



Eco-IFSA,  
 c/ Esteve Terradas, 1,  
 Castelldefels, 08860, Barcelona, Spain  
 E-mail: info@eco-ifsa.net  
 Web: https://eco-ifsa.net



## To Mine or Not to Mine ? That's the Question !

In June 2022 the *Goldman Sachs Investment Strategy Group* has published their report entitled 'Digital Assets: Beauty is not in the Eye of the Beholder', where they outlined the possible risks to the digital asset ecosystem. One of the most significant risk is a high energy consumption. According to the Cambridge Bitcoin Electricity Consumption Index (CBECI), the Bitcoin network power yearly demand is 125.13 TW/h (on the mid of February 2022). Such mining's power consumption is in line with that of several countries, such as the Netherlands, Pakistan and the Ukraine.

In January 2022 the Chairman of the Supervisory Board of the European Securities Market Authority (ESMA), Eric Tedin, called for a ban on crypto mining using the Proof-of-Work (PoW) consensus algorithm in the European Union. *"Mining crypto assets on the PoW consensus algorithm may interfere with the achievement of goals under the Paris climate agreement"*, says Eric Tedin (*Financial Times*).

At the beginning of 2022 Kazakhstan has disconnect Bitcoin miners from the electricity for two months, and it was proposed to increase in 10 times the tax rate for crypto mining.

At the first glance, the problem could be solved due to the cryptocurrencies, which does not require any mining. It is the cryptocurrencies, which are based on Proof-of-Stake (PoS) or Proof of History (PoH) consensus algorithms. However, PoS and PoH algorithms have many known disadvantages in comparison with the PoW algorithm, shown in the table below.

### PoS and PoH Disadvantages:

PoS	PoH
<ul style="list-style-type: none"> <li>• High level of centralization;</li> <li>• Very high entry threshold into the network;</li> <li>• 'Nothing-as-Stake' problem;</li> <li>• A possible hacker attack, which can be coordinated by the network participants themselves;</li> <li>• At the initial stage the PoS networks should start with the PoW algorithm</li> </ul>	<ul style="list-style-type: none"> <li>• Centralization concern</li> <li>• Strict hardware requirements for validators</li> <li>• Big amount of data that is stored on-chain</li> <li>• Combines with the PoS</li> </ul>

The Proof of Measurement (PoM) consensus algorithm developed by Eco IFSA is devoid of all disadvantages of PoS and PoH algorithms, mentioned above, as well as the disadvantages inherent to the PoW algorithm. Instead of to use the extensive computing power to solve a mathematical puzzle that is based on a cryptographic algorithm, the PoM is using the low-cost, low-power equipment to perform an accurate measurement of the reference signal, which is generated by the emitter-validator. The last one is changed for each of the next measuring cycle by the random way, depending on the result of previous measurement. So, anyone on this decentralized network has a chance to be a validator, add a block, and get reward (*eco-IFSA* cryptocurrency).

Will the PoM algorithm be the future? It definitely has a lot of advantages compared to all existing consensus algorithms, and has the bright future. And it is definitely worth it to follow the project as development continues. Probably, soon, the 'crypto mining' will be replaced by the 'crypto measurement'.

**More News from Eco IFSA:**

**Twitter:** [https://twitter.com/eco\\_ifsa\\_net](https://twitter.com/eco_ifsa_net)

**LinkedIn:** <https://www.linkedin.com/company/eco-ifsa/>

**Angels and Venture Capital Groups are welcome.  
Please contact by e-mail: [info@eco-ifsa.net](mailto:info@eco-ifsa.net)**