Prospects of BlockChain Technology

Why in news?

\n\n

Andhra Pradesh government took steps to use blockchain technology for land titling.

\n\n

What is blockchain technology?

\n\n

\n
- Blockchain technology uses disintermediation i.e the removal of intermediaries in exchange processes.
\n
- It enables people to transact in a peer-to-peer fashion based on the trust provided by blockchain.
\n

\n\n

What are the problems with the existing method?

\n\n

\n
- **Record keeping -** At present, land ownership data is stored with the government in centralized ledgers.
\n
- This means that the data can be accessed and modified only by the government.
\n
- This is a problem because if this data is erroneously entered, lost or forged, the ledger will no longer represent the true ownership of assets.
\n
- The poor in India do own things, but they don’t have a way to represent their property and create capital.
\n
- Without representations their assets are “dead capital”.
\n

- **Reliable information -** At present, trading an asset requires an enormous effort just to determine the basics of the transaction like the real owner, his right to transfer, reliability of claimants.
\n
- That is why even the sale or lease of a house may involve cumbersome procedures.
\n
- **Lawsuits -** Also, more than 66% of the civil cases are related to land or property.
\n
- Not only is the judiciary overburdened, the poor litigants are also losing Rs.1,300 on average per day of court hearing.
\n

\n\n

How can blockchain technology help?

\n\n

\n
- The prosperity of Western nations can be traced to the security provided to property by the formal legal system.
\n
- This can be achieved with the help of blockchain technology.
\n
- Blockchain has the potential to link the asset, its size, location, use-restrictions, etc, to the owner unambiguously, and can all exchanges.
\n
- It allows the government to maintain a public ledger of asset-ownership in a distributed fashion.
\n
- The data is stored on a network of devices and there is no central point of failure.
\n
- It ensures trust by being transparent as it is visible for everyone to verify.
\n
- At the same time, it ensures privacy for the owner by ensuring that the ownership of the asset only changes hands after authorization.
\n
- Also people who use goods and services and don’t pay for them will be identified and charged interest penalties.
\n
- Contract violations can be traced.
\n
- Legal infractions can be more easily prosecuted.

\n

\n\n

\n\n

Source: Livemint

\n