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A Q&A with MakerDAO CEO Rune Christensen and Fintech Horizons' journalists Berenice Caballero and Kevin Nafziger

by Berenice Caballero

Christensen's company, MakerDAO, is the creator of Dai, a stablecoin whose price is kept 1 to 1 with the US dollar. Dai has successfully maintained its peg since it began trading on exchanges in December 2017, even as Ethereum, which it uses as collateral for its smart contracts, has seen its price fall by more than 80%. MakerDAO is well-regarded in the crypto community, due to this stability, and because its stablecoin does not derive its value from outside holdings of gold, dollars or other physical assets. Instead, its peg is kept via a complex system that includes collateralized debt positions managed with Ethereum-based smart contracts and a decentralized community of actors who are incentivized to take actions that keep Dai's price stable.

In the Q&A Christensen discusses uses for Dai for enterprise applications. He also talks about progress towards the company's top goal for the year, to launch a Multi-Collateral Dai. Questions and answers have been edited and condensed to fit an article format.

Can you talk about enterprise uses for MakerDAO/Dai?

We are really at the beginning. Step one is simple, to have blockchain-powered remittances, then to use it for bank and interbank transfer. Then, the building blocks are in place to add more and more things, such as blockchain-powered accounting systems.

Right now, we are looking for low hanging fruit. What we have seen is that the world is split into two places. One place, the first world, which is mainly the middle and upper class, is more regulated. We don't see Dai gaining as much traction there in the short run. That traction is harder to get.

The other place though is among the unbanked and underbanked. That is where we are most excited. In Africa for example, a large part of the population doesn't have access to banking. Very soon, we will launch a new integration there.

Use of Dai within enterprise applications is also exciting. Anyone who wants, for example, to power a remittance engine using Dai, should talk with the foundation. There is an entire ecosystem of consultants that can help too with such integrations. Very soon we will also release an open source SDK that will allow any application to integrate with Dai.

How did you come up with the ideas behind MakerDAO?

The initial ideas came from Bitshares. Bitshares launched in 2014 and it was the world's first stablecoin. The Maker team was really in to Bitshares, but Bitshares didn't really work out that well. It tried to do too much beyond a stablecoin, and it didn't really have focus.

What is a typical day like for you?

I always am doing something different. The only constant in my job is doing public relations. I am no longer involved day to day with the product unless there is a critical issue to resolve.

Do you feel a sense of fulfillment having started MakerDAO?

I don't feel that it is done yet. The hardest part is ahead. We have built it, that is easy, the harder part is getting people to adopt. This year and next are very exciting, as we work to prove ourselves.

What are your goals for 2019?

Our number one goal is to launch the Multi-Collateral Dai. This will help us create a financial powerhouse.

I can't say an exact date, but we are very close. All the code is finished, no new code is being written. Most of that code, about 90%, was released about four months ago. We are now in the last phase of testing for the Multi-Collateral Dai.

Beyond launching Multi-Collateral Dai, we have three main priorities for this year.

The first is to get greater adoption among the unbanked. We are seeing the start of this in Argentina, and we are looking to get even more adoption there and in other places.

The second is to increase use among institutions and in enterprise applications. It is 2019, and we think it's time for blockchain to be used to provide real-world solutions to real-world problems.

The last priority is also critical—to have more regulatory dialogue. Dialogue with regulators will be important regarding the volume and types of collateral that can be used, and around the use of stocks, bonds, and security tokens.

What else should people know about MakerDAO?

We are really a decentralized stablecoin, and we are also an example of successful governance. MakerDAO is run and operated live by a community. The community makes everything work, taking the actions needed to change interest rates to maintain the peg. These are group efforts, and we vote on particular changes. We have been able to do this all securely. It is exciting, the way it is happening.