

The Global Financial System and Digital Currencies: The Dialectic of Conflict and Convergence — A Case Study of the United States of America

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Abstract:

This study examines the conflictual relationship between supporters and opponents of cryptocurrencies in the United States, where this debate is particularly pronounced. Employing a dialectical approach, the research analyzes the growing prominence of pro-cryptocurrency trends, particularly in the realm of political influence, as exemplified by Donald Trump's courting of the crypto community during the U.S. presidential election and the significant crypto-based donations observed in the election cycle. Conversely, the anti-cryptocurrency trend underscores concerns about the decentralized nature of cryptocurrencies, the lack of regulatory oversight, and the surge in fraud and corruption cases within the crypto space, all of which may threaten the stability of the U.S. financial system. The methodology combines dialectical analysis of the debate with a review of quantitative data and statistics to substantiate the arguments of both sides. The findings reveal that while cryptocurrencies present both risks and opportunities, the crypto community has gained sufficient influence to shape political outcomes, as demonstrated in the U.S. elections. The study concludes with several recommendations: distinguishing the negative aspects of cryptocurrencies, such as decentralization and fraud, from their potential to positively impact economic and political systems; and recognizing that as the cryptocurrency market expands, adoption and regulation will be essential to manage financial flows within blockchain systems. Finally, the study notes that countries such as Algeria, which currently ban cryptocurrencies, may miss out on the economic opportunities they offer, despite the associated risks.

Keywords: Cryptocurrencies; Digital Currencies; Financial System; Regulation; United States.

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Introduction:

Bitcoin emerged in 2009 as the first cryptocurrency to be created outside the global financial sector, in response to the 2008 global financial crisis, which caused many people to lose faith in the global financial system and its effectiveness during crises. This led to an intense debate about the possibility of adopting, or at least recognizing, these cryptocurrencies by governments, reflected, for example, in the various regulatory texts enacted to deal with this unprecedented technological revolution. On the one hand, there is a tendency to adopt cryptocurrencies because they are based on unstoppable technology, while on the other hand, there is a tendency not to recognize these currencies on the grounds that they threaten the US dollar as the largest currency in the world, and that these currencies are used for illegal activities only, such as terrorism, money laundering, human trafficking, frauds...etc.

Based on this preface, we will attempt to examine this debate, focusing on the case of the United States of America, as a pioneer in the sector, and as a country where this debate is most evident.

The research's question will be as follows: Are digital currencies a threat or a support for the foundations of the global financial system and for the US financial system in particular ? And In the end, we will also try to briefly and quickly refer to Algeria's case, its stance on cryptocurrencies, and the reasons for Algeria's stance on cryptocurrencies.

To address this question, we propose the following hypotheses:

1. Cryptocurrencies pose a threat to the global financial system and the US financial system due to their potential for illegal activities and their challenge to the dominance of the US dollar.
2. Cryptocurrencies support the global financial system by introducing innovative technological solutions and fostering financial inclusion, despite regulatory challenges.
3. The regulatory debate over cryptocurrencies reflects a philosophical divide between those who view them as a tool for

liberation and decentralization and those who see them as a threat to centralized financial control.

4. The effectiveness of regulations in addressing the risks and benefits of cryptocurrencies will determine their long-term impact on the global financial system.

The objective of this research is to explore the debate surrounding the adoption of cryptocurrencies, focusing on the United States as a case study, and to analyze whether these currencies pose a threat to or support the foundations of the global financial system. Additionally, the research aims to briefly examine Algeria's stance on cryptocurrencies and the reasoning behind it.

In order to address this issue, we will follow a methodology that focuses mainly on the dialectical approach, in order to analyze the debate between the two trends: those who support and those who reject the adoption of cryptocurrencies. In addition to reviewing statistics and quantitative data in order to better illustrate the arguments of both sides.

