

Stablecoins:

Stablecoins have been one of the most widely discussed and developed sphere of the cryptoasset industry.

There are currently 29 relevant stablecoin projects. It should also be noted that these projects have been backed by major venture capital firms, and some have been indirectly supported by major corporations (example Circle where Goldman Sachs has a stake).

Through this lens, stablecoins are beginning to act as a bridge between the traditional, institutional world and those who are pushing for a more open financial system. At this point it should be noted that some view stablecoins as a new crypto-fiat hybrid. Some have gone so far as to state that many stablecoins are not cryptocurrencies at all, but are, in fact, digital fiat proxies.

This is all to say that stablecoins are not quite categorizable as cryptoassets. In many cases, they do not achieve one of the most touted use cases of cryptocurrencies: censorship resistance. However, they do enable programmable transactions and a verifiable history. Specifically, they are a blockchain-powered product, for the most part built on Ethereum, that may capture product-market fit beyond the crypto-obsessed. Stablecoins could represent the first major products to be built on Ethereum which could develop significant mainstream market share by addressing specific market needs and gaining meaningful use. This could all be done without users realizing they're even using blockchain or stablecoins at all. It's also evident that, currently, stablecoins offer a tremendous benefit to crypto traders.

While there are several noteworthy features stablecoins possess,—transparency, fast transactions speeds, and programmability—there is one key feature of Ethereum stablecoins that make them an easy sell beyond the crypto community which is Low Transaction Fees.

Stablecoins have potential utility and economic upside that may make them the first blockchain product to be readily embraced by those outside the sphere of early adoption, speculation, or heavy evangelism. In the case of many, Ethereum simply acts as a mechanism that allows for easier transfer of what is ultimately still a dollar. Given the antiquity of SWIFT and the lack of access to traditional institutions in many developing countries, there exists the possibility that stablecoins could just become the first blockchain product that's actually used by a meaningful number of people. In most cases, the adopters are enterprises and most people would have no idea that stablecoins are being used on the back-end, except for of course, the blockchain obsessed.