Perceptions And Adoption Of Crypto Currencies In The Aftermath Of The Greek Financial Crisis

1. Arushi , Student, Galgotias University
2. Dr. Chhavi Prakash, Professor, Galgotias University.
Galgotias University, Gautam Buddha Nagar,
Masters of Business Administration

Abstract

This study looks into how crypto currencies might help Eastern Macedonia and Thrace, Greece, recover from the effects of the financial crisis and find new opportunities for economic growth. It is inspired by the substantial economic decline Greece endured after the financial crisis of 2008, which raised the possibility of bankruptcies and sharply decreased GDP per person. The subsequent imposition of capital controls further hampered the nation's financial activities. Research has shown that the studied region had a lower GDP per capita and degree of economic development than the national and EU averages. Using a mixed-methods approach that includes data analysis and a questionnaire-based survey, this study investigates the attitudes and actions of local business owners and consumers about digital currency. In addition, the survey targets consumers and company owners using probability and non-probability sampling approaches and uses closed-ended questions given through an online platform. In order to shed light on the role of crypto currencies as a way to lessen the effects of the financial crisis and boost economic activity in Eastern Macedonia and Thrace, the collected data are analyzed through the scopes of descriptive and deductive analyses with the use of SPSS software. The research showed that although participants did not think that a parallel digital currency would help the Greek economy, those who had been impacted by the crisis expressed a desire to invest in and use crypto currencies. However, business owners were reluctant to see crypto currency as long-term assets and lacked faith in their ability to revolutionize the local economy. The study's findings add to the expanding body of information about the use of crypto currencies and their possible advantages in areas experiencing economic hardship.

INTRODUCTION

The Greek financial crisis, which peaked in the late 2000s, resulted from a complex interaction between global financial dynamics, budgetary imprudence, and economic mismanagement. The fallout was dire, resulting in mass joblessness, stringent budgetary restrictions, and a sharp decline in public trust in conventional banking establishments. In light of this, the rise of crypto currencies as decentralized, digitally native money offers exciting new ground to investigate.

This thesis addresses the effects of the Greek financial crisis on perceptions regarding the adoption and use of crypto currencies as a mechanism to mitigate and overcome the consequences of a liquidity crisis in an environment of deficit economies, such as the region of Eastern Macedonia and Thrace, given the potential of crypto currencies in addressing the challenges associated with limited liquidity.

Recent events in the crypto currency space have further heightened the relevance of this exploration. The global rise of decentralized finance (DeFi), the increasing institutional interest in crypto currencies, and the ongoing development of central bank digital currencies (CBDCs) add layers of complexity and nuance to the discourse. Against this dynamic backdrop, understanding how individuals and communities in the aftermath of the Greek financial crisis perceive and adopt crypto currencies becomes not only a matter of academic curiosity but a practical consideration with implications for economic resilience and financial empowerment.

This research explores the ways in which the Greek populace, as individuals and as enterprises, viewed and accepted crypto currencies as a means of addressing the difficulties brought about by the financial crisis. It aims to disentangle the reasons for the acceptance of these digital assets, investigating whether they were seen as a hedge against conventional financial instability, a speculative investment, or a way to conduct transactions that are unrestricted by borders and censorship.

BACKGROUND

The idea of digital currency was completely transformed by crypto currencies, which allowed for quick and safe financial transactions. The necessity for alternative financial liquidity was brought to light by the global financial crisis of 2008, particularly in nations such as Greece. The 2015 introduction of capital regulations sparked a wave of discussion about crypto currencies. People in Greece had restricted access to their money during the financial crisis, which raised interest in crypto currencies as a substitute for traditional financial solutions. This study focuses on the Eastern Macedonia and Thrace region, which offers a chance to investigate how crypto currencies can boost economic activity by lowering reliance on conventional banking systems because of its low GDP and economic difficulties.

