
Episode 155: Jeremy Musighi on Using Crypto to Aid the Developing World

Kelley Weaver: Welcome to Crypto Token Talk, a crypto 101 podcast exploring how launching applications like bitcoin, Ethereum and other crypto assets could change the world. Learn from blockchain experts, thought leaders, and founders of some of the most innovative companies and world-changing ideas of our time. I'm your host, Kelley Weaver, CEO of Melrose PR, a leading blockchain communications agency. Thanks for joining us today.

Today I'm here with Jeremy Musighi who is the founder of Immutable Capital. Welcome Jeremy.

Jeremy Musighi: Thank you Kelley, thanks for having me.

Kelley Weaver: So tell us a little bit about who you are and how you got started in the crypto space?

Jeremy Musighi: I've been an entrepreneur my whole life. My first major endeavor was an advertising technology company that was called Viral that then later rebranded to revenue.com which actually was acquired early this year for \$10 million. I also am the founder of a company called Sesh, it's a digital life-coaching platform that is available on the app store. When it comes to crypto, during the days of building Viral, bitcoin came onto my radar. I think I kind of randomly stumbled upon an article and started reading about it, this was in 2013 or 2012. I think I first started reading about it in 2012 and found it really interesting and started following it and doing some research and thinking about it. I started investing in crypto in 2013, so that was Bitcoin of course at that time. I invested in the Ethereum ICO in 2014 and basically stayed pretty active as an investor in the space and as an enthusiast reading about the technology, talking about it with people. Back then it was mostly people who didn't know what the hell I was talking about and thought I was kind of crazy.

Yeah, I've stayed active in crypto until today, basically researching, studying, investing in the space. Organically, as crypto has now become more widely known and has caught on on the mainstream consciousness, if you will, what started happening a lot was that people, friends of mine and family, wanted to

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ask me about it and people had a lot of questions, people were asking me for advice, or they wanted me to come sit down and explain everything to them and that organically turned into a consulting business once someone actually wanted to hire me to actually work with them more extensively on helping them understand the space, helping them figure out how to get involved.

That consulting business turned into Immutable Capital, which started as a consultancy, it still is and there's also an investing arm, an investment fund, that is currently taking shape, that's in the works but generally, I would say that what we do at Immutable is that we identify and pursue exciting opportunities in the crypto space and those can be different opportunities and some of those are very stealth right now, so I won't go in too much detail. I also give talks on crypto, spoken at a few conferences and I really enjoy chatting about it. So, excited to chat with you about it today.

Kelley Weaver: What are some of the things that excite you the most about blockchain and crypto? What gets you fired up about it?

Jeremy Musighi: First of all, I think blockchain is a technology that is and will largely change the way our society works and it has so many different applications, or potential applications, many of which are being developed today but really, I think that we can't even yet imagine all of the things that we're going to develop using this technology, and I think that's a typical characteristic of a revolutionary new wave technology. When the internet first was starting to catch mainstream adoption and the first web browser was developed, Netscape by Marc Andreessen, he was being ... I think he was speaking in front of an audience and someone asked him a question and said, "Okay, well you're telling us about this web browser thing, and you're telling us about all these websites that are going to exist, what are some websites that you think we're going to be using every day? And he actually really didn't have an answer to that question, he kind of was stuck and it's really interesting and funny to think back to that moment now but I think that that's the type of moment generally that we're in with crypto.

So that was a very long-winded answer, but what am I most excited about? I'm very excited about how I think some of the governance mechanisms and the ways of organizing blockchain networks that start-up teams today are experimenting with and developing, I think can have a major impact in how government in general may work in the future because on a fundamental level, a blockchain is a system for organizing large numbers of people in a way that aligns their incentives and allows them to share value in one way or another,

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whether that's in financial transactions or operating other types of networks that are mutually beneficial to everyone involved, but basically a blockchain is a set of rules that everyone agrees to follow and it's a system in which as long as it remains secure, none of those people can cheat and that enables large numbers of people to accomplish things together when you think about it in a societal context.

So I think that I'm very excited for how this can apply to how cities, states, countries, et cetera can be run in the future more efficiently, more fairly, more transparently in a way where everyone has a voice. So that's one thing, another thing that's been on my mind lately is how this can affect developing countries, how blockchain technology can change people's lives in the third world. I have spent some time in developing world recently, I was on a trip to East Africa, I was in Rwanda, Uganda and Ethiopia. Previously I spent a year living in Brazil, so I've had a first look at the day to day systems that are being used, the technologies that are available to the common person, how they get things done and a lot of the limitations that they run into and how a lot of things are really unfair for people in those countries. I think that blockchain technology can be a really incredible solution and it can be very liberating for people in places like that.

Kelley Weaver: I love this topic and I think it's really interesting. Why does it matter for people in developing countries to have access to crypto?

