

What Good Is Crypto?

Event Summary: GiveDirectly and The Life You Can Save co-sponsored the What Good Is Crypto? event held on December 2, 2021 at 7pm ET. The event raised donations for GiveDirectly's work providing unconditional cash transfers to households living in extreme poverty.

FTX and Haseeb Qureshi provided a \$600,000 matching pool that provided a 2:1 match for all crypto donations made from the event announcement through December 5. As of December 3, that entire matching pool had been exhausted; in all the campaign raised over \$1 million in cryptocurrency donations. This will provide over 3,000 people in Liberia with Universal Basic Income (UBI) for one year.

The event consisted of two panel discussions; transcripts can be found below. The first panel was hosted by Rhys Lindmark (co-founder of Roote), who moderated a discussion between:

[December 2022 Update: We've considered removing links to this transcript from our site when FTX and Alameda collapsed. After discussing internally, we decided it would be more honest to keep it up. Obviously, in retrospect, it was a mistake to involve Sam Bankman-Fried and Caroline Ellison in this event (like many others, we were fooled by them), but we felt like removing traces of the event would be akin to covering up, rather than acknowledging that mistake. The Life You Can Save has never received any money from Sam Bankman-Fried, Caroline Ellison, FTX, or Alameda.]

- [Sam Bankman-Fried](#) – Founder and CEO of FTX cryptocurrency exchange. He also manages assets through Alameda Research. Previously he worked at Jane Street Capital, a proprietary trading firm.
- [Sibongani Kayola](#) – Liberia country director for GiveDirectly. Formerly a researcher at Innovations for Poverty Action (IPA). Holds a B.A in Psychology from the University of Zambia.
- [Peter Singer](#) – Moral philosopher and bioethicist at Princeton University. The 'godfather' of the effective altruism movement and author of "The Life You Can Save" ([free copies available here](#))

Laura Shin (host of Unchained podcast) moderated the second panel, a conversation between:

- [Caroline Ellison](#) – Co-CEO of Alameda Research, a global cryptocurrency quantitative trading firm and liquidity provider. Previously at Jane Street equities desk.
- [Arthur Breitman](#) – Co-founder of Tezos, a blockchain enabling decentralized governance through self-amendments. Previously a research engineer at Google X and Waymo.

- Haseeb Qureshi – Managing partner at Dragonfly Capital, a cryptocurrency venture fund, and public speaker. Formerly a professional poker player, sponsored by Full Tilt Poker.

What Good Is Crypto? Panel 1 Transcript

Panel participants: Sam Bankman-Fried, Sibongani Kayola, and Peter Singer

Moderator: Rhys Lindmark

Rhys Lindmark: [00:00:00] Hello, future people, my name is Rhys Lindmark. And today we are doing an amazing interview set with three great folks who come from three, both aligned, but very different perspectives. Sibongani Kayola is the country director in Liberia for GiveDirectly, and so she has this amazing on-ground experience out there. But of course, she also has the philosophical side, she went to Oxford, things of that variety.

Then we also have Peter Singer today, who is this amazing philosopher and he kick-started the philosophical mindset around effective giving in the 1970s. And he leads The Life You Can Save, [00:00:30] and actually recently also won the \$1 million Berggruen Prize, which is kind of like a Nobel Prize for philosophy and culture. And in classic Peter style, he donated all of it. So that's great to have the philosophical perspective.

And then finally we have on the call, Sam Bankman-Fried, and Sam felt this deep resonance with some of these effective altruist ideas, and now through the magic internet money of crypto, is now game to give it all away. So thank the three of you for being on the call today, we're excited to dive in and chat about effective altruism [00:01:00] and crypto, and how you all relate to that.

So to start, I want to actually start by asking you Peter, so in the 1970s when you wrote *Famine, Affluence and Morality*; you also wrote *Animal Liberation* about the animal movement, things were very different back then. And for me as a youth, a 30 year old millennial type, and for maybe some of the folks on the call, what was going on, both in your head at that time and how did it relate to the general zeitgeist and how was it received?

Peter Singer: Well, [00:01:30] what was going on in my head when I wrote that article was that there was this major crisis in what was then East Pakistan and is now Bangladesh. It was part of Pakistan, but there was an autonomy movement, and as a result, the Pakistani army had brutally repressed that autonomy movement and nine million people had fled across the border into India. So nine million refugees in what was then a much poorer nation than it is today, and it needed support to feed and house these [00:02:00] nine million people, a vast number of people. And in the west, people were giving a little bit, but it was clearly not going to be sufficient.

And so what I was thinking of was, I didn't have a lot of money at the time, I was a graduate student studying philosophy at Oxford, I was on a scholarship, my wife was a high school teacher, but we had plenty really, to look after ourselves. And I was thinking, so what should I be doing about this, [00:02:30] about all of these people in need? And it went back to previous crises where I'd also thought, gee, I should really be doing something, but I hadn't done

anything very much. And so I started trying to think of this as an ethical question, do I have some responsibility for this? And that led me thinking about rescuing a child drowning in a shallow pond. In those circumstances, surely [00:03:00] it would be wrong if I just ignored the child and walked on past the pond and said, I didn't want to ruin my expensive clothes by jumping into the pond and saving the child.

And that made me think, so we do have responsibility, sorry, we do have some obligation to help people in great need, even if we're in no way responsible for their plight. And then the question was to work out how much, and I ended up with a quite demanding view of what we ought to be doing, [00:03:30] maybe one that I now look back on after 50 years as was perhaps not really realistic and maybe not the best pitch to get people to donate, to make it that demanding. But I wrote it up for this, there was a new journal starting called, Philosophy and Public Affairs, getting philosophy more in contact with real issues in the world, which it had not been very much when I was an undergraduate a few years earlier. So that was why, what I wrote, and [00:04:00] fortunately it had some resonance and kept on getting reprinted in more and more journals or anthologies and being used in classes.

Rhys Lindmark: I'm curious, I think all of us are curious, when you wrote it, was there a lot of pushback or people like, "Oh, this is great. Oh my God, what about the drowning child?" How do you think about that?

Peter Singer: So the editors of the journal really liked it, they were very happy to publish it, so that was good. Yeah, some people did think this is ridiculous because this would mean that [00:04:30] basically none of us are doing what we ought to be doing and that can't be right surely. Yes, some of us are not perfect, whatever, some of us do really bad things, but we can't all be doing something bad just by living comfortably because of these situations far away from us. So that was most of the pushback I got, but gradually people started telling me that they were influenced by it and that they were giving a bit and so on. So it took some time to take off, but it did eventually.

Rhys Lindmark: That's good. [00:05:00] I'm curious for Sibongani and Sam actually, when you all first heard of that thought experiment, and for the listeners who haven't heard, it's like, okay, if you imagine a child drowning next to you, you should probably save the child. And in fact, you can think of a similar thing where it's like, there are lots of children drowning around the world that you can just help them, but they're just far away, and so just because they're far away, doesn't mean you shouldn't help them. Sam, for you, when you first heard the thought, were you like, "Yes." Were you like, " [00:05:30] Oh God, I don't want to feel the guilt or whatever."

Sam Bankman-Fried: So I guess I had a few reactions. Intellectually, I think my strongest reaction is "that's obviously right". I'm not even going to bother trying to think about whether it's right, yeah, it's right. And that was never in doubt in my mind. I think that I had a separate, simultaneous reaction. I was, I think, in middle school at the time, and basically made an executive decision for myself that [00:06:00] maybe it was the case that practically speaking, I don't know, it's not clear what it implies I should be doing differently today, so I'm not going to think very hard about that. And I don't want to defend that decision, but that is what I

immediately decided. And I think part of the reason is, is part of what Peter said about look, this seems like it might be kind of demanding, if you think it as, oh boy, better not think too hard about whether it actually has any implications for my life.

I think [00:06:30] that's basically how I lived until I got to college, intentionally deciding not to think hard about what that might mean for my life, out of a knowledge of what that would probably mean if I did. And it didn't have much impact on how I actually lived my life until I got to college and met someone else in a similar boat and said like, "All right, fine. I'll actually think about this now. I'm going to give up on pretending that for some reason, this is completely [00:07:00] irrelevant to what I should do with my life. That doesn't seem very plausible."

Rhys Lindmark: Yeah, that's funny. That's a cool thing where you're like, "Oh, okay, this totally makes sense. Oh boy. Let's not think about it for a while until ..." because it's yeah, demanding.

Sam Bankman-Fried: Yeah. And rather than trying to go through the like, "Well, maybe it shouldn't be too demanding" Obviously this is demanding, there's no way I'm going to convince myself it's not demanding. So maybe I can, at least for now, convince myself that like, "Well, I know exactly what it demands of me, so I don't know, I'll keep on [00:07:30] doing whatever I'm doing."

