

Consortiums blockchain

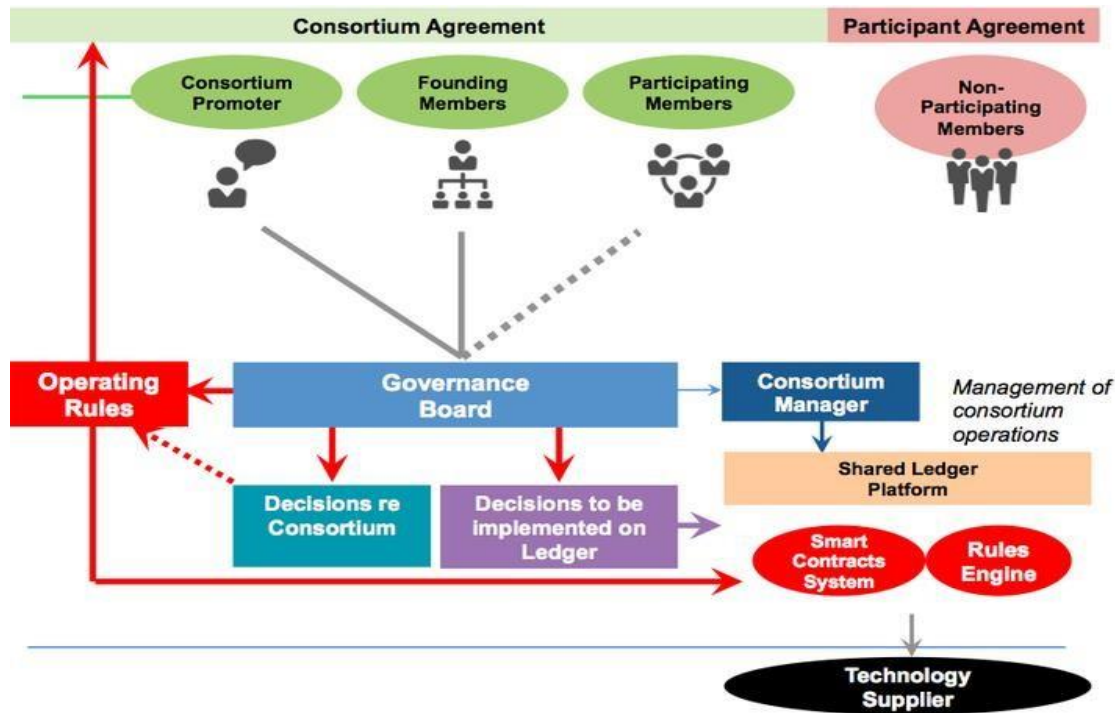


Figure 1.24 Consortium blockchain

- Validation is conducted by known and identified members of the limited network of nodes
- greater privacy since the information from verified blocks is not exposed to the public.
- There are no transaction fees
- consensus is reached by a relatively small number of nodes in accordance to the governance scheme.
- Increased scalability - Bitcoin's block transmits only up to 1 Mb* ([from 1500 to 2700 transactions](#)) per 10 minutes, when a consortium blockchain can optimize it to 1000 and more transactions per second.
- A consortium platform is more flexible.
- voting-based system, it ensures low latency and superb speed.

Hybrid Blockchain

- like a consortium blockchain, but it is not.
- Hybrid blockchain is best defined as a combination of a private and public blockchain.
- It has use-cases in an organization that neither wants to deploy a private blockchain nor public blockchain and simply wants to deploy both worlds' best.
- **Example of Hybrid Blockchain:** Dragonchain, XinFin's Hybrid blockchain

Advantages

- Works in a closed ecosystem without the need to make everything public.
- Rules can be changed according to the needs.
- Hybrid networks are also immune to 51% attacks.
- It offers privacy while still connected with a public network.
- It offers good scalability compared to the public network.

Disadvantages

- Not completely transparent.
- Upgrading to the hybrid blockchain can be a challenge.
- There is no incentive for participating and contributing to the network.

Table 1.2 Types of blockchain

	Public	Private	Hybrid
Definition	The public blockchain is open to everyone where anyone can participate.	Private blockchain is controlled by owners and access is limited to certain users.	The hybrid blockchain is a combination of the public and private blockchain. This means that some process is kept private and others public.
Transparency	The public blockchain is completely transparent.	The private blockchain is only transparent to the users who are granted access.	Hybrid blockchain transparency depends on how the owners set the rules.

Incentive	Public blockchain incentivizes participants for growing the network.	The private blockchain is limited and hence have no similar incentive as that of a public blockchain.	Hybrid blockchain can opt to incentivize users if they want to.
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Use-case	Can be used in almost every industry. Good for public projects. It is also good for creating cryptocurrency for commercial use.	Private blockchain is great for organization blockchain implementation as they require complete control over their workflow.	Hybrid is best suited for projects that can neither go private or public and have a lack of trust. The supply chain is a great example. It is also effective in banking, finance, IoT, and others.
Example	Bitcoin, Litecoin, Ethereum	Ripple, Corda	Hyperledger
KYC needed	No	Yes	Yes
Transactional Cost	Costly	Not so costly	Not so costly
Carries basic property of blockchain	Yes	Yes	Yes