



advantages and disadvantages of decentralization

Introduction

Has there been a moment when you have thought of having more control over your finances than the banks do or having a bigger part in the governance process at your institution? And do you know why decentralization advanced from mere folklore to reality today? The negative effects of centralization, such as data abuse, privacy abuse, and censorship, among others, were the catalysts for decentralization to start with.

Blockchain-enabled decentralization is something that Bitcoin introduced in 2009, which is finally seeing the light of day. So, let us get into the details of it and discuss the pros and cons of decentralization.

Advantages of Decentralization

1. Motivation of Subordinates

Talking about the advantages and disadvantages of decentralization, counting the motivation among the team members and the stakeholders is important. When you give them the power to be part of decision-making, it will encourage them and make them feel they are an important part of the institution. In fact, by the time decentralization reaches every corner of the planet, we will have replaced hierarchies that are abundant in our centralized societies with a fairer framework. One where networks and protocols are run by their communities every step of the way.

2. Growth and Diversification

Distributing executive powers among every organization member makes them accountable and motivated for growth. They will understand various aspects of decision-making. Moreover, decentralization makes way for diversified decision-making for a diverse and vibrant society.

Disadvantages of Decentralization

1. Difficult to Coordinate

In discussing the advantages and disadvantages of decentralization, it is necessary to understand that one of the biggest cons is reaching a consensus. Since there are many members to consult, the decision-making can be a difficult task to complete. It means that sometimes the lack of coordination may stretch the decision-making.

2. External Factors

A lot of times, external factors like trade unions, market movement, the government, and others, make it hard to achieve a decision through discussion and consensus. They may look to manipulate/corrupt the majority through protocol loopholes resulting in unfair decisions made.

Conclusion

Now that you understand the [advantages and disadvantages of decentralization](#), it is safe to say that you now value decision-making even more. There are lots of people who think that decentralization can lead to the manipulation of power. But when it comes to the pros and cons of decentralization, the benefits are surely more than the demerits. Also, which aspect of the world does not have some demerits? The advancement of decentralization will bring about the ability to exercise more freedom and power for users across various platforms and industries. Not to mention the self-sovereignty it enables.