

How European governments can benefit from blockchain - and it has nothing to do with cryptos

By **Pascale Davies** • Updated: 24/09/2021

The European Union has made no secret of its ambitions to thrive on the global tech scene, particularly when it comes to blockchain.

And just last week, the EU announced it would invest in blockchain, data infrastructure and high-performance computing, which comes as part of its multi-billion-euro plan to develop technology across its member states.

What is blockchain?

When thinking about blockchain, the word Bitcoin normally doesn't come far behind. But blockchain is not just for trading cryptocurrencies.

Blockchain is actually the shared ledger that allows the process of recording transactions and tracking assets.

It's this technology that can be used by governments and businesses to develop trust and transparency as it's a means to verify data. This can be key to building trust across governments and the sustainability of projects, among many other reasons.

Europe is betting heavily on this technology, selecting a team of seven companies to design and develop the next generation on the European Blockchain Services Infrastructure (EBSI).

This is part of the European Commission's flagship project that hopes to leverage blockchain technology to improve standards of cross-border services for governments, businesses and individuals across the EU.

How will it work?

Improving scalability, privacy and regulation are some of the EU's main goals.

The EBSI is working on upgrading its current infrastructure and will use blockchain technology to allow public administrations to protect against fraud, help businesses alleviate administrative costs, and enable citizens to take full control of their personal data.

But the EU is not taking on this mammoth project alone.

Among the seven blockchain companies tasked by the bloc to help with the job is a British start-up, the only UK company to be chosen by the European Commission.

The firm, iov42, was even chosen over giants such as Vodafone, Deloitte and EY.

The company differs from many other ledger technologies as it creates a chain of transactional proof, which helps improve security and traceability.

The technology has been used to help combat the illegal timber trade. In June, the company and the NGO Preferred by Nature started a new service called Timber Chain, which enables stakeholders across timber supply chains to improve efficiency and transparency through blockchain.