Rhys Lindmark: Yeah. And try your best. So Sibongani, for you, do you remember first reading it and what was your reaction initially?

Sibongani Kayola: So for me, growing up in Africa and in the context in which I grew up, it was a deliberate choice to pursue social sciences at university. I knew I wanted to help people, I was a bit unclear about what I wanted to do, and so I ended up going into psychology at undergrad and [00:08:00] I loved it, really enjoyed it.

And when I started looking for work, GiveDirectly stood out for me because of the number one value of targeting recipients. And the biggest thing for me about working for GiveDirectly is day to day I can see how every single task that I do improves somebody's life in some way, there is no task that is too small or too big, all of it is tied back to the recipient. And so for me, early on coming into it, I always knew [00:08:30] I wanted to work in a field where I would be helping people and contributing to making people's lives better.

Rhys Lindmark: Yeah. That's cool. And so, you saw, you were like, "Oh, it's just helping, everything, every day, you can see what's helpful there." And then maybe let's double click on that for a second, Sibongani, tell us more, a little bit about, so we had this effective altruist idea that got created by Peter Singer 50 years ago, and then we have today, GiveDirectly, it's this amazing on the ground implementation, tell us a little bit about what GiveDirectly is like [00:09:00] on the ground and how it's different from some of the other do gooder charities in Africa or whatever?

Sibongani Kayola: [Laughing] Do gooder, that's nice. Well, first and foremost, GiveDirectly's programming is focused on our recipients. So in the sector generally, there's an apparent lack of trust in recipients agency, voices, and ability to make positive choices. We see a lot of charities

sending items that [recipients don't really need], and are very sometimes surprised when we see these items ending up in a marketplace because recipients are selling them off to get cash.

Cash transfers are really challenging this idea that it's better for the person in New York or Washington to be the one making the decision and empowering the recipients to choose for themselves how best to improve their lives. As an organization, we've really put the recipient voice at the front of our operations and really invested in speaking to recipients [00:10:00] about what matters to them. And out of those conversations, we've designed studies, built products and made changes to our work that make sure that the recipient has the most positive experience.

So for example, when we started working in Liberia, we ran these large cash out events, where we would call multiple villages to a market center that was close to their village, and that would allow them to cash out physical cash from the balance on their digital wallet. [00:10:30] We did that in isolation of conversations with recipients. And so one day we sat back and said, "Hey, what would happen if we actually asked the recipients what they want?" After those conversations, we actually found out that the recipients preferred to go to larger markets, even though these markets were further away from their villages, because those are the markets where the goods they wanted to purchase were found. And so for us as an organization, small things like these have really pushed us into continually making sure that the recipients [00:11:00] are the decision makers in the work that we do.

Rhys Lindmark: Cool. Yeah. And that's the cool thing about something indirectly, it's just the idea that talent is not equally distributed, rather talent is equally distributed, but opportunity is not, and there's all these folks who are on the ground, who we should just trust. Just like, you got a worse lottery ticket or whatever. For me, rich white American dude here, it's like I got a good lottery ticket versus someone out there where it's like, "Oh man, you got a tough lottery ticket, here's some money, and do what you need to do with it." So putting [00:11:30] the world in their hands. That's cool. And then for Sam, for you, how do you think about, if we think about the on the ground work that Sibongani is doing, the philosophical background from Peter, how do you think, you are donating all the magic internet money and non magic other money that you have or whatever, how do you think about, you're deciding to give it all away. Why? Why not just keep some for yourself? How do you think about giving lots of it away versus a more traditional holding more [00:12:00] for yourself mindset?

Sam Bankman-Fried: Yeah. I mean, I think that there's a lot of ways to think of it. I think you can think about it in terms of decreasing marginal utility of money, where you think about what does the millionth dollar do for you? And you're like, "Well I can buy a fourth car." And it's like, "Well, I don't know what I'm doing with my third car either." And then you're like, "What's the marginal \$5,000 do? Instead of buying 10% of a fourth car, you could save someone's life." And I think it just answers that question for itself, [00:12:30] which of those is going to do more good for the world. And so I think that certainly is one big piece of this.

And I think more generally, there are a lot of ways that you can have really leveraged positive impact on the world, if that's actually your goal, is having positive impact on the world. And if it's

not, I think that a mistake that a lot of people make is they're like, "I want to accomplish 17 goals with this [00:13:00] donation." And having positive impact is one of the 17, but it has to fit all these 16 other criteria. And by the end, you're constraining what you do so much, you're not actually having that much positive impact. You're spending a lot of your specialization points for what this is actually accomplishing on crap that doesn't really matter because that's what happens when you try and simultaneously optimize for 17 different things.

Whereas, if you actually just say, doing [00:13:30] good is the goal, then you get to choose the thing that does the most good. And in the end, that's what matters, in the end, the attractiveness of the postcards that you get sent or that you get to send to people, talking about the good that they've done is just the means to an end, that's not the good in and of itself, and that's not what you should be optimizing for. And so I think that there's a few ways of looking at it. And then I'll say just one more, which is when you think about the scale that you can do, and this is [00:14:00] part and parcel with the marginal impact piece, which is that there's seven billion people in the world, that's a lot of impact that you can potentially have. You can spend a billion a year just trying to mitigate one neglected tropical disease.

And so again, in the same way that if you're trying to just help yourself, you run out of effective things to do pretty quickly. If you're trying to help the world in whatever way is best, you actually have a pretty long runway of things that you can do and ways that you can use [00:14:30] money to have really massive impact.

Rhys Lindmark: Yeah. That's cool. Actually, I've never thought about that perspective before. Just like, okay, you're trying to live a meaningful life, and so you now have a lot, you've met your basic needs, you now have a lot of money. You got your first car, now you got your second car, the second car's kind of meaningful still. And then you're like, "Okay, I'm looking for more meaningful things." And all of the easy, meaningful things, all the low hanging fruit has already been picked. It's like, you already got your car, you have nice coffee or whatever. But versus on the other side, having a meaningful impact, [00:15:00] oh my God, there's so many different, cool ways to have a meaningful impact, so why not do that?

Sam Bankman-Fried: Yeah, exactly. And I think that when there's this discussion of do you go all out on doing good or do you save some for selfishness? The numbers matter here. And I think that the right answer, is absolutely save 1% of it for yourself, so that you can stay motivated, and so that you can live a comfortable life so that you don't need to worry about that, you can focus on figuring out how to do the most good with what you do give away. [00:15:30] But that's a totally different thing quantitatively, from saving 75% for yourself and your artwork and giving 25% away. And so you think when people talk about do you give literally everything away, or do you save some for yourself, I think that the numbers really matter here and that the right answer is, literally it is saving some for yourself, but that sum, at some point is a really small fraction of the overall whole, not [00:16:00] the bulk of it, but some is given away. And I think that in the end, that is what matters the most.

Rhys Lindmark: Yeah. That's cool. I think that there's a funny thing there, I think for someone you, obviously with a lot of money, it's like, okay, instead of anchoring at 1% is much better,

keep 1% for yourself instead of something like The Giving Pledge which anchored at 50% or something. But it's like, let's do 1%. 1% is how much you should keep for yourself, and then the default is to give it all away. I think also for folks who are listening, who maybe are less in Sam's situation, but more in my situation, whatever, [00:16:30] I think for me, the anchor is just default tithing, giving away 10%, once you live in the developed world, you can probably do 10% and then if you make more, you can give more but kind of anchoring there.

So I want to switch to a more general discussion here around first, effective altruism and then crypto. And maybe the first question I have for y'all is just thinking about when you first learned about effective altruist ideas and where you are now, I want to hear about that transition. And so Peter, [00:17:00] do you want to start, how has your mindset towards effective altruism changed most for you over the last 50 years?

Peter Singer: Well, as I said, it's about 50 years since I started thinking about it. And initially my wife and I decided to give away 10% of our income, which as you say, is that traditional tithe, I guess that's why we figured on 10%. And then gradually we increased that as we became more comfortable and felt that we didn't really need that much for ourselves. And what Sam said about [00:17:30] finding meaning and fulfillment in it, I think is really important, and I think it's important for a lot of people. And there's good psychological research showing that, that people who give have more fulfillment in their lives and rate their lives more satisfactory than others. So we went along and as I say, we gradually increased. And one other thing that I should mention is that there was a start of a real movement, only happened in this century, [00:18:00] I would say, around 2007 or eight, when some students in Oxford, Toby Ord and Will McCaskill, and some others, they'd read my article, but they put more emphasis on the effectiveness than I had.

