

How the foundations of the crypto-economy methodology were formed

Inna A. Kruglova , Alexander I. Yakovlev

*The Department of World Economy and Management
International Banking Institute named after Anatoliy Sobchak*

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The digital economy is a man-made mirror of the analog, i.e. traditional economy as a whole.



DigiCash Team

It is believed that the ancestor of modern cryptography as the basis of blockchain technology is **David L. Chaum** – an American cryptographer scientist (The University of California, Berkeley), founder of the International Association for Cryptologic Research (IACR)

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Another prerequisite for the emergence of a crypto economy is the development of HashCash Technology, which was created in 1997 by a scientist and cryptographer **Adam Back** (University of Exeter) to combat spam in e-mail

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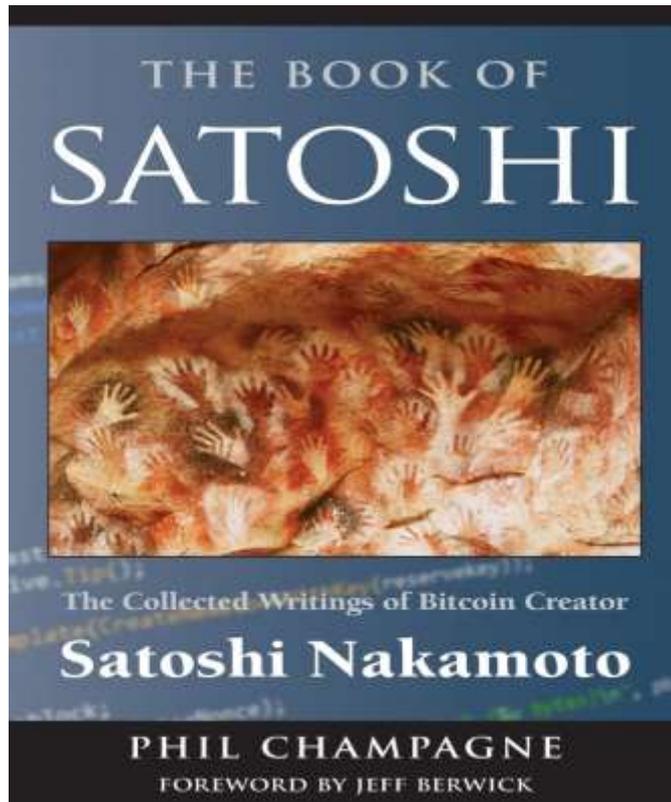
In 1998 **Wei Dai** a computer engineer and crypto enthusiast, introduced two versions of the electronic currency project called “b-money”. At the same time, they were first invited to use both the decentralized registry and the Proof-of-Work algorithm simultaneously.

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In the mid-90s, a specialist in computer science and jurisprudence **Nick Szabo** began to actively publish, and his work laid the ideological foundation of the entire modern crypto economy. Being in his economic views a consistent supporter of the Austrian economic school in the person of Ludwig Von Mises and Friedrich Von Hayek, i.e. a libertarian, Nick Szabo became interested in work on the topic of cryptography and confidentiality.

