

## Romancing the blockchain

### Description

The blockchain idea is addictive for some. It's technically fascinating, mysterious and counter-intuitive. It depends on cryptography to function, and inherits the fascination many of us have with cyphers and codes. Who can resist the lure of a secret message?

The way blockchain platforms function also mystify with their abstruse methods and terminology: proof of work, nonce, mining, cryptographic puzzles, hash strings.

That something so arcane could have application in the realm of economics binds the approach to the practical world of everyday dealings. That's something like magic.

### Bad kid on the block

Like a lot of commerce, blockchain tech also entails transgression. After all, the technology emerged from a desire to replicate cash transactions that are beyond the control, scrutiny and auditing of banks and the inland revenue (tax office).

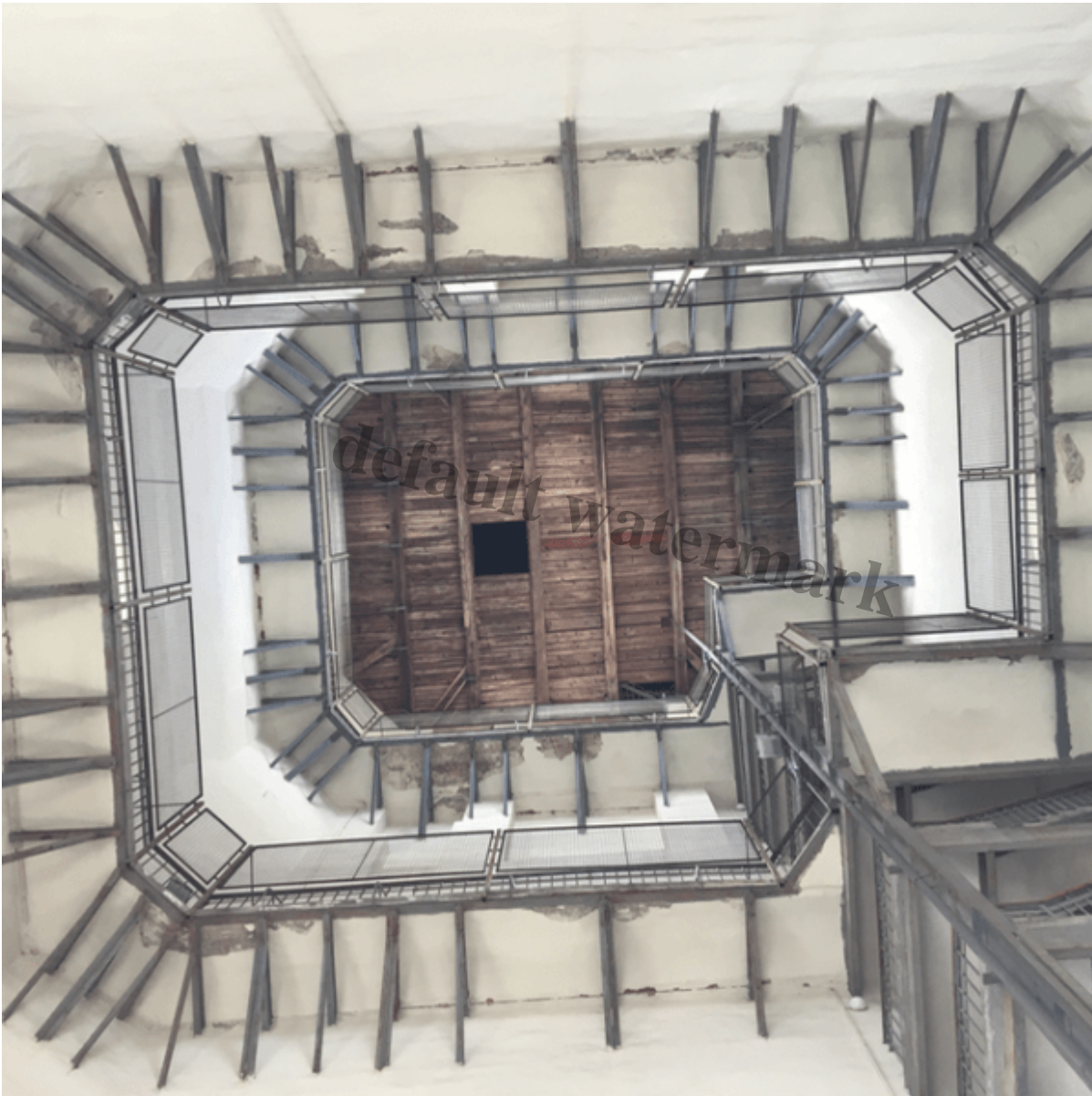
Part of the transgressive character of the tech resides in the strange fact that peer-to-peer blockchain transactions turn out to be extravagant to run. Nodes that "mine" race to solve cryptographic puzzles that legitimate blocks of transactions and create more currency.

Competing processors pour yet more CPU power into the network, requiring electricity as input and generating heat as output. On the other hand, as long as it is out of the mainstream, such profligacy at the margins has a certain allure. Blockchain technology is transgressive at several levels. Cryptocurrencies are the bad kids on the block.

### Fluctuations

Blockchain technologies also entail risk. Many of the CPU-heavy mining farms are currently in China, and today we read in the [news](#) that China will "crack down on cryptocurrencies." That statement alone seemed to cause a sharp decline in the value of bitcoin.

Due to fluctuations in money markets, my bitcoin wallet that I seeded with Â£100 two months ago grew rapidly to Â£160, but is now down to Â£129.13. I'm still ahead, but for how much longer? Besides, I can't find anything to spend it on!



## Cafeteria complex

Near my desk I have a copy of Benjamin Bratton's 2 inch thick block of a book called "The Stack." There's no "blockchain" in the index, though there's something about bitcoin.

The book misses out on the computational significance of linked lists, trees, decks, queues, Merkle trees, and stacks as data structures. In computer science, a stack is a pile of ordered data. The last item piled onto the stack is the first to be removed, like a stack of trays you used to see in cafeterias - a spring loaded recess in a worktop that would keep the top tray at roughly the same level as the worktop. You can't access any particular tray without first removing all the ones above it, one at a time, and always starting from the top.

Lots of organisation is like that, as is the blockchain, except that the blockchain creates stacks that are rigid, and even brittle. Recent layers are supported by the accumulation of layers beneath. You can't even de-stack it. It's as if each tray is bedded down with drops of Araldite.

Metaphors abound in the blockchain world, as in any area of rapidly developing technology. In an urban context blockchain has other allures. After all, cities are made of blocks defined by street grids. Blocky metaphors abound in cities, economics and politics it seems.

## Reference

- Bratton, Benjamin H. 2015. *The Stack: On Software and Sovereignty*. Cambridge, MA: MIT Press
- Frisby, Simon. 2017. Don't let the bankers fool you: Bitcoin is here to stay. *Guardian*, 15 September. Available online: <https://www.theguardian.com/commentisfree/2017/sep/15/jp-morgan-ceo-wrong-bitcoin-jamie-dimon> (accessed 16 September 2017).

## Notes

- Also see posts: <https://richardcoyne.com/tag/blockchain/>
- Image is of the bell tower of St Sophia's Cathedral, Kiev.

## Category

1. Economics

## Tags

1. blockchain
2. ciphercity

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