And also then we had Give Well setting up, which started doing really rigorous research into which were the most effective organizations, so that you could be really confident that the organizations that they were ranking highly were doing excellent work. And at that point, [00:18:30] I was already at Princeton by then, so I was earning a better salary, so then I started giving about a third of what I was earning and gradually amped that up a bit to get closer to half. And certainly when I got the Berggruen Prize, I felt I didn't really need that at all, I'm perfectly comfortably off without that, so that's why I decided to give that away. But if I can just say one more thing following up what Sam said and what you were saying, in terms of, [00:19:00] I now recommend to people a progressive scale, like the tax scale, so the rate goes up as you earn more, and you can find it in my book, *The Life You Can Save*, which to put in a little plug, you can download absolutely free as an ebook or an audiobook from thelifeyoucansave.org.

Rhys Lindmark: Yeah. That's cool. And yeah, go Sam, you were going to respond to that.

Sam Bankman-Fried: Oh, I just want to completely agree with that. And when you think about what percentage is the right percent, go back to this, [00:19:30] what are you actually achieving with what you're spending on yourself? And I think that if you're living in a first world country, that keeping a substantial fraction of the first \$50,000 you make each year, keeping the bulk of it makes complete sense, those are funds that you can use to be able to live a reasonable life. I

think that again, I'm not objecting at all to people buying their first car with the funds they have, you do that in order to be able to keep making money often.

But then you get [00:20:00] to the next brackets, and pretty soon you're like, all right, of dollars beyond 100,000 a year, you start pretty quickly running out of really compelling things to do with it. And so I think the right amount to spend on yourself drops off pretty quickly, in percentage terms. And obviously, and I'll say there's a lot of complications we're sweeping under the rug about liquid versus illiquid [00:20:30] cash, and there are always nuances to this, don't take this as a one size fits all thing, take this as this is the high level guide post.

Rhys Lindmark: Yeah. Yeah. I like that. And I think actually Peter, let me push you a bit on your answer there, which is, I think I agree that, or it's cool to hear your shift over time, the movement in the 2000s, but for you, when you think about how you've updated, because effective altruism maybe at the beginning was your thing, and then it's like, oh, and you also wrote about [00:21:00] animals should be optimizing for poor folks around the world, you're thinking about the 70 billion factory farm land animals, should we think about all the future people, long termism? What for you has been the most surprising or big shift in the last 50 or maybe 20 years, where you're like, "Whoa, this is how I think about it now, which is how I didn't used to think about it back in the day."

Peter Singer: Yeah. Well I think it is the really high quality research that's going into different organizations and the effectiveness of it, which does [00:21:30] give everybody more confidence that they really know the best organizations. When I started giving back in the 70s, we were giving to Oxfam, which I still think is a good organization, but it's a huge organization that does many different things and I no longer think it's the best value that there is out there. And I really like some of the others, including GiveDirectly, pioneering the idea of cash transfers and seeing how that works, which goes against what people were saying about [00:22:00] this. So that's been important.

I do still give to organizations trying to stop factory farming, stop factory farming growing, trying to develop alternatives like plant-based foods, because I think factory farming, it's clearly a disaster for the animals living there, and as you say, there's something like 70 billion of them raised each year, but it's also really bad for the planet in terms of greenhouse gas emissions, in terms of waste of resources to grow the food that we feed to the animals and we only get a small [00:22:30] part of it back. And finally, we now know that factory farms are places where new viruses can develop, and given what we've just been through, we really don't want places where new viruses can develop in animals and then get transferred to us.

Rhys Lindmark: Yeah, exactly. That's funny, loop it into COVID. Do you want to make people care?

Peter Singer: Everything goes back to COVID now.

Rhys Lindmark: Exactly, exactly. Sibongani, for you, how have you kind of, whether it's from on the ground experience with folks, or more generally, how have you updated towards effective giving, [00:23:00] your mindset towards it in the past five or 10 years?

Sibongani Kayola: For me, the biggest thing has really been all of the research that GD, GiveDirectly has done. It's questioned a lot of assumptions that many people, including myself, had. Before I worked at GiveDirectly, I worked in the research space, and so I understood the importance of objectivity and randomized control trials in the social sciences. [00:23:30] But coming to GD, I had the theoretical understanding of how RCTs work and what the results are and so on and so forth. But when I joined GiveDirectly, I got to interact with the people whose lived experiences we would read about in the papers, in the published journals. And it made a huge difference for me, really humanized the research in a way that was not humanized when I was a student, for example.

[00:24:00] And so as an implementer, using the results from this research to further refine programs and improve the experience of recipients, but also generate insights into what works best, is really a privilege and something that I appreciate. And I'm excited for where the sector is going, just based on the growth that we've seen in the number of papers that have been published, but also in the refinements that we've been able to make in our programs because of our interactions [00:24:30] with recipients.

Rhys Lindmark: That's cool. Yeah, it's like, over time when Peter, Peter was like, hey, we just gave to the thing that seemed good, which is Oxfam, which is not necessarily bad, but still, we've done so much work with GiveWell and what you all do on the ground. And how can we be the most effective, how can we work with recipients better, and how can you really see, wow, this is being effective, let's do a lot of that? Well, this wasn't that effective, let's really not do that as much. And just to note for our listeners is that there's a, if you donate today, then you can [00:25:00] be part of this, that there's going to be a live stream of what it's like to give to one of these villages out there. And so just seeing the impact is really how awesome, is a powerful piece here.

Sam, for you, what has been the biggest update for you in the past five or 10 years, around how you think about effective altruism or effective giving?

Sam Bankman-Fried: I think that the things that probably I spent the most time trying to update on are what are the highest impact, most leveraged, shovel ready [00:25:30] things that we have. And I think that there ... I don't think it's obvious what the answer to that is, but I think that I've updated upwards in favor of a few things. I think one of them, especially over the last few years is bio risk, is pandemic preparedness. And I think-

Rhys Lindmark: COVID, COVID.

Sam Bankman-Fried: Yeah. I mean, if there's something we've learned over the last few years is that we are not fucking ready for a pandemic, [00:26:00] we're not at all ready for it. And I think that if you look at COVID's death toll, it's big, it's not so big that it dwarfs neglected tropical

diseases, but this isn't as bad as it could get. You could imagine a much deadlier disease and as biotech gets more and more powerful, it's going to do lots of awesome things for the world. It's also unfortunately likely to increase the risk of a substantially [00:26:30] deadlier pandemic. And so I think that that's something which I think there probably are things that we can be working on today that help prepare us for that.

And then I think another thing that I've updated positively on is the extent to which you can have policy impact, the extent to which it is actually possible for someone to have real impact on [00:27:00] what policy decisions are made, and that those in turn, can have really leveraged impacts on the world.

And you can think about impact on foreign aid budgets as an example, and on the ways that foreign aid is spent because it's not always spent super effectively by governments. And I think that you could imagine a world in which foreign aid departments start to look more like GiveDirectly, which might be a pretty positive development if you could get there. And so I think that that sort is another area [00:27:30] that I've updated positively on.

Rhys Lindmark: That's cool. That's a fun [idea], let's just turn all foreign aid departments into just GiveDirectly style, just don't think about it too much, just give the money to the folks on the ground and have folks do it there. That would be a nice, possibly a good future.

I think I want to transition here for everybody to talk about crypto a little bit, because we all relate to it in different ways. And I think my general question for the three of you, maybe we'll start with Sibongani, [00:28:00] how do you see crypto and effective altruism interacting? And especially for you on the ground, there's this dream of oh, let crypto bank the unbanked. It's like, well, I know for me, I was in Kenya recently, it was like, the folks who we were giving, the poor folks we were giving money to, they didn't even have a dumb phone, much less a smartphone, so we can't just give them a crypto wallet. So tell us a little bit about how you see crypto and effective altruism interacting [00:28:30] on the ground?

Sibongani Kayola: That's a great question, and you're very right. On the fundraising side, 17% of GiveDirectly's operating budget in 2021 came from the crypto community, so definitely very relevant. On the delivery side, if we're talking best case scenario where donors can send recipients funds directly with crypto and bypass having to go through banks and telcos and so on and so forth, we haven't yet found a place where that's possible. And it's really difficult to give an answer that applies to all the countries that we work in, or [00:29:00] a timeline and say, X country will be ready by X date. To your point, in many of the countries in which we work, many of the individuals we work with do not have feature phones, dumb phones, as you call them, or a SIM card.