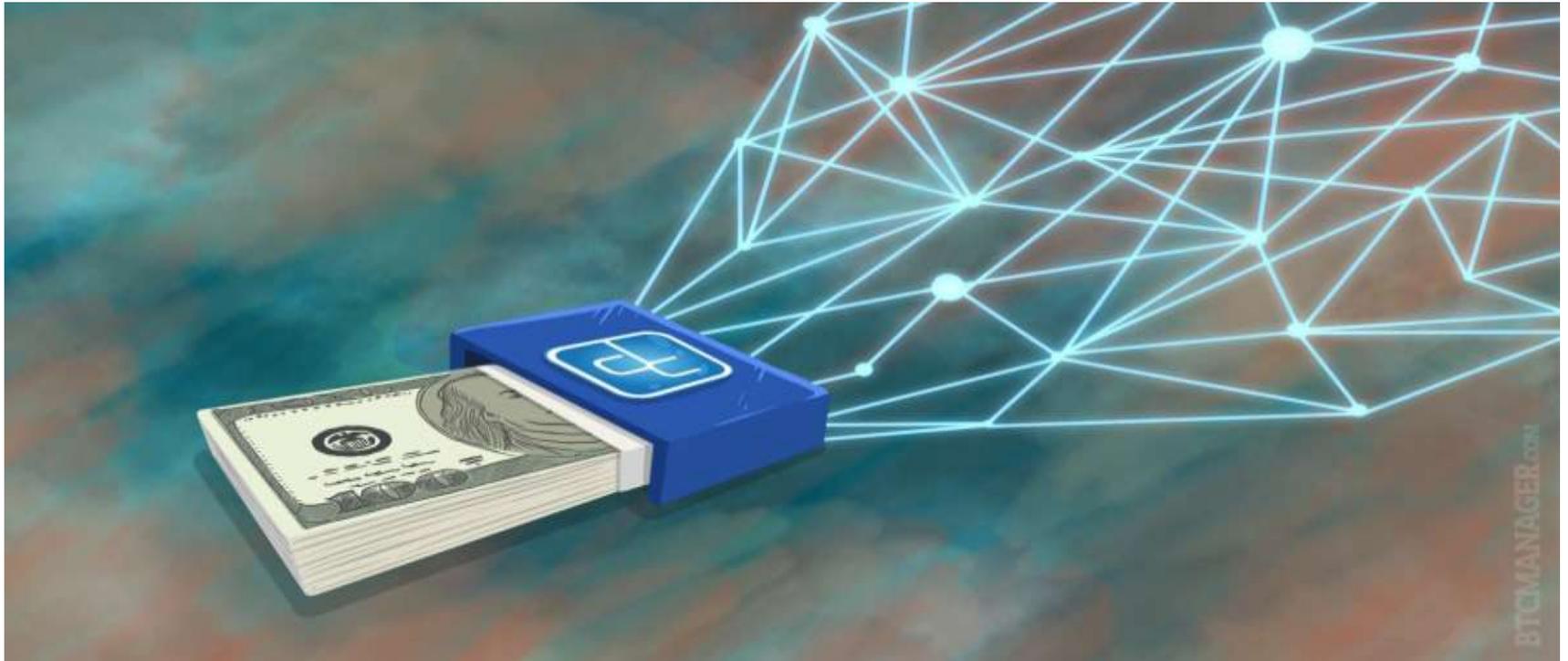
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A lot has already been written about Bitcoin as a payment system (with a capital letter) and bitcoin as a “coin” (with a lower case) of this system. But in the work of Satoshi Nakamoto “Bitcoin: A Peer-to-Peer Electronic Cash System”, the word “blockchain” is not used, oddly enough, not once. Although it is reliably known that correspondence was conducted between Nick Szabo and Satoshi Nakamoto before the launch of the project.

Moreover, there are many crypto enthusiasts who believe that Nick Szabo, as a real person, and **Satoshi Nakamoto**, as a fictional person, are the same person.

BLOCKCHAIN 1.0 AS A PRECURSOR TO THE CRYPTO ECONOMY



Purely peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without going through a financial institution. Digital signatures provide part of the solution, but the main benefits are lost if a trusted third party is still required to prevent double-spending. We propose a solution to the double-spending problem using a peer-to-peer network

