Common misunderstandings & demythologization of blockchain

Promises, terminology, perception & reality

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Intuition & Promises of Blockchain

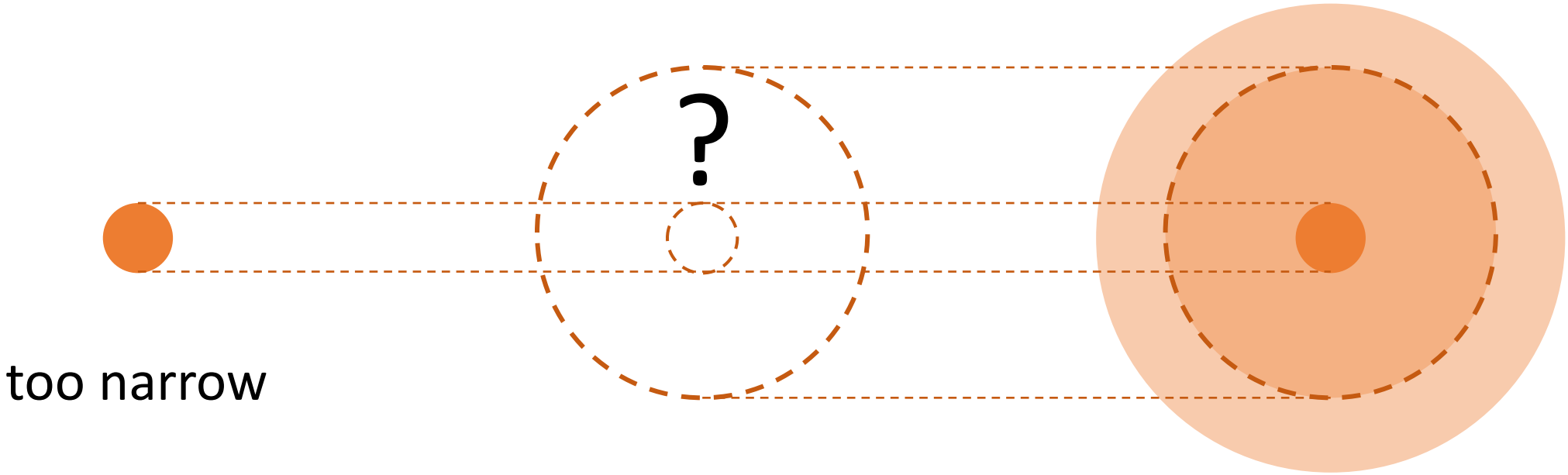
Clever cryptography-based technology that **by itself** allows

mutually **mistrusting** entities
to perform transactions
without relying on a central
trusted third party
while offering a **transparent**
and **integrity** protected
data storage.

Where is the myth, and where is the truth?