That said, some countries like Kenya and Rwanda are far more ready for crypto adoption than countries like Liberia, where the payments technology is far less developed. We also need to think about other things such as the level of education and [00:29:30] internet penetration in certain countries. So it's better in some countries and less developed in some countries. That said, GiveDirectly is looking at end-to-end crypto solutions to connect donors and recipients in

some places where we do not work yet. And hopefully in a number, well in a couple of years, for example, we will be able to pilot a program where we do have donors sending crypto directly to recipients.

Rhys Lindmark: That'll be exciting. Go Sam [inaudible 00:30:00].

Sam Bankman-Fried: [00:30:00] Yeah. I think I'll say that in connection with some of that, I don't think that global crypto payments are today a panacea for anything. I do think that the current payment infrastructure is really bad though. It's totally busted. And that crypto represents, I think, the most compelling, medium term vision for a cross border payment system that works.

And so I don't think that today they solve [00:30:30] all these problems, but I wouldn't be surprised if in a few years, a substantial amount of giving was being done via crypto, not just because that's where it came from, but because that's where the recipients wanted it to go into. Because it solves, in theory, a lot of the underlying problems with cross border payments. And in theory, isn't the same as in practice. And if you look again today, although in theory, there's lots of advantage to it, in practice, most countries don't [00:31:00] have the on and off ramps between crypto and fiat currencies, nor do they have payment terminals that accept crypto payments to make accepting crypto payments a practical solution for most people.

But again, I'm optimistic that that's going to change over the next five years or so, and maybe even over the next one or two years, to the point where it will start to seem like crypto should be a substantial part of how cash transfers are made.

Rhys Lindmark: Yeah. I'll be curious, what percent, maybe to push you on that for second, [00:31:30] by let's say, choose between 2025 or 2030, what percentage of cross border cash transfers do you think will be done with crypto?

Sam Bankman-Fried: I mean, I would say 10% to 20% by that first date and 30 to 60% by the second date. But huge, huge uncertainty on those. I think it could be 90%, it could be 0%. I think those are both valid possibilities.

Rhys Lindmark: Yeah. [00:32:00] I think that's a cool vision. I did think, I mean, for us coming from the crypto world, it's like, yeah, just the current system's not great, permissionless, programmatic money just makes more sense long term. And so it feels inevitable with all, especially the infrastructure that's being built that you are doing at FTX and various other folks, it's going to happen eventually. And so it's a question of, or for me at least, not a question of if, but when. To Peter for you, you got a bunch of millennials on the call, [00:32:30] how do you think about cryptocurrency and how it's impacting giving or that kind of thing?

Peter Singer: So I think one of the things that's relevant for giving is that it's created wealth in a younger generation of people, Sam is the ideal example, who were not so committed to the conservative values that wealth traditionally had. When a lot of the wealth was inherited, was passed down in families and they were politically very conservative and socially conservative, they were less likely to think about really [00:33:00] effective giving, and they were certainly less

likely to be thinking about giving to help people in extreme poverty. There were some philanthropists who did that, but a lot more of it went, say in the country where you earned the money, so the American robber barons, if they set up foundations at all, they did it within America and for those purposes.

And crypto is different from that because the people who have gone into it and have been successful, have a certain mindset that's different. [00:33:30] Basically I would say they tend to be on average smarter, because they had to think of ideas and ways to earn their wealth, rather than inherit it.

And I think that goes along with actually seeing that the world is one, and as Sam has been saying, that the needs are there, that you can save a life for under \$5,000 in low income countries. Whereas here, we spend, I think the [00:34:00] Department of Transportation is prepared to spend 11 million to save a statistical life, that's its figure. So that's a pretty shocking evidence of an inequalitarian world, if it's 11 million to save an American life and under 5,000 for a life in low income countries. So I think that a lot of the people in the crypto community see that, and they're more ready to see it than some of the more traditionally wealthy people.

Rhys Lindmark: Yeah, that's cool. I think what you just talked about [00:34:30] reminds me of, there's this great Paul Graham essay about wealth transfer and how wealth is created over time. And a lot of them used to be inheritance, and then in the 1900s, it was inheritance, but there was also energy and transportation and making money off of fossil fuel and things like that. And then with the initial tech boom, the Web 2 boom, it was all these new people who were showing up, exploiting and also developing this new frontier. And similarly with Web 3, it's like, wow, we have all these folks who are [00:35:00] developing this new frontier and the amount of folks who don't inherit their wealth, instead they're building it themselves is large with Web 3.

So now I want to go to, in the last eight minutes or so here, I want to go to some audience questions and we got a ton of audience questions. This is prerecorded, but there are 50 or 100 questions, which are all great. And I think they grouped into two big categories. One of them, they're sort of about the pros and cons of crypto, it's roughly what they are. And so [00:35:30] I want to start by asking this first one, which is a lot of folks were thinking about the negatives of cryptocurrency, whether it's escaping taxes or whether it's environmental issues or whether it's permissionless money and sending it for drugs or things like that. So maybe starting with Sam and for then everybody, how do you think about the negatives, what do you see as the biggest negatives of crypto?

Sam Bankman-Fried: Yeah. I mean, I think that you can point to a lot of things and a lot of these are [00:36:00] deeply intertwined with current policy. A lot of these are as much questions about what is current crypto policy as what is crypto. But I think that one piece of this is that for better or for worse, it democratizes access to finance. And I think when phrased that way, people generally think it's better. But one thing that I think you do have to live with, at least to some extent with that is if you let people make their own choices financially, you have to think about scams, [00:36:30] you have to think about how much are people going to be victims of

scams, and are there parts of the current system that are while restricting people's access and freedom and egalitarian uses of their funds, are doing consumer protection at the same time.

And so I think that is one direction that you could go. I think that when you look at financial crimes, I think you can absolutely have robust anti financial [00:37:00] crimes protection with crypto. And in fact, many companies do and spend a huge amount frankly of their energy on that, but not all of them do. And by democratizing access to finance, they're making it easier for people to build a system that could be used for financial crimes as well. And that doesn't mean it has to be used for that or that it can't be done in such a way that would prevent that, but it might be.

And then I think that the last thing is when you look at the environmental impact, [00:37:30] I think it's a real issue and it's an important one, I do think it is sometimes overstated. When you look at the scale of this, it's not that much out of whack with the norm in terms of carbon impact for dollar of economic value generated, but it is higher than the norm. And that's particularly true for blockchain transfers involving proof of work currencies.

And I think that what this means is for environmental reasons and frankly also [00:38:00] for economic reasons, long term, we're going to have to end up in a place likely where most blockchain based transfers are using proof of state systems rather than proof of work systems. That doesn't necessarily mean that stores of value can't be proof of work, you could imagine that those still are, but that a lot of the demands on the network are reduced by using side chains, layer twos, different layer ones, however you want to frame it, Lightning or whatever. And so I do think that that's [00:38:30] a likely thing that we should anticipate happening on the crypto side, to try and combat the risk of carbon impact of crypto.

Rhys Lindmark: Yeah. Yeah. I feel like just following this is a good way to both run away from the scams and also be excited by some of the environmental stuff that's happening within crypto. A lot of the crypto folks are do gooders, and so it's like, okay, following the do gooders, seeing what they're doing, they're not going to scam you, they're trying to do good stuff, [00:39:00] they're trying to democratize finance. And then also a lot of the do gooders are trying to find out, okay, yes, proof of work can be more energy efficient, but if you compare it to gold or magnesium and stuff, it's like, oh, a dollar per 80 kilo hour, it's not that different. And also we're all trying to find ways to carbon offset and all those things, so it's hopefully net positive, we'll see.

Sam Bankman-Fried: Yep.

Rhys Lindmark: Sibongani, how do you think about the biggest negative impacts of cryptocurrency?

Sibongani Kayola: I think Sam did a very good job [00:39:30] of covering those. From the perspective of the recipients that we work with, I think the biggest hurdles would be building trust for crypto as a product. It's interesting that with mobile money, recipients are able to go to a marketplace and get physical cash for their digital balance. With crypto, it would be an uphill

battle to get recipients to really believe that there [00:40:00] is value in something that they cannot see or physically touch. So not necessarily a negative, but one of the things that as an implementer, makes me think, well, how are we going to overcome this and build trust in this product among our recipients?

Rhys Lindmark: Yeah. I love that, building trust is difficult. And then Peter for you, how do you think about the biggest negative impacts of crypto?

Peter Singer: Well, when The Life You Can Save announced that it was accepting crypto donations, we did immediately get some pushback on the energy question. [00:40:30] Why are you supporting this when it uses so much energy and is going to contribute to heating up the planet? So I've no expertise on this, but I'm especially not going to say too much about it when Sam's on the call, but I was pleased to hear him say that he recognizes that there is an issue and that there are ways of reducing that energy consumption question. And it does seem to me to be important that should be done, so we don't have this continuing impact. [00:41:00]

On the criminal uses and so on, again, I don't know, I hope that there would be ways of preventing that too, but I'm going to leave that to the experts.

