**A Bit of Propaganda:**

**How a Collective Voice Launched a New, Global Currency**

**Leap 4**

**Alexander Izzi**

**The University of Rhode Island**

**Communications 416**

**December 7th, 2017**

**Abstract**

The topic that will be discussed throughout the entirety of this paper will be the new form of currency known as Bitcoin. After informing the audience about the basic overview of the currency, I will then offer an in-depth analysis as to how various forms of propaganda, both positive and negative, have acted as a key influence driving the worldwide growth of Bitcoin. Lastly, I will conclude with my explanation as to how much of Bitcoin’s value resides within the voice and implementation of its users, consumers, and investors. Each day it seems as though the price of Bitcoin reaches a new record high value. With intent to inform my audience about this new age currency, I will explain how recent growth and global acceptance of Bitcoin can be attributed to the extraordinary influence of propaganda.

The *Bitcoin Craze* has begun, and, it is safe to assume that it’s here to stay.

**What is Bitcoin?**

Bitcoin is defined as: “A type of digital currency that uses state of the art cryptography, can be issued in any fractional denomination, and has a decentralized distribution system” (Dictionary.com).

Bitcoin was launched on October 31st, 2008, and from its introduction it began to take the world by storm. Satoshi Nakomoto, a pseudonym for what is suspected to be several individuals (4 to 5), has been credited with the creation of Bitcoin along with the “White Paper” (the original reference for implementation of the currency), and the original ledger known as the “Blockchain”. Bitcoin fits the definition of the term “Cryptocurrency”. According to Dictionary.com, a cryptocurrency is defined as follows; “a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank”. This cryptocurrency however, is composed of one of the most revolutionary pieces of software introduced within the 21st century. This software is known as “Blockchain Technology” which is uniquely defined by its six (6) process. The six (6) steps are:

1. Someone requests a transaction;
2. The requested transaction is broadcast to a P2P network, consisting of computers, known as nodes;
3. The network of nodes validates the transaction and the user’s status using known algorithms. (Note: These transactions can involve cryptocurrencies, contracts, records, or other information.);
4. Once verified, the transaction is combined with other transactions to create a new block of data for the ledger;
5. The new block is then added to the existing blockchain, in a way that is permanent and unalterable;
6. Transaction is complete. This process is used as the foundation for every transaction involving Bitcoin.

 Now that you have developed an understanding as to ‘*how*’ Bitcoin works, I will explain ‘*why*’ there is a need for this new digital currency. In my opinion, the most important asset Bitcoin holds is the ability to be used internationally. A Bitcoin transaction can occur on opposite ends of the world; and happen in an instant without any additional fee. Bitcoin has launched its satellite to allow the currency to be exchanged without the need for depending on Internet connectivity. Bitcoin’s reach is matched with lighting fast speed and extraordinary reliability without interruption. Also, it’s free from undue wait times that can occur during a traditional transaction process going through banking systems.

 Another key influence on this cryptocurrency is its independence from governments. Bitcoin is not a government funded currency. Therefore, inflation and price creep caused by the overprinting of government funded currencies has no affect. In fact, an unknown source stated, “decentralized cryptocurrencies such as Bitcoin now provide an outlet for personal wealth that is beyond restriction and confiscation”. Therefor Bitcoin cannot be altered by the economic state of any one particular nation or government.

 **Propaganda and Bitcoin**

As Bitcoin reached the record high price of $17,000.00 today, I began to ask myself why? What pushed the currency to reach this new height? As I looked deeper into the factors that contributed to the heightening of its value, I noticed a trend emerging. Behind all of the highs and lows of the currency, the one constant was the consistent presence of propaganda. My preferred definition of propaganda originates from Wikipedia’s statement that propaganda acts as, “a form of communication aimed towards influencing the attitude of a population towards some cause or position”. Exactly as stated above, propaganda originates from all directions via social media and all platforms of mass media including broadcast, streaming, cable and satellite television, radio, podcasts, etc. Within this paper, I will first explain the anti-Bitcoin propaganda and where it comes from. Then I will provide the techniques and propaganda used to promote the currency by those that are supporters of Bitcoin. Lastly I will explain how Bitcoin has become a completely democratic currency that gains power as both supporters and those who opposes produce propaganda surrounding the currency.