Greece's economic, social, and cultural fabric has been permanently impacted by the repercussions of the country's financial crisis. The crisis started in the late 2000s and developed as a result of a number of interrelated causes, including worldwide economic downturns, excessive levels of public debt, and fiscal mismanagement. Greece suffered severe austerity measures, a sharp increase in unemployment, and a significant decline in public confidence in traditional financial institutions as a result of the dire repercussions. The rise of crypto currencies as decentralized, alternative forms of currency has attracted more attention in light of the current economic unrest.This research attempts to contribute to a comprehensive understanding of the function these digital assets play in the larger context of economic recovery and financial resilience following a severe economic crisis by exploring the perceptions and adoption patterns of crypto currencies.

NEED FOR THE STUDY

Due to its potential to provide crucial insights into the changing dynamics of economic recovery and financial resilience, research on how crypto currencies were perceived and adopted in the wake of the Greek financial crisis is essential. Examining the function of crypto currencies is made more interesting by the unusual context created by the aftermath of the Greek financial crisis, which was characterized by economic turmoil and a general mistrust of established financial institutions. It is important to comprehend how people and communities view and use these digital assets after a crisis of this nature for a number of reasons. First of all, it offers a chance to evaluate if crypto currencies can function as supplementary or substitute financial tools in times of economic hardship. The study can also shed light on whether the use of crypto currency has aided in financial inclusion, especially for those parts of the public who have trouble using standard financial services. Moreover, the study's worldwide significance stems from its ability to establish parallels with analogous post-crisis situations across the globe, thereby augmenting an expanded comprehension of the dynamics of bit coin adoption. Understanding adoption trends can help policymakers create rules that strike a compromise between financial stability and innovation. Additionally, the study tackles perception-influencing cultural and societal issues, providing a detailed investigation of how these elements impact the adoption of crypto currencies. The research can show how crypto currencies are changing financial ecosystems in terms of technological innovation. Overall, the study is important from an academic

standpoint as well as having real-world applications for investors, politicians, and anybody navigating the challenges of the post-crisis financial system.

RESEARCH OBJECTIVES

As a conclusion to the research problem and drawing from the previously mentioned studies, this thesis seeks to investigate how consumers' and business owners' perceptions of crypto currencies in the Eastern Macedonia and Thrace region relate to the effects of the financial crisis on their families and enterprises while also looking at their opinions on whether crypto currency may help Greece's economy grow and reduce its debt. This study aims to gain an understanding of a number of topics by analyzing the respondents' beliefs and attitudes. These include the respondents' willingness to use crypto currencies for financial transactions and investments, their eagerness to invest in crypto currencies, and their belief that crypto currencies could pose a threat to current economic challenges.

Through carrying out this inquiry, the study hopes to add to the body of knowledge regarding the function of crypto currencies in adverse economic environments by offering insights into the possible impact of crypto currencies in an area that has seen severe economic hardship.

Methodology

- ### Research Design

Based on the particular objectives, research question, and boundaries of this study, an online survey was determined to be the most appropriate research method.

While other methods, such as case studies, might seem appropriate for small-scale research, a survey was chosen because it better matched the time, budget, and scope constraints of the investigation. The survey strategy was also selected because, given the quantitative character of the study, it could collect and use statistical tools to analyze data, allowing for a thorough investigation. The survey also made it possible to measure intangible information that cannot be observed, such as people's preferences, attitudes, and beliefs, because it could be handled without making respondents feel burdened.

An alternate research approach for this project can be carrying out in-depth case studies of customers and companies in Thrace and Eastern Macedonia that have actively used or included crypto currencies into their business processes. A more thorough analysis of particular cases or scenarios would be possible with such a method, offering deeper insights into the respondents' attitudes and actions with regard to crypto currencies. However, because of its qualitative character and openness to criticism regarding the findings' generalize ability, this approach was not chosen.

Additionally, case studies may be prone to researcher bias, particularly being renowned for their time-consuming and labor-intensive character. Therefore, considering this study's research objectives and limits, the survey technique was regarded more acceptable and helpful in gathering comprehensive and quantifiable data from a bigger sample.

