



ROLE OF CRYPTO CURRENCIES IN OUR COUNTRY'S FUTURE GROWTH

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ABSTRACT

Crypto currency is gaining much popularity in our country. Even, India has more crypto owners when compared to other countries. The currency is also expected to play a significant role in our economy's future development. But in our country, it is still doubtful whether using this currency is legal or illegal and it is not even regulated by any act. It is also made clear that taxing crypto currencies in our country doesn't give them any legal status. The focus of this research article is on how the crypto currency will contribute to future economic growth amidst all its difficulties. Mainly, percentage analysis has been used for the research work. As a result of this research work, one can be clear on how much growth can be expected in our country with the usage of crypto currency. Giving crypto currency a legal status and making the people clear about its possible contribution to economy's growth would be very much beneficial to our modern economy.

Key words: Crypto Currency, Future development, Legal Status.

INTRODUCTION

Crypto currency is a digitalized currency. It gets its name from cryptography which is used to secure the transactions. The word crypto was unknown to the most part of entire world. But today it is commonly known by many countries in the world. Even many countries have even legalised the cryptocurrency transactions. And few other countries have begun to understand its importance on the respective economies. The increase in number of online transactions currently have facilitated a way for the usage of cryptocurrencies in most of the parts of the world. The research article focuses on the impact that the cryptocurrency will have on our economy in the future.

REVIEW OF LITERATURE

1. Shailak Jani (2018) explained that the usage of virtual currency has increased with increase in online transactions. The main focus of this paper was on what the users expect from cryptocurrency and also on how was every country's response towards cryptocurrencies.
2. Dr. Anil Kumar V.V. and Swathy P (2019) focused on the how the cryptocurrency evolved, different types of cryptocurrencies with special focus on bitcoins, challenges faced by such crypto currency.
3. Greeshma Francis (2020) stated that cryptocurrency as a whole can have both positive and negative impact on the economy. But bitcoin can have a great impact on the global market. It focused on how will a cryptocurrency can contribute towards growth.
4. Jonathan Chiu, Bank of Canada, Victoria University of Wellington, Thorsten Koepl and Queens University (2017) developed an economic theory which can be used for solving various policy issues regarding regulation of cryptocurrencies.
5. Mi Yeon Hong and Ji Won Yoon (2022) focused on how the market of crypto currencies is fluctuating among the uncertainties prevailing due to this pandemic and also talked about most influential cryptocurrencies.

RESEARCH METHODOLOGY

Source of study

Secondary source of data is used for this research article. Secondary data is the data which is already collected but used for the research purpose. The points have been taken from newspaper articles, cryptocurrency websites and previous articles on crypto currency. This article focuses on some of those points which weren't dealt with earlier.

Percentage Analysis

Percentage is found for comparison between two or more variables which are related. So, by finding percentages, one can find how much a variable contributes when compared to another variable.

Charts Analysis

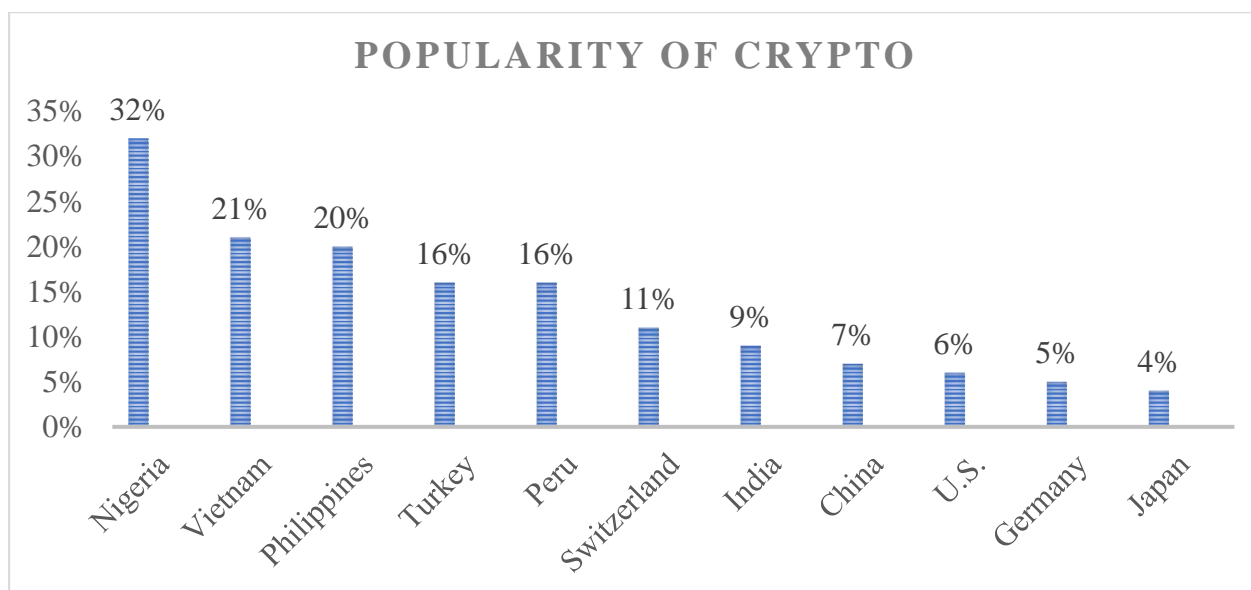
Charts are prepared for visual presentation of data. Normally, a text which is conveyed through just words might not be as impactful as it is conveyed using charts. All the variables used in the charts will be presented below the charts and even the colours used will be shown besides such variables. When different colours are used, it will also be an attractive one to the viewers.