We will try to answer the previous research question by focusing on two main axes, in addition to

1. **The anti-cryptocurrency trend in the United States:** In this section, we will attempt to mention the arguments of the anti-cryptocurrency trend, including philosophical, legal, political, and economic arguments. This axis was divided into two parts:
 - A) Illegal uses of cryptocurrencies.
 - B) Dark web and philosophical foundations of crypto.
2. **The pro-cryptocurrency trend in the United States:** In this section, we will try to dive into the reasons for supporting cryptocurrencies, from philosophical backgrounds, to economic reasons, speculation and investment, and more. This axis was divided into two parts:
 - A) Donations from crypto companies to the U.S. election.
 - B) Trump's support for cryptocurrencies.

Theoretical Approaches to Digital Currencies:

In the rapidly evolving digital finance landscape, currencies are no longer just monetary tools, they are complex sociopolitical innovations. Recent scholarly research reveals a nuanced framework that challenges our traditional understanding of digital money.

Digital currencies are not a monolithic concept, but a dynamic ecosystem with four distinct types:

- **Cryptocurrencies (Bitcoin's Domain):**

Cryptocurrencies use decentralized governance and cryptographic trust to enable direct peer-to-peer transactions, emphasizing a pure monetary purpose and prioritizing individual financial sovereignty without intermediaries.

- **Corporate Currencies (Silicon Valley's Playground):**

Centralized corporate control over digital platforms has enabled tech giants to integrate monetization directly into their ecosystems, effectively blurring the lines between technology and financial infrastructure. Facebook's attempted Libra (later Diem) project exemplifies this trend, as it sought to create a global digital currency controlled by a consortium of private entities, raising concerns about the concentration of financial power and regulatory oversight in the hands of corporate actors rather than sovereign institutions.

- **Utility Tokens (Block chain's Functional Layer):**

Decentralized, purpose-specific blockchain designs enable value exchange beyond simple monetary transactions, emphasizing programmability and tailored utility. Ethereum exemplifies this with its use of gas fees, which represent the cost of executing smart contracts and decentralized applications on the network. This mechanism highlights a shift toward programmatic value exchange, where computational resources are priced and consumed in a decentralized ecosystem based on specific functions and user intent.

- **State-Backed Digital Currencies (Government's Digital Frontier):**

Centralized national control over digital currencies allows states to implement strategic monetary policy while adapting to the digital age. Projects like China's digital yuan and other emerging Central Bank Digital Currencies (CBDCs) reflect efforts to preserve traditional monetary sovereignty and regulatory authority in increasingly digital financial ecosystems. These state-backed initiatives aim to maintain control over currency issuance and financial stability, countering the influence of decentralized or corporate-led alternatives.

Currency design is far more than a technical matter—it reflects deep societal negotiations shaped by institutional economics, political economy, and technological governance. From this lens, digital currencies become political artifacts, not neutral tools. Their architectures encode competing visions of trust, efficiency, and control, revealing the shifting power dynamics between states, corporations, and communities. This challenges the assumptions that technology is neutral and that digital currencies are merely technical innovations. Instead, it reveals that each design choice is a consequence of underlying political and economic intentions, reflecting deliberate positions on authority, inclusion, and the envisioned trajectory of future economic systems.¹

Crypto-anarchism is a significant branch of anarchist thought that reflects the principles of decentralization, equality, self-management, and non-hierarchical support systems through the lens of cryptocurrencies. The historical roots of crypto-anarchism can be traced back to influential anarchist thinkers like Bakunin and Kropotkin, who envisioned a society where technology and science empower individuals and challenge state authority. The Cypherpunk movement is particularly noteworthy for its foresight in predicting the rise of cryptocurrencies, which serve as instruments for promoting individual freedom and autonomy in the digital landscape.

Despite often being overlooked in traditional anarchist typologies, crypto-anarchism represents a crucial intersection of anarchist ideology and digital innovation. An article Dr Usman Chohan argues that as

¹- Tim Marple, "Bigger than Bitcoin: A Theoretical Typology and Research Agenda for Digital Currencies," *Business and Politics* 23, no. 4 (December 2021): 439–55, <https://doi.org/10.1017/bap.2021.12>.

