Twitter Thread by Stephen Diehl

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Today we're going to talk about "the blockchain" and why it's one of the dumbest most harmful faux innovations to ever come out of the tech industry. (1/) ■

Last week we talked about #bitcoin climate change denialism, the fallacy of whataboutism, and comparisons to the financial services sector. (2/)
https://t.co/7tb04zSM5I

> Today let's deconstruct the argument concerning bitcoin's absurd energy waste compared to the financial services sector, because this is a very silly bait and switch argument comparing apples and oranges. \U0001f9f5 (1/)
>
> — Stephen Diehl (@smdiehl) February 13, 2021

The common talking point among policy makers is that while bitcoin is boiling the oceans and is nothing but a predatory get rich quick scheme for siphoning money from fools—the underlying technology "the blockchain" is revolutionary tech that will transform global commerce. (3/)

This is however not tethered to the reality of the software industry. The overwhelming consensus among programmers and technologists is that blockchain is completely useless technology for anything but speculative digital gambling on tokens. (4/)
https://t.co/Ds2JMzxGZH

Ok, so what do we even mean when we say "blockchain".

The answer is really that nobody knows, it's not a term that has any precise definition and it really depends on who you talk to and the context. (5/)
https://t.co/PFJFoZObM4

It could mean anything from an Oracle Database to the bitcoin ledger data structure and will consistently be used in conversation to mean both those things simultaneously. Whatever serves the interest of whoever is using it. Blockchain is a semantically meaningless buzzword. (6/)

Now some introductions will tell you a blockchain is a data structure from computer science which consists of a linked list of blocks which are iteratively hashed so that subsequent blocks depend on the hashes of previous blocks. (7/)

However the utility of a term of art for any piece of software that includes two of the most common concepts in computer science (hashing, linked data structures) is just bad classification.

This includes such a vast category of software to make the term meaningless. (8/)

Sure, we can say the Git version control system or Postgres commit log is a “blockchain” if you squint hard enough, but what does this new term give us semantically? We’re just playing word games at this point. (9/)

For the last 10 years a whole cottage industry has arisen trying answer the question: Is blockchain useful for anything but gambling?

After about $30b in sunk investment and a 0% success rate the industry finally has the answer: NO. (10/)
https://t.co/Wly2mS6x6C

So why does this narrative persist? The answer is quite simple, it provides cover from scrutiny of regulators who are increasingly asking hard questions about public harm and systemic risk from increasingly what looks like a digital casino fleecing retail investors. (11/)

Upon this kind of scrutiny most advocates wrap themselves in the “innovators blanket” of tech and appeal to the empty cliche that regulation will stifle blockchain innovation and the US needs to be at the forefront of this new wave of innovation. (12/)
https://t.co/rKdqqMoVyR

To which most of us actually in the software industry puzzlingly ask … what innovation could you possibly be referring to?

Blockchain is completely useless. (13/)
https://t.co/EdiyzFb5FC

Blockchain is this weird postmodern phenomenon of inefficiency in the tech sector, where in the absence of actual progress people have tried to construct an illusion of innovation out of finalization, obscurantism and spin built around a technical fantasy. (14/)

Blockchain is not the endless parade of failed software and empty promises, but the invention of a new regime for cloaking fraud and graft in a perpetual mutating narrative of libertarian ideas whose single purpose is wealth transfer from the gullible to the greedy.

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