

Sidechains project to boost innovation



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A project for new crypto currency software has been unveiled by some of the prominent names in the bitcoin coding community. It is expected that the software will cause a stir among users and enthusiasts.

This sidechains project was revealed officially on Wednesday with a whitepaper proposing the making of a novel sideline versions of bitcoin's existing blockchain transaction ledger.

Into the sidechains, users can import bitcoins from the main bitcoin blockchain and also transfer them back to the blockchain without intervention from any third party.

The main idea is that they establish an independent environment for all innovators to work freely and enhance the core software's copies without accidentally harming the basic software, often referred to as the protocol.

The proposal, could pose as a big challenge to various altcoin competitors. It aims to boost the development of Bitcoin 2.0 technologies and decentralize both commercial and financial activities.

One of the reasons why the proposal carries weight is the names behind it. The lead author of the paper is Adam Back. He developed a program called "hashcash" in 1990s. This program's main features were used in the basic design for bitcoin's mining system to process transactions.

The whitepaper's had 8 other authors. Among them 2 of them, Pieter Wuille and Gregory Maxwell, are members of the 5-person development team in charge of managing the digital currency's underlying software.

The leader of the team is Gavin Andresen, who is listed in the acknowledgements for having offered reviewer comments.

The sidechains project is supported by Blockstream, which is a new company that focuses on crypto currency innovation like Messrs.

Back, Maxwell and Wuille are co-founders with 11 others, including Austin Hill, of Zero-Knowledge Systems. The system develops anonymity solutions and cryptographic privacy.

Back said in a statement that Sidechains allows the users to have innovation without any speculation. He pointed out that there are hundreds of altcoin competitors that were created as vehicles for innovation but are suffering market challenges now.

He also added that none of the altcoins' protocols are related with each other, which means transferring value between 2 blockchains will have to be done through third-party providers like digital-currency exchanges.

This basically reintroduces the basic problem, dependence on trusted counterparty, that Bitcoin aims to solve.

Developers seeking to innovate have designed new software programs which work directly on top of the existing blockchain.

Start-ups have created programs to imbed additional information into transactions to allow parties to do things like enter into “ smart contracts” and exchange digitized assets.

Back stated that these mechanisms are stalled by bitcoin's one-size-fits-all network, which is not made to handle multiple tasks. The only task it can be used for is exchanging bitcoin currency.

Smart minds are looking for a way to scale up the bitcoin software but it is difficult to enact change in a rush as it can introduce software bugs and the political structure of the network requires support from bitcoin miners before such changes can be adopted.