Jeremy Musighi: So first of all, in developing countries what I've noticed is that corporations often have more latitude to be abusive in the way that they treat consumers. Industries are more monopolized and these huge companies that control industries have deep government ties so their businesses are, I would say, unfairly defensible and where they don't really need to worry about how you feel as their customer and they can charge you unfair rates, they can provide you horrible or non-existent customer service. I experienced this living in Brazil with mobile carriers, for example, the types of plans that they were offering there for ... I grew up in the United States so the plans that they offer for mobile internet and talk and text, are crazy, how little you get and how much they charge you for it and how poorly it works. So there's a lack of competition, there's a lack of transparency and so one of the major effects of blockchain based networks is what's called disintermediation. So, breaking free of intermediaries who have too much control and can, for example, charge fees

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that would be considered abusive compared to other markets that are more open and competitive.

Kelley Weaver: Can you give an example of that in a day to day scenario that that could be applied to? I guess mobile phones, but how would that work in practice?

Jeremy Musighi: Well I'll give you a different example that might be more simple. So, in Africa, when people want to send money to each other, and I'm saying in Africa in general this is an average across the continent, it typically costs more than 10% just to send money from person to person. Now, living in the US, as you and I do, we can do that for free and it's pretty easy. Out there it's not, especially if someone wants to transact internationally. So, if we were to imagine that, let's say Bitcoin gained mass adoption across the African continent, that would be very life changing for a lot of people. They could not only send money at a very minimal cost, but they can do it instantly and it would open the door for them to transact globally whereas right now, I would say that financial transactions are very limited in terms of their geographic scope for people living in some of the countries that I mentioned.

Kelley Weaver: So it'll be a lot cheaper and easier for them to send money to their family or friends?

Jeremy Musighi: Right, so what that does is from a business standpoint, if you're a business owner in a developing country, this puts more financial power in the hands of the direct producers. There are less intermediaries required to help money get from point A to point B. That money can be sent directly so when that happens, there's an increase in quality of life.

Additionally, this opens the door for more competitive services and products because people don't have to, for instance, I don't know, be approved by some financial institution that might approve some and might not approve others. They don't have to be limited by their geographic location, so if someone lives in a remote area and they would have to drive for several hours to get to the nearest bank and then wait in line for an entire day to open an account and get something done, that can all happen very, very quickly if they were on the Bitcoin network, for instance. Now obviously, this whole scenario has a lot of obstacles today from coming true, but this is part of the vision of what things would look like and how things would change.

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Kelley Weaver: What are some of the hurdles or roadblocks that you foresee for crypto to really take off in developing nations?

Jeremy Musighi: So today in the developed world, there are three primary ways that you can obtain cryptocurrency. So the first is from an online exchange and this requires having a bank account in order to deposit fiat currency onto the exchange and then trade it. The second is acquiring it from local people or businesses by exchanging cash, basically buying it from someone in person or perhaps by exchanging labor, basically working for someone in exchange for crypto. That requires being in a community that has sufficiently adopted crypto where you can go to meetups or you can find people who are looking to sell, so you can buy it from them, or that has businesses that pay crypto. Hard to find outside of probably San Francisco. The third is by mining it yourself, so that requires expensive mining hardware, high speed internet connection and lots of electricity. So all three of these methods that are the ones that we conventionally know about today are close to impossible by definition when you look at the developing world, because they're missing the fundamental building blocks or the fundamental requirements to acquire crypto in these ways.

Kelley Weaver: So does that mean that this is never going to happen and that we're screwed?

Jeremy Musighi: It means that it's probably going to take some time for blockchain to spread into developing countries in a really meaningful way but there are ways that I think potentially could happen sooner. One idea, or one possibility is through remittances. So there are a lot of people who live in developed nations, they have family members in developing nations, they send money home on a regular basis, they use these intermediaries that rob them blind, it's very unfair, like Western Union and whatnot. If the people, family members who are here in the developed world, decide that they're going to start using cryptocurrency to disintermediate their transactions and they get their family members back home to get a crypto wallet and if they can get an internet connection, that can be the start of crypto really infiltrating those borders.

Another suggestion that I've heard is that mobile carriers use the bitcoin network to facilitate their payments. Kind of like improving upon what they're already doing right now. I think that SMS based bitcoin wallets are possible and I've thought about that and brainstormed that a little bit, I think security's a challenge but it could be a solvable challenge. The issue is that all transaction and balance information would need to travel over the carrier network unencrypted, or maybe there can be a solution that fixes that, I'm not sure

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because we're talking about a lot of people who are using old school flip phones, dumb phones basically, but the good news is that there are now smartphones available for under \$25. So people can get access to more advanced devices.

Kelley Weaver: I think that people are surprised to find out how widespread smartphones are in developing nations like you referenced earlier. Yes, sometimes there are these dumb phones but more and more so as you said, there's cost effective solutions and more and more so, I think smartphones are being utilized in places where you may not expect.