Many of you have heard of Bitcoin prior to the recent escalation in price. However, a stigma originally surrounded the currency. Bitcoin’s anonymous nature was initially used on the ‘Silk Road’ (a black market database located on the dark web), and became associated with the underground black market. By the year 2010 the Silk Road became a dark web powerhouse for distributing illegal substances and services in an untraceable manner. This internationally known database used Bitcoin as the driving factor behind its success. As governments began to crack down on the foot traffic, word of this crackdown was often associated with the name Bitcoin. This propaganda towards the currency influenced the minds of many before the true innovation of the currency was released to the public. By the year 2013 the U.S. shut down the Silk Road, and rather than keeping the Bitcoin, they were sold at auction. “The U.S. Justice Department has [claimed the proceeds](https://www.justice.gov/usao-sdny/pr/acting-manhattan-us-attorney-announces-forfeiture-48-million-sale-silk-road-bitcoins) from the sale of 144,336 Bitcoins, valued at just over $48 million, that it obtained after shutting down the notorious online drug market Silk Road in 2013”(Fortune.com). Interesting to think that if the U.S. Justice Department had waited until 2017, they would have seized a total value of 630 million in Bitcoin. With the U.S. government trying to keep this currency low key, they used agitprop and grey propaganda to hinder the American citizen’s perceptions of the currency. They instructed Americans to stay clear from the currency and pressed the notion that the currency would be tied with the dark web and may be dangerous. They also withheld the innovation behind this remarkable currency which was vital in their pursuit of dark web users. The now obsolete articles and press releases began to intrigue viewers of mass media for their interest in the unknown. The articles such as LA Times’ “The Bitcoin crash of 2013: Don’t you feel silly now?” and Wired.com’s “The Rise and Fall of Bitcoin” were used to defer the public from the currency. Looking back now, it is incredible to see just how wrong they were. In fact the U.S. Justice Department sold their seized Bitcoins for an average price around $350.00 per Bitcoin. With the price currently above $17,000.00, we can clearly see their misinterpretation of Bitcoin’s potential.

The Silk Road however is not the only reason why the U.S. government is anti-Bitcoin. The Main justification driving their propaganda is actually the obligation to sustain value in the U.S. dollar. The currency was created after the financial crisis in 2008. The distrust in the U.S. dollar left Americans without a currency that they could rely on. Thus, the Blockchain was created to solve the issue without double spending which enables consumers to virtually be their own bank. To oppose this, the Government launch their propaganda by targeted the currency’s ties to the black market, then when their attempt to deter was unsuccessful they began to focus their efforts towards Bitcoin’s instability. This conflict temporarily stalled rise of Bitcoin in the U.S. Even today with Bitcoin at its current price, the mainstream media (with influence from the U.S. Government) continues deploying their agitprop influencing millions of Americans to believe Bitcoin will fail.

Another example of this in more recent times can be attributed to an article released today on 12/13/2017. Time.com released the article titled, “The 70 million dollar Bitcoin Hack”. The misinformation behind this article is the implication that this was done by a ‘Hacker’. In fact, the company that lost these Bitcoins is a Slovenia based company who has since released information indicating that it was most likely an inside job. In fact, none of the mainstream media articles or segments have been positive. As the currency progresses, it will be interesting to see what position the U.S. Government will take. The propaganda deployed by the U.S. Government and mainstream media initially hindered the growth of this currency, yet with the mainstream news of its innovation, many citizens have begun to understand the grey propaganda used by the U.S. Government.

