

Tails You Lose: Exploring the Downside of Cryptocurrencies in Developing Countries

Caucasus Affairs and Regional Conflicts

European and Eurasian Affairs

Overview:

Some analysts have argued smaller developing countries are more likely than larger and better developed ones to encourage the growth of cryptocurrency industries. With their lighter regulatory and administrative burdens and eagerness to seize economic opportunities to address poverty or a lack of modern industry, these countries enjoy greater opportunities and incentives to embrace cryptocurrency. One example is Georgia, which has with government support emerged as a major hub of Bitcoin mining and other cryptocurrency-related operations. The potential benefits of this activity are often discussed by our interlocutors. This study would examine the degree to which there might be potential downsides of developing country investments in the cryptocurrency sector, such as: negative impact on democratic development; negative impact on regional economic connectivity (for example with neighboring countries that have not embraced cryptocurrencies); exacerbation of corruption.

Format of Final Project:

20-30 page research paper

Potential Areas of Useful Expertise or Interest:

Economic & Finance Issues; Information & Communication Technology; International Development; International Relations

Comments:

This project would benefit from a multidisciplinary approach, with team members focused on various aspects of the problem.