# *What is …*
Person-to-person lending

Unlike traditional credit that is granted by a bank, P2P lending puts a creditor in direct contact with a debtor, there is no middleman. The Internet makes this possible because such special interest marketplaces are easy to create.

Credit

Credit, which is at the heart of person-to-person lending, is both a powerful and dangerous invention. It lets people work with resources they do not yet have, allowing them to start a project, improve their conditions, or resolve unforeseeable incidents. But at the same time it is also an often underestimated risk that can lead to long lasting debt or even default.

Risk

There are three kinds of risks: techno-logical, social, and credit related risks. The latter is a calculated risk where some percent of debtors won't be able to pay back the credit. P2P lending platforms distribute this risk by splitting up a creditor's investment among many debtors.
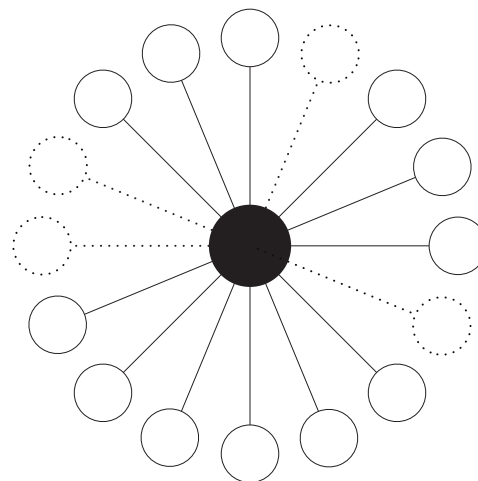
Choice

The appeal of P2P lending platforms lies in their increased profit (no middleman) and in the increased control a creditor has: it is possible to invest in people with projects that are interesting and thereby support them directly. This ethical part is especially popular among micro-credit plat-forms, where a couple of hundred dollars are enough to, say, let an entrepreneur in a developing country buy seeds to start a crop.

The Internet lets us rethink the way we handle money. Person-to-person lending provides an ideal testbed at this intersection between this new technology and a very delicate topic: money. A stranger suddenly becoming a bank requires new forms of security and trust.

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What is …
Identity

The term «identity» comes from the Latin word for «same»: two identical things are the same thing. A person only has one identity, but – depending on context – presents different facets of this identity.
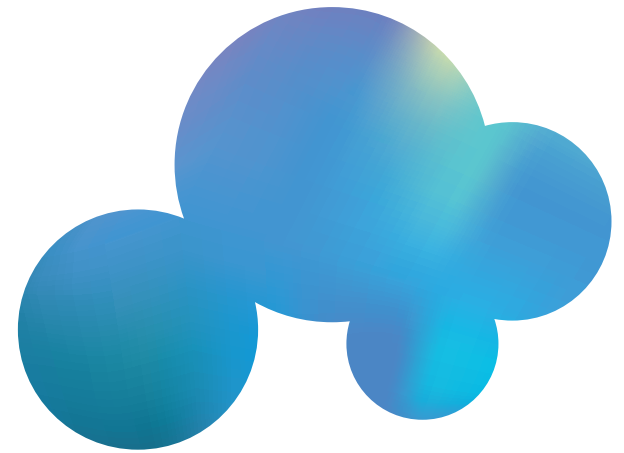
Personas

The word «person» is derived from the Latin «persona» (from PER-SONÀR, to sound through).

«It is probably no mere historical accident that the word person, in its first meaning, is a mask. It is rather a recognition of the fact that everyone is always and everywhere, more or less consciously, playing a role […] It is in these roles that we know each other; it is in these roles that we know ourselves.» – R. E. Park

Contrasting the persona, the «anima» is the part of the human psyche that is directed inwards.

Contexts

«Individuals ensure that those before whom they play one role will not be the same individuals before whom they play a different role in another setting. They separate contexts.» – E. Goffman

But the Internet makes it difficult for us to segregate our audience: if we google someone, we see a lot of information out-of-context. And yet, contexts are very important to us: a mom presents a very different persona at home than during a business lunch.

Identity Management

Identity management sounds complicated, and unfortunately, it is. People are very adept in projecting a specific persona to others:

«In daily interactions, people are aware of their presentation: they know what they are wearing, they have a sense of their facial expressions, and they can easily comprehend the reactions presented by others.» – danah boyd

Online, however, «the lack of embodiment makes it difficult to present oneself and to perceive the presentation of others».

→ To create trust on the Internet, there is a need to prove and communicate one's identity: the concept of passports is still valid to create liability. However, passports don't prevent cheating and lying, direct person-to-person interactions require a social metric of trust: reputation. →

What are …
Digital Ecosystems

The Internet is an ecosystem, albeit a digital one. Openness is its most important driving force, leading to the evolution of robust, interconnected applications and sub-ecosystems like person-to-person lending.

Trusted Information

The Internet is an integral part of our society, yet we are often required to fill out paper forms for lack of better options. Providing trusted information on the Internet is essential and is the foundation of a digital ecosystem.

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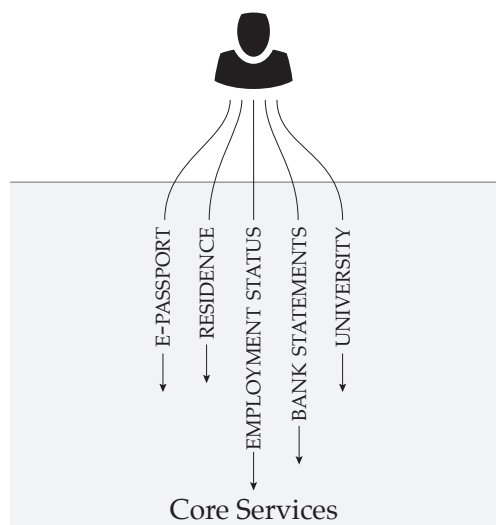
Transfer

Today, the Internet consists of many separated islands, we have to create new user accounts on every website. A digital ecosystem provides possibilities for connecting these platforms securely.
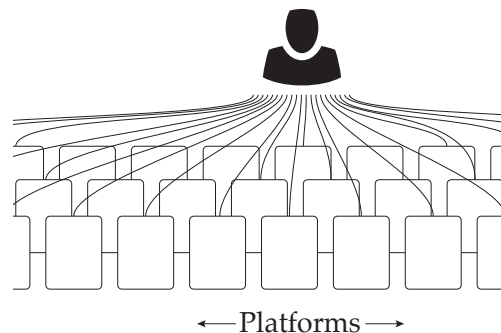
←— Platforms —→

Control

A user should be in total control of his data, but he should not be able to create fake content. A digital ecosystem lets the user bring pieces of information *to* a platform instead of the platform *getting* it without his knowledge.

A · B · Control · e-ID
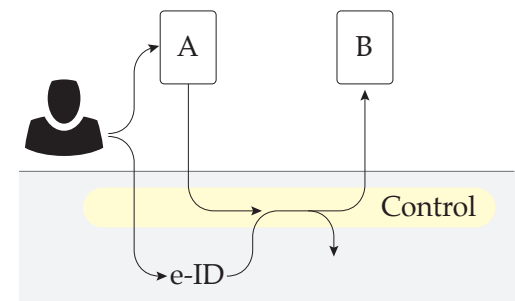
Having a system available that can provide both hard (passport) as well as soft (reputation) facts about a person makes it possible to communicate identity and create trust.