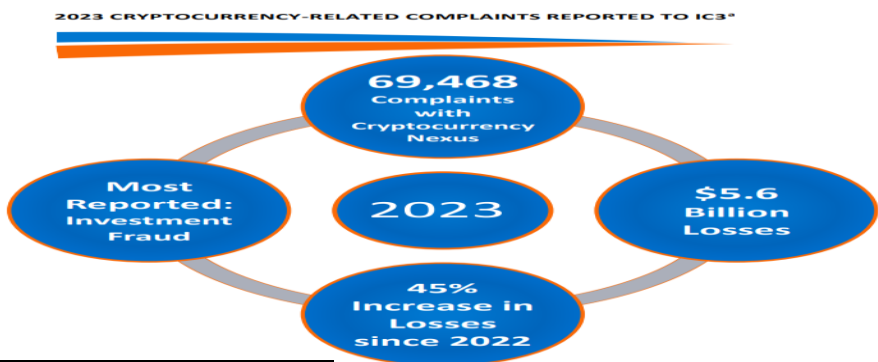
cryptocurrencies gain importance, the relevance of crypto-anarchism becomes increasingly apparent, inviting further scholarly exploration of its implications in contemporary society. This exploration highlights the need to acknowledge the diversity within anarchist movements and the evolving nature of anarchist thought in response to technological advancements.¹

The anti-cryptocurrency trend in the United States:

Illegal uses of cryptocurrencies:

Proponents argue that the cryptocurrency industry has become a hotbed of fraud, corruption, and hacking. In a 2023 report titled: Cryptocurrency Fraud Report, the FBI confirmed that fraud cases caused Americans to lose more than \$5.6 billion in 2023, as the bureau received more than 69,000 complaints related to fraud and theft of personal assets from cryptocurrencies, an increase of more than 45% compared to the previous year. In the same and previous reports, the FBI has warned of a potential continued rise in fraud, theft, and hacking in the cryptocurrency space, as well as other illegal uses of cryptocurrencies².

Figure 01: FBI statistics on cryptocurrencies 2023³



¹- Usman W. Chohan, "Cryptoanarchism and Cryptocurrencies," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, November 27, 2017), <https://doi.org/10.2139/ssrn.3079241>.

²- "Question of the Day: How Much Money Did Americans Lose Last Year Due to Cryptocurrency Scams? - Blog," accessed February 21, 2025, <https://www.ngpf.org/blog/question-of-the-day/question-of-the-day-how-much-money-did-americans-lose-last-year-due-to-cryptocurrency-scams/>.

³ <https://www.ngpf.org/blog/question-of-the-day/question-of-the-day-how-much-money-did-americans-lose-last-year-due-to-cryptocurrency-scam>

The FTX fraud case is one of the biggest fraud cases that led to the growth and strengthening of the anti-cryptocurrency movement in the United States, as the collapse of the platform in 2022 resulted in losses exceeding \$8 billion for users of the platform, an unprecedented event.¹ This has led many politicians and specialists to call for increased regulation of cryptocurrencies in the United States. US Senator SHERROD BROWN summarized these concerns in a US Senate hearing on December 14, 2022, when he linked the cryptocurrency community to several potential threats against US interests:

Brown argued that some major tech companies are seeking to create digital currencies parallel to the US dollar, posing a real threat to the main currency of the United States of America, such as the LIBRA currency that META CEO Mark Zuckerberg has been seeking to create;

Cryptocurrency speculation has reached an advanced level, with dozens of digital currencies emerging daily, with uncontrolled price fluctuations for some currencies, which rise in value three to four times per day, posing a real threat to US investors in this field;

The emergence of so-called stable coins such as USDT, USDC, and others, which pose a real threat to the USD's position in the digital space;

Some authoritarian regimes use cryptocurrencies for illicit activities. For example, the US Senator accused North Korea of using the BITCOIN cryptocurrency to develop its various military projects. And different hacking activities;

Cryptocurrencies are used for many illegal activities, most notably money laundering, money washing, drug trafficking, illegal arms sales, financing terrorist groups, cross-border crime, hacking and data theft. According to Senator Brown, cryptocurrencies have made it extremely easy for these criminals to carry out their illegal activities.²

¹-"How Sam Bankman-Fried Ran \$8 Billion Fraud: Government Prosecutors," accessed February 21, 2025, <https://www.cnbc.com/2022/12/18/how-sam-bankman-fried-ran-8-billion-fraud-government-prosecutors.html>.

