Cryptocurrency could very well be the future of investing, maybe even the future of money, however, there is a great deal that needs to be taken into consideration to avoid jumping the gun on ‘just another fad’.

Regulations are one of the biggest factors that could make or break cryptocurrency. Currently, there are almost no regulations on cryptocurrencies because they’re not held down by anything physical; it’s not a country's currency nor is it owned by any company. It is arguable that the lack of laws on cryptocurrency can be good or bad. With no regulations on the cryptocurrency, you can very easily use cryptocurrency for anonymous transactions. This poses a huge risk, and ethical dilemma, as large transactions can be made with no way of tracking them and therefore having no repercussions. One of the concerns is that cryptocurrencies are being used for illegal practices such as laundering money,\(^1\) drug purchases or human trafficking.\(^2\) This is where the regulations of cryptocurrencies could shine, by stopping cryptocurrencies from being a criminal's dream.

There is also a concern when it comes to the longevity of cryptocurrency. If this is just a fad, then people that are trying to get in on the new economic trend could face the possibility of losing a lot of money. There is a large risk of failure if cryptocurrencies were to take a big hit in the market. There is always going to be fear when it comes to money and introducing something so unheard of can be intimidating, despite the fact that cryptocurrency has been used for over a

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decade and has been incorporated into everyday use and restructured the economies of some countries. Cryptocurrencies are spoken about less in comparison to when they were most popular in 2017-2020. Bitcoin was all the rage in 2017, as its value went from one thousand dollars at the beginning of the year to twenty thousand dollars by the end of 2017.³ Now cryptos are still a major entity in the world of investing, particularly among younger investors, however, the general public does not appear to be as interested in cryptos. This is concerning when considering cryptocurrencies are based on supply and demand. The thousands of individuals trading stocks daily is the basic principle of stock trading at its roots, literally supply and demand at its finest. As previously mentioned, there are risks when it comes to investing in cryptocurrency but it has just as much reward. High-risk, high reward if you will. A lot is riding on how regulations are put on cryptocurrencies in the upcoming years, which could be the make it or break it if cryptos become a more viable investment.

Cryptocurrency is good for society in that it can be used as a liquid asset; there isn't a more liquid asset than Bitcoin. As Bitcoin is completely digital, it has taken the world by storm. Many countries are adding Bitcoin machines, and similar to ATMs, all you would have to do is walk over to a Bitcoin machine and trade your Bitcoin for dollars, anywhere, anytime⁴. It's progressing to be easily accessible. Gold is a comparable liquid asset, however, its biggest disadvantage is in its weight. It would be hard to pack your bags and carry all your gold around with you.


One of the biggest pros of Bitcoin right now is evident in countries such as El Salvador. El Salvador’s history of colonization, oppression, and exploitation has made economic and societal development challenging. Oftentimes family members who have emigrated to developed countries send money back to El Salvador. This money is often in US dollars, which after conversion rates, taxes and fees becomes much less by the time it reaches their family members. Recently, El Salvador has tailored their economy to accept Bitcoin widespread and now has become a reliable way for people to send money back to their families.\(^5\) They have incorporated into the country’s economy, and therefore have more money for positive change.

Though cryptocurrencies can be set up differently, Bitcoin’s design has the power to allow for more good for society, as it perfectly addresses the issue of inflation. There are only 21 million Bitcoin in circulation, and there is no way to make more.\(^6\) If more cryptocurrencies were to follow this model, this would help monitor inflation and keep the value stable. This limited resource model has led many to call Bitcoin a “digital gold.”\(^7\) However, unlike gold which is arguably a rare material, if its prices go up, more people want to mine or sell gold, directly lowering the price of it, an equilibrium if you will. Gold doesn’t have a limited cap. Even in distant space, we have asteroids that have enough gold in them to completely ruin the market, making gold practically worthless. Other cryptocurrencies are set up more so for mass production. Cryptocurrencies like Dogecoin can be mined and therefore have an ever-growing market cap, and given enough time and people mining it, it could be mass-produced which in turn lowers the

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value. Ethereum, the second-highest priced cryptocurrency, is set up differently than most of the competition and that's why it's one of the most used cryptocurrencies. Although miners of the currency can infinitely increase the market cap, Ethereum combats the eternally increasing market cap by destroying a little bit of itself on every purchase made with Ethereum.

There is a great deal of research and discovery that still needs to be done about cryptocurrencies. Though it has been used for over a decade, its effects on our economic systems and individual lives are not fully understood. I believe cryptocurrencies have a place in our future, so it is vital that we take the necessary steps to ensure that the changes it causes are for the good of society. As long as proper regulations are applied to cryptocurrencies addressing illegal behaviour and mass production, it has the ability to do good for societies around the globe.

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