



Blockchain – Opportunity versus Orthodoxy

To date, the promise of blockchain disruption has been overestimated, and many newly promoted applications look like solutions in search of a problem. Having researched and participated in the space, I believe that the lack of real applications comes from self-imposed philosophical limitations rather than commercial opportunity, or need.[\[1\]](#)

The original commercial goal of blockchain was fast and/or disintermediated transacting. Many commercial blockchain ventures have gone on to develop and promote database utilities, tracking applications, and post-transaction record keeping. The goals of fast, efficient, and disintermediated transfers and trading have been displaced by more mundane multiple access database concepts which are almost always handled better with conventional tools; the fully distributed, immutable, and trustless architecture (that is blockchain) is not really necessary to ship almonds[\[2\]](#).

The number of teams working on blockchain applications continues to grow, and the fever of adding “blockchain” to the name of a public listing has become “outlawed” by the SEC. The problem with most blockchain product teams is their adherence to blockchain/distributed ledger orthodoxy, where every aspect of an ecosystem must be fully distributed, self-created, and fully autonomous – that is, a proper implementation of blockchain must be pure without functional linkages to a/n (otherwise) trusted or centralized source – even where such centralization doesn’t diminish the transactional based goals.

Aside from digital currencies, most of the things we want to buy, sell, transfer, and trade (quickly, cheaply, and without an intermediary) have either a physical manifestation or a public data embodiment. So, if blockchain is going to tackle more relevant applications it should (and can) link to selected institutions and sources, all while maintaining the all-important transactional trail and records solely on its ledger.

Most gains in blockchain technology should come from applications which dedicate their system to the transaction silo (i.e. who traded what when). Ideally, they should remain more agnostic with respect to linking to publicly disseminated data sources, uniquely trusted institutions, or other (practically) immutable tangible sources – some systems are close to this ideal, but they all fuss unnecessarily over data validation and unnecessary data replication, transmission, and storage.

For example, if a blockchain implementation entails a measured exposure to currencies, equities, commodities, or price levels of physical goods, there's no reason to eschew a readily available public source, which because of its publicly published nature, is already trusted for millions of conventionally settled transactions – and there's even less need to replicate it, re-validate it, and store it...again. Many blockchain experts demand that all aspects of an application live within a newly created trustless, immutable, and fully distributed computerized ledger, even though there is often no practical (read "commercial") reason to do so.

[1] I do acknowledge that the foundational blockchain whitepaper(s) actually have an anti-establishment (or anti-financial institution) bias, but despite these origins, untold sums are being spent by large corporations...presumably for commercial purposes?

[2] <https://cointelegraph.com/news/commonwealth-bank-of-australia-ships-17-tons-of-almonds-to-europe-with-blockchain>