**What is it?**

Blockchain is a cryptographic technology. It began with Bitcoin (BTC) in 2008 when Satoshi Nakamoto released the first whitepaper.

After Bitcoin's adoption, new cryptocurrencies which were based on it entered the market, such as Ethereum (ETH). Later, new currencies emerged that were based on Ethereum, as well as new designs altogether.

Ethereum was the first blockchain to introduce DApps which are apps which run on the network. It also introduced SmartContracts.

Besides coins which are designed for payments, there are a variety of different types of cryptocurrencies:

Privacy coins such as Monero focus on making payments in a way which cannot be tracked back to the consumer

Stable coins such as Tether are pegged to fiat in order to reduce volatility

Exchanges commonly offer a token for use on their platform, which provides some perks such as reduced trading fees.

Decentralised Finance coins allow users to take loans out and put crypto assets as ...

**What does blockchain aim to do?**

When we send payments online, we use our bank, or services such as PayPal to act as a middleman. The focus of blockchain is on decentralised processing; essentially, removing that middle man from the equation.

Using Bitcoin as an example, when someone sends a transaction, it is included in what is called a block, which is then mined by miners. The network validates blocks and makes sure that they are correct.

The consensus is achieved by the majority, thus removing any one party from making a decision about the validity of a transaction.

After the miner has mined a block, he is rewarded the fees that were paid for all the transactions in the block; he also receives a quantity of Bitcoin for mining the block.

There are various types of validation found in blockchain projects

**Proof of Work (PoW)**

This type of validation is used by Bitcoin and many other coins.

Transactions are gathered into blocks; these blocks are then linked together.

Miners try to break a cryptographic hash which gives them the right to add the next block to the chain; it is this mechanism that keeps the network safe. It works very well in facilitating consensus.

The miner that succeeds in cracking the hash is rewarded in Bitcoin. Many miners join "pools" which are large networks of miners who work together to crack the hash; rewards are divvied out proportionally based on a miner's contribution.

**Proof of Stake (PoS)**

Coin holders lock their coins in the system; the system then decides which of the holders will validate the next block. The more coins that are staked, the higher the odds of being chosen.

**Delegated Proof of Stake (DPoS)**

Coin holders lock their coins in the system, providing them with a proportional amount of voting power; holders vote for a delegate who manages the blockchain, ensuring security and consensus.

**What could blockchain do over the next few years?**

**Supply chain authentication**

Various cryptocurrencies focus on supply chain authentication. The goal is to prove the authenticity of products and provide information about their journey along the supply chain, as well as additional potentially relevant information such as: when it was packed, where it was packed, and by whom was it packed.

According to CoinCodex the top 5 cryptocurrencies in this field include: WaltonChain (WTC); Modum (MOD); VeChain (VET); Ambrosus (AMB); Tael (WABI).

In the coming years, we may see these cryptocurrencies begin to gain traction in consumer markets and provide consumers with the confidence that their product is indeed what is advertised.

Supply chain authentication is a big deal in China due to the large number of fake products that are sold.

Payments

Cryptocurrencies are competing to become the most popular coin for payments and to outperform credit card systems.

Secure payments

It allows for transactions to be verified by group consensus.

**What is the impact?**

Text

**How will this affect you?**

Text