

Crypto Currency Revolution in India during Covid times : A Sociological perspective

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Abstract: *Crypto currency is a new innovative kind of money invented to replace the fiat currency. It is decentralized which means nobody owns or control it and everybody can take part.*

Demonetization in India actually gives way to the crypto currency, the new generation began to explore it and recognizing its potential they started investing in it.

In 2017, the RBI and the Ministry of Finance issue statements on crypto currencies. The ministry compares them to ponzi schemes and Ban it in 2018.

On March, 2020 at last Government lifted all bans from crypto and instructed banks to comply with the instructions. Now the Indian government is working on Regulation Bill for Crypto currency.

In this paper we will discuss that during COVID times when the whole nation was shutdown and people were locked inside their houses, they have ample of time to explore internet and various means to earn money while sitting at home via internet, a large chunk of youth who is willing to take risk in order to gain instant money and there are those who are dissatisfied with the banking system were exposed to the idea of Crypto currency and they whole heartedly embraced it later it became talking point among young generation especially thus crypto currency exchanges started to boom in India millions of Indians invested in crypto and lots of them made it their full time earning space by trading and staking crypto currencies on exchanges as well.

In this paper we will talk about the origin of Bitcoin, development of other crypto currencies, various methods of earning through it, its future in India and why it is needed to be regulated

Keywords: *Cryptocurrency, Bitcoin, COVID, Society*

1. Introduction

Bitcoin is basically an encrypted internet money which was fully decentralized and traceable. The idea behind inventing this internet money was close to the gold standard but with an alternative view. It is a Digital Gold because Bitcoin is great as a store of value due to its scarcity with limited supply of 21 million coins only the last of which was forecasted to be mined around 2140 and the rate of mining halves every four year.

The first Bitcoin was created in January 3, 2009 and its cost was about 0.00076\$ in first four years. In 2013 its price peaked for the first time, when 1 Bitcoin cost 1,242\$. Today its price is around 59000\$. As the use and public's trust escalated, the price and value of Bitcoin escalates too. It is speculated that by the next year its price could hit 100,000\$ mark.

Bitcoin is the granddaddy of a more than 5000 other cryptocurrencies which were developed by studying bitcoin's white paper. The value of Bitcoin decide the value of other coins. If Bitcoin soar, Alt coins soar in price if Bitcoin falls ALT crypto coins fell bitterly in price. That's the market statistics since 2013 and it happened recently in May 2021 market crash as well, when we saw bitter decline in all ALT coins due to Bitcoin's major crash.

In 2016, during one conference on finance when asked about the Bitcoin, Reserve Bank of India's Former Governor Mr. Raghuraman Rajan said, 'The most important aspect of Bitcoin is its decentralized ledger where you can verify the transactions without needing anyone's to be in center. One of the major attraction of Bitcoin is that it is hidden and it can be used in some illegal trading as well.' He also said, "Over the time there will be problem between decentralized currency and centralized currency"

Billions of people worldwide are now into cryptocurrency, Numerous multinational companies now accept Bitcoin as a trading currency. Countries are now accepting it as a legal tender. El Salvador initiated the move to accept it as a legal tender and now other Latin American, european and African countries are in a queue to talk with their government to accept Bitcoin for better economical future. Even in Russia Duma State Minister asked the Government to consider Bitcoin's adoption and Russian Billionaire Oleg Deripaska has also urged Russia's central Bank to losen crypto regulation and adopt BTC.

More and more positive news are doing round nowadays about bitcoin adoption, Like-

- El Savadorian government made Bitcoin its legal tender and even Airdropped \$30 Bitcoin to its adult citizens.
- El Salvador set to build the first Bitcoin city in the world.
- Nasdaq Dubai launched first of its kind Bitcoin Fund (digital assest based fund).
- Singapore approves Bitcoin fund that buys and holds 'physical' BTC
- Zimbabwe is considering making Bitcoin a legal payment option.
- Iran's President said that he is planning to legalise Cryptocurrency.
- Brazil's parliament said that it will consider a new law to pay Employees in Bitcoin.
- Former Speaker of the House Newt Gingrich said that Central Bank will hold Bitcoin as "reserve against inflation"
- Billionaire hedge fund manager Paul Tudor Jones prefers Bitcoin over gold as a hedge against inflation.
- The first ever Bitcoin based ETF in the United States started trading on 20 October 2021.
- Wikipedia's editor who was skeptical about Bitcoin and deleted its page in 2010 by calling it a scam now started accepting Bitcoin as donation.