Rhys Lindmark: Great. Great. Yeah. Let's talk about the, because a bunch of the other questions were about the positive side of crypto. And so in these last couple minutes, what do you all see, maybe we go back around the other way, Peter, what do you see as some of the most, well, I guess there's the positive impacts of cryptocurrency with just [00:41:30] new wealth creation and giving, there's also some of the deeper down things like using distributed autonomous organizations to organize people in new ways, to give money in new ways. So I guess maybe for you, Peter, what are you most excited about or most see as the biggest positive impacts of crypto?

Peter Singer: So I think it is a positive that it's another system, Sam referred to it as democratizing the financial systems. And that certainly has a positive side, [00:42:00] but it doesn't have a purely positive side. We saw that when we started with Facebook, for example, oh, this is great, we're democratizing the spread of news and information. And then we see that it gets used for hate speech and it gets used for prolonging the myth about the stolen election and the anti-vaxers and so on. So I think you have to be careful about that. It's definitely a positive and I still think the internet is a huge positive, in terms of making information [00:42:30] available, it's amazing. But I do think you have to be careful that the bad side of it doesn't show up too easily. Sam already mentioned scammers, I guess that's one part of it, but I guess there's more too.

Rhys Lindmark: Yeah. Yeah. That's cool. And then Sibongani, what are you most excited by for crypto or whatever, outside of giving, in the next five, 10 years?

Sibongani Kayola: Biggest thing for me is really connecting individual donors directly [00:43:00] to recipients. So having a donor transfer directly to their recipient's wallet on their own, without even GiveDirectly acting as an intermediary. But also in certain countries in which we work, in

the markets, it's difficult to find liquidity. So sometimes when recipients go to market to cash out their money, they are told there is no physical cash. So in a world where crypto is being used, they don't need to cash out and they can perform all of their transactions [00:43:30] from P to P using crypto. So exciting to see that.

Rhys Lindmark: Yeah, you're trying to get rid of your job, [direct giving not through you]. And then Sam, how do you think about, what are you most, outside of crypto giving perhaps, what are some of the things that you think might have the biggest positive impact from crypto in the next 10 or 20 years perspective?

Sam Bankman-Fried: Yeah. I mean, I think to echo some previous themes here, it's 2021, money should [00:44:00] be digital. We shouldn't be needing to be like, where are the dollar bills? Are they in the right marketplace? And I think this is the first real attempt to add a natively digital economic system that the world has seen. It's also natively cross border. And so when you look at how you send money from one country to another, a big part of the problem is even if they both digitize, they'd have different digital systems and they wouldn't talk to each other.

We were talking with a remittance company that was bragging [00:44:30] about paying 20% to get money in and out of an African country, and saying that is much better than their competitors. And it may well be better than their competitors, but if so, I think my biggest takeaway from that is like, boy, is this whole thing fucked. If 20% is the optimistic amount that you're losing to spreads, when you're trying to send money from one country to another. And you try and do large [00:45:00] size, it doesn't work, it takes a month sometimes to settle these things, cross border transfers are a mess. And I think that there is a real world in which crypto makes those a lot better. Again, it's not there yet, but I think a lot of the pieces that could facilitate that are being put in place.

Rhys Lindmark: Yeah. Beautiful. Well, with that, hopefully more amazing crypto infrastructure will be built. Hopefully the negatives will be worked through, and all the positives of crypto giving will continue to happen. And again, so thank you all, the [00:45:30] three of you today for the conversation. Again, what a motley crew, which I think is cool, and we're all aligned around giving for good. So just the listener, check in with yourself, see what feels good to you, think about the folks on the other side and try to give. Well, thanks everybody for listening and goodbye.

Peter Singer: Rhys, can I just say something?

Rhys Lindmark: Yes.

Peter Singer: I wanted to let people know that there's going to be an auction of NFTs that I'm doing, that will raise money for The Life You Can Save, and we are hoping people in the crypto community will bid [00:46:00] on that. One is actually an NFT of the article that we were talking about, Famine, Affluence, and Morality, which will come with a 30 minute Zoom conversation with me, and I hope I haven't put people off wanting that from this interview. And then there's going to be three more NFTs that will come with a 15 minute Zoom conversation. So I'm hoping

that some of your people viewing this will be interested in [bidding for that](#) and getting the NFT and supporting The Life You Can Save.

Rhys Lindmark: Totally. That seems great. And good shilling of your NFT, that was
[00:46:30] good. Okay. Thanks everybody, and goodbye.

Sam Bankman-Fried: Thank you guys.

Sibongani Kayola: Thank you. Bye.

What Good Is Crypto? Panel 2 Transcript

Panel participants: Arthur Breitman, Caroline Ellison, and Haseeb Qureshi

Moderator: Laura Shin

Rhys Lindmark: Okey dokey. Thank you for that amazing conversation. What a great moderator that guy was. That was so cool. So yeah, as Peter noted, you can check out that NFT of Famine, Affluence and Morality, which is decryptstudios.co/petersinger.

It's in the YouTube chat now. And then also, just as a reminder, folks, with the donation update, we've now raised a total of \$123,833, [00:00:30] which 0.28 ETH and 0.0045 BTC, about 1,500 bucks just during the call, just during the start of this event. So with those donations altogether, we can now provide a universal basic income to 1,116 people living in poverty for over a year.

That's really amazing. And as a reminder, there's still \$175,000 left [00:01:00] of the match. So get your donations in, at givedirectly.org/crypto. And as another reminder, you can get your special impact NFT with the site visit and you can really see how your money goes and helps people. So definitely check out those links in the chat, in the description. And then right now, we're going to go and have another amazing panel. And as a reminder for folks, the audience, you can submit your Q&A through the YouTube chat and I'll let Laura take it from here. Take it away, Laura.

Laura Shin: Hi, everyone. [00:01:30] Thanks for joining us. That was a really great discussion and we're basically going to continue it with a different set of panelists. And I would like to introduce Haseeb Qureshi, Managing Partner at Dragonfly Capital and Caroline, who is Co-CEO at Alameda Research and Arthur Breitman of Tezos. And just waiting for Caroline.

And why [00:02:00] don't you guys all mute your mics. And Arthur, why don't we start with you because you and I had a little bit of a chat before doing this panel, and you said that you don't consider yourself part of the Effective Altruism movement. Why not?

Arthur Breitman: That's a good question. So to begin with, I think charity is really a wonderful thing and helping out [crosstalk 00:02:30].

Haseeb Qureshi: Arthur, [00:02:30] it's a bit hard to hear you.

Laura Shin: Yeah, Arthur, I can't really hear you very well.

Arthur Breitman: Oh, crap. [inaudible 00:02:41] happen but then ask someone else question in the meantime.

Laura Shin: Do you have another mic?

Haseeb Qureshi: Maybe we should come back to Arthur.

Laura Shin: Okay.

Haseeb Qureshi: Maybe we should circle back to that question.

Laura Shin: Okay, okay. Why don't we just have you, Haseeb, you [00:03:00] could maybe give your views on Effective Altruism?

Haseeb Qureshi: Yeah. So I do consider myself an effective altruist, which makes, maybe, a less interesting answer. Why do I consider myself an effective altruist? I know that in the first panel, they kind of talked over the idea of Effective Altruism but maybe it's worth defining for folks who are not familiar with the term.

So Effective Altruism is a bundle of ideas, but the core of the idea is basically [00:03:30] the notion that we should try to think scientifically and rigorously about how to do the most good. And it kind of points to the fact that a lot of people, when they think about doing good, whether it's doing charity or trying to be impactful in your personal life or your community engagement, most people, they approach it in just doing things that feel right or that feel good to them.

And Effective Altruism is a framework of thinking about sure, it's good to do good things [00:04:00] but you should try to apply the same level of importance that you apply to things to business or to technology. The things that we think are really important, we should take the same standard of care toward thinking and making sure we do things right when we're trying to do the most good.

That's Effective Altruism in a nutshell, and I think, to me, as somebody who spends a lot of my time working on really difficult challenges, I think helping the world and improving the world is one of the most important things that we do. [00:04:30] And therefore, it should require the highest level of thoughtfulness and rigor around making sure that we do as much good as we can when we're trying to accomplish that.

Laura Shin: And Caroline, do you have an opinion on this?

