

Economics of Bitcoin and Cryptocurrencies

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and Cryptocurrencies

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The Basics

The
Economics

The Social
Value

1 The Basics

2 The Economics

3 The Social Value

The Basics?

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What is Bitcoin?

- some more stuff

How does Bitcoin Work?

- wallet
- private key
- public address
- signature
- blockchain

When is Bitcoin useful?

- Capital Controls
- Financial inclusion / empowerment

- Middle men

- remittances

Is Bitcoin Money?

- 1 medium of exchange
- 2 unit of account
- 3 store of value
- 4 legal tender?!

Is Bitcoin Legal

- currency vs. financial asset

Denationalized Money: Hayek's Paradise

- no government control
- no inflation
- limited number -> information asymmetry -> market failure

Cryptocurrencies and Inflation

- not with a cryptocurrency, but through plurality

Is Mining Socially Wasteful?

- compared to what? paper money? coins? gold?
- what happens to the costs?

Proof of Stake

- inflation or not