

The future of crypto-currency: Bitcoin or Ripple?

Since bitcoin came out in on-going IT-revolution, there has been so many discussions around the people especially who want to develop the current financial system dramatically. Then often argued which currency is likely more useful. Now we compare Bitcoin with Ripple from explanation by an analogy to real currency. And we find an efficient system by these combination.

In one side of various comparison of these crypto-currencies, Bitcoin and Ripple can be explained by an analogy to real currency. We discuss here is about the difference of paper and hard currency, whether they have a serial number or not. So Bitcoin has identifiable information like serial number on paper currency and Ripple has not. This would be the one of biggest difference for the people who just try to use instead of real currency, which has not recognized commonly as an analogy.

So now we look into how this serial number is used in the real community. When you get a paper cash, do you write down all serial numbers each time? Or when deposit it in a bank, a banker check all those numbers? The answer is "no". We usually do not care unique property like serial number on each paper cash. It could be useful to maintain them like expensive real products have their identification. So if we can consider Ripple is enough to be secured without serial number, nobody wants additional transaction or process which cause time delay or much works only for managing unwanted information. So Bitcoin is useless? Its basic technology called blockchain can expand to manage any contract or registry records which have the intrinsic properties have to be stored uniquely. There is a well-known project expanded blockchain based system called Ethereum.

So what is the efficient system for any entities or organizations which deal with moneys, contracts or registries? It would be probably based on Ethereum like record system and using (embedding) Ripple like money.