- ### Data Collection Method

The most suitable approach was determined to be a questionnaire with closed-ended questions after taking into account the study's quantitative nature, time and resource constraints, and other factors.

For this investigation, this approach has a number of benefits. It made it possible for the researcher to quickly and affordably collect a significant amount of data from a wide range of people. Because the questions were closed-ended, the responses were guaranteed to be uniform and consistent, which made it simple to quantify, compare, and analyze the data. Along with supporting the research purpose of examining participants' perceptions of crypto currencies as financial assets and their potential for economic development despite the personal effects of the financial crisis, it also offered clear insights into participants' opinions and attitudes regarding crypto currencies. Furthermore, using closed-ended questions reduced response bias by lowering the dependence on arbitrary interpretations, allowing for more dependable and impartial data gathering. Ultimately, it made it easier to spot trends, patterns, and correlations, which improved the reliability and validity of the study's conclusions.

Interviews were considered an undesirable and impractical strategy for this study, even though they might be an option. Due to their time-consuming nature, which included the need for transcription and coding, the data collection process would have taken longer, possibly delaying the analysis stage. Additionally, by multitasking concurrently during the interview process, the researcher would run the danger of losing information, which could jeopardize the precision and thoroughness of the data gathered.

- ### Sampling

Customers and business owners from the Eastern Macedonia and Thrace region made up the research population for this study, which included a large number of potential respondents (449,760 over 18 years, according to data from the Hellenic Statistic Authority). In order to draw meaningful conclusions, a sample of the 18 residents of that region was chosen and divided into the two categories. The sample's primary characteristics were the same as those of the entire population.

Therefore, while taking into account the best strategy, consumers and business owners were addressed through the use of probability and non-probability sampling methods. Consequently, with respect to the consumer sample, a small number of initial respondents were recruited, and they suggested other people who were relevant or interested in taking part in the study using the non-probabilistic snowball technique. The goal of the survey was to maintain a 5:1 ratio in the responses provided by merchants and consumers, respectively, in order to create a true parallel between the respondents. The potential for a biased sample resulting

from this technique was addressed by include a diverse range of respondents with varying demographic and educational backgrounds, so representing a range of perspectives.

With reference to entrepreneurs, a probability sampling technique was chosen. According to Gray (2021), cluster sampling is the recommended method when sampling a population as a whole since it enables the random sampling of groups rather than individuals and the cross-section of the larger population. The five prefectures of the Eastern Macedonia and Thrace region were thus designated as the clusters in this research project. By incorporating several business owners from every cluster, the study made sure that the population of business owners in the area was more fully represented.

It is also crucial to note that both sampling techniques guarantee the heterogeneity of the entire population because the chosen prefectures and the Greek population as a whole are identical in terms of demographics, educational attainment, academic aptitude, and other pertinent variables. Furthermore, as the Muslim population that makes up the prefectures of Xanthi and Rhodope is an equal and essential component of the social and economic status quo in the area, it has no bearing on the quality or generalize ability of the results. Lastly, given that all of the contact information and the questionnaire delivery method (by email or sharing it on their respective webpage/Facebook account) were managed by each prefecture's local chamber of commerce, cluster sampling ensured the anonymity of the respondents and mitigated the non-response bias, due to non-contact.

- Data Analysis Method

One step in the research method's measurement, analysis, and testing of the research questions and hypotheses is data analysis, which helps the researcher draw conclusions from the study problem. Descriptive analysis and deductive analysis were the two stages of data analysis used in this thesis. Deductive analysis uses data to find relationships between the important variables and test hypotheses, whereas descriptive analysis typically provides the researcher with an overview of the data set. As a result, each question on the questionnaire might constitute a variable, while each answer would correspond to quantitative output data.

Research Questions

- How do consumers and business owners in the region of Eastern Macedonia and Thrace perceive crypto currencies as a financial asset, and as a means for economic development, in association with the personal impact of the financial crisis?

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