²-Sherrod Brown et al., *Crypto crash: why the FTX bubble burst and the harm to consumers*, Hearing before the Committee on banking, housing, and urban affairs,

Some statistics support the fears of many regulators in the U.S. about the cryptocurrency space. The U.S., for example, tops the list of losses per capita in cryptocurrency fraud cases, as shown in the following figure:

Figure 02: FBI statistics on cryptocurrencies 2023¹



Dark web and philosophical foundations of crypto:

In the space of the Dark web, cryptocurrencies of another nature are emerging, which are used by several groups for activities mostly of an illegal nature, for instance, the so-called privacy coins, such as: Monero (XMR), Zcash (ZEC), Dash (DASH), and others. Some studies have shown that privacy coins are being used in dark web markets to pay for illegal goods and services such as drugs or ransom ware. On the other hand, it is also possible that they are being used to bypass capital controls or international sanctions, and studies have shown that the majority of

United States Senate, December 14, 2022. <https://www.banking.senate.gov/hearings/crypto-crash-why-the-ftx-bubble-burst-and-the-harm-to-consumers>

¹ Source : <https://jabberwocking.com/america-is-the-crypto-fraud-capital-of-the-world>

people using these currencies are citizens of countries such as Russia, Iran, China, and North Korea¹.

On the other hand, many organized criminal groups are active on dark web forums, although the US and other countries' authorities have dismantled many forums that promote illegal activities, such as selling weapons, trading drugs of all kinds, selling forged documents, selling malicious and pirated software, and others. Such as the dismantling of the Silk Road forum in 2013, Alphabay in 2017, and the Russian Hydramarket forum in 2021, in which transfers amounted to about 80 percent of all cryptocurrency transfers on the dark web.² Despite all of the above, popular platforms and groups such as the Lazarus Group from North Korea, which the United States accuses of launching attacks and stealing cryptocurrencies for the benefit of the North Korean state, is still one of the biggest actors on the dark web.³

Moreover, some regulators and crypto-anarchists argue that cryptocurrencies are based on a decentralized, anti-government philosophy, namely the philosophy of crypto-anarchy. Anarchists defend the idea of achieving complete independence from central governments, not respecting any regulatory controls, and working to achieve this through cryptography, privacy support, and activity within decentralized cells and platforms, which poses a real threat to governments and their influence, especially if the activity of these anarchist groups is organized and coordinated, and most of them don't believe in their authorities⁴.

For all of these reasons, there has been a surge in cryptocurrency regulation in the United States, both federal and state-specific

¹-Stefan Scharnowski, "Dark Web Traffic, Privacy Coins, and Cryptocurrency Trading Activity," *Finance Research Letters* 67 (September 1, 2024): 105875, <https://doi.org/10.1016/j.frl.2024.105875>.

²-Northern District of California, *Justice Department investigation leads to shutdown of largest online Darknet marketplace*, United States Department of Justice, April 5, 2022, <https://www.justice.gov/usao-ndca/pr/justice-department-investigation-leads-shutdown-largest-online-darknet-marketplace>.

³-Orlaith Traynor, "A Guide to the Biggest Dark Web Players in 2025," CybelAngel, January 3, 2025, <https://cybelangel.com/dark-web-your-guide-2025/>.

⁴-Alesia Zhuk, "Crypto-Anarchy: A Paradigm Shift for Society and the Legal System," *Journal of Computer Virology and Hacking Techniques* 20, no. 4 (November 1, 2024): 697–723, <https://doi.org/10.1007/s11416-024-00525-1>.

regulations. These regulations range from regulating cryptocurrency sales, taxing cryptocurrency transactions, combating money laundering and smuggling, mining, or even owning cryptocurrency assets¹.