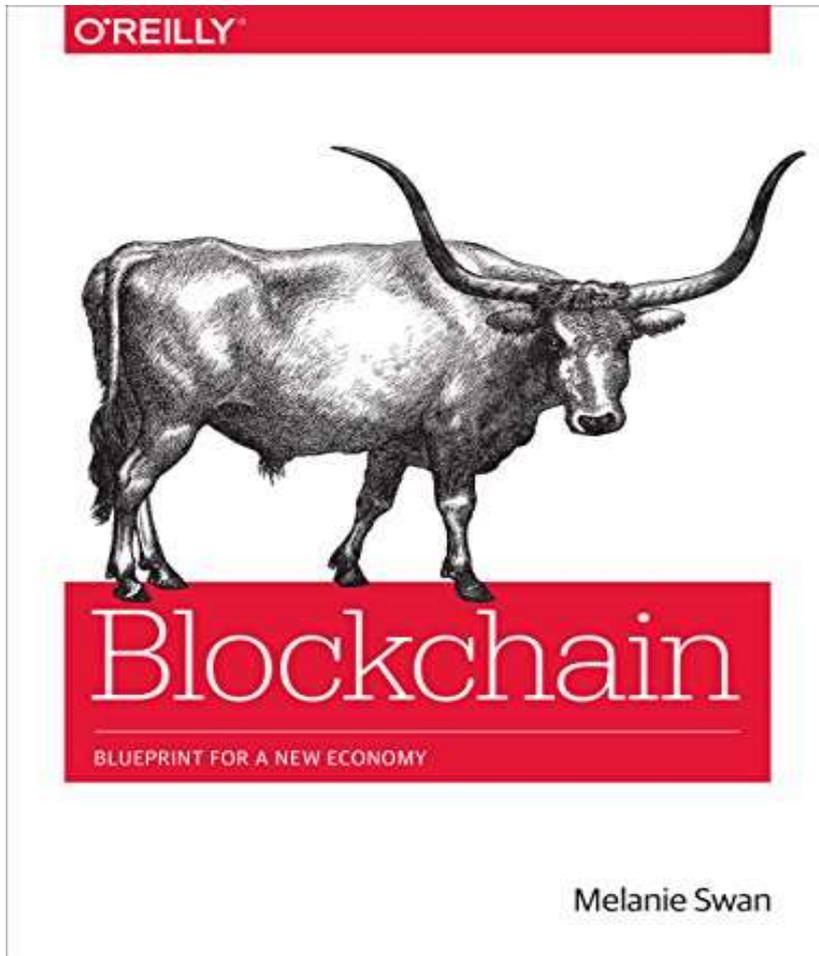
BLOCKCHAIN 2.0 AS THE BASIS OF THE CRYPTO ECONOMY



**Ethereum founder
"Vitalik" Buterin**

It is expected that already in 2013 plans were announced for the implementation of the Blockchain 2.0 project, which in the summer of 2015 was implemented as the Ethereum platform for creating decentralized applications or online services based on blockchain, including the release of its own cryptosystem exchange.

BLOCKCHAIN 3.0: NEW STAGE IN DEVELOPMENT OR MARKETING PLOY?



One can conditionally divide into stages of development, where Blockchain 1.0 is a smart means of exchange [or even money], Blockchain 2.0 is a smart contract as the basis of a crypto economy, then Blockchain 3.0, according to the **Melanie Swan** classification, is a smart company/firm as a whole.

BLOCKCHAIN 3.0: NEW STAGE IN DEVELOPMENT OR MARKETING PLOY?



Developers say that projects such as EOS, IOTA, Cardano Dfinity, Cosmos and a number of others represent a Blockchain 3.0 level platform.

BLOCKCHAIN 3.0: NEW STAGE IN DEVELOPMENT OR MARKETING PLOY?



As for the creation of Blockchain 4.0, the situation is even more confusing. Neither the crypto community nor the business community finally recognized even the existence of blockchain 3.0, however, some projects state that they are already developing Blockchain 4.0

CONCLUSION

Nowadays we can conclude: the fundamental problem successfully solved by the crypto economy is the formation of a **new type of economic ties, which are based on a computerized transaction protocol or a decision-making algorithm**. Conversely, a smart contract as an algorithm as technology directly carries/contains economic content. The emerging methodology of the crypto economy is an analysis of the inextricable unity of these two parties. **The economy as a whole is rapidly transforming from analog to digital, but its sphere of exchange is most rapidly developing**, where the system of transferring values (the payment system is technology) and possession of values in the form of a crypto coin (money circulation is economics) represent **a single whole (crypto economy)**.