybrid Banking or Inclusive Banking”, explains Jonker. He and his dedicated support-team of ten team-members create the best possible conditions for the work of the five teams working on the challenge. Dré Kampfraath and Niels Faber together with Daisy Rood and Maarten Makman form the core of the support.

**Is the current money system** so bad? Jonker: “I think the answer is ‘Yes’. At present, you and I cannot determine what something is worth. For most of us, prices are a given. At the same time, the most important things on this earth that we all find very valuable are worth nothing, in terms of money. Take clean air. Take nature. Take the sunshine. We think it is important to value this, but not necessarily by first monetizing it. At present many consider nature worth nothing and use our natural habitat as a dump. This also applies to used commodities, even though they are now labeled as ‘waste’. Then a system has made itself dangerously obsolete. I want to develop a system that does take into account a broad range of values. So, let’s not continue half-heartedly with something that is so clearly stuck.” Jonker regards “Inclusive Banking” as an important step towards integrating complex notions such as sustainability, circularity, and inclusiveness.

“Givo is a way to get people involved in their own, peer-to-peer day-to-day economy.” For fellow jury-member Gerard Berendsen (Chairman of OCF 2.0), that was an argument for choosing ‘Givo’ as the winner. “People who have a lot of potential value, for example, because they have time, can start using this in a transaction. As a result, they can also participate more in society.”

**By choosing this prototype**, a start towards the future is made, rather than identifying the winner of a competition. Jonker: “It is now time to roll out a pan-European program so that we can scale-up. To achieve valuable deals, you need variety. And variety only comes with scale. Not 500 people, but maybe several thousand. Our dream is to make the winning app “Givo” accessible to the entire EU. We hope we can start a program in 2020. We will be testing the app this fall in five cities in the Netherlands and Belgium and based on the outcomes we hope that ten European cities will follow next year.”

Jan Jonker, Professor of Sustainable Entrepreneurship:  
“Our app ‘Givo’ makes it possible, just like three-thousand years ago, to exchange things and services of which their value is peer-to-peer determined.”

Also, jury-member Bas Wisselink chooses ‘Givo’: “I think that’s strong: direct transactions without a currency.”

## Why do alternative coins not work?

How long has it been since the first coins came into existence and the barter trade came to an end?

It was trade-people who came up with the idea of printing an image on an alloy of gold and silver (electrum). It was called the “stater” and originated 2,700 years ago in Greece, in Lydia, nowadays the most western part of Turkey. The city of Troy was also located here. With this coin, the seafarers could negotiate deals for their merchandise. Growing cities at that time could also use it to pay their soldiers to go to war.

**Since then there has been money**, and criticism of coins and what they represent. Numerous attempts were made to build a more sustainable economy with alternative currencies, but almost all attempts failed. Why would a digital platform suddenly work? For jury member Bas Wisselink that was one of the questions, on which he assessed the designs on the Hackathon. He knows the problem with ‘tokens’ only too well. Shortly after the turn of the century, there was the ‘Noppes’,

a first digital system where you received value for odd jobs that you could exchange with other participants.

“If the area is too small, an alternative currency will not work”, says Wisselink, who teaches about Blockchain and Bitcoin. He is against the introduction of alternative currencies anyway. “I only know one successful example in Switzerland. All other initiatives got stuck. The trick is to generate a sufficient mass of participants who can trade through direct exchange based on a variety. A system must be simple, accessible and inexpensive. It is therefore good when it looks like something that is already there.”

For Wisselink, the choice for “Givo” from the Socialtec team was therefore made quickly: there were no tokens involved at all. “I think that’s a very strong asset: direct transactions without a currency. Do not attempt to enter the development of an alternative currency. I think that is a dead end, which Blockchain projects will certainly suffer from.” ■

### Websites

- + [YouTube openings scene Odyssey Hackathon](#)
- + [Website OCF 2.0 \(Dutch\), free White Paper ‘Hybrid Banking’](#)
- + [YouTube about the Hackathon 2019 challenge ‘Inclusive Banking’](#)
- + [YouTube ‘Inclusive Banking’ by Dré Kampfraath \(Interimic\)](#)
- + [YouTube ‘Inclusive Banking’ by Jan Jonker \(Radboud University\)](#)
- + [Website Challenge-winner Socialtec](#)

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