Graphical Analysis:

Graph analysis is used to ascertain the relationship between two variables which will be on two different axis – x and y axis. Scale in a graph is useful to mention how many units does a centimetre or a box represents. It is also one of the ways to visually present the data. Large volumes of data can be easily explained using graphs.

RESEARCH FINDINGS

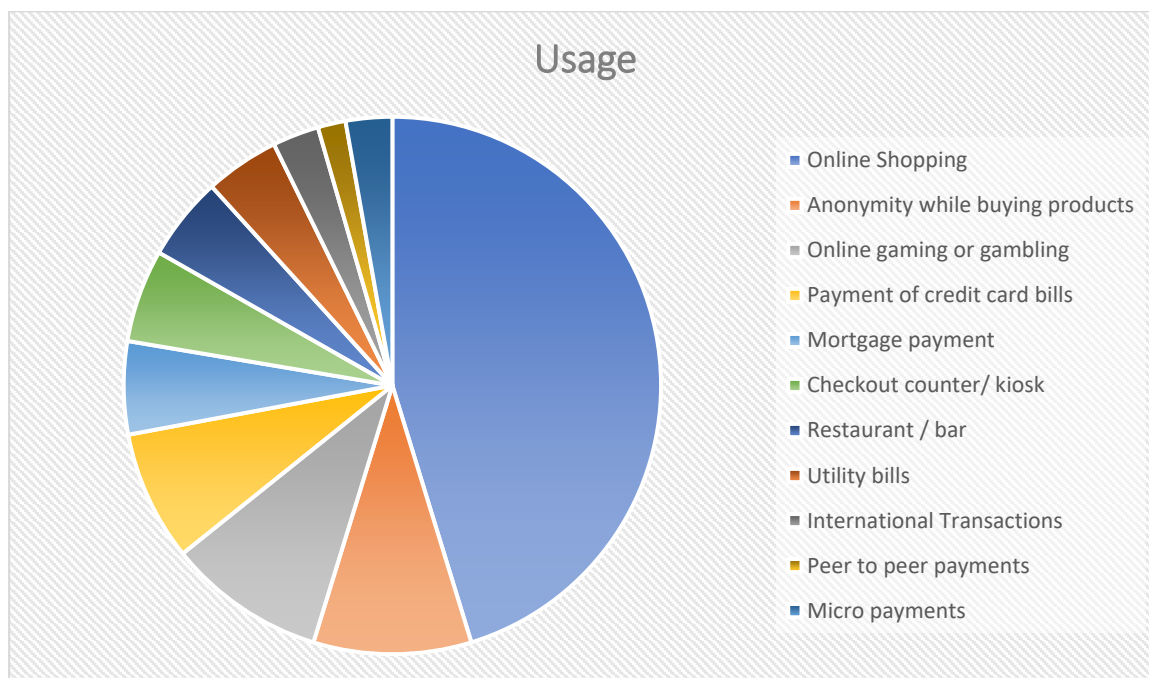
Status of Cryptocurrency in our country



Source: Secondary data

9% of Indian population knows what the cryptocurrency actually is and are also clear about its benefits. Considering the population of India, popularity of crypto in our country can increase to a greater extent and it also can have a positive impact on our country's future development. India also has more crypto owners in the world in the previous three months.

