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BitcoinBasis - 7 – Bitcoin versus “Crypto”

Invented in 2008, Bitcoin operates on a decentralized network that uses cryptography to secure transactions. It has a limited total supply and mainly has a monetary purpose.

Crypto projects refer to any blockchain or fake blockchain based project that goes beyond currency creation or attempts to be a full-fledged alternative to bitcoin.

These could include decentralized finance, exchanges, or gaming. The trade in these alternative currencies is often subject to a casino-like market mechanism, where large numbers of coins have already been generated in advance, usually by the creators themselves. They are also usually aggressively touted by crafty merchants or personalities who are paid short term in these easy-to-generate coins.

However, many of these projects were built with the aim of scamming people or generating a quick profit, and often focus on Proof-of-Stake systems. This allows them to easily adjust the total coin supply, or fundamentally change the rules of the game for their coins.

This is not the case with bitcoin, where such adjustments are impossible. Or take place very slowly after years of consensus building among the participants.

Other projects, aptly known as altcoins or so-called shitcoins, can fall into groups such as: useless tacked-on tokens on existing services, centralized coins with admin privileges, one-man shows, pledge or promise coins, and so on.

There is only one distributed, decentralized and permissionless cryptocurrency. Which also has sufficient liquidity, enough participants and transactions and a healthy ecosystem. But also has sufficient development and consensus, and has also been operating reliably for 14 years. ... That system is Bitcoin.

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