Caroline: Yeah, totally agree with everything Haseeb said. I guess I've been involved in Effective Altruism for a while. I think I first found out about it in freshman year of college and I was like, "Oh, yes, of course, this all [00:05:00] makes total sense that you should be thinking about cost and benefits and adding it all up and trying to maximize your impact when you're doing philanthropy, just like anything else."

And yeah, I think over time, I've only become more convinced, for the most part, that the Effective Altruism movement is onto something good, and we're definitely still figuring a lot of stuff out and I feel quite uncertain about a lot of things, but I think its goals [00:05:30] and intentions are, overall, quite admirable.

Laura Shin: So now hopefully, Arthur's mic works because I think I would like to hear an alternative opinion.

Arthur Breitman: Is that better?

Laura Shin: Oh, it's almost too loud now.

Haseeb Qureshi: No, somehow it got worse.

Arthur Breitman: Sorry. How about now?

Laura Shin: Can you just lower your input or output or whatever it's called? It's almost distorted, it's so loud. [00:06:00] Okay, now we can't hear you again.

Haseeb Qureshi: I think he's muted. Yeah, he muted himself.

Laura Shin: Oh, I see.

Arthur Breitman: Sorry. This is usually not an issue. Can you hear me?

Laura Shin: Oh, now you sound great. Fine.

Arthur Breitman: Wonderful. All right so I'll do it very quickly. Philanthropy, wonderful thing and charitable giving, helping the less fortunate, wonderful thing. And obviously, if you're going to do it, you don't want to be ineffective. So in some sense, when you say Effective Altruism, it's almost unimpeachable. But [00:06:30] if you go in detail, I think the movement is very, very tied to a utilitarian view of ethics and I think I would reject utilitarianism as an ethics framework.

I think that eventually, you cannot ground ethics in anything else but human intuition. You can't derive ethics from reason and so ultimately, the best thing you can do is get some sort of logic closure over human ethical intuitions. [00:07:00] I think that deontology is a better match than utilitarian ethics.

So I do think that you can be connotative about it but I would say there's a tinge of scientism when you try to compute DALY and everything and try to compare things which I think are a bit incommensurable. I'm being pedantic here. I think overall, I'm very well aligned with their overall goals. Saving lives is a wonderful thing. [00:07:30] This is more of a full disclosure in the sense of this is how I'm thinking about this. I'm not fully on board with the whole QALY DALY program, all of that. But I think these are admirable goals overall in general.

Laura Shin: Okay. And actually, before we continue because it looks like Haseeb wants to maybe rebut or something.

Haseeb Qureshi: No, no. So I think first of all, I don't think that this panel is-

Laura Shin: Well, wait. Haseeb, before you [00:08:00] do that, Arthur, can you just define deontology because you just threw out a bunch of big words but I don't know if everybody even knows what they all are?

Arthur Breitman: Yeah. In broad strokes, you could look at three different principles of ethics. Utilitarianism, essentially, tries to say let's do the most good for everyone. Pain and suffering are bad things, we want people to be happy. So whatever action we can take that make most people happiest is a good one. Deontology [00:08:30] is more, there's a list of things that you can do which are intrinsically good or intrinsically bad and, primarily, you should not be doing bad things, like hurting people.

So even if, for example, hurting people could eventually cause a lot of happiness, you should not be going out and hurting people. And virtue ethics is not what makes you a good person, it's more about intrinsic virtue and it might be your intentions, how you're thinking, how you behave non-directly your actions and non-directly as your consequence.

[00:09:00] There are many other sources of ethics that exist but these are the main broad ones I would say. And definitely, there's a utilitarian bend to Effective Altruism. I would say a lot of people recognize themselves more in deontology or probably in some mix between the two, depending on the situation and depending on context.

And I think it's okay. I think it's okay that our view of ethics might have some internal conflict, it's something that we've evolved. Ethics is [00:09:30] not a truth of the universe that we go out and discover. It's something that's intimately tied to human nature. And so to that respect, I would reject what Peter Singer is saying when saying, "Yeah, we reached the conclusion that everyone is doing something bad at all times."

If you're doing that, then that compares to what? In some sense, you have to ground ethics in something and that thing is human nature and not some external objective reality.

Laura Shin: Okay, Haseeb.

Haseeb Qureshi: ... [00:10:00] Yeah. So I'm a little loath to turn this into a debate on the philosophy of ethics because I think that can... This is ultimately a crypto-giving panel. But I guess what I'd say as a somewhat mild defense of Effective Altruism, is I think crypto is actually probably the perfect place to encapsulate the difference between utilitarianism and deontology because just to rearticulate, utilitarianism is the idea that as long as you get the right outcome, [00:10:30] then it's all good.

Whatever you do, just get the right outcome and that's really what matters. And deontology says there are some things you should never do even if it gets the right outcome, even if it makes everybody better off, don't do this because it's wrong in some deeper, fundamental sense. And crypto's exactly the place where the way that we look at everything in crypto is through the lens of game theory.

We look at the incentives and we say, "Look, we don't say there are good incentives and bad incentives and this kind of incentive is evil, and this kind of incentive is virtuous and that's why you should only give [00:11:00] these ones."

We say, "Look, the important thing is, we want the protocol to be secure. We want miners to do the right thing. We want people not to get hacked, we want to create this global property system." And if you're looking at that lens and that comports with the way that you think the world ought to be, the way that people design these crypto ecosystems is really kind of this utilitarian effective altruist mindset which is, let's design the system that improves the outcome for the most people.

And in that way, [00:11:30] I think for a lot of people in crypto, certainly not everybody, but for a lot of people in crypto, this utilitarian approach to thinking about what creates the best possible world, really resonates because it resonates with the way that crypto designers create these economic systems. And of course, if you look in the regular world, nobody designs economic systems the way that crypto designers do.

There is no top-down view or we write a white paper where we show, or we write these math proofs that show how we're maximizing utility for every party. The real world is full of deontology. [00:12:00] The real world is like, "No, no. You never do this, you have to give subsidies to farmers, you have to make sure that you have a childcare subsidy," and blah, blah, blah. And it ends up being this big, distorted mass of incentives that maybe get it right but most of the time don't.

And I think COVID is a good example, where a lot of deontology stuff just goes out the window because we're like, "Look, we're about to die. There's a pandemic coming. We've got to lock things down, we prevent you from leaving your house, we're going to force you to go get a vaccine, you know you're not allowed to work."

And [00:12:30] I think the last couple of years and living in crypto, I think is a good way to test your intuitions of which of those two sides you tend to follow, whether you're more utilitarian or more deontological. And I think Caroline and I are definitely more on the utilitarian side, Arthur much more on the deontological side. But again, we could go... This is the oldest debate in ethical history so we're probably not going to resolve it on this Zoom panel.

Laura Shin: I love how [00:13:00] you related it to how crypto networks, they only function well if the game theory has been designed right. Right? So to that end, obviously, we do already have some crypto organizations that are trying to do philanthropic things like BitGive or GiveCrypto.

And so what do you think would be the best way to design these for whatever your [00:13:30] desired outcome would be? And Caroline, Haseeb or Arthur, any of you can answer this.

Haseeb Qureshi: So GiveDirectly is a great example of this. It's actually a really elegant economic expression of how to make giving better. So before GiveDirectly, there was always a perception that if you just give money to poor people, they'll go spend it on dumb things. They'll go spend it on booze or just random crap [00:14:00] and they don't know what's good for them.

And so that's why the charities that traditionally did the most work in very poor countries would be like, "Great. We're a chicken charity and we're going to give them chickens. And they'll grow the chickens and it's going to be great." And the idea is we will buy you books or we'll give you clean water or we'll find some specific thing and we'll create this really complicated supply chain to get it to you. And generally speaking, people from first-world countries loved these kind of charities because it's easy to imagine if I just [00:14:30] give them money, who knows what they'll spend it on? But if I give them books, they'll read, they'll get educated. That's wonderful. So they sent them tons and tons of books.

And as was mentioned in the previous panel, a lot of times what happens with these charities is that: one, they're very expensive to administrate and there's a lot of costs that gets lost in the middle. But also, a lot of times what happens, is people get the books or the chickens or the whatever and they go sell them because they don't need chickens, they don't need books. They need this other thing that only they know they need.

[00:15:00] And there's this classic economic argument of why gifts are very inefficient and instead, you should just give cash. And GiveDirectly, it's the charity instantiation of that argument. Let's assume that people are rational actors which... welcome to Crypto, right? As soon as people are rational actors and they know what's good for them, they understand their situation better than you do, and if they have a bunch of money, they're going to go spend it on the thing they actually need, whether their roof is leaking or their kids are sick or some other [00:15:30] thing or they'll just go spend it on food.

