



Will Bitcoin Ever Shift to a Proof-of-Stake Model?

Description

Bitcoin ([CRYPTO:BTC](#)) is the original crypto that started everything and continues to drive market sentiments to this day. However, despite this prominent market position, this top [cryptocurrency](#) hasn't been immune to market forces.

Higher interest rates and the removal of essentially free money from the markets has taken valuations of risk assets lower nearly across the board. This situation may not change for some time and is one of the key headwinds that are top of mind for most investors.

That said, with the recent **Ethereum** ([CRYPTO:ETH](#)) merge, the world's second-largest proof-of-work (PoW) network has become a proof-of-stake (PoS) one. This move has shifted investor interest toward Ethereum, which is now much more energy efficient and poised for more upgrades.

Thus, the question many Bitcoin investors have is, will this network follow suit or stand pat? Let's dive into what we might see on the horizon in this regard.

Arguments in favour of Bitcoin's shift to PoS

If there is anything that can propel Bitcoin towards PoS, then it is the environmental concerns.

There's the empirical fact that Bitcoin mining burns through an approximately similar amount of energy as the whole country of Sweden. That is undeniably a nightmare of a fact for this crypto. And when Ethereum announced its Merge had completed, founder Vitalik Buterin announced that roughly 0.2% of global emissions may have gone away overnight.

With crypto mining farms largely migrating to other blockchains, it's unclear as to what the exact energy savings will be. That said, for environmentalists eager to tackle the climate-related issues with this sector, Bitcoin's existing model is one that will likely continue to be on the radar for some time.

Arguments against Bitcoin's shift to PoS

Many believe that a shift to PoS will absolutely shatter Bitcoin's worth, given that the underlying value of Bitcoin is tied directly to the amount of computing power on its network. Thus, what some see as a flaw is there by design to provide more security across the network.

Additionally, some are of the view that PoS is anti-democratic in nature. PoS cryptos move the power to those with the most money, eliminating democracy. However, Bitcoin may be viewed as more democratic, where a seasoned veteran and a newcomer have the same power and same voice. Thus, there are many within the community that reject the idea that PoS can be more decentralized over the long term.

Bottom line

It's true that nothing is 100% certain with any digital asset. Bitcoin's community could wake up one day and decide to make an even bigger shift than Ethereum. That said, many crypto enthusiasts believe that it is highly unlikely that BTC will switch to PoS.

Bitcoin miners, despite regulatory headwinds, will likely continue to do their thing. And in the absence of a central bank digital currency (which may be around the corner, by the way), Bitcoin will remain a top digital currency for many long-term investors.

CATEGORY

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