

Bitcoin

Privacy and Censorship Resistance Beyond the Web

What is Bitcoin?

- First e-cash system without a centralized third-party you must trust
- Bitcoin strives to remove all trust requirements
- Uses hashpower for double-spend protection, everything else you trust only the software you are running

Why Bitcoin?

- All Uses Stem From Trustlessness -
- Hedge Against Fiat
- Transact Without a Counterparty
- Globalness
- Access

Financial Censorship

- Access to Financial Networks Critical for Everyday Tasks
- Post-9/11 Governments Block Organizations/Individuals from Financial Networks
- Financial Institutions Don't Have to Provide Service
- Governments use “reputational risk” to censor with simple pressure tactics
- Without Centralized Trust, Bitcoin Increases the Cost for Governments to Seize Assets

Financial Privacy

- Lots of Restrictions on Privacy to Prevent Tax Evasion
- Banks Must Report Activity to Protect their Reputation as AML Enforcers
- Post-9/11 Strengthening of International Financial Monitoring
- Bitcoin Largely Monitored at the On/Off Ramps

Financial Inclusion

- Financial Inclusion is Hard, Bitcoin doesn't solve many of the problems
- Lack of counterparty trust can enable more competition
- Lack of trust can help solve bootstrapping problems

The Future of Bitcoin Tech

- Each Use-Case has different trust models baked in
- Allow users to relax some trust constraints for a more useable system
- Many Interoperable Systems for different uses

The Mining Ecosystem

- Designed to be (and is) highly competitive - only those with the cheapest power stays in business
- Western Power Markets are Highly Efficient, but...
 - Power is expensive to transport, and often simply isn't
 - Power supply is very static, demand is not, often leaving excess power unused
 - Mining is largely only done in Washington, Iceland, etc - where its all Hydro and/or Geothermal - the cheapest power in the western world by far
- Chinese Power Markets are Much Less Mature,
 - Some hashpower is run off stolen power, though not much (usually means grid power)
 - Power grid is weak, making mid-tier power sources in remote areas useless
 - Some coal in NW is cheap, but hydro in SW is even cheaper (at least when its available in summer)