

## Preparation for the Topical Seminar– September 2025

Topic: Cryptocurrency

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To prepare for our session, read the material below and watch videos. Review the writing prompts and then write a response of at least 200 words and submit it to [lewesseminar@gmail.com](mailto:lewesseminar@gmail.com) by Monday, September 8 to assure participants have time to read it. All responses will be posted on this website. Please review others' responses in advance of our session on Wednesday, September 10 at 3pm in the Lewes library.

### What is Cryptocurrency?

Cryptocurrency emerged after the banking crisis of 2008. It is a rapidly evolving digital form of payment using encryption algorithms that generate codes to access coins and transactions. Cryptocurrencies require the use of a wallet and a blockchain. Wallets are software that are stored on a cloud-based service, a computer or a mobile device. This software tool stores your encryption keys, confirms your identity and links to your cryptocurrency. Blockchains are databases. A blockchain is a multi-node ledger with an encrypted code for each added link. A key element of a blockchain is that it does not rely on a centralized authority for updates and it has the appearance of security. The blockchain uses a consensus mechanism to determine what gets added for transactions to the database.

<https://www.cfr.org/background/crypto-question-bitcoin-digital-dollars-and-future-money>

<https://www.prageru.com/videos/cryptocurrency>

[https://www.youtube.com/watch?v=SSo\\_EIwHSd4](https://www.youtube.com/watch?v=SSo_EIwHSd4)

Since the creation of bitcoin in 2009, cryptocurrencies have grown from digital novelties to trillion-dollar technologies. Proponents view cryptocurrencies as a democratizing force while critics claim it has the potential to disrupt the global financial system by making it vulnerable to booms and busts. Investors, who now hold cryptocurrencies as assets, buy goods and services such as software, digital real estate, and illegal drugs. Regulations vary worldwide. Some governments, embrace cryptocurrencies whereas others ban or limit their use. As of January 2024, 130 countries, consider introducing their own central-bank digital currencies (CBDCs) to compete with the cryptocurrency boom.

<https://www.advisorperspectives.com/articles/2025/02/24/bitcoin-will-not-replace-dollar>

What are the risks to using cryptocurrency?

Cryptocurrencies have the potential to improve the efficiency of the economic sector, but they are volatile. As technology-based intangible assets, they are uninsured, unregulated, difficult to convert to cash and can easily be hacked or lost. Pariah states, such as Iran and North Korea, use cryptocurrencies to evade sanctions, launder money and build nuclear weapons. In the article below, Justin Muzinich (2021) describes cryptocurrency's potential threat to national security and influence abroad. He claims that proponents of cryptocurrency's software design reflect a view that government should have less control over monetary policy and advocate for the market to determine its fate.

<https://www.foreignaffairs.com/articles/united-states/americas-crypto-currency-conundrum> [See Doc 3]

The implosion of FTX in 2022 was the most spectacular collapse of a cryptocurrency industry. In the *Case for Banning Crypto*, Hilary Allen claims that FTX's unraveling was not an isolated incident and it revealed fundamental flaws in the cryptocurrency industry. (Foreign Affairs 2023).

[https://www.foreignaffairs.com/united-states/crypto-currency-finance-blockchain-case-banning-rewards?check\\_logged\\_in=1](https://www.foreignaffairs.com/united-states/crypto-currency-finance-blockchain-case-banning-rewards?check_logged_in=1) [See Doc 4]

### The Genius Act

On July 17, President Trump signed the Genius Act into law (officially known as the Guiding and Establishing National Innovation for U.S. stablecoins). Passed by both Democrats and Republicans, the law establishes a federal regulatory framework for stablecoin issuers operating in the U.S. Unlike bitcoins, stablecoins are backed by treasuries. The law defines who may issue a stablecoin, how it must be backed and which federal or state regulator must oversee it. It replaces state and federal guidelines with national standards and sends a global signal that stablecoins are a legitimate financial product (Daniel et al, 2025).

### Critics of the Genius Act

Opponents argue that the legislation will allow corruption and expose financial stability, national security, and consumer protection to risk.

<https://www.nytimes.com/2025/07/29/opinion/trump-crypto-genius-act-memcoin.html> [See Doc 1]

According to Politico, July 15, Fairshake, a crypto industry super PAC, has set aside \$140 million to ensure that industry-friendly legislation will pass in the House.

<https://www.politico.com/news/2025/07/15/crypto-super-pacs-war-chest-key-house-votes-00452356>

Forbes

<https://www.forbes.com/sites/danalexander/2025/06/12/crypto-now-accounts-for-most-of-donald-trumps-net-worth/> [See Doc 2]

## Regulations

Regulations vary worldwide. China bans cryptocurrency trading and mining but the government is a large holder of bitcoin. India does not allow payments using cryptocurrency but taxes those who trade with it. El Salvador uses Bitcoin in lieu of the U.S. dollar. The EU has adopted MICA, the world's first comprehensive regulatory framework. Since regulatory changes can affect the market in unpredictable ways, the challenge for regulators is to develop rules that limit financial risks without stifling innovation. (CFR).

## Optional Sites

Very long article about regulation

[https://www.brookings.edu/wp-content/uploads/2022/11/es\\_20221020\\_digital\\_assets\\_transcript.pdf](https://www.brookings.edu/wp-content/uploads/2022/11/es_20221020_digital_assets_transcript.pdf)

Banking and unbanked futures for crypto:

<https://msb.georgetown.edu/news-story/research-and-insights/the-edge-from-bitcoin-to-banking-the-rise-of-crypto/>

<https://www.brandeis.edu/global/news/2022/blockchain1.html>

Energy for Crypto (with growing environmental impact):

[https://www.energystar.gov/products/data\\_center\\_equipment/cryptocurrency](https://www.energystar.gov/products/data_center_equipment/cryptocurrency)

“The Chain of Harm: Systemic Responsibilities in Crypto Infrastructures”

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=5389069](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5389069)

## Writing Prompts

Here are some prompts to consider:

Are cryptocurrencies a democratizing force, or do they promote instability and inequality?

Does cryptocurrency have the potential to disrupt the global financial system by empowering criminal groups, terrorist organizations, and rogue states with drastic market volatility?

What is the danger of removing the power of money creation from central banks and Wall Street?

Cryptocurrencies consume vast amounts of electricity. What are the concerns of its environmental impact?

Will cryptocurrencies eventually replace printed money?

## Works Cited

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<https://www.paulhastings.com/insights/crypto-policy-tracker/the-genius-act-a-comprehensive-guide-to-us-stablecoin-regulation#:~:text=Today%20marks%20a%20historic%20milestone,are%20a%20legitimate%20financial%20product.>

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