And it's very difficult for us to anticipate that, but the people who actually are in need know exactly what they need, and so you should just give them money and they'll figure it out. And that's precisely what GiveDirectly does and has demonstrated through their own randomized control trials that they end up having more positive impact per dollar transferred than the other comparable charities that might just give people medicine or clothes or books without actually knowing what they, in particular, need.

Laura Shin: [00:16:00] And wait, but also I'm curious about GiveCrypto because that one is obviously different. They're giving crypto and, of course, hopefully this is not too negative of a question, but my obvious question is the people on the ground there, what if they can't turn it into their local currency or otherwise use it? Then what good does it do?

And I'm not going to pretend to be some expert on GiveCrypto, so maybe they have some [00:16:30] way to make sure that it is useful to people. But is the best way to effectively use crypto in philanthropy to just adopt the GiveDirectly model but do it for crypto?

Haseeb Qureshi: Someone else want to take that? I can also take it.

Caroline: Yeah. I could say something though I don't know a ton about GiveCrypto, so I can't really speak to their model in particular. [00:17:00] Yeah. I think I'm not really sure in practice how useful it is to give crypto to people in developing countries.

I think that we have seen, like Haseeb was saying with GiveDirectly, that direct cash transfers are a great way to help the global poor, and I also think that crypto is potentially an exciting way to democratize finance and [00:17:30] to basically make it easier, remove a lot of the frictions that people experience with banking systems, with countries with potentially repressive regimes.

Stuff like that. And put people in charge of their own money. So I don't really know how useful it is right now to give people crypto. But I can see it as a potentially useful thing someday at least.

Arthur Breitman: Yeah. I would say the potential [00:18:00] crypto to transform things here, it is mostly more in terms of bringing cheaper transfers or bringing cheaper access to financial infrastructure overall. But that's something that has yet to happen or to continue happening.

And so if the matter is making a direct gift, then if you expect that once a person receives cryptos they're going to start converting it to cash to pay for whatever they need, then you might as well send them cash directly. There's nothing magic [00:18:30] in sending it in crypto versus any other form of payment. To add to what Haseeb was saying about giving directly, I like to compare it with basically it's the index fund strategies of charity.

You could try to pick stocks and do all sort of trades and you're going to end up paying a ton of commission. And a lot of people like doing this because they feel that they're doing something and they're optimizing and so on and so forth.

But at the end of the day, having low fee and just going straight to the point is a lot more effective. And this is the same thing, it just [00:19:00] cuts out a lot of the impression of really doing that, "If only we do that and this and that," but at the end of the day, it's a lot more direct and a lot more effective than almost every other intervention.

Laura Shin: And Haseeb, you said earlier you had some thoughts too on that question.

Haseeb Qureshi: Oh, I agree with it and I think it's a good example of the effective altruist [00:19:30] approach and action, but in general, I think the question of giving crypto versus giving dollars, my understanding... I'm not super familiar with GiveCrypto, but my understanding is that within GiveCrypto, they run these trials within an entire village.

And in that village, there are some money changers or basically people who can facilitate the transfer of crypto into the local currency. But I'm not an expert, so I can't speak to it any more than that. [00:20:00] I think the idea is that it lowers some of the infrastructure cost to do these transfers directly in crypto and, of course, there's a lot of people with a lot of money in crypto who can send money.

Laura Shin: Yes, as we are seeing now in the whole NFT craze. So there is a question from YouTube that is probably relevant here to this GiveCrypto discussion whether we're talking about the charity or just anybody who's giving crypto directly. Is there a blockchain that

[00:20:30] seems best set up for cross-border transfers, particularly to poorer countries? And that is from Alexander Wonnell. Do you guys have an opinion on that?

Caroline: Yeah. I don't know anything about something that would make that particularly the case. I would imagine probably just blockchains that are generally better or faster and cheaper would be better for this as well.

Arthur Breitman: I would say it's less a function of the technology [00:21:00] of the blockchain as it is a function of liquidity in the local market.

Laura Shin: Yeah. I was going to say since Bitcoin is the most liquid, it would probably need... But I guess, maybe Ether is a close second. But both of those chains have high transaction fees at the moment, so probably, for Bitcoin, Lightning and then for Ether, one of the... Oh, shoot, I was going to say one of the layer twos, but [00:21:30] that opens a whole nother can of worms too. So yeah. I don't know if anybody has another suggestion for something that's liquid but also less expensive.

Apparently, in the Philippines, if you play Axie Infinity, you can actually turn Smooth Love Potion directly into Philippine pesos, I have heard now. So that's super interesting. One other question that I wanted to ask you was, [00:22:00] this is slightly parallel maybe to the philanthropic question, but crypto has long touted its ability to democratize finance.

And I wondered if there are any ways that you're seeing that crypto is already having the kind of positive impact that philanthropy typically aims for? Are there any particular crypto projects that you feel are having the kind of real-world impact that typically charities are trying to accomplish?

Haseeb Qureshi: [00:22:30] I would raise my hand say Axie Infinity is probably the most obvious in that it's kind of like a giant GiveDirectly for the Philippines where, essentially, it's this giant transfer from speculators to poor Filipino people who are playing the game, which I've heard, at least, and I think it's gone down recently, but that the average Filipino who's playing Axie Infinity is making twice their average wage, which I think is [00:23:00] actually quite high for a direct transfer program. So it seems really good. But I've heard that those numbers are going down a lot because the inflation for SLP has hurt the economics of play-to-earn.

Arthur Breitman: Yeah. Needless to say, this is not a sustainable model.

Haseeb Qureshi: Yeah. As long as people are donating, it's sustainable.

Arthur Breitman: There's no value that's being brought to the other player by the presence of... It's just gold [00:23:30] farming with crypto. So it doesn't really bring value to the other players. So at the end of the day, I think in a transition period, these kind of transfers can happen but then they get outcompeted away. So it's great for the Filipino players who needed this for a while, but when I hear it's a new paradigm like, "Ah, no, it's really not."

There's a lot of innovations that happen in crypto from a technological standpoint, [00:24:00] even new financial primitives have been invented, like provisional contracts for example, that's

an innovation in the crypto space, but it is not changing economics. That's a bit deep. So it's not going to magically alleviate poverty because people are going to farm gold in a video game.

Laura Shin: And is there a way to keep that from happening where the benefit just peters out and it only ends up accruing [00:24:30] to a small number right at the start?

Arthur Breitman: You have to look at when they're playing the game, are they making the game experience more fun for the people? When I engage with the game, do I engage with other characters who, for example, maybe played by people in different countries? In which case, is it bringing real value for the other players, making the game experience more enjoyable?

Then sure, then maybe you have something discernible, but otherwise, you are just talking about a transfer from late adopters to early [00:25:00] adopters, in which case, it's completely zero sum. And so no, that's not going to be sustainable. If you want something sustainable, you have to bring value in a sense of those players are making the game more engaging, more fun for other people which is not what's happening here.

Laura Shin: Okay. So Axie Infinity is just one of a ton of crypto things [00:25:30] that are happening in general, and you could sort of say it's new. I guess it took off about a year and a half ago, but are there any other crypto projects that you feel are accomplishing the types of things that philanthropy tries to typically accomplish?

Haseeb Qureshi: I'd say one of the things that we see a lot in crypto is the attempt to fund public goods because of course, crypto... Traditionally, the way that public [00:26:00] goods are funded, is through the government because the whole point of calling something a public good is that it's for the public, meaning that no individual private actor takes on most of the benefit from a public good.

So it's very hard to have these be provided by just people doing their own thing in the marketplace. And of course, crypto doesn't have governments. It has DAOs and foundations which are like pseudogovernments, and as a result, there has been a lot of experimentation among these DAOs and [00:26:30] foundations and organizations and even more informal organizations than that, to try to solve the problem of how do we solve public goods?

Now most of these are constrained to the public goods within a particular ecosystem and of course, most of the people who are in the global poor, who have the most need for help around the world, they're not hanging around on blockchains right now. And so you're not going to find them on Bitcoin or on Tezos or on any of these platforms. And so it's probably the wrong place to look for them right now, [00:27:00] in the same way you think of the early internet, eventually, everybody found their way to the internet and found it really valuable.

There are four or five billion people now who are online. So tons and tons of people in the world, including the global poor use the internet but it took a while for them to get on. And I think you'll probably see the same trajectory for crypto looking to the early adopters for crypto as a place to try to engage in philanthropy, especially if you're treating the global poor. That's not the only form of philanthropy. [00:27:30] It's not the right place to go looking for them.

Laura Shin: All right. So here we are at this moment in time where, as we all know, crypto has changed the fortunes of a new generation of people. There's a lot of youngsters out there who suddenly find themselves incredibly wealthy, from whatever it might be, selling NFTs or it can be [00:28:00] older people who got in on Ethereum or Bitcoin in their early days, whatever it might be.

