Forecasting the impacts of cryptocurrencies and blockchain technology on the existence of humans

[1] **Younus Ali**

Daly College, Indore, India

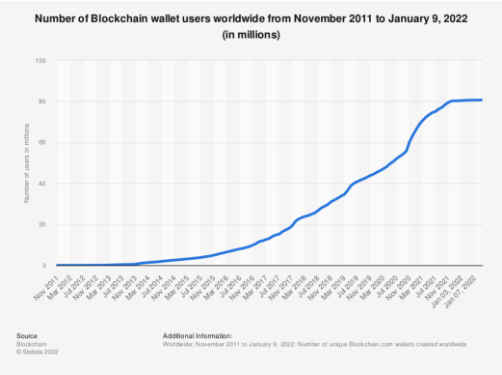
Abstract: The study aims to find out the long run relation between the blockchain technology and humans. How humans are evolving and how these new technologies are helping us to achieve the best, and also how this can even lead to the worst.

Index Terms: Blockchain, Future, Technology, Cryptocurrency . (key words)

I.INTRODUCTION

Blockchain, also referred as a database where data is stored in form of blocks it is a huge distribution of database shared with the nodes of computer network. Blockchain collects information in groups know as block. Blockchain is the most rapidly growing technology in todays era, which is estimated to accumulate $20 billion in revenue by 2024. On the network of blockchain, cryptocurrencies including Bitcoin and Ethereum are based. Which are having a gigantic market capitalisation of $1.08 trillion and $528 billion respectively. Blockchain technology comes with its own ease as in financial sector it has the ability to reduce 30% of the infrastructural cost, which can help these financial companies to save upto $12 billion in a year.

20% of IoT (internet of things) had blockchain enabled services in 2020, which was a great step forward as these IoT devices are scattered all over the world, which has helped the mankind to build a better human interaction, improve the efficiency of tools, and help in automation processes. Statistics for blockchain shows that bringing blockchain into the picture enhances the security of data exchanges between the connected devices and IoT platform [1].As of 2017 blockchain was growing at a CAGR (compound annual growth rate) of 35.2% and these figures crossed 40% mark in 2018, and is expected to at a rate of over 69% between 2019 to 2025.



The most prominent investors in blockchain is financial sector with a market share of over 45%. According to the recent blockchain statistics for business provided by Compare Camp, suggests that 23% of the respondents refers to the value chain and the new business models are the main reasons why they want to adopt blockchain, whereas another 23% claimed that using the blockchain technology will provide them a higher degree of security. There are more than 70 million blockchain wallet users all over the globe as of 2021, and as the use of internet is growing all of the world, it won't take much time for the figures to double. As the graph suggests there has been a constant increase in the number of users of the past year, and as we continue the tread, the number is going to multiply over the next few years[2].

With the intensive use of blockchain for a good, it is even being used for purposes which should of great concern for the economies. As criminals are using this technology for dark criminal activities involving money laundering, tax evasion, terror funding, and financial crimes.

Financial crimes become very easy with the blockchain technology and cryptocurrency based on it, as laundering cryptocurrencies via online exchanges and then converting them to cash is much simpler than laundering bags of cash across borders. Online transactions have no borders, and there is no physical money needed, therefore it is easy and more practical. Secondly, there is certain degree of anonymity associated with bitcoin transactions, while not 100% anonymous these transactions are in fact pseudonymous[4].

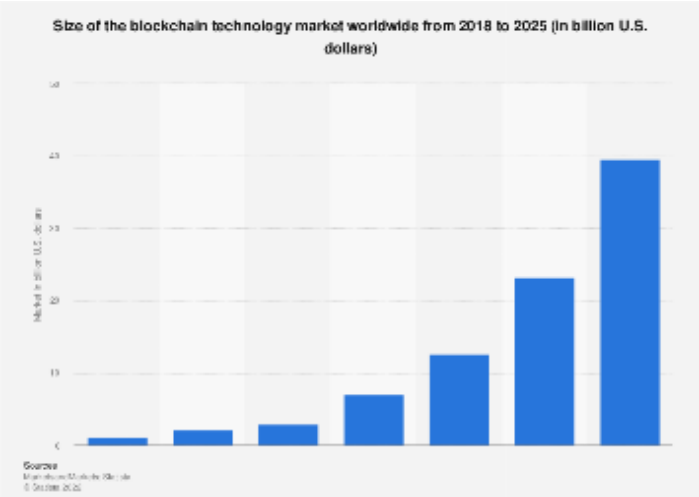
II. RATIONALE BEHIND THE STUDY

As a result of the author's awareness about the significance of the blockchain technology and cryptocurrencies on mankind, the brainwave to execute a study about this emerged. The use of the technology has eased a lot of work for humans. It is also making things hard for some, which is particularly relevant while comparing the emergence of new technologies in past. The primary purpose behind this research is to analysis the sole impact of blockchain and cryptocurrencies on the growth of humans.

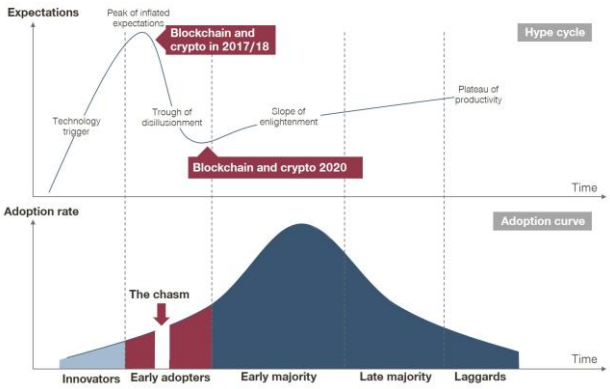
III. METHODOLOGY

The aim is at exploring the correlation and trend existing between the blockchain and the human and its progress.