For all of the anti-Bitcoin propaganda that has mainstream reach, there is equal if not more beneficial propaganda that floods the Internet every day. This propaganda comes from those that have a substantial following. Many Bloggers, Investors, and everyday people have begun to voice their opinions and help Bitcoin as it gains the attention it deserves. Those who see the extraordinary potential of Bitcoin have been the true pioneers and advocates for the currency. With little to no marketing from Bitcoin, its life relies solely on the collective voice of the millions of investors. As the currency became ‘blacklisted’ by the U.S. Government, the currency’s potential was left in the hands of extremely intelligent passionate supporters. The information regarding the innovation began to trade up the chain. Just as Ryan Holiday had described within *Trust Me, I’m Lying*, the topic of Bitcoin began to trend on small time blogs (such as mine), and eventually beneficial propaganda made its way back into the mainstream in 2017. Currently more and more large media outlets began to cover some of the new discoveries and inquiries regarding the currency. In an article titled “2017 Will Be Remembered as ‘The Year of the Bitcoin”, Forbes.com covers many of the influential aspects of innovation regarding the currency. This new publicity/propaganda has now made its way into the mainstream media once again, this time with a much more positive outlook.

Overall this currency, whether it will reach its potential or not can look directly at propaganda as the main inspiration for its growth. Both positive and negative propaganda have given the population the initiative to research the currency. Within *Trust Me I’m Lying,* Ryan Holiday defaces billboards within his own campaign for the film *I Hope They Serve Beer in Hell*. This propaganda brings forth controversy and ultimately brought attention for the film. Much like his campaign, the current controversy surrounding Bitcoin has helped the currency to gain momentum and transform the once mysterious currency into a household name. The information has *fed the beast* and in 2018 the general population will become informed of what lies within Bitcoin.

Within this paper I covered the technology used, the negative propaganda, and the positive propaganda. What you choose to do with this information is entirely your prerogative. Personally, I have taken a pro-Bitcoin position towards the currency, however I urge those interested do their own research to arrive at their own conclusion as I did. I can assure you that you will find both positive and negative propaganda towards this subject. Therefore, truly understanding the technology and direction of the currency is the most beneficial way to decide if it is right for you. As the influence of propaganda surrounds this subject, finding accurate information becomes much more difficult. I will suggest beginning your research directly at the source... on Bitcoin.com, and moving onward from there. Do not believe everything that you see or hear and, most importantly, make an educated assessment based on your own personal findings. Bitcoin is the first time that the population can completely take control over their finances, and the reach that Bitcoin has been made possible through the use of Propaganda.

**References**

Bernays, E. L. (2005). *Propaganda* . New York, NY: Ig Publishing

Bitcoin.com – Get started with Bitcoin: find a wallet, buy bitcoin, shop with bitcoin, read bitcoin news, and get involved on the forum. (n.d.). Retrieved December 08, 2017, from <https://www.bitcoin.com/>

Hiltzik, M. (2013, December 07). The bitcoin crash of 2013: Don't you feel silly now? Retrieved December 08, 2017, from <http://www.latimes.com/business/hiltzik/la-fi-mh-the-bitcoin-crash-20131207-story.html>

https://www.forbes.com/sites/outofasia/2017/10/25/bitcoins-ipo-moment-has-arrived/#15fa6cd21c1f

Holiday. R. (2012). Trust Me I’m Lying: Confessions of a Media Manipulator. New York, Portfolio Penguin.

Nakamoto, S. (2007). Bitcoin: A Peer-to-Peer Electronic Cash System. www.bitcoin.org. White Paper.

The U.S. sold over 144,000 Bitcoins at an Average Price of $334. (n.d.). Retrieved December 08, 2017, from http://fortune.com/2017/10/02/bitcoin-sale-silk-road/

Propaganda. (2017, December 03). Retrieved December 08, 2017, from <https://en.wikipedia.org/wiki/Propaganda>

Wallace, B. (2011, November 23). The Rise and Fall of Bitcoin. Retrieved December 08, 2017, from https://www.wired.com/2011/11/mf\_bitcoin/

What is Propaganda? (n.d.). Retrieved December 08, 2017, from http://propaganda.mediaeducationlab.com/learn/