Jeremy Musighi: Yeah, I actually spent time ... When I was in Brazil, I spent a lot of time in a favela, which is a slum, called Santa Marta. I was very surprised to find out a lot of people living in the slum had smartphones actually. So that was really cool to see and that gave me hope in terms of the flow of socially impactful technologies into places that really need it. There's a very large unbanked population in the world. I read recently actually, there was a World Bank report from just a few years ago that said 46% of adults in developing countries don't have bank accounts. The reason for that is not only poverty, it's also the costs of setting up and maintaining an account, the travel distance from people who live in remote or rural areas who don't have banks in their communities, the paperwork that's involved, these are all factors that keep people unbanked. This impacts these people with access to all kinds of conventional financial services like remittances, depository accounts, lending and there's a very interesting phenomenon that I saw when I was in East Africa, it started in Kenya, it's called Mobile Money.

It has different names in different countries but I know that it started in Kenya under a project called M-Pesa, that's M dash P-E-S-A, which is basically a payment network that lets you send money via SMS through your mobile carrier. Actually I was just reading about this recently that in Kenya, 25% of the country's GDP actually flows through M-Pesa mobile payments. So it has generated massive adoption and it's solving a massive problem, so if people are wondering do people in these countries even care about digital payments? Would they even use it if it was available to them? I think the very strong case that you can make is pointing to these mobile money networks that have really blown up.

Kelley Weaver: What's so interesting I think is that they weren't even made for that, it was just the people who came up with that solution. They said, "Phone minutes have

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value so I'll send you phone minutes since they retain their value." This became a phenomenon that all of a sudden the phone companies starting cluing into. There's way more minutes than people are using, being transacted.

Jeremy Musighi: Exactly and from there it grew into actually sending money and it's essentially a way that people who are cut off from the traditional financial system were able to participate and that has changed the face of how businesses can run, it has changed people's lives in a major way.

Kelley Weaver: Yeah, thank you so much. This has been such a fascinating discussion, you've brought up so many great examples. I'm curious if you have any resources that you might recommend for those who are looking to learn more about cryptocurrencies? You obviously have family and friends who approached you about this topic and consulting clients, but what resources do you generally recommend for people looking to learn more?

Jeremy Musighi: A book that I think is essential reading, especially for anyone who is thinking about investing in cryptocurrency, is called Cryptoassets. The author is ... I don't really know how to pronounce-

Kelley Weaver: Chris Burniske?

Jeremy Musighi: Yeah, I don't really know how to pronounce his last name, Burniske I guess. That's a great book that I think people should totally look into. There are some interesting online courses that are popping up. I actually took one that I thought was fantastic, through the University of Nicosia, they have a masters program in digital currencies. They have a free MOOC course.

Kelley Weaver: That's a fantastic ... I've never heard of that. We'll definitely link to that in the show notes, that's great to know about.

Jeremy Musighi: Yeah and the instructors are great, it's taught by Antonis Polemites and Andreas Antonopoulos. Andreas is a major figure, especially in the bitcoin community and he's written some of the most authoritative books both on bitcoin and Ethereum that are taught in many classrooms. So it's a really high quality class.

Kelley Weaver: Actually, now that you mention that, I think that we did have one of our team members take that course here and she really loved it as well, got a lot out of it. Great recommendations, thank you. How can people keep up to date with ...

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either get in touch with you directly or keep up to date with what you're up to at Immutable Capital?

Jeremy Musighi: You can check out our website, it's immutablecapital.fund. It might be kind of anti-climactic when you go to our website if you're expecting tons of content, but yeah you can reach us there. I also write a blog that I post to once in a while, it's at profound.af.

Kelley Weaver: Love it.

Jeremy Musighi: Yeah, so I write about different things that are on my mind, sometimes blockchain, sometimes stuff that has nothing to do with blockchain.

Kelley Weaver: Fantastic, well thank you again Jeremy for taking the time to chat with me here today, I really appreciate it and got a lot out of the conversation and I think our audience will too.

Jeremy Musighi: Thank you, it's been a pleasure, happy to chat with you about crypto anytime.

Kelley Weaver: That's all for today's episode of Crypto Token Talk. To learn more about blockchain and keep up to date with this fast-paced industry, subscribe at cryptotokentalk.io where you can also find today's show notes. If you have suggestions for topics or guests, please drop me a line on Twitter [@cryptokelley](https://twitter.com/cryptokelley) or you can follow the show on Twitter [@cryptotokentalk](https://twitter.com/cryptotokentalk). If you enjoy this show, please rate and review it on iTunes and share it with family, friends and colleagues who want to stay up to date on how blockchain technology is changing the world. Thanks for listening. This podcast is for entertainment and informational purposes only and does not constitute financial or investment advice of any kind. Cryptocurrencies are an extremely volatile and risky investment, you should not make any decision, financial, investment, trading or otherwise based on any of the information presented in this podcast without undertaking independent due diligence. Anyone wishing to invest should seek his or her own Independent financial advisor.

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