

Governments

The world is constantly changing. People are always thinking of innovative new ways to streamline processes and to make things run more efficiently. In some cases, it's a welcome change as the benefits are clearly evident.

However, in other cases, these **changes can be viewed as threatening and are met with resistance and scepticism**. Case in point is the **cryptocurrency industry**.

Virtual currencies have an aim of giving monetary power back to the people and in a sense, is revolutionizing the global financial market. This is the same market that is controlled by governments and central banks. Because of this, it's easy to see why these entities would be against the disruptive nature of cryptocurrencies.

However, digital currencies are here to stay and are part of an increasingly lucrative industry. In fact, **the combined market cap for cryptos recently reached the \$800 billion mark**. In addition, it is becoming a viable option for citizens in countries where the economy is in the red, or where authoritarian leaders are in charge.

Actually, **it seems to be governments that fall into the latter category who seem to be resisting the most as giving citizens autonomy over their own money seems to be a frightening thought indeed**. The thing is, **these government don't see that by embracing crypto, they could fill their coffers too, potentially through tax initiatives**.



China was one of the first countries to act on their perceived threat of **cryptocurrencies**. The country **banned ICOs and went on to shut down exchanges. Because of this, the country also managed to lose billions of yuans' worth in tax, which would have helped grow their GDP.** However, this hasn't stopped the crypto industry from operating in China, albeit underground.

Governments that are more secure seem to have a different view in that they realize the importance of virtual currencies in our world today. **Japan has accepted Bitcoin as legal tender and is also regulating the trade in the country.** In this way, they can benefit from crypto as well. In fact, **if estimates are to be believed, Bitcoin accounted for 0.3% of GDP growth in Japan.**

The consequence of fighting against the inevitable is that you lose. When the rest of the world runs smoothly and is flourishing under the growth of crypto adoption, countries like China may be left standing at the bank withdrawing the last of the dwindling supply of fiat currencies, because traditional money will become a rare breed in the future.

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