Table of Contents

What is Blockchain Technology :-

- Blockchain consists of transactions (blocks) linked as a chain. Every transaction has a timestamp and the next transaction is linked to it, so we can easily know where that money came from and where it went. Blockchain is a digital ledger that is available to everyone.
- These transactions will be verified by miners. All transactions will be saved in the computers of all miners. Anyone can become a miner.
- 'Satoshi Nakamoto' (Nobody knows who this person/group is) invented Blockchain Technology. He/she/the group used this technology in the first Cryptocurrency, Bitcoin.

Pros of Blockchain Technology :-

- Blockchain technology, if used in money transaction services allows peer to peer transactions directly without the intervention of banks and government. For example, if I want to send money to someone in UK, my bank should approve the transaction and after that the receiver's bank should also approve it. With Blockchain technology, this can be eliminated.
- By this, there is no need to pay extra charges for the banks.
- Processing of the transaction will be faster, because of no third party intervention.
- There will be less frauds and money laundering incidents, because there will be a ledger of transaction available to everyone. This creates transparency.
- If data has to be modified, certain number of miners should accept it. And hence, there will very less chances of data manipulation and hence results in high security.
- Services using Blockchain technology will be too tough to be hacked.
- Blockchain technology is not just limited to financial sector. This can be used in many sectors such as insurance, health sectors etc.

- For example, in health sector, the <u>health history of people</u>, the medicines they take, treatments they have undergone can be stored using blockchain technology in a chronological order and can be shared with the doctor to provide a better health services to patients.
- As data is stored in many computers, <u>data loss is nearly impossible</u>.
- <u>Land records</u> can be stored using blockchain technology to eliminated the data manipulation and other frauds.

Also Read : Experimenting on Animals - Is it fair?

Cons of Blockchain Technology :-

- We <u>do not yet know the security vulnerabilities of Blockchain technology</u>. We cannot say that it is hack-proof.
- As block chain technology decentralises all transacations, there will be <u>no regulator</u> like central bank. Sometimes, it is very important to have a regulator.
- Blockchain technology is very <u>costly</u>. Verifying transactions (mining) involves encryption and decryption, which requires <u>huge amounts of electricity</u>.
- Though less, there will still be some charge for using financial services that run on blockchain technology. For example – <u>Bitcoin transactions also charges some amount</u>.
- In the concept of bitcoin, miners will get bitcoins for veryfying the transactions. But when we use blockchain technology in other sectors, <u>why public will mine it without any profit</u>?

Conclusion :-

Blockchain technology has a lot of potential to solve the present issues especially in the financial sector. Banking sector is making plans to use blockchain techology in its services. In India, NITI Ayog recommended using this technology for land and health records of all states in India. Andhra Pradesh government already started using it for the land records of its capital city – Amaravathi.

It will be beneficial if we use blockchain technology in such services where this technology offers more benefits and less drawbacks than traditional technologies.

Your Turn...

What is your opinion on Blockchain Technology? Express your thoughts in the comment section below. Subscribe to our blog to receive updates whenever a new post is published.

Get updates from GD Ideas

Email Address

I'm in !!!

Also Read : Challenges to Indian Banking sector

New Topic suggestions

Topic(required)
Email(required)

Submit

Δ