

Mugur Isrescu: The most important economic decision Nations have ever faced

Lecture by Mr Mugur Isrescu, Governor of the National Bank of Romania, at the Bitcoin versus Central Bank Digital Currency conference, Bucharest, 6 April 2023.

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Ladies and gentlemen, good afternoon! Thank you for attending this conference on the topical issue of cryptocurrencies and central bank digital currencies.

Today I have the pleasure of welcoming and introducing our distinguished guest speaker, Ms. Sundri Khalsa, Professor at the National Intelligence University - known as "the Harvard of the intelligence field", and a US Marine Corps Veteran. Welcome, Professor Khalsa, to Romania and to the National Bank of Romania!

Sundri Khalsa's background also includes being a Professor at the United States Naval Academy, Director and Instructor of the Marine Corps Military Occupational Specialty training school, where she trained and certified Marine Corps Signals Intelligence and Electronic Warfare Officers. She is an expert with field experience in Signal Intelligence and information support for integrated military operations.

Let me add that her studies also include degrees from Harvard University, John F. Kennedy School, with additional certification in Management, Leadership and Decision Sciences, University of Virginia (with specialization in chemistry and biochemistry) and New Mexico Military Institute (where she was awarded the science scholar awards in physics and chemistry).

Her book "Terrorism Forecasting: Indicators and Analytical Techniques" is on the CIA's reading list and used in university courses. Her articles and research cover topics such as mutual support of qualitative and quantitative methods in the field of intelligence or topics related to the debate in the intelligence community about intuition versus structured technique in prediction and decision making in conditions of risk and uncertainty. She is a supporter of structured methods and statistical, cybernetic and mathematical analysis in the development of prediction systems.

One final thing about her background, which I am certain many of you will find interesting, is that she is a Marine Corps Black Belt Mixed Martial Arts Instructor. She has led the Marine Expeditionary Unit training in martial arts and trained over 200 Marines and certified 60 to the next higher belt. So all in all, a very impressive background and track record.

Professor Sundri Khalsa is visiting the Research Institute of the University of Bucharest. Professor Marian Preda, the Rector of the University, wrote me about this visit. He pointed out that, in addition to being a specialist in the development of applications of quantitative and statistical methods for predictive information activity, Professor Khalsa has been working recently on matters of blockchain and cryptocurrencies, as they

influence strategic and national security issues. This is an area that has emerged at the overlap between (a) monetary and banking phenomena, (b) information technology advances, and increasingly salient (c) geopolitical and geo-economic developments.

Obviously, it is part of our mission here at the National Bank of Romania to monitor, understand and assess these and related phenomena which may affect - both positively and negatively - the Romanian monetary system and banking system and more generally our economy. That being said, the reason we have invited her here today is related to this specific aspect of her more recent work. So far we have seen blockchain and cryptocurrencies mostly discussed and assessed from the perspective of information technology and economic theory. We are interested at the same time to see how the cryptocurrency problem is also perceived from the perspective of an analysis largely rooted in the experience of intelligence studies and practice, and of an expert in strategic decision making in conditions of risk and uncertainty.

We are also interested to see how such an expert is framing the problem of cryptocurrency as a massive economic challenge to the national economies, a problem requiring a strategic assessment of the alternatives; to see how an expert in structured analysis may present the issue in a systematic, methodical way. Last but not least, we are interested in the evaluations which are emerging out of this exercise, including the opportunities as well as the warnings.

Hence the title of the presentation: "Bitcoin Versus Central Bank Digital Currency (CBDC): The Most Important Economic Decision Nations Have Ever Faced. Analytical Frameworks for Comparative Assessment and Strategic Decisions."

In terms of how we are going to proceed, the event will have two parts. We will start with the presentation of Professor Khalsa for about 40 minutes or so, which will be followed by a questions and answers segment.

I would like to invite Professor Khalsa to take the floor.

Thank you!