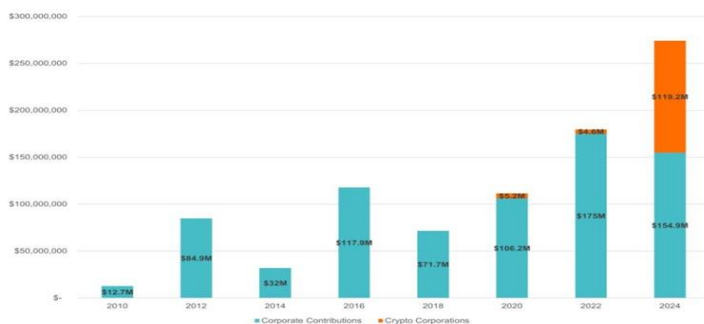
Cryptocurrency adoption trend in the U.S:

Donations from crypto companies to the U.S. election:

In the United States, there is a strongly growing trend in favor of adopting cryptocurrencies, and this growth is evident in the 2024 U.S. presidential election. According to a Public Citizen report published on August 21, 2024, for the first time, donations and financial contributions by the cryptocurrency community, including major cryptocurrency companies, amounted to more than 119 million US dollars, most of which were directed to so-called Political Action Committees, most of which do not belong to either the Democratic Party or the Republican Party. The cryptocurrency community aims to lobby policymakers to adopt policies and regulations in favor of cryptocurrencies.²

The following figure shows the value and sources of donations to U.S. elections from 2010 to 2024.

Figure 03: U.S. Election Donations 2010-2024³



¹-"Blockchain & Cryptocurrency Laws and Regulations | USA," *GLI* (blog), accessed October 18, 2024, <https://www.globallegalinsights.com/practice-areas/blockchain-laws-and-regulations/usa/>.

²-"Big Crypto, Big Spending: Crypto Corporations Spend an Unprecedented \$119 Million Influencing Elections - Public Citizen," accessed October 17, 2024, <https://www.citizen.org/article/big-crypto-big-spending-2024/>.

³ Source : <https://www.citizen.org/article/big-crypto-big-spending-2024/>

As can be seen in the figure above, financial donations from the cryptocurrency community saw an unprecedented surge in 2024, from \$5.2 million in the 2020 presidential election to \$119.2 million in 2024 (in orange).

For the first time in U.S. election history, cryptocurrency companies topped the list of top corporate donors, surpassing well-established oil and technology companies such as multinational Koch Industries, Chevron, and others¹. As shown in the following table:

Figure 04: The largest corporate donors to the 2024 U.S. presidential election²

CORPORATION	CONTRIBUTION	TOP RECIPIENT	POLITICAL LEAN
Coinbase	\$50,499,995	Fairshake	Non-specified
Ripple	\$48,000,000	Fairshake	Non-specified
Koch Industries	\$28,250,000	Americans for Prosperity Action	Republican
Jump Crypto	\$15,000,000	Fairshake	Non-specified
Pivotal Ventures (Melinda Gates)	\$7,475,000	Campaign for a Family Friendly Economy PAC	Democratic
Chevron Corp	\$5,975,000	Senate Leadership Fund	Republican
RAI Services Co (Reynolds American, a British American Tobacco subsidiary)	\$5,500,000	Make America Great Again Inc	Republican
Occidental Petroleum	\$5,000,000	Senate Leadership Fund	Republican
Hillwood Development	\$4,900,000	Senate Leadership Fund and Congressional Leadership Fund	Republican
Planeta Management LLC (Nicole Shanahan)	\$4,500,000	American Values 2024	Independent (Robert Kennedy, Jr.)

It is clear from the table above that cryptocurrency companies Ripple and Coinbase are at the top of the list of the most financially contributing companies to the 2024 US elections, surpassing major companies such as Chevron and others. This places the cryptocurrency sector as the second-largest donor to US elections since 2010 after the oil sector, as shown in the following table:

¹–“Big Crypto, Big Spending: Crypto Corporations Spend an Unprecedented \$119 Million Influencing Elections - Public Citizen.”

