



Facebooks? Facebook to Launch New Cryptocurrency in 2020

On Tuesday tech giant [Facebook](#) [announced](#) that it will be entering the world of finance with its new cryptocurrency, Libra. The new virtual money system will allow users to use their smartphones as a “digital wallet,” letting them pay for goods and services with this new form of currency.

The announcement is a frightening turn of events in the eyes of some privacy proponents.

According to Facebook, it will have no “special role” in the running of Libra, which will be administered by a non-profit in Switzerland. Libra will be backed by a group of heavy-hitting investors, which Facebook hopes will give it more stability than rivals such as Bitcoin, which have proven very volatile, with wild fluctuations in value.

Facebook looks to have 100 business partners by the time Libra launches next year, with each company contributing approximately \$10 million to the start-up. These first 100 will be founding members of what will be known as the Libra Association. Twenty-eight companies and non-profits are already on board, among them ridesharing companies Uber and Lyft, investment firms such as Thrive Capital and Andreessen Horowitz, and financial services such as PayPal, Visa, and Mastercard. Many experts believe that the inclusion of the two credit card giants might help Libra to be accepted in many more places.

Users will have the ability to send money to each other at low or no cost. Facebook hopes to earn money from the project by offering the companion software “Calibra Wallet,” with which users can manage their funds. Eventually, Calibra will add services such as bill paying to the app. Calibra will be available on Facebook Messenger, Whats App, and as a standalone app.

David Marcus, the vice-president of messaging at Facebook, is spearheading the project. According to Marcus, Facebook believes that the new cryptocurrency will help connect underserved people to the world of banking and online finance. “Libra holds the potential to provide billions of people around the world with access to a more inclusive, more open financial ecosystem,” Marcus said.

Another founding member, U.K. telecommunication giant Vodafone agrees. Stefano Parisse, Vodafone’s director of product and services sang Libra’s praises. “This has the potential to be truly transformative and will benefit those who have never used, or are struggling to access, financial services around the world.”

It also has the potential to [ban certain people](#) from that access then, doesn’t it? It’s hard to believe that



Written by [James Murphy](#) on June 19, 2019

people who are unwelcome on their platform would be welcome in their banking system.

According to Facebook, information garnered by its Calibra app will not be shared with Facebook in order to improve ad-targeting, except in “limited cases,” where such data might be shared in order to “keep people safe, comply with the law, and to provide basic functionality to the people who use Calibra.”

Facebook’s definition of “limited cases” leaves enough space to drive a metaphorical truck through it. What exactly does “basic functionality” mean? What do they mean by “keep people safe?” And, as a multi-national company, whose “law” are they complying with?

Facebook has a history of using users’ private information for targeted ad placements, allowing Russian bots to push false stories and click-bait political ads on their platform and [giving a user’s personal information to the Daily Beast](#) so that he could be doxed for posting a video of Nancy Pelosi.

Shouldn’t Facebook clean up its obvious problems with user privacy before going anywhere near people’s money? Does a platform that deals with so much personal information belong in the currency business? Phil Chen, the “decentralized chief officer” at HTC, a Taiwanese electronics company, doesn’t think so. “If you’re concerned with Facebook knowing too much or having too much access to your private data or social graph, the GlobalCoin [many believed that Facebook’s cryptocurrency would be called GlobalCoin] will give Facebook even more direct access to your financial information,” Chen told *The Sun*. “It’s not just access to the information of your transactions, it’s direct access to your wealth and capital.”

With close to three billion users worldwide, Facebook’s new cryptocurrency has the potential to become the preferred mode of financial transaction globally. Whatever Facebook’s motivations are, with its near omnipresence in peoples’ lives and its access to so much personal information, it seems dangerous to mix such access with peoples’ money. Especially, since Facebook has proven that if it doesn’t like you, it can get rid of you.

Finally, is Facebook looking to augment our current banking systems or replace them? Are they looking to be an alternative to dollars, euros, and yen or incorporate them all into one world currency?



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