Global acceptance of this technology has increased significantly over the years and it is expected to increase significantly over the next few years. This suggests that the use of this technology will be widely accepted all over the world. It is just a matter of time until we see new or existing companies succeeding by using blockchain technology. As a peer-to-peer distributed digital ledger of time-stamped transactions, the applications of blockchain are virtually limitless. As data shows, the technology can revolutionize lending, security, consumerism, business models and digital property.



This study provides a scenario of the impact blockchain technology could have on the global economy by 2030 if uptake and the quality of products and services available develop as expected. This report did not model the impacts of COVID-19 separately. However, given how the pandemic has encouraged remote working and technological solutions across sectors, the analysis took a prudent approach in estimating Blockchain's economic impact. Blockchain can be used in billion dollar industries like tracking and tracing of products which has a great economic potential of almost US$407bn, sectors like public administration, education and healthcare, the highest potential net benefit are predicted in China and USA of US$440bn and US$407bn.



The above diagram suggests that we are currently in the beginning of slope of enlightenment, due to the technological battle the early adopters are from the younger age group, however the more the technology evolves and becomes user friendly more people and businesses will be willing to join it as they will be seeing some used case scenarios.

IV. FUTURE AND PROBLEMS

As from a business's point of view, blockchain technology is a next generation business process improvement software, which has the ability to improve the business process.

The electricity required for mining process of the bitcoin is huge.

Implications of blockchain technology in future, and its predicted uses; 1) Banks can use blockchain technology to handle remittances for lower cost and higher productivity; 2) Keeping personal information for example social security number, date of birth, bank details on public ledger example a blockchain can be more secure than the current systems; 3) Using blockchain for supply chain management and logistics can we very efficient, as it provides a effective communication between partners as data is available on secure public ledger, and data cannot be altered it provides a greater security; 4) Storing data can become more easy and secure as data can be stored in a decentralised manner, getting into and wiping it out will actually become very easy, storing data on blockchain can even be more economical in some cases. 5) Using blockchain can ease the load on the governments of huge democratic economies if personal Information is held on a blockchain, that puts us just one step away from being able to vote using this fabulous technology, it also helps us to keep a check that nobody votes twice and helps in providing some security.

From a consumer-centric perspective blockchain technology has the potential to substantially transform consumer relationships by enhancing data and information transparency and improving privacy and security. It also allows for innovative forms of consumer loyalty programs which might help to create additional value[3].Blockchain provides and allows the consumers to gain the transparency they need in their purchases, consumers can checkout the entire life cycle of the products they are willing to consume and now companies wont have any way to manipulate it[1]. Blockchain has the ability to create business transparency. Since data transferred on Blockchain is transparent, you can leverage it to build trust among consumers.

Till now it has all been good good. But after looking at the other side of the story, this can lead you to think completely different about it. There are some massive drawbacks of the technology and lets start with the massive one; 1) Blockchain has a great environmental cost, it relies on encryption to provide its security This essentially means that, in order to "prove" that a user has permission to write to the chain, complex algorithms must be run, which in turn require large amounts of computing power. Of course, this comes at a cost. Taking the most widely known and used blockchain as an example bitcoin last year it was claimed that the computing power required to keep the network running consumes as much energy as was used by 159 of the worlds nations; 2) Lack of regulation creates a risky environment, this is largely a problem with Bitcoin or other value-based blockchain networks. But the fact is, as many investing in bitcoin or other cryptocurrencies for the first time in the last few months have found to their cost, it's a very volatile environment[4]. Due to the lack of regulatory oversight, scams and market manipulation are commonplace; 3) Complex to understand and adopt blockchain technology and the complexities it involves makes it hard for a layperson to understand and comprehend its benefits. Before diving into this revolutionary application, one needs to read it through and understand the principles of encryption and distributed ledger[5]. 4) Blockchain has an image problem. Blockchain is too much linked with cryptocurrencies in the mind of many. Especially crypto has a negative image that is surrounded by fraudsters, hackers that are using he technology for criminal activities. This bad name is reflecting on the blockchain technology system as whole and is making people seriously think twice before adopting it; 5) Lack of blockchain developers while the demand for qualified blockchain staff is increasing dramatically, the blockchain landscape suffers an acute shortage of an adequately trained and skilled

/qualified people for developing and managing the complexity of peer-to-peer networks. Blockchain technology however demands additional qualification.

V. CONCLUSION

Blockchain will be transformative in technology and IT sector in the upcoming years, In a similar way what internet did for the universe in early 2000's. Like the internet if we use it in the best possible manner we can really take out a lot from it, and if not used in a certain manner or used for things which aren't suitable then it is really hazardous for the mankind, and the same goes with this wonderful technology of blockchain.

REFERENCES

1. Avekon.org. 2022. [online]
2. Council, Y., 2022. Council Post: Eight Ways Blockchain Will Impact The World Beyond Cryptocurrency. [online] Forbes.
3. Harvard Business Review. 2022. *The Truth About Blockchain*. [online]
4. Repec.mnje.com. 2022. [online]
5. Sipotra.it. 2022. [online]