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CRYPTOCURRENCIES AS A COMMON MEAN OF INTERNATIONAL PAYMENTS IN THE FUTURE

Cryptocurrencies have been increasingly gaining popularity as a means of payment, investment, and store of value in recent years. The decentralized and secure nature of cryptocurrencies has made them an attractive option for those seeking to conduct international transactions.

Cryptocurrency is a digital or virtual currency that uses cryptography to secure and verify transactions and to control the creation of new units. Cryptocurrencies are decentralized, meaning they are not controlled by any central authority or government, and transactions are recorded on a public digital ledger called a blockchain [1].

When talking about the potential of cryptocurrencies as a means of international payments in the future, it is firstly important to understand the current limitations of traditional methods of international payments. The process of sending and receiving money across borders can be time-consuming, expensive, and subject to high fees and currency conversion costs. The use of intermediaries such as banks, payment processors, and clearinghouses can further complicate and slow down the process.

Cryptocurrencies, on the other hand, offer a potential solution to these problems. Transactions can be conducted directly between individuals or entities without the need for intermediaries, which can significantly reduce costs and speed up the process.

One of the key advantages of cryptocurrencies as a means of international payments is their global distribution. Unlike traditional methods that are often limited to certain geographic regions or currencies, cryptocurrencies can be used by anyone, anywhere in the world, as long as they have an internet connection. This could be particularly useful for individuals and businesses operating in countries with underdeveloped financial infrastructure.

Another potential advantage of cryptocurrencies is their speed and efficiency. Transactions can be processed in minutes or even seconds, regardless of the location of a sender and a recipient. This can reduce the costs and delays associated with traditional payment methods such as bank transfers and payment cheques.

Despite these advantages, there are also challenges and risks associated with the use of cryptocurrencies for international payments. One of the main challenges is the lack of widespread adoption and acceptance. While cryptocurrencies have gained popularity in recent years, they are still not widely accepted by entrepreneurs and businesses around the world. This could limit their usefulness as a means of payments, especially for smaller transactions.

There is also cryptocurrency manipulation which refers to the intentional effort to influence the price of cryptocurrencies for personal or financial gain. This can be done in various ways, such as spreading false information, creating fake news, and manipulating the supply and demand of cryptocurrencies through buying or selling large amounts of them. One example of cryptocurrency manipulation is the impact of Elon Musk's effective Twitter posts, which can influence the price of cryptocurrencies.

Musk, who is known for his active presence on social media, has made several tweets about cryptocurrencies, particularly Bitcoin and Dogecoin, which have caused significant price movements in the market [2].

Another challenge is the environment around cryptocurrencies. Different countries have different regulations and laws regarding the use of cryptocurrencies, which can create uncertainty and legal risks for individuals and businesses using them for international payment. There is also the risk of fraud, hacking, and other security breaches, which can result in the loss of funds.

We would like to conclude that cryptocurrencies offer significant potential as a means of international payment in the future. Their decentralized and secure nature, global reach, and potential for reduced costs make them an attractive option for individuals and businesses conducting international transactions. However, there are also challenges and risks that must be addressed, including the need for greater adoption and acceptance, cryptocurrency manipulation, clearer regulatory frameworks, and improved security measures. As cryptocurrencies continue to develop and to get stronger, their role in international payments is likely to become increasingly important.

REFERENCES

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