Blockchain vs. DLT

Distributed ledger technology

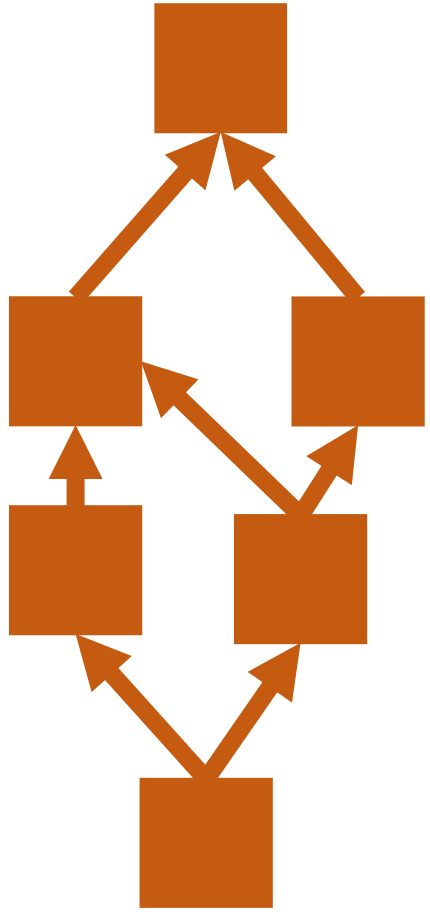


How historical data is stored, grouped and linked together

Chain

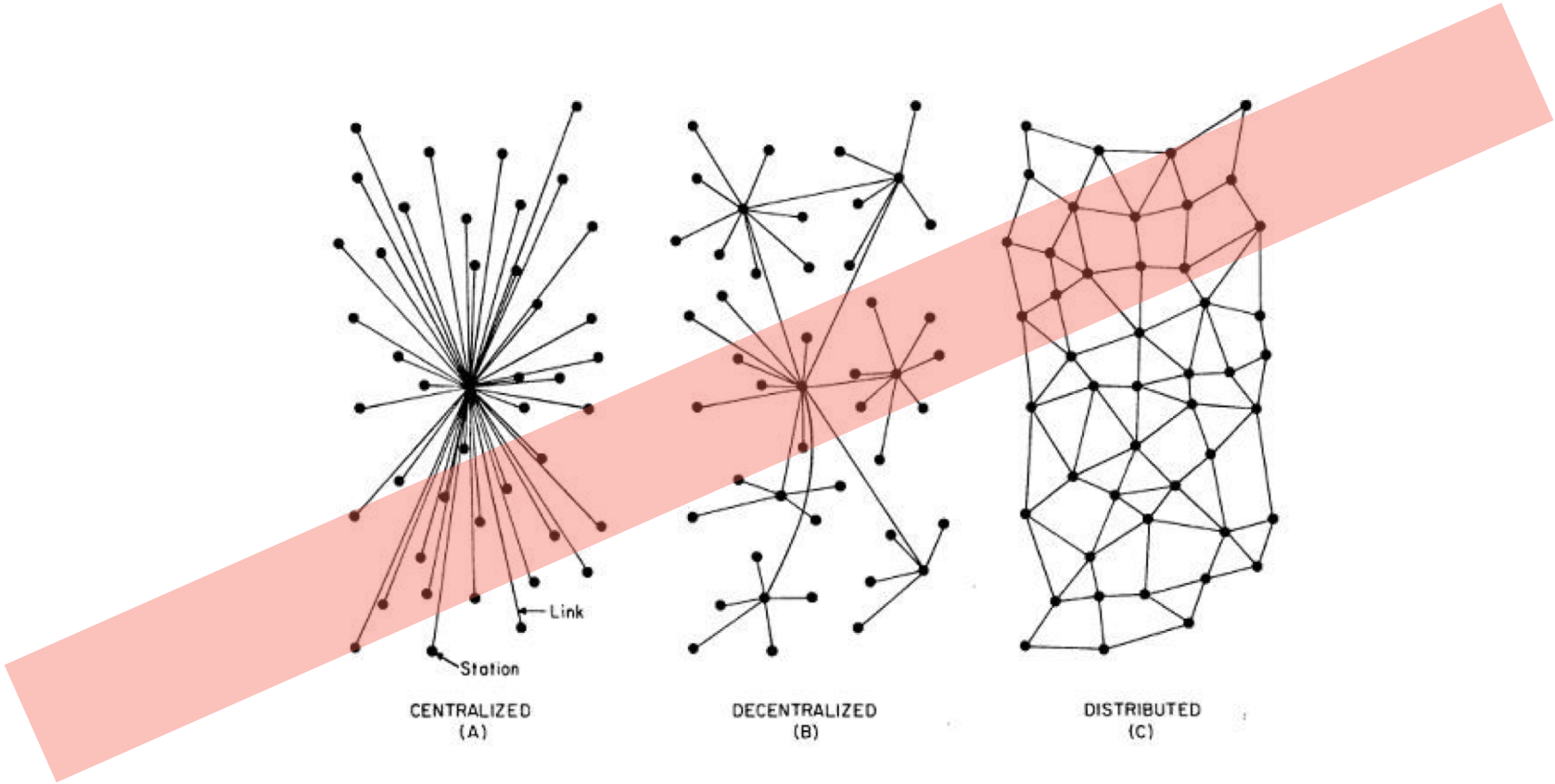
Graph

is more general data structure



As well, grouping transactions into blocks is not necessary - it is one of possible implementations.

Classifying systems by link structure between machines



In both cases elements are connected!