² Source : <https://www.citizen.org/article/big-crypto-big-spending-2024>

Figure 05: Top sectors donating to the U.S. presidential election 2010-2024¹

CORPORATION	CONTRIBUTION	TOP RECIPIENT	POLITICAL LEAN
Coinbase	\$50,499,995	Fairshake	Non-specified
Ripple	\$48,000,000	Fairshake	Non-specified
Koch Industries	\$28,250,000	Americans for Prosperity Action	Republican
Jump Crypto	\$15,000,000	Fairshake	Non-specified
Pivotal Ventures (Melinda Gates)	\$7,475,000	Campaign for a Family Friendly Economy PAC	Democratic
Chevron Corp	\$5,975,000	Senate Leadership Fund	Republican
RAI Services Co (Reynolds American, a British American Tobacco subsidiary)	\$5,500,000	Make America Great Again Inc	Republican
Occidental Petroleum	\$5,000,000	Senate Leadership Fund	Republican
Hillwood Development	\$4,900,000	Senate Leadership Fund and Congressional Leadership Fund	Republican
Planeta Management LLC (Nicole Shanahan)	\$4,500,000	American Values 2024	Independent (Robert Kennedy, Jr.)

The data in the table indicates that the fossil fuel sector continues to lead in total donations since 2010, but the cryptocurrency sector, which grew at an unprecedented rate in 2024, may become the leader in the future if it continues at the same pace².

Trump's support for cryptocurrencies:

In the midst of the 2024 US presidential election campaign, the Republican Party, led by candidate Donald Trump, adopted a speech that surprised many, namely pledging to adopt cryptocurrencies, especially Bitcoin, in addition to adopting policies in favor of cryptocurrencies, such as firing SEC Chairman Gary Gensler, who is hostile to cryptocurrencies, and Trump pledged to create a "strategic national stockpile of Bitcoin," meaning the creation of a federal reserve for cryptocurrency, which is unprecedented in the United States of America³.

¹ Source : <https://www.citizen.org/article/big-crypto-big-spending-2024>

²-Despite Trump's multiple promises to support the cryptocurrency sector, the election promises may collide with a negative reality, especially if we know that many members of the US Congress are reluctant to adopt cryptocurrencies.

³- "US as 'Crypto Capital': Donald Trump Vows to Make US 'Bitcoin Superpower' If Re-Elected," *The Economic Times*, July 28, 2024, <https://economictimes.indiatimes.com/news/international/world-news/us-election-crypto-capital-of-the-planet-donald-trump-vows-to-make-us-bitcoin-superpower-if-re-elected-us-president/articleshow/112074880.cms?from=mdr>.

Trump went even further, pledging to make the US the cryptocurrency capital of the world, saying: "I'm laying out my plan to make sure that the United States will be the cryptocurrency capital of the planet and the Bitcoin superpower of the world," in his speech at the Bitcoin 2024 event in Nashville, Tennessee, United States on July 27, 2024¹.

Trump has pledged to delete ten outdated cryptocurrency regulations and only one in favor of cryptocurrencies, he said: "Instead of attacking the industries of the future, we will embrace them, including making America the cryptocurrency and bitcoin capital of the world²."

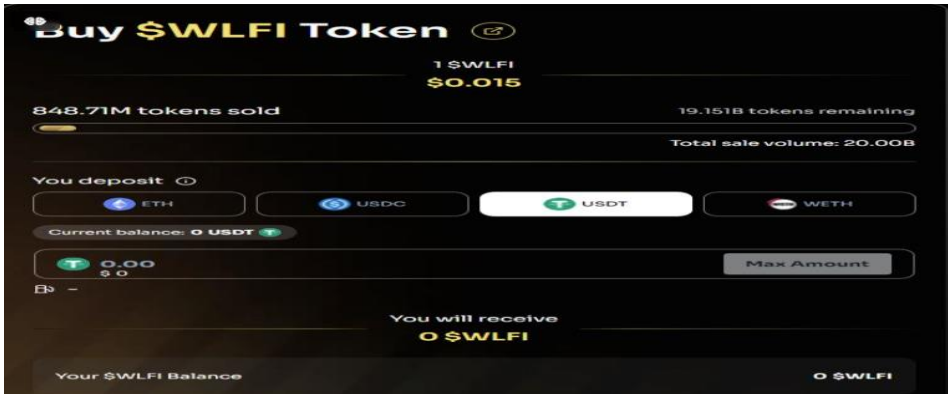
Trump and his team expanded their efforts significantly, when he launched his own digital currency, on October 16, 2024, under the name World Liberty Financial, in cooperation with the X platform and its CEO, Trump supporter and businessman Elon Musk, and Trump said that the project's WLFI currency will serve as a banking platform for cryptocurrencies, where the general public will be encouraged to borrow, lend and invest in cryptocurrencies. Americans will be encouraged to borrow, lend and invest in cryptocurrencies. According to Trump, this currency will contribute to supporting the US dollar by relying on the technology of stable cryptocurrencies, which represents a progressive and unprecedented position for a US president to create a currency alongside the dollar, the largest currency in circulation in the world.³ As can be seen in the following image, taken from the official website of the new currency:

¹ -US as 'Crypto Capital, Jul 28.

