

## Twitter Thread by Algostorm ■ 2/7/2021 6 pm EST ALGOWORLD USA

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@AW\_USA



### **Unlike #ETH and #BTC \$ Algo uses delegated proof of stake (DPOS) #AlgorandandFriends**

Under the DPOS mechanism, the community will empower a number of users the delegates to choose the next block. This is a mechanism that is used by blockchains such as EOS etc. \$Algo

There is a fixed number of delegates & these delegates can be viewed as having centralized control. In the adipose blockchain, the delegates may own a tiny fraction of the total money in the system. Yet, the whole blockchain is secure. \$Algo

The Algorand consensus mechanism is called pure proof of stake. And it operates on this simple principle. It makes cheating by a minority of the money impossible and cheating by the majority stupid. \$Algo

\$Algo developed a mechanism so that those with small stakes cannot cheat, those that have a large stake in the network won't cheat. It will completely devalue their holdings & make no economic sense. As long as 2/3 of the majority are honest, the protocol will work just fine. \$

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