Introduction

• Cryptocurrency is a digital currency in which transactions are verified and records maintained by a decentralized system using cryptography, rather than a centralized authority and has gained massive popularity at an exponential rate over the past decade.

• The increased adoption and implementation of Cryptocurrency shows a relationship to current events that have severely shifted the global economy over the past three years including the Coronavirus Pandemic and Russian invasion of Ukraine.

• Business Professionals study these current events with the goal of developing models to predict the future of cryptocurrency in the order of the world and to understand its significance in the future order of the world that is always changing.

Objective

• The Purpose of this research is to understand and emphasize the role of Cryptocurrencies are part of an ecosystem based on Blockchain technology.

Fundamentals of Cryptocurrency

• Blockchain is the network that creates a means of transaction and enables the transfer of value and information.

• Cryptocurrencies are tokens used in these networks to send value and pay for these transactions.

• Think of them as tools on the Blockchain, and in some cases can also function as resources or utilities. In other instances, they are used to digitize the value of assets.

• Cryptocurrencies are part of an ecosystem based on Blockchain technology.

Current Events & Application

• Global cryptocurrency adoption indexes generate rankings for individual countries.

• Major Event #1: Coronavirus Pandemic (December 2019 – Current).

• Major Event #2: Russian invasion of Ukraine (February 2022 – Current).

• Every individual is effected by these major events on multiple levels.

• President Biden’s executive order on digital assets in March 2022 has significant text dedicated to the investigation of a central bank digital currency.

Adoption & Implementation

• In ecosystem of cryptocurrency, the market capitalization is a great indicator for the overall market. (As seen in Fig. 2)

• Areas of interest include: fluctuation, anonymity, peer-to-peer transactions, scalability, cybersecurity, and regulations.

• These areas of interest are deciding factors for individuals on the macro and micro level and evidence shows that after outweighing benefits and costs, cryptocurrency is gaining more and more traction.

• Over past 5 years there are clear signs of multiple large bubbles that have been caused by specific factors.

Results & Forecast

• Comparing the market for cryptocurrency and the global economy, spikes are evident following months of world changing events. Cryptocurrency is playing a tremendous role when there is a shift from the current world order into the new. 2021 Q4 spike and current spike are because of changing order in world with future speculation.

Conclusion

• In current world economy, when there is change the immediate result is increased adoption and implementation of cryptocurrency that outweighs the expulsion on a drastic scale.

• The relationship between Coronavirus Pandemic and Russian Invasion of Ukraine result in more crypto adoption by individuals that include inductive research from President Biden of United States.

• World currencies can gain an edge on competitors in race for dominant currency is just one solution to what cryptocurrency can solve. More implementation can solve more problems in world.

References