As we can see lots and lots of countries and institutions are showing faith in the BTC, they are positive regarding its future and they believe Bitcoin is the only currency which can change the corrupt economic practices thus strengthening the value of money. It can help bring developing nations onto the global stage.

2. Blockchain, Bitcoin and India

On 19 May 2018 our Honorable Prime Minister Mr. Narendra Modi praised the Blockchain Technology mentioning that its use will definitely bring the positive changes in Indian economy. While addressing the Convocation of Sher-E-Kahsmir University in Jammu he said," The use of Blockchain Technology will help in real time monitoring, it will bring transparency in transactions as well as it will control the unlawful practices of middlemen and it will curb the wastage of produce."

Blockchain a decentralized, distributed ledger for digital information, was one of the most disruptive technologies that defined the last decade. It powers cryptocurrencies and NFTs and can radically change multiple sectors, including payments, cyber security and healthcare.

According to Research and Markets, 55 percent of Indian businesses are adopting blockchain technology. Below, we list down eight homegrown blockchain startups making ripples.

Indian where corruption is everywhere the use of Blockchain technology will overhaul the system because the data entered in it cannot be altered as per individuals choice, it is stored in blocks thus making it impossible

to modify and delete from the system once it is entered into the blockchain it gets permanently etched in to the blockchain system. According to research today 55% Indian businesses are adopting blockchain technology.

Bitcoin can give people power over their money, it can let them do whatever they want to do with it without government surveillance and control over it. Bitcoin will actually give financial freedom to the people.

Bitcoin has a global value and it is acceptable worldwide. Bitcoin is increasing from its actual value where as Indian FIAT is decreasing in its value that is why we need a stable currency to avoid inflation and only BITCOIN can do that.

Demonetization in India actually gives way to the cryptocurrency, the new generation began to explore it and recognizing its potential they started investing in it.

3. Ban on Cryptocurrencies and proposed Regulation Bill

Increasing user involvement in cryptocurrencies and investment of millions of Indian rupees in Bitcoin annoys some and on October 2017 two PILs(Public interest Litigation) were filed in the Supreme Court, one asking it to ban buying and selling cryptocurrencies in India, the other asking for them to be regulated.

In November 2017, the government forms a committee to study issues around virtual currencies and the RBI and the Ministry of Finance issue statements on cryptocurrencies on December 2017 in which ministry compares them to ponzi schemes.

Just three weeks after the Mumbai-based cryptocurrency exchange WazirX launched in March 2018, the Indian central bank imposed a blanket ban on virtual coins in the country. The Reserve Bank of India's circular put crypto exchanges in a precarious position. With investors dreading over the ban, trading volumes on exchanges dropped severely causing major losses to many investors.

Faced with an existential threat, several exchanges filed a writ petition in the Supreme Court.

At last in March 2020 the Government lifted all bans from crypto and instructed banks to comply with the instructions.

After that in a short span of time the volumes on the exchange started soaring as more Indians have developed an appetite for cryptocurrencies – ranging from bitcoin and Ethereum to dogecoin and Ripple.

India's finance minister Nirmala Sitharaman recently said that the government would take a "calibrated" approach towards cryptocurrencies. However, this will not be enough to foster a sense of trust. The draft bill prepared by the government in 2019 had taken a harsh view, suggesting that all private cryptocurrencies should be banned in India. What makes matters worse for stakeholders is that there is no regulator to govern the crypto industry.

On June 2021 The government says it will introduce a bill to create a sovereign digital currency and simultaneously ban all private cryptocurrencies.

Indians are desperately waiting for the Regulatory Bill but until then they are busy in investing and trading in cryptocurrency no matter what the future brings but they are sure that Bitcoin is definitely a ray of hope for better and decentralized economy and economic freedom.

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Dr.Saba Yunus is an Internationally recognized Sociologist having vast global exposure, delivered Keynote speeches on various social issues at International Conferences held in USA, UK, UAE, Malaysia, Indonesia, Hungary, Portugal, Italy and Turkey.

#Books written- 3

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