

Bitcoinbasis.be

What is bitcoin "mining"?

Bitcoin mining is the process of recording transactions on the Bitcoin network in the blockchain. This process requires specialized computers, also known as ASICs or "miners," to solve complex mathematical problems in order to verify and secure transactions.

It is a decentralized system where these miners compete to be the first to find a correct solution per block. The miner who first solves the problem is rewarded with a number of bitcoins that are distributed with each block during the rollout phase, along with the transaction fees of the confirmed transactions.

Mining Bitcoin requires a lot of computing power and consumes electricity that is largely generated from renewable energy sources. The use of specialized equipment and pooling resources in so-called "mining pools" are common strategies to increase the chances of earning the reward.

Bitcoin mining is essential for securing and maintaining the Bitcoin network and contributes to the broader development of blockchain technology. It also provides an opportunity to address imperfections in this market through colluding miners who balance each other and together take on the role of an unyielding, apolitical central bank in a decentralized way.

@avbpodcast - bitcoinbasis.be