Distributed vs. Decentralized

Geographical location

Think Google, or Amazon

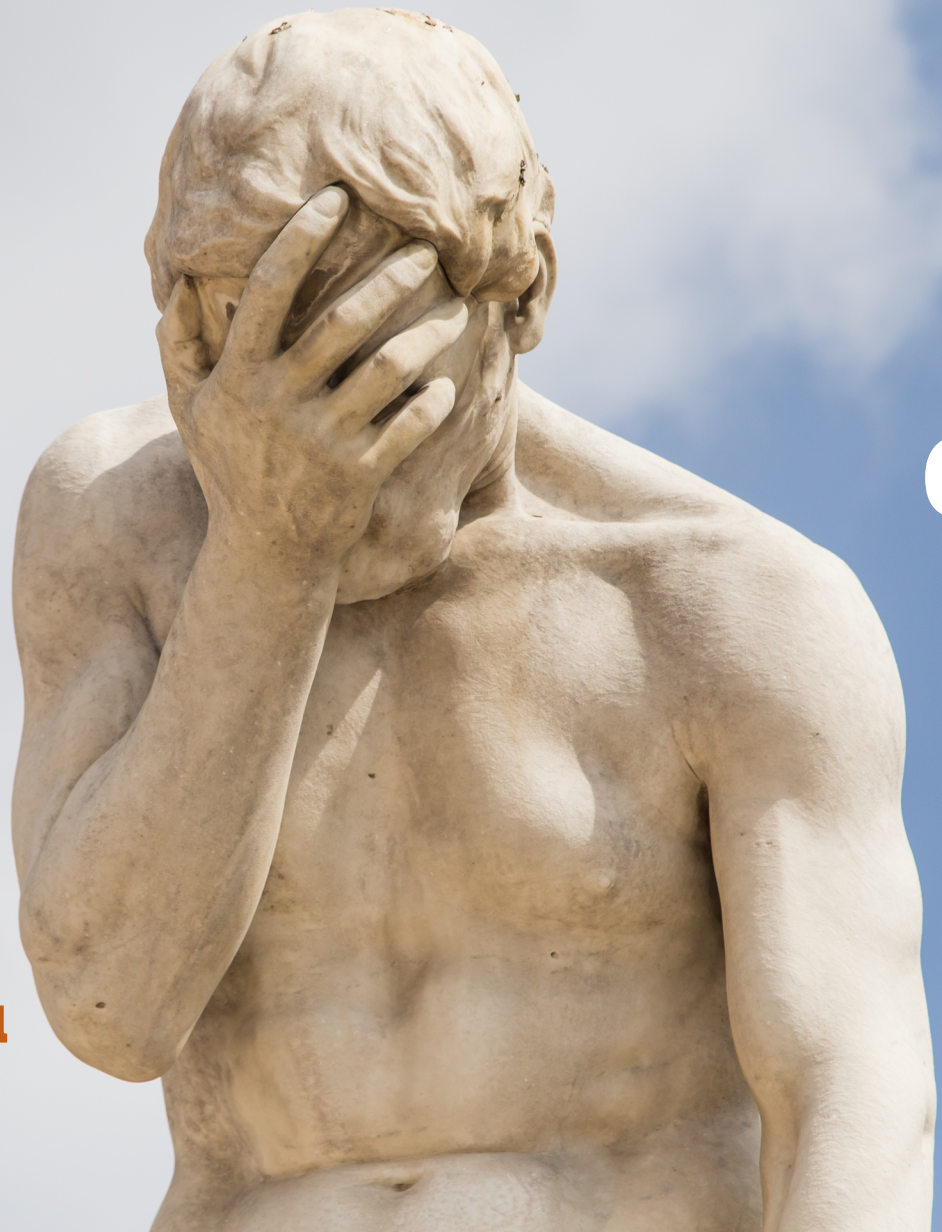
Decision making

Only this property eliminates
Centralized Trusted Third Party

Due to mass adoption by non-tech audience…

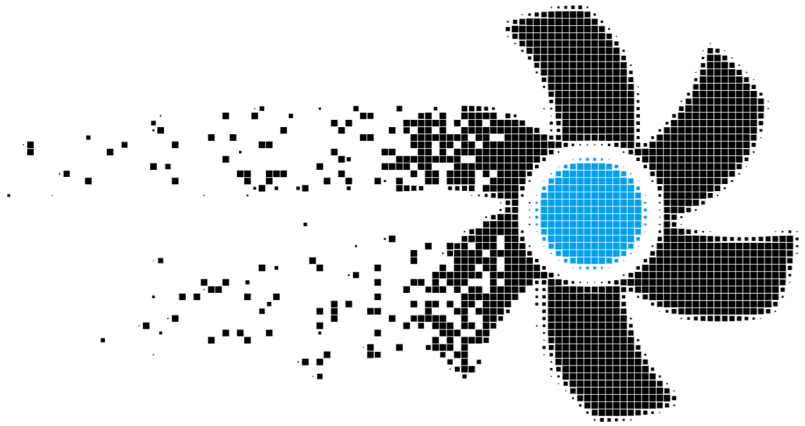
The word
“Distributed”
is often used
when the word
“Decentralized”
should be used
when addressing
mistrusting problems

“Blockchain” – **umbrella term**



Ok…

Distributed vs. Decentralized



Made for speed
and cost-saving

Made for negotiations
and safe consensus

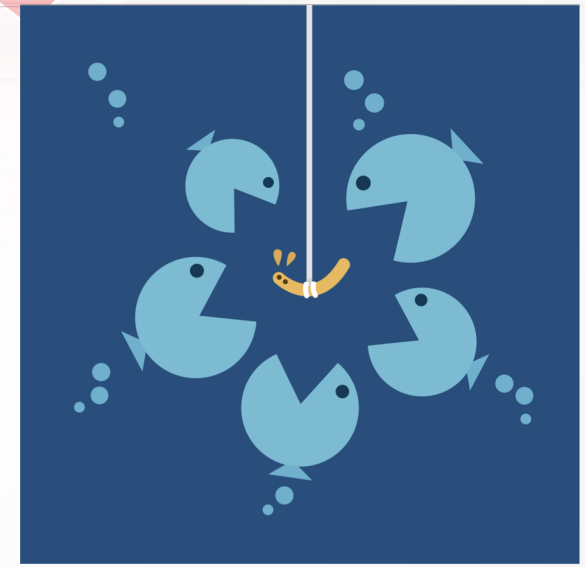
Extra cost, degraded speed

More than decentralization and cryptography

At least: Intuition on incentives

At most: Profound Game Theory

Balance of interests



External incentive:
value, goods, services

Perfect match for crypto-currencies

?
Private
"Blockchains"
Equilibrium
in fintech
At least burn an asset to prevent a spam

Only if Carefully balanced!

This technology **combining cryptography with external incentivization** will allow

mutually **mistrusting** entities
to perform transactions
without relying on a central
trusted third party
while offering a **transparent**
and **integrity** protected
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Thank you for attention!

Questions?

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