

# Cardano Smart Contracts: A Serious Game Changer

By Valerio Puggioni | August 16, 2021



"Launch Control! This is Houston. We are go for launch."

This might as well be what Cardano founder Charles Hoskinson yells from the rooftops of IOHK Headquarters a few weeks from now. It's been a long wait, riddled with impatience and often paved with the saltiness of bitter rivals, the loudest of whom have been ETH maxis.

Ah yes, the battle with Ethereum maximalists has been an arduous one. They see nothing but ETH as the only way, all others being mere copycats, scams, or, as they have referred to Cardano with much animus, "a vapor chain."

Sure, Cardano is chiefly limited to staking and creating NFTs... for now. But slow and steady wins the race. And Cardano is reaching a milestone that should propel it to heights unforeseen.

Let's see what this means.

## Alonzo and its colors

Alonzo marks the end of an era. Specifically, the end of the Goguen Era. The [Alonzo hard fork](#) refers to the integration of Plutus scripts. This in turn will allow for the implementation of smart contracts on the Cardano blockchain.

At first, only a small group of 50 were invited to experiment with the new developments. But with the last phase of Alonzo, the testnet has finally been released to the public. (If Hoskinson is anything, he is known to be extremely careful and diligent.)

The Alonzo phases are color-coded, from white to blue to purple, and comprise 90 days of experimentation on the testnet. Alonzo Purple is when the testnet became accessible to the public. In fact, smart contracts are scheduled to go live on the mainnet on September 12, 2021.

## Can Cardano actually catch up and compete against Ethereum?

In its current state, Cardano cannot do much compared to the main dapps ecosystem, Ethereum. Ethereum's smart contracts have been around since its inception. This means Ethereum will always have first-mover advantage.

But is being the first mover enough?

If you're old like me, you might remember Betamax. Ultimately, VHS won out for a variety of reasons, which we won't get into here. There are countless historical examples where being the first mover simply wasn't enough.

You might also hear people mention the Network Effect, and how everyone is already using Ethereum. One might respond with, "You mean, like how everyone was using Blockbuster before Netflix did it better?"

People are faithful to a brand or a business only until something better comes along.

My view of Ethereum is that it was the first to rush to market, which gave it tons of exposure and insane price action. But this approach has proven costly. Ethereum is stifled with eye-gouging transaction fees, slow processing, and crippling network

congestion. Moreover, "fixes" have appeared to be temporary patches that have done little to improve the issues I've just mentioned.

So does the advent of smart contracts and dapps signal an end to Ethereum? Far from it. As Rob from Digital Asset News likes to remind his viewers, Who says they can't coexist?

Like Apple and Microsoft, forks and chopsticks, and many wonderful things in life, sometimes, we want the best of all worlds. That said, there are other blockchains that are doing amazing things right now, like Solana and Avalanche.

But what everyone's got their eye on is Cardano's pulse, and with good reason.

The novel technology being developed for Cardano will have a major impact on blockchains as a whole moving forward. (Just look at the [extended UTXO model](#) and Ergo's [Sigma Protocol](#) with flexible zero-knowledge proofs.)

## **Where to from here?**

Now that smart contracts are coming to Cardano, the snide rhetorical remark of "Wen smart contracts?" should die down from haters. Smart contracts will bring about fascinating dapps and new use cases to the Cardano blockchain.

One such development I'm keen on is the rollout of [Sundaeswap](#) and other DEXs (decentralized exchanges) like [ergoDEX](#), which is a cross-chain DEX. For Sundae, it will be interesting to see how it competes against Binance Smart Chain's Pancakeswap, and how Alonzo affects \$CAKE prices.

The possibilities are endless. Time will tell whether Hoskinson's cautionary pace and P2P review approach has been worth it. I, for one, believe it already has been.