

URL: <https://ecorner.stanford.edu/clips/next-steps-after-ftx/>

Dante Disparte, chief strategy officer and head of global policy at Circle, argues that a typical, backward-looking policy and regulation response to collapse of FTX would be a failure. Instead, he pushes for changes that allow for responsible innovation.



Transcript

- I could tell you what the next step will be based on rote 00:00:07,200 and based on the predictable pattern of how the regulators, the policy makers, et cetera, the media will deal with FTX and Sam Bankman-Fried.. That will be a predictable fact finding pattern.. It will be forensics, it will be policy making.. And the sad thing, unfortunately, is all of that will be backward looking.. The risk that rears its ugly head a year from today and hurts entrepreneurs, consumers, and markets will not look the same as the last one.. That's why it's called risk.. If you could predict it, many of us wouldn't be on this (laughs) lecture tonight.. We would be going and betting, and potentially even speculating.. And so that would, in my mind, that would be a failure because the opportunity of leveraging novel technology for the movement of money at scale, the utility value opportunity here should not be held at bay because one company failed due to old, classical, garden-variety fraud.. And that's what I'm afraid of, is that the knee-jerk instinctive policy reaction to Sam Bankman-Fried and FTX will be to litigate how it happened, but to do nothing about enabling the responsible actors in any space, not just finance, not just crypto, not just blockchain, but in any space to innovate on the edges..

We have in our society today a deep anti-innovation streak and a deep anti-technology streak.. And neither of those are gonna get us through the twin perils of COVID-19 and an anemic market environment, an anemic macro environment.. We need innovation to be at the core, but we need responsible innovation.. And therefore, hopefully the message tonight is, to the entrepreneurs listening in, there is a good, durable way of building a business, and there's a very, very bad way of building a business.. And if you wanna play the long game, I would opt for the latter approach.. And ideally, FTX and post-FTX allows us to actually go build...