

**L. U. Saviankova, A. A. Nestarovich**

*School of Business of BSU, Minsk, Belarus*

*Scientific supervisor – I. V. Filitovich, Master of Economics, lecturer*

## **THE ROLE OF CRYPTOCURRENCIES IN THE TRANSFORMATION OF THE GLOBAL ECONOMY**

*This article examines the impact of cryptocurrencies on the economic system, identifies their positive and negative aspects, and analyzes examples from various countries.*

**Keywords:** *cryptocurrency, economic system, advantages and disadvantages, regulation, international payments*

The article is aimed at studying the concept of «cryptocurrency», its drawbacks and explore the impact of cryptocurrency on the economic system. In addition, the paper presents the results of a survey of students, based on which their attitude towards the cryptocurrency situation in Belarus was identified.

The objective of the article is to identify the key aspects related to the use of cryptocurrencies, their potential to transform the economy, as well as the challenges and risks faced by users and government authorities.

First of all, it is necessary to define the concept of «cryptocurrency», which will be discussed further. Cryptocurrency is a digital payment system that operates without traditional banks. It is based on a decentralized network that allows users to send and receive money globally. The first cryptocurrency was Bitcoin, created in 2009. Cryptocurrencies attract investors due to the potential for profit from price fluctuations and are used to protect savings from inflation, make purchases in online stores, and even buy real estate. The advantages of cryptocurrencies include decentralization, financial privacy, high anonymity, and fast transactions with low fees. However, they are also associated with risks: high volatility, the potential for use in illegal activities, and a lack of government oversight, which increases risks for users [1]. Cryptocurrencies have the potential to change the economy by simplifying international payments and opening new business opportunities. For their successful use, effective regulation and consumer protection need to be developed. Among the disadvantages are the inability to reverse transactions and dependence on the honesty of the recipient. Cryptocurrencies in the global economy face a number of questions and challenges.

The main ones include ensuring the security of cryptocurrencies and their investment potential. Since cryptocurrencies are not legalized in many countries, their advantages can turn into disadvantages. This makes them risky for short-term investments. Nevertheless, some countries, such as Germany, Japan, the USA, and Singapore, have already begun regulating cryptocurrencies, which may contribute to their stability and integration into the global economy. However, despite this, price instability and the lack of tangible backing remain significant obstacles to their widespread use as a medium of exchange [2].

The recent top 5 Countries by Cryptocurrency Usage in 2024 looks like this (figure):

1. India.

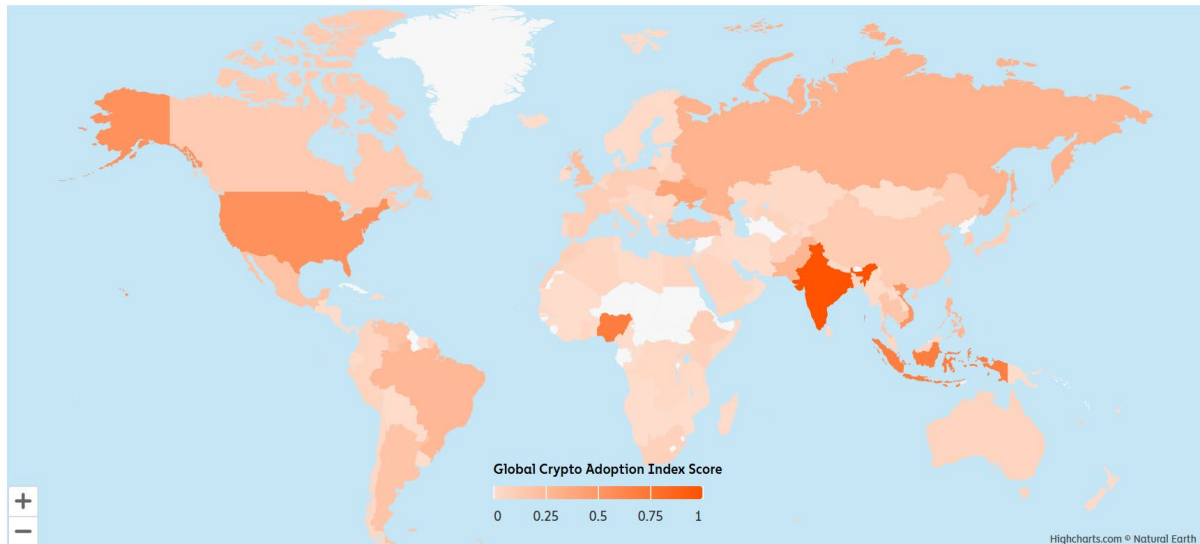
India ranked first in the list of countries by cryptocurrency usage, despite significant government restrictions. The income tax on cryptocurrency is 30%, and in December 2023, access to several exchanges was limited. However, the situation regarding digital currencies is currently improving; for instance, the Binance exchange has been unlocked.

