

Crypto

Pros and Cons of cryptocurrency





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Cryptocurrency Is the Future of Global Finance

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Cryptocurrencies are a new type of technology that is designed to create tokens (or coins) which can [serve as a medium of exchange \(like currency or money\)](#), allow people to vote for new decisions (like technical standards), and is entirely peer-to-peer, with no apparent central control. The central technology to this, which powers projects like Bitcoin, is the blockchain, of which there are many varieties. [The blockchain uses mathematics to secure each ledger entry to prevent any changes.](#)

The growth of this new technology has been phenomenal, as the industry is now valued in trillions of dollars. Since its inception, the subject has attracted controversy as Bitcoin has been used in cyber thefts, ransoms, and implicitly encourages users to move away from the use of government currencies, like the US dollar, the Chinese Renminbi, and the British pound. Critics also note that the process to create bitcoins uses enormous amounts of energy with a small minority of people holding the vast majority of the coins in circulation.



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Bitcoin was the first crypto to be created and it has since gained value for two reasons; as a way to store and exchange value, and because a group of people agrees that it has value. There are now thousands of varieties of crypto tokens serving a range of functions to fulfill needs in both society and for the new internet, named Web 3.

Projects like Ethereum have gone beyond the original roadmap of Bitcoin to create “programmable money”, where users can create self-completing contracts that require no outside intervention. This idea has led to automated online exchanges, and decentralised lending, all of which are created and executed outside of the traditional banking industry. This is leading to the development of decentralised finance or “Defi” which is changing how people use and create value. While there are limitations to the technology (as well as legal grey areas of its use), it is seeking to democratise the financial services industry to change how people use and send money.



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Aside from money, there are projects like [Polkadot](#), Storj, Zilliqa, and others that are attempting to build the infrastructure of the next internet. The current version of the internet is dominated by companies like Google, Facebook, Amazon, and others. While providing vital services it is becoming more obvious that their services are both centralised and filtered which influences its users.

Facebook, for instance, holds significant influence over what its users see and click, to where [they are able to change the course of democratic elections](#) and even facilitate revolutions. Rightly or wrongly, there are questions as to [how much power a single company should have on political events](#).

[Web 3 aims to create a version of the internet that is similar to stakeholder ownership](#), where it is increasingly decentralised by design, and changes require user participation and votes. To help create this, blockchain technology will become pivotal to facilitate increased user privacy, platform interoperability, and decentralisation.





I do think people get bought into these manias who may not have as much money to spare

— **Bill Gates**



There is the potential for misuse of this technology

Agree



Usually illegal payments and activities can be done on the internet with the help of cryptocurrency. But no government can ban it because no one has authority over it. Governments and high authorities of the country can apply restrictions but can't ban them.

Disagree



Major banks have been found guilty of breaking laws for money laundering, fraud, and price manipulation. The current banking system is regulated but still facilitates illegal activities.

HSBC fined £64m for failures in anti-laundering processes

J.P.Morgan Securities to pay \$200 mln to settle U.S. regulatory charges on record-keeping lapses

Barclays, RBS, HSBC, Credit Suisse and UBS fined for taking part in forex trading cartel

Cryptocurrency is the beginning of a new financial paradigm

Agree



Cryptocurrency critics must admit that our current system is not without flaws. Consider what happened in 2008, during the financial crisis: we put our trust in banks, and they let us down. They lost customers' money and took money from the government to help support their businesses. This has led to large levels of national debts in the US, UK, and the EU. What can be done to ensure that this does not happen again?

Do you have a say in monetary policy at the European Central Bank (ECB) or the Federal Reserve of the United States (Fed)? We already have a very unpredictable system that could be pushed to the breaking point if another financial crisis occurs. Cryptocurrency could be a viable replacement for our decaying banking system. Isn't it more prudent to start trusting algorithms rather than human beings?

Disagree



How can you trust something that doesn't have any rules? Cryptocurrency is fully autonomous and decentralised, as its advocates proudly proclaim. There is currently no central authority defining the rules of cryptocurrencies. When we asked ECB President Mario Draghi about it, he cautioned that while the euro is guaranteed by the ECB, bitcoin is not. That is not really encouraging.

Also, don't expect anyone to aid you if you buy something with Bitcoin and get ripped off. No one will come to your rescue if your wallet is hacked. Do you believe it's improbable? Reconsider your position. This has happened in the past. You're on your own if anything occurs to you. An unregulated system carries such a risk.

Bitcoin and other currency coins have very unpredictable prices. This makes it impossible to use them as “money”

Agree



The value of a cryptocurrency like Bitcoin varies wildly. The severe volatility makes it impossible to use on a regular basis. In December 2017, a single Bitcoin was worth 17,000 EUR when purchased. It was valued at a little more than 5,200 EUR at the time of publication.

That figure may have drastically changed by the time you read this. It is impossible to use a currency if its long-term worth cannot be accurately determined. Speculators, on the other hand, are doing everything they can to ensure that the value fluctuates as much as possible.

Disagree



Bitcoin has a limited supply of coins. This makes the value of each coin rise as it is deflationary. As time goes by the value will increase and so help people against using currency like GBP, USD, and others which lose their value over time.

The sharp rise and fall of Bitcoin have created a new group of cryptocurrencies, called stable coins. These coins are designed to be price stable and follow the general prices of the USD. These coins are used in place of traditional currencies. This solves the problem of using centralised money systems.