²-“Trump Vows to Make US ‘World Capital of Crypto,’ Taps Musk for New Task Force,” Cointelegraph, September 6, 2024, <https://cointelegraph.com/news/trump-vows-us-world-capital-crypto-taps-elon-musk-task-force>.

³-“5 Reasons Why Trump’s World Liberty Financial Token Crashed and Burned,” accessed February 21, 2025, <https://cointelegraph.com/news/trump-world-liberty-financial-token-crash>.

Figure 06: Trump's new currency WLFI¹

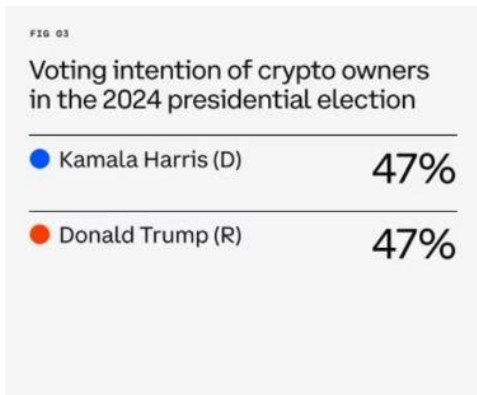


On the other hand, some statistics indicate that only 18 million Americans deal or at least hold cryptocurrencies in the United States, and the cryptocurrency community is known for its non-partisanship and its advocacy of decentralization and anarchist ideas at times, which may also indicate that this community does not care much about the outcomes of various US elections, or the regulatory texts of successive US governments. For example, a poll conducted in September 2024 found that 47% of the cryptocurrency community supports Democratic candidate Kamala Harris, who has not pledged to introduce policies in favor of cryptocurrency adoption, and the same 47% support Trump to become president of the United States of America. This may indicate that the pledges and efforts of Trump and his team may not have worked in his and his team's favor in the 2024 or future elections.²as shown in the following figure:

¹ Source :<https://cointelegraph.com/news/trump-world-liberty-financial-token-crash>

²-Chris Matthews, "Harris and Trump Tied in Race for Crypto Voters, New Poll Shows," MarketWatch, September 30, 2024, <https://www.marketwatch.com/story/harris-and-trump-tied-in-race-for-crypto-voters-new-poll-shows-c733eb23>.

Figure 07: Morning Consult poll commissioned by cryptocurrency exchange Coinbase on the 2024 U.S. election¹



More seriously, and what many Americans and non-Americans couldn't believe in the wake of Trump's inauguration on January 20, 2025, was that Trump launched his own memecoin, with his wife Melania announcing days later that she was launching her own as well. It is known to the cryptocurrency community that memecoins are known for their large market fluctuations, and many currencies lose their value completely, in addition to the fact that these currencies are only meme currencies, and have no actual use in reality, unlike some other cryptocurrencies, which led many of Trump's critics and even his supporters to strongly criticize him in this step, accusing him of using the position for personal enrichment purposes, and causing thousands of people to lose their money due to this currency, which was launched on the Solana network.²

Algeria's position on cryptocurrencies:

Article 117 of the 2018 Finance Law refers to cryptocurrencies for the first time in Algerian legal texts.- The articles mention that the purchase, sale, use and possession of so-called virtual currency is prohibited. And the article defines crypto that virtual currency is the currency used by Internet users on the Web. It is characterized by the

¹ Source :<https://www.marketwatch.com/story/harris-and-trump-tied-in-race-for-crypto-voters-new-poll-shows-c733eb23>

