

What Matters, Cryptocurrency or Blockchain?

Cryptocurrency, like AI, is known to a large portion of the population. I believe the awareness of cryptocurrency is similar to the proportion of people who have access to free internet. In countries outside China, a larger percentage of the population is likely to know about cryptocurrency.

The number of people who are aware of cryptocurrency compared to those who actually hold Bitcoin or other crypto coins will be a different proportion.

According to Wikipedia:

A cryptocurrency, crypto-currency, or crypto is a digital currency designed to work through a computer network that is not reliant on any central authority, such as a government or bank, to uphold or maintain it.

A blockchain is a distributed ledger with a growing list of records (blocks) that are securely linked together via cryptographic hashes.

A cryptocurrency is like an AI tool, while a blockchain is like a neural network or a transformer.

They both matter. Blockchains are the technology behind cryptocurrencies, just as neural networks and transformers are the technology behind AI tools.

Cryptocurrency is the “internet of money.” In the future, all money transacted in the digital world will use cryptocurrency. It is particularly useful in cross-border transactions, where the SWIFT system is expensive and slow.

For other digital transactions, you can already use crypto coins on Binance to buy Apple gift cards, Nintendo eShop gift cards, etc. In the future, platforms like Amazon, Temu, Shopify, and Apple will support crypto coins for direct product purchases. If a large portion of digital transactions occur in crypto, it won’t be difficult to use them in the physical world as well. Convenience stores, for instance, could accept crypto coins as payment.

However, using crypto coins makes it harder for governments to collect taxes. If companies pay me in crypto coins, how can governments track these transactions? Since transactions don’t require government oversight, the power to choose transaction partners will be left to individuals.

Governments will start operating more like large companies, with similar powers to other businesses in their areas. This shift is already happening in the United States.

In the future, the world will likely be more self-governed. Decisions about various aspects of life will be made by residents themselves.

People want more freedom and security. In the internet world, cryptocurrency and blockchain can offer more freedom and security. But we still have physical bodies that require protection. Countries will need

advanced weapons, such as drones or missiles, to protect their citizens.

In the United States, the right to keep and bear arms is protected by the Second Amendment to the Constitution. Other countries, like Canada, Austria, Switzerland, the Czech Republic, and Finland, have relatively permissive gun laws.

In China, while guns are not allowed, people can find other ways to cause harm. On November 11, 2024, a man drove his SUV into people on an exercise track at the Zhuhai Stadium sports center in Zhuhai, Guangdong, China, killing 35 and injuring 43 more.

While financial freedom is an important aspect of life, security and bodily freedom are even more crucial. Living in a healthy community is key.

In a world where cryptocurrency and blockchain are prevalent, there is more trust and freedom.

Now, back to the original question: What matters? There are two possible paths for the future. One is for current internet platforms to support payments in crypto coins, while the other is for these platforms to be rewritten or reinvented using blockchain technology. I believe the former is sufficient. We can hold most of our money in crypto and use it for monthly payments or one-time purchases in the digital world. We can trust most internet platforms with these small amounts of money.

As for the latter, I think blockchain innovation will first occur in the financial sector. The way people use money to trade, invest in stocks, and handle options could be reimagined using blockchain. If stock platforms support crypto coins to fund accounts, why not let crypto coins run through their systems? The path from stock to platform balance to crypto coins could be shortened to stock to crypto coins.

I don't fully understand how smart contracts, Ethereum, and Solana work, but they may have valuable applications.

If a large part of the population primarily uses blockchain technology through cryptocurrency, then what matters most to them? They are essentially the same. However, if there are many applications of blockchain beyond cryptocurrency, then blockchain will become even more important.

Apparently, a block can store more than just numbers. It can hold text, images, audio, videos, multimedia, or any digital format, including bits and bytes. NFTs, for instance, simply store images in blocks. People claim NFTs have collectible value.

Why do we store information in blocks? To prevent it from being deleted. We don't want valuable information to be lost. Platforms like Bluesky and Mastodon use blockchains to power their social networks. It's a fascinating development.

Let's continue learning to draw conclusions.