A lot of these people, I think, are trying to think about how to give back. You guys might remember back in 2017, we had that anonymous Bitcoin person who donated \$86 million to what they created, which they called the Pineapple Fund. How should people in crypto be thinking [00:28:30] about how best to donate their money? Are there particular frameworks that you think are useful and obviously, there are certain considerations like taxes and stuff that probably come into play here?

Caroline: Yeah. I can respond. I think it's a really hard question. And it's something I've spent a lot of time thinking about and still feel very uncertain about and plan to spend a lot more time. I think one question is donating now [00:29:00] versus later is a big one, where there's the options of donating now or investing and donating later.

And I think to answer that, you have to think about what return on capital you're getting from your investments at the moment, and what returns you might expect to be getting from charities and how uncertain you are about charity and how much you think you might change your mind about what the best charities are in the future.

[00:29:30] Yeah. And in terms of actually thinking about places to donate, I think it has to start largely with thinking about what you value and do I value reducing the suffering of people? Or, I don't know, empowering people or people in our country or other countries or animals, people in the future. Think [00:30:00] about what's most important to you and all that.

And then I think there are various organizations and people who have done a lot of looking into charities and trying to determine their effectiveness. I think GiveWell's a really good charity evaluator for looking at global health and global poverty interventions. I think a lot of people in Effective Altruism, Center for Effective Altruism, have more [00:30:30] broad recommendations as well.

Laura Shin: Arthur or Haseeb?

Haseeb Qureshi: Yeah, maybe I can take a crack at it. I'd love to hear Arthur's approach given that he's the deontologist of us three. What was that?

Arthur Breitman: No, go ahead. Up to you. You can go if you want

Haseeb Qureshi: Okay, all right. I think I was mostly going to reiterate what Caroline said. So I'd say the one thing that I would say, which I think [00:31:00] maybe is not just a complete recapitulation of Caroline's point is that I do think that you should have a very strong bias toward giving now as opposed to giving later.

I think a lot of people have this belief that I'm going to go Bill Gates style, I'm going to make a bunch of money and then at some point in the future I'll know that I've made enough money, which for a lot of people in crypto is, it's like, "There's never enough money," but I can imagine when they started their trip they're like, "Oh, I'll just make a couple million and that'll be enough [00:31:30] and then I'll be happy."

So one thing that I think probably all of us have been in this space, I think the three of us in this panel, have been very fortunate that we've done very well in crypto and we know a lot of people who've done extremely well in crypto. And the one thing that's really obvious is that there is no special amount of money that's going to make you happy. Happiness is just totally orthogonal from how much money you make.

And when you realize that, [00:32:00] the other thing you realize is that what you do, especially with respect to giving, also changes who you are. It really does affect over the next five to 10 years of your life. If you try to go, I'll call it, Bill Gates style of, "Okay, I'm going to make as much money as I possibly can, and then when I'm 55 and I need to repair my reputation, then I'll start giving it all away."

And I think it's much better for the person who you become in the process of that, for you to give along the way because [00:32:30] I think it's a little bit of a fallacy to think that even if when you are young and bright-eyed and at the early stages of your career, if you believe, "Yeah, when I make all this money, I'm going to go give it away, I'm going to be this awesome person. But not right now." There's a good chance that by the time you make all that money, you're not going to be that awesome person anymore.

And that's why I think it is actually really important just to maintain your own virtue, as a human being, [00:33:00] to give along the way, even if it's not crazy 50% or some huge amount of money, but just keep giving along the way and keep thinking actively about how to make your life about something bigger than just yourself.

Arthur Breitman: So the way I would approach it is that I would say don't give out of a sense of duty, give because there's change you want to see in the world and hopefully it's positive change. And think about [00:33:30] what is the change you want to see in the world and how can you best enact it? It's giving. And to one of the points that was made in the earlier panel, very quickly, you reach a level where your lifestyle is not going to change that much with more money.

And so there's been a positive change, I would say, in the world which is that a lot of wealthy people used to buy these silly positional goods, like buying a large yacht and so on and so forth. And in some sense, philanthropy [00:34:00] has become... it started in 19th century but more and more, it has become a positional good that people spend on. And it's more about self-actualization, it's about saying, "Okay, this is the change I'm going to make. I'm going to eradicate this disease, or I'm going to make sure that people don't go hungry. This is the change I want to make."

And I would recommend approaching it through this lens rather than a lens of saying, "What is my duty? What do I have [00:34:30] to do?" I think it's the healthier attitude, but at the end of the day, it might lead you in the same direction anyway.

Laura Shin: All right. So we only have a few minutes left. I'm going to ask one question that actually came through in the suggestions that were pre-submitted. And I think I tweaked this to have my own take. But somebody asked how NGOs and DAOs could work together, which I thought was interesting. [00:35:00] But then it had me thinking, I wonder if NGOs maybe are the sort of intermediary that crypto was trying to eliminate.

So how would you figure out if an NGO is part of a bureaucratic problem, or if they're actually maybe the on-the-ground experts who know better what to do with the money than a crypto person might? So I'm curious how you think of that?

Haseeb Qureshi: Well, [00:35:30] at the expense of monopolizing, I'll go ahead and give my thoughts here is that I think asking the question of are NGOs good and do they belong in the future vision of the world where DAOs are a huge thing, is almost like asking do companies belong?

NGOs are just such a broad category. There's so many different kinds of NGOs and some of them are boring intermediaries who just get in the way, and others of them are fantastic. And they do [00:36:00] the on-the-ground work and they are the last mile which a DAO, almost by definition, cannot be because DAOs are not physical, they're not physically located anymore or, at least, so far.

So I think, if anything, it seems like there's a natural cooperation that can happen between DAOs as ways of digital coordination of human beings and of capital, whereas, NGOs, I think at their best, are ways [00:36:30] to tap into local knowledge and knowhow and build local infrastructure in a way that requires you to be local, right?

NGOs, almost by definition, are in a certain place, they're a non-governmental organization in a certain country not associated with that government. And some of them are great and some of them are awful. Same as DAOs, there are some awful DAOs and some great ones.

Laura Shin: Anybody else want to add onto that?

Arthur Breitman: [00:37:00] I do think hopefully we see fewer or leaner organizations involved, to the point that Haseeb was making earlier. At the end of the day, a lot of people know best what they need and if you can give them cash and they know how to use it, then sure, you might still have some sort of organization involved and it might be an NGO on a last mile to distribute it. But I would say the amount of managerial overhead or discretion that's involved in these [00:37:30] organizations can be a lot smaller than it is today.

Laura Shin: Okay. So we're going to close out. We have one minute. So try to think of something quickly off the top of your head. But this question came in from YouTube from James Hartley. He asks, for people working in the crypto industry looking to move into a more

impactful/altruistic role or company, what advice or opportunities or projects would you share?
So looking for one-word to one-sentence answers.

Haseeb Qureshi: [00:38:00] Go work for FTX.

Caroline: Yeah, great answer. Or come work for Alameda.

Laura Shin: Arthur?

Arthur Breitman: I generally think that if you want to do... There's two ways you can do and, again, I'm going to use some media terminology here, you can earn to give so try to get a very high-paying job and give a bunch of money. And for some people, that might be the most effective [00:38:30] thing to do. But if you directly, through your work, want to enact change, there are a million better things you can do than work in crypto.

And I love crypto and I love this industry and everything about it. But you'll save more lives working on... I don't know, better ways of fixing nitrogen to plants, the impact. Or even self-driving cars, the impact is just a lot more massive. And [inaudible 00:38:59] is thinking that there's [00:39:00] so much [inaudible 00:39:01]. Going to work for Crypto Exchange is not it. I'm sorry. With all respect and love for FTX, it's just, no.

Laura Shin: I had a feeling Arthur was going to go in that direction. So I'm not a panelist but I will say, I did mention a couple of the groups that are working in this area that give crypto. There are others that are more focused [00:39:30] in one area. I featured some of them on my show, like Code to Inspire founded by Fereshteh Forough.

They do coding academies for girls in Afghanistan and they accept crypto and teach their students to code Solidity and things like that. So you can check them out. I'm blanking on some of the things of the other ones that have been on my show. But you can actually just maybe scroll through unchainedpodcast.com [00:40:00] and try to see what are some of the more on-the-ground type organizations that are working.

Otherwise, this has been a super fun panel. It's a really important topic but I'm glad that we were also able to have a bit of spicy takes on both sides. So thank you so much to all of you panelists. And I will now turn things back over to Rhys.