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A Closer Look at The Evolution of Blockchain

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Over the years, [blockchain](#) has achieved remarkable development in the process of iteration from the first version to the fourth version. Let's have an in-depth understanding of the evolution of blockchain from version 1.0 to version 4.0.

The evolution of blockchain has witnessed the emergence of this technology from one amazing stage to another. With a large number of upgrades and more advanced functions, blockchain technology has developed from blockchain 1.0 to blockchain 4.0.

Although blockchain has become a popular word and is undoubtedly one of the most popular technologies of this generation, many people still do not better understand the meaning of blockchain. Therefore, before further understanding the development stage of blockchain over the years, we'd better first understand what blockchain is and what it contains.

A blockchain can be simply described as a digital system in which [cryptocurrency](#) transactions are recorded and maintained on several computers in a peer-to-peer network. It is basically a digital distributed and decentralized public ledger existing in the computer system network.

Blockchain 1.0

The blockchain 1.0 era has witnessed the iteration of the whole decentralization concept, all of which are centered on the evolution of cryptocurrency. The initial emergence of blockchain began with the launch and development of the first cryptocurrency, [Bitcoin](#) (BTC).

This happened when a team of experts named cypherpunks raised concerns about the future of the Internet and the financial system. The team believes that the future of the Internet will be monitored and reviewed. Therefore, they try to develop an e-cash system to ensure privacy and maintain an open Internet from an economic point of view.

The system is based on the obscure preliminary work of the ecash (electronic cash) program proposed in the 1980s and 1990s. At this stage, the blockchain is completely decentralized with a highly secure, anonymous and peer-to-peer digital currency as its center.

Blockchain 1.0 technology includes some components, including the blockchain core of each cryptocurrency, wallet software, mining machine and mining software. The blockchain core of each cryptocurrency is used to enable any computer to start a node. Obviously, blockchain 1.0 can be defined as the first generation blockchain technology, basically focusing on decentralization and cryptocurrency.



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Blockchain 2.0

As the next generation blockchain technology after blockchain 1.0, blockchain 2.0 is obviously an upgraded version of blockchain 1.0, represented by [Ethereum](#) (ETH). Blockchain 2.0 basically focuses on the rise of Ethereum and the integration of smart contracts.

Ethereum was established as a means of establishing decentralized applications. Therefore, blockchain 2.0 focuses on it because it provides a larger channel for developers to deploy smart contracts to Ethereum blockchain in an open source and unauthorized manner.

This technology has led to innovations in decentralized Finance (DFI), decentralized autonomous organizations (DAO), initial token issuance (ICO) and non forgeable tokens (NFTs).

In general, blockchain 2.0 can be defined as the second generation blockchain technology, with the focus on smart contracts.

Blockchain 3.0

This is the evolution stage of blockchain. It seeks to improve the scalability and allow interaction between blockchains. Blockchain 3.0 attempts to bring Cardano (ADA) to the site. Although there is no clear definition and no point of view to explain its commitment to the Internet, people believe that blockchain adopts the proof of purchase (POS) mechanism.

However, its potential focuses on creating solutions for services and industries outside the economy. Blockchain 3.0 is considered as an enterprise and institutional blockchain. It tries to reduce the high gas cost brought by the previous version, and also strengthens the security function of the blockchain.

With the continuous development of blockchain technology, there is a trend that it can be integrated into supply chain, network security, voting, health care, network services, Internet of things and many other aspects. Therefore, let them enjoy the benefits of a scalable, people-oriented ledger, which will enhance traceability, improve efficiency, reduce interference, and improve security and transaction speed.

As mentioned above, blockchain 3.0 is an upgraded version of blockchain 2.0, which aims to improve the technology capability while using decentralized applications. It focuses on solving the existing problems of blockchain technology. It also aims to promote faster, more cost-effective and more efficient transactions.



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Difference Between Them

Blockchain 1.0, 2.0 and 3.0 represent the gradual growth stage of blockchain technology. Each subsequent version aims to improve the deficiencies of the previous phase. Blockchain 1.0 began with the iteration of bitcoin, the world's first and leading cryptocurrency. Blockchain 2.0 focuses on Ethereum, while blockchain 3.0 welcomes Cardano to the site.

Blockchain 2.0 is based on the concept of blockchain 1.0, and has produced an upgrade and more versions. The combination of these versions provides the industry with the effective use of cryptocurrencies, the implementation of smart contracts, and the use of dapps.

Blockchain 4.0. Next Generation Technology

Obviously, blockchain 4.0 is a new generation blockchain technology to replace blockchain 3.0. It attempts to make the blockchain eventually used to create and run applications in the business environment, thus making the technology fully mainstream.

The first few stages of blockchain development obviously have potential advantages for enterprises, including security, automatic recording and immutability. It is also possible to pay invoices, bills and wages within a completely secure framework.

However, given the limited speed and ability to easily innovate on the blockchain, there is still room for improvement. Blockchain 4.0 aims to improve the user experience in the industry.



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What's next?

Considering the exclusive potential of blockchain 4.0 and the impact of previous generations, it can be correctly said that the future of blockchain technology is promising, and enterprises and companies are expected to operate with better efficiency.

It attempts to enable enterprises to transfer some or all of their current business to secure, self recording applications based on decentralized, untrusted and encrypted ledgers. Enterprises and institutions can easily enjoy the basic benefits of blockchain.

Conclusion

The development of blockchain has been successful so far, and it is obviously close to the mainstream. Blockchain 1.0 is built to support only one cryptocurrency. Its disadvantages are low speed and complex user interface. Blockchain 2.0 emerged to surpass blockchain 1.0, so it was developed to do more than cryptocurrency. This has seen the emergence of blockchains such as Ethereum, which are deliberately established to promote a series of activities and applications. While putting pressure on the developed blockchain technology, blockchain 3.0 has emerged. Now this space is looking forward to a new generation of blockchain technology, namely blockchain 4.0.