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## Economics of Blockchain

23 Pages

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### Abstract

Claims blockchain is more than just ICT innovation, but facilitates new types of economic organization and governance. Suggests two approaches to economics of blockchain: innovation-centred and governance-centred. Argues that the governance approach — based in new institutional economics and public choice economics — is most promising, because it models blockchain as a new technology for creating spontaneous organizations, i.e. new types of economies. Illustrates this with a case study of the Ethereum-based infrastructure protocol and platform Backfeed.

**Keywords:** blockchain, cryptoeconomics, catallaxy, public choice institutional economics**JEL Classification:** D2, D7, P4, P00, K00, H4[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN\\_ID2744751\\_code2087841.pdf?abstractid=2744751&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2744751_code2087841.pdf?abstractid=2744751&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN\\_ID2744751\\_code2087841.pdf?abstractid=2744751&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2744751_code2087841.pdf?abstractid=2744751&mirid=1&type=2)

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