



ETHEREUM LAYER 2 SCALING SOLUTIONS COMPARED

SCALING SOLUTION	STATE CHANNELS	OPTIMISTIC ROLL-UPS	GLUON	ZK ROLL-UPS	SIDECHAINS
HOW IT WORKS	<p>A portion of the blockchain state is locked into a multi-sig contract controlled by a set number of participants.</p> <p>Once locked, channel participants use off-chain messaging to exchange sign valid Ethereum transactions which are submitted back to the blockchain, closing the state channel and unlocking the state again.</p>	<p>Layer 2 smart contract-based solution where aggregators publish the bare minimum information needed with no proofs.</p> <p>Optimistic because it assumes aggregators won't commit frauds and only provides proofs in case of fraud.</p> <p>Rollups because transfers are bundled before being pushed to the mainchain.</p>	<p>A plasma implementation built specifically for high frequency DEXs.</p> <p>Unlike some earlier Plasma builds, Gluon uses an accounts/balance based ledger not a UTXO one.</p> <p>Gluon enables faster, cheaper Ethereum transactions by offloading them from the main Ethereum chain to a smart contract-based side chain which periodically reports back to the main chain.</p>	<p>Scales by processing mass transfers within a single transaction. The multiple transfers within these transactions are deconstructed by smart contract using zero knowledge proofs.</p> <p>ZKs are used to publicly record the validity of the block on the Ethereum blockchain.</p> <p>ZK reduces computation and storage space because zero knowledge of the entire data is needed.</p>	<p>Interoperable, Ethereum compatible independent blockchains that employ their own consensus model and block parameters designed to more efficiently process transactions than the mainchain.</p> <p>Tend to incorporate alternate validator selection models and consensus mechanisms. Sidechains manage their own security, separate from Ethereum's.</p>
ADVANTAGES	<ul style="list-style-type: none">Very private as everything happens inside a channel between participantsInstant finality. When both parties sign a state update, it is considered final & enforceable on the blockchain	<ul style="list-style-type: none">Flexibility in generalized computation. own smart contracts.Data is available onchain. Utilizes a trusted availability oracleEasier validity proof-verification than plasma	<ul style="list-style-type: none">Offchain operations improves scalingLower fees & much faster operations for computationally intensive appsAccount-based model eliminates issues like shredding, long delays, and large transaction sizes that occur when using a UTXO based plasma model for tradingFrequent checkpointing keeps data storage needs lowFraud proofs help check against exchange issues like front runningInstant finality on the plasma chain (can be challenged)Withdrawals in under an hour (exchange specific feature)	<ul style="list-style-type: none">Robust security offered by validity proofsFaster than Optimistic RollupsBocks computed in a parallel computing model that may encourage decentralizationless data contained in each transaction aids scalability	<ul style="list-style-type: none">Sidechains are permanent. Users don't have to close sidechains to add new users and sidechains can simply be accessed for specific purposesAllow cryptocurrencies to freely interact with each other in a contained environment
DRAWBACKS	<ul style="list-style-type: none">Requires 100% availability of all participants involvedAdding or removing participants requires changing the state deposit contract each time. Hard to add new participants	<ul style="list-style-type: none">Limited throughput when compared with other Layer 2 solutions like classic Plasma and GluonAggregators are trusted to deploy contracts, process user transactions, and include them in a "rollup block". There is an assumption that there is at least one aggregator is not censoring transactions. Strong reliance on trust and game theoryFraud game verifications can delay withdrawals by up to 2 weeks	<ul style="list-style-type: none">Some centralization as sidechain needs to be managed by an authorityHigh liveness requirement for validators on the sidechain. Every Gluon block transaction needs an honest verifier (mitigated by incentive models)	<ul style="list-style-type: none">Difficulty computing zero-knowledge proofs requires data optimization to maximize throughputPotentially higher fees as validity proofs are more expensive to prove than fraud proofsAssumes a level of unverifiable trust from usersInitial setup requires subject matter expert developers	<ul style="list-style-type: none">Loses out on the security of a mainchain. Sidechain users must trust its securitySidechains require a great deal of setup for security and operations. Robust miner and validators must be established because sidechains are their own blockchains, not just smart contracts

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APPLICATIONS

