Blockchain technology boost economic recovery: WEF

The WEF said crises such as the coronavirus pandemic dramatically increase pressure on governments and businesses to maintain resilient supply chains. Blockchain technology can help tackle supply chain failures exposed by the coronavirus (COVID-19) pandemic and also boost the economic recovery process, the World Economic Forum (WEF).

1. Releasing a ‘blockchain deployment toolkit’ to help organisations improve future pandemic preparedness and accelerate an economic rebound post COVID-19, Geneva-based WEF said it is aimed at helping leaders maximise the benefits and minimise the risks of the technology.
2. The WEF said the first of its kind toolkit is culmination of more than a year of efforts to capture best practices from blockchain deployment across industries and has drawn on global expertise of more than 100 stakeholders, including governments, companies, startups, academic institutions, civil society, international organisations and technology and supply chain experts.
3. The WEF, which describes itself as an international organisation for public-private partnership, said crises such as the coronavirus pandemic dramatically increase pressure on governments and businesses to maintain resilient supply chains.
4. Resilience in supply chains depends on trust, transparency and integrity, which can be improved through responsible deployment of blockchain technologies that offer a “shared truth”, the WEF said.
5. It further said the current pandemic underscores the need for businesses and governments to improve the integrity and provenance of pharmaceutical products and medical supplies, as well as food, goods and industrial and consumer products.

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What are Blockchains?

Blockchains are a new data structure that is secure, cryptography-based, and distributed across a network. The technology supports cryptocurrencies such as Bitcoin, and the transfer of any data or digital asset. Spearheaded by Bitcoin, blockchains achieve consensus among distributed nodes, allowing the transfer of digital goods without the need for centralized authorisation of transactions. The present blockchain ecosystem is like the early Internet, a permissionless innovation environment in which email, the World Wide Web, Napster, Skype, and Uber were built.

How it operates?

1. The technology allows transactions to be simultaneously anonymous and secure, peer-to-peer, instant and frictionless. It does this by distributing trust from powerful intermediaries to a large global network, which through mass collaboration, clever code and cryptography, enables a tamper-proof public ledger of every transaction that’s ever happened on the network.
2. A block is the “current” part of a blockchain which records some or all of the recent
transactions, and once completed, goes into the blockchain as permanent database. Each time a block gets completed, a new block is generated. Blocks are linked to each other (like a chain) in proper linear, chronological order with every block containing a hash of the previous block.

**Benefits of blockchain technology:**

1. As a public ledger system, blockchain records and validate each and every transaction made, which makes it secure and reliable.
2. All the transactions made are authorized by miners, which makes the transactions immutable and prevent it from the threat of hacking.
3. Blockchain technology discards the need of any third-party or central authority for peer-to-peer transactions.
4. It allows decentralization of the technology.