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Topic Proposal: The Global Effects of Cryptocurrency

I understand the structure of bit coin, the most popular cryptocurrency that most other’s are based off of from a software standpoint. It uses a complicated hashing puzzle that is highly computation intensive. Once a piece of the puzzle is solved, essentially a certain amount of computation has been done by the collective mining nodes in the network, nodes that participated in computing the solution get some fraction of a bitcoin depending on how much computation they contributed. Another characteristic of bitcoin is it’s limited supply. The amount of bitcoin that can be mined is sealed behind what is called a “block”. The block is essentially the puzzle referred to earlier. The block contains a set number of bitcoins. Over the past decade or so the number of bitcoins in a block have scaled down from 50, being the original amount of bitcoin in each block. There have been three halving events in the lifetime of bitcoin, once every 4 years since it’s inception. The computation power contributed by miners is also used to verify bitcoin transactions. Bitcoins are checked against a ledger with each transaction by miners. This is essentially how bitcoin works under the hood. From a global politic standpoint I will be arguing that it is essentially a useless drain critical limited resources. Which makes cryptocurrency a major threat to the entire world as it has an unprecedented impact on the global power grid. It is almost entirely fueled off of fossil fuels and it does not supply utility to people in the form of a service. It is an interesting coding project that should not be used in replacement of fiat currency simply due to it’s huge environmental impact, and the shortages it causes for computing components that could be better used towards research and medical equipment. I would argue that using these components for leisure is more forgivable than for cryptocurrency. I will be mostly addressing cryptocurrency in the context of bitcoin as there are hundreds of currencies. Bitcoin is by far the most popular and represents most of the crypto market.

I plan on looking for any academic papers that can support this argument, however since this problem is so recent and a relatively low number of people understand bitcoin I will also be looking for articles from the Washington Post and the New York Times.

I plan to complete this project by November 7th 2021.