

How Can Miners Be Dishonest?

While most miners follow the rules of the blockchain protocol, some may attempt dishonest strategies to gain unfair advantages or disrupt the network. Here are the main ways miners can act dishonestly:

1. Selfish Mining

· What is it?

A miner (or group) secretly mines blocks without broadcasting them immediately. They keep their newly found blocks private, trying to get ahead of the public chain.

Goal:

To gain a disproportionate share of mining rewards by manipulating the timing of block releases, potentially causing honest miners to waste effort on blocks that will later be discarded.

• Impact:

Reduces the overall security and fairness of the network and can incentivize other miners to join the dishonest group [1] [2] [3] [4] [5].

2. Block Withholding Attack

What is it?

A miner joins a mining pool but withholds valid blocks they find, only submitting partial solutions.

• Goal:

To sabotage the pool's earnings or to increase the dishonest miner's own pool's relative share of rewards.

• Impact:

Reduces the attacked pool's profitability and can destabilize mining pools [1] [2].

3. 51% Attack (Majority Attack)

· What is it?

If a miner or group controls more than 50% of the network's mining power, they can:

- Reverse their own transactions (double-spending).
- Exclude or reorder transactions.
- Prevent other miners from finding blocks.

• Impact:

Can undermine trust in the blockchain, cause financial losses, and disrupt the network. This

attack is extremely difficult and expensive to execute on large blockchains like Bitcoin, but it has occurred on smaller networks [6] [7] [8] [9] [10].

4. Eclipse Attack

What is it?

Dishonest miners isolate a victim node by controlling its network connections, feeding it false information about the blockchain.

• Goal:

To manipulate the victim's view of the blockchain, potentially tricking them into accepting invalid transactions or blocks.

• Impact:

Can be used to facilitate double-spending or disrupt consensus [2].

5. Stubborn Mining and Forking Attacks

• What is it?

Variants of selfish mining where miners intentionally create and maintain forks, increasing the likelihood of their blocks being accepted over honest miners' blocks.

• Goal:

To maximize their own rewards at the expense of network efficiency and security.

• Impact:

Increases the frequency and length of blockchain forks, potentially destabilizing the network [11].

Table: Common Dishonest Mining Strategies

Strategy	Description	Potential Impact
Selfish Mining	Withholding blocks to gain rewards	Reduces fairness, security
Block Withholding	Not submitting found blocks to a pool	Sabotages pools, reduces earnings
51% Attack	Controlling majority hash power	Double-spending, network disruption
Eclipse Attack	Isolating nodes from the true network	Manipulates victim, enables attacks
Stubborn Mining	Creating forks to maximize own rewards	More forks, less network efficiency

Why Don't All Miners Act Dishonestly?

- **Economic incentives:** Dishonest mining can be risky and may not always be profitable in the long term.
- **Network defenses:** Protocols and monitoring tools help detect and discourage dishonest behavior.
- **Community response:** If dishonest behavior is detected, the community can update the protocol or take action to mitigate risks [12] [13].

In summary:

Miners can be dishonest by using strategies like selfish mining, block withholding, 51% attacks, eclipse attacks, and stubborn mining. These actions can harm the network's fairness, security, and efficiency, but are generally discouraged by economic incentives, protocol rules, and community vigilance.



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