

URL: <https://stvp.stanford.edu/clips/blockchains-let-you-choose-who-to-trust>

A diversity of storage options is one key property of cryptocurrency, says Coinbase CTO Balaji Srinivasan. He discusses how storing currency on a hard drive or in the cloud doesn't require a trusted central bank.



Transcript

- Now, people talk about blockchains as being trustless and the big point is no trust.. I think the much better way of thinking about it, is that they give you a choice of who to trust, okay.. So, before you just had to trust the bank.. You had to store your money at a bank, you can't just go and withdrawal a million dollars from the bank, or you could, but you'd be on a lot of lists.. Today, what you can do, is you can certainly still store it at a bank should you so desire, you can store it with a company like Coinbase or, and this is very new, you can store it on your computer.. You can store it on a USB key.. You can store it in the cloud.. You can basically self custody an arbitrary amount of money and that's a major innovation because you can't carry a bunch of gold bricks around with you.. You might be able to carry around suitcases full of cash but it's a little bit conspicuous and now you carry an arbitrary amount of money, so that's a very new thing.. You don't have to trust the bank if you don't want to..

In places like Venezuela, this is actually, truly a killer app...