Currently, our country has decided to disclose the Crypto currency transaction in IT returns from the month of April 2022. Few years back, people thought that cryptocurrency will be banned in India. But the disclosure in IT returns explains us what our country's intention is towards its legal status. It is clear that cryptocurrency will soon be legalised in our country. Even our finance minister 'Nirmala Sitaram' has said that she is seeing a possibility of revenue from cryptocurrency transactions.



Source: Secondary Data

As it is clearly visible in the chart, crypto currency has wider application and it is most commonly used in online transactions. With the variety of online transactions taking place currently, if crypto currency gets legal status and if proper provisions are created then crypto currency can create opportunities for economic development. It also has varied application other than online transactions.

Data Security

All the cryptocurrency transactions can be verified from its source. As these transactions are based on blockchain technology, transaction data cannot be modified. So, unauthorized persons with the evil motive cannot alter the data or misuse the data. And even the rate of corruption can be minimized with the help of blockchain technology.

International Transactions

Currently for carrying out international transactions, our currency must be converted into foreign country's currency so that payment can be made. But in the case of cryptocurrency, its globally acceptable and so there is no need for conversion.

Matching with speed of Transactions

When millions of transactions occur within minutes, even the money transfer should match with that speed. But with the facilities of normal banking, transfer of money takes place within days. But cryptocurrency facilitates transfers within few minutes and thus it will be much beneficial to the growth of our economy.

No fixed time duration

Traditional financial markets have a specific time period within which transactions must be undertaken. But in the case of crypto currency, the market is available 24x7 and all the seven days in a week. Thus consumer can transact at any time at his convenience.

Development in Fintech Sector

Once the cryptocurrency transactions are regulated, India can experience a massive number of foreign investments. Thus, it will be a great boost to the fintech sector and will be beneficial to growth of Indian Economy.

Lower cost

There is some amount of fees charged for financial transactions currently. But crypto currency gives us alternatives to choose the amount of fee to be charged which acts as motivation to all the segments of people. Also, there is no need of any third person or intermediary for crypto currency transaction. So, the transactions charges charged by such intermediaries is absent in this case thus reducing the cost of each transaction.

Adoption of cryptocurrency

With increased network usage among the Indians currently, they can easily get used to crypto currency transactions and there is no need for much time for such adoption to take place. Even people can increase their wealth as their one of the forms of investment.

Generation of employment opportunities

More employment opportunities will be created once the crypto currency transactions are regulated and legal status will be given. Thus, the unemployment problem existing currently can be solved to a maximum extent. India is also expected to have a group of talented fintech professionals and IT Experts who will provide their contribution towards crypto currency.

Single Point of failure

The possibilities of single point of failure where many obstacles will be faced due to an event is less in this crypto currency system. So, our economy wouldn't be facing any crisis as it was earlier faced by some financial institutions.

Reduction in fraudulent transactions

A person can find how much cryptocurrency has been used from another person's wallet and how much cryptocurrency has been stored for future purpose. This is possible due to the presence of blockchain technology. As a result, fraudulent activities can be reduced.

Reputation as Programmable money

Cryptocurrency is now considered as programmable money which also can be verified with the use of electronic ledgers. This reputation which they have gained can reduce the amount of fraud thus improving our economy.

CONCLUSION

Research article has focused on the areas through which our economy can experience a good future development. Cryptocurrencies do have some limitations but are not much impactful on the growth of our economy.

After understanding its importance, our respected finance minister “Nirmala Sitharaman” has stated that both the government and Reserve Bank of India are involved in continuous discussions on crypto currency and its legal status.

Government has also started to consider legalising crypto currency and its intentions are clear in the Budget 2022. Even common people have begun to learn more about it so that they won't face much difficulties in the future. Even the subject of cryptocurrency is being included in the academic syllabus so that the students will be basically strong on it and would be improving themselves after practical application. We can also find many articles and speeches about crypto currency and its importance to our future economy.

To conclude, Crypto currency will for sure have positive impact on our future economic development once it is properly regulated and structured. Government have also commenced to show consideration for crypto currency, through which we can feel that cryptocurrency has bright future.

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