2. Nigeria.

Sub-Saharan Africa accounts for the smallest share of the global cryptocurrency economy - only 2.7 % of worldwide figures. Nevertheless, one country from this region secured second place

in the ranking. Additionally, this region leads in the adoption of DeFi protocols. Cryptocurrency in Nigeria is actively used for both business operations and personal transfers, and it also serves as a hedge against inflation [3].

3. Indonesia.
4. United States.
5. Vietnam.



Global Crypto Adoption Index Score

Regarding Belarus, at the end of 2017, Belarus began regulating cryptocurrency operations. Decree No. 8 was issued, allowing legal entities and individual entrepreneurs to conduct cryptocurrency transactions through residents of the High-Tech Park (HTP), but it prohibits the use of cryptocurrency for payments. Individuals are exempt from taxes on income from mining and token operations, while legal entities that are not HTP residents also enjoy tax benefits. However, starting January 1, 2025, there may be a repeal of the income tax exemption for token holders, and a new tax concept is being developed. Furthermore, quite recently, on September 17, 2024, Decree No. 367 was signed, prohibiting individuals and individual entrepreneurs who are HTP residents from buying and selling cryptocurrency outside of Belarusian exchanges. This aims to enhance the security of transactions with digital assets and prevent fraud.

To investigate students' attitudes towards cryptocurrency, its drawbacks, and its positioning, a survey was conducted among 44 students of BSU. The survey reveals mixed feelings about the state of the cryptocurrency market in Belarus. A significant portion of respondents (35 %) describe it as "Satisfactory," while 30 % see it as "Bad" and 15 % as "Very Bad," indicating a generally pessimistic view. Only a minority rate it positively, with 15 % describing it as "Good" and a small 5 % seeing it as "Excellent." Opinions on the government-imposed ban on currency withdrawal and use of cryptocurrency for transactions are varied. The largest group (30 %) remains "Neutral," while 25 % do not support the ban and 15 % are "Completely against" it, reflecting substantial opposition. Support is somewhat limited, with 10% fully in favor and 20 % supporting with reservations. When considering potential advantages of cryptocurrency in the Belarusian economy, respondents identified several key areas.

The highest percentage (50 %) believe that cryptocurrency could drive "Development of new technologies and startups." Other advantages include "Increased financial transparency" (45 %), "Attracting foreign investment" (40 %), and "Improving financial accessibility" (35 %), showing that many see crypto as a tool for economic growth. Only 5% chose "Other" advantages. Partici-

pants were also asked about the risks associated with cryptocurrency use. “High volatility” (60 %) is the top concern, followed closely by “Lack of regulation” (55 %) and “Fraud risk” (50 %). Security issues are also significant, with 45 % of respondents identifying them as a risk. A minority (10 %) indicated “Other” risks. Looking to the future, respondents highlighted potential trends in the cryptocurrency market. “Tightening state regulation” (55 %) emerged as the most anticipated trend, possibly reflecting concerns over government interventions. Other popular trends include “DeFi growth” (40%) and “CBDC development” (35 %), with 25 % also expecting an increase in NFT usage. Despite the current restrictions, there is considerable interest in cryptocurrency investment. While 40 % of respondents are cautious, another 20 % express willingness to “Actively” invest, totaling 60 % who are open to investment [4]. The remaining 40 % are not planning to invest, indicating that concerns and restrictions do impact investment enthusiasm.

When asked about the future stance of the Belarusian government towards cryptocurrency, respondents were divided. Equal groups of 35% foresee a shift to a “More positive” attitude and believe it will “Remain the same.” Meanwhile, 30% expect the government’s attitude to become “More negative,” reflecting uncertainty about future regulatory changes.

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