²-Andrew R. Chow, "Why Trump's Meme Coins Have Alarmed Both Crypto Insiders And Legal Experts," TIME, January 22, 2025, <https://time.com/7209169/trump-meme-coins-crypto/>.

absence of a physical medium such as coins, banknotes, cheques or credit cards. Any breach of this provision will be punished in accordance with the laws and regulations in force, according to this law.¹

In December, 26, 2022, in his speech at the opening of the conference on the future challenges facing central banks, organized by the Banque d'Algérie to mark the 60th anniversary of its founding, Mr. Benabderrahmane, the former Algerian prime minister, emphasized that "among the main workshops open to the Banque d'Algérie is the digitization of payments by moving towards the adoption of a digital form of currency, which it will issue, manage and control under the name of the Algerian digital dinar.

He added that "the Algerian digital dinar" will eventually support the physical form of fiat currency, which seems different from cryptocurrencies, which are decentralized and not controlled by governments.²

The Rationale Behind Algeria's Cryptocurrency ban:

Farida Haddad and Abdelhak Grimes have argued that Algeria's prohibition of cryptocurrencies is rooted in both economic and legal concerns, stemming primarily from the structural and functional shortcomings of cryptocurrencies. According to their analysis, these virtual assets do not fulfill the essential monetary roles traditionally associated with sovereign currency, and they pose significant risks due to their technological features and potential misuse. Economically, cryptocurrencies fail as reliable money due to extreme volatility, limited acceptance, and speculative use, undermining their role as a medium of exchange, store of value, and unit of account. Their niche adoption and price instability prevent widespread transactional utility, while their inability to maintain stable purchasing power makes them impractical for

¹-République Algérienne, "JOURNAL OFFICIEL," December 28, 2017.P. 54. <https://www.joradp.dz/FTP/fo-francais/2017/F2017076.pdf>

²-"Numérisation Des Paiements: Vers l'adoption Du Dinar Numérique," accessed February 21, 2025, <https://www.aps.dz/economie/149280-numerisation-des-paiements-vers-l-adoption-du-dinar-numerique>.

pricing goods and services. Technologically, cryptocurrencies pose high risks—irreversible transactions, vulnerability to hacking, and loss of access—with no legal recourse for victims, as seen in cases like the Mt. Gox collapse. Legally, their anonymity and decentralization enable illicit activities (money laundering, terrorism financing, tax evasion) and evade state oversight, complicating regulation and taxation. These factors collectively justify Algeria’s prohibition to safeguard financial stability and public accountability.¹

Conclusion:

In this study, we attempted to analyze the existing conflict between two trends; one trend that is hostile to cryptocurrencies and hostile to their adoption for various reasons, and another trend that is trying to adopt digital currencies and try to integrate them into the financial system with specific regulations. This analysis focused on the case of the United States of America, as a leading country in this sector and in the financial sector in general, and we reached the following conclusions:

- The anti-cryptocurrency trend criticizes the nature of cryptocurrencies themselves, as there is no centralized authority to control them. In addition to the various major frauds that have occurred in the United States.

- The pro-cryptocurrency side argues that blockchain technology is unstoppable in any way and that the cryptocurrency community should be embraced rather than antagonized, and we found that the US presidential election is an example of this, in terms of candidate Donald Trump and his Republican team adopting a pro-cryptocurrency discourse, and in terms of unprecedented financial contributions and donations to the cryptocurrency community in this election.

Based on the above, the following recommendations can be made:

¹- Farida Haddad and Abdelhak Gremis, “Virtual Currency in Algerian Law,” *Algerian Journal of Legal and Political Sciences* 58, no. 3 (June 6, 2021): 386–387 (original work in Arabic). <https://asjp.cerist.dz/en/article/153899>

- Following the example of the United States, it is possible to separate the negative side of cryptocurrencies, namely decentralization and the spread of fraud cases, from the positive side, namely that the cryptocurrency community has become influential enough to influence the US elections.

- If the value of the cryptocurrency market continues to grow as it is, industry adoption is necessary and even mandatory to control the money circulating on the blockchain.

- Countries like Algeria still have a complete ban on the cryptocurrency sector, despite the economic opportunities it may represent, especially in terms of attracting funds circulating in this field.