

# Good example of bitcoin critical thinking

[Economics](#), [Currency](#)



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## **Arguments for and against the Bitcoin**

Bitcoin is a digital system of currency that used for paying for goods and services online. The currency is available both in electronic form and minted coins. The electronic or online form is currently widely available especially in China. However, the founders are working hard to develop the currency note printouts. Since its invention five years ago, the currency has had both positive and negative arguments about it. Supporters of the currency purport that it will greatly reduce the online cost of doing. This is because it is widely available online so long as there is an internet connection. The currency can also be transferred online across the world and currently used for transactions up to \$5000. Storage of the currency is on online banks called wallets that can be easily accessed, therefore, making it stress-free to pay for goods and services.

Other supporting argument point out that creation of new job opportunities will arise from manufacture of minting machines. This will further increase the currency penetration into the current world capitalism economy. The youth will have an advantage in this as they are better equipped with chip manufacturing knowledge. The online transactions will also require a variety

of software and hardware. This will avail many job opportunities especially in the developing countries of Asia and Africa.

Beside the supporting arguments, the currency is facing criticism because it is very volatile in nature against other major currencies. For example, one day it dropped from a high of \$1200 to a low of \$600. This makes it a risky storage of value compared to other major currencies such as the dollar, euro and pound. The currency is also less flexible and non-divisible making its use limited to the payment of a few goods and services. For this reasons, very few outlets are accepting the currency. In addition, those accepting the currency rush to convert it into major currencies such as the dollar.

### **Own thoughts**

The western world has tied the rest of the world to strict use of the dollar and thus the discovery of Bitcoin. The western countries take this advantage to control other parts of the world by imposing strict financial measures especially on the dollar. This currency has largely favored the western world and impoverished other parts of the world. Bitcoins can come in to offer a better way of trading for goods and services online and in outlets. Online shops such as Amazon will have their operating costs reduced as Bitcoins come as a full packed online bank. In addition, online foreign exchange businesses will no longer have to pay the currency conversion charges and transaction fee.

Bitcoins will thus grow and overcome the current opposition it is facing from economist. This is because it is an online currency that is available worldwide via the internet. However, online markets will have to work on to keep away hackers, spam and virus as internet security. This will especially be worse for

online banks and they thus need good information management systems that cannot be easily corrupted. A special challenge of fake Bitcoin mining chips will have to be given a special focus to prevent money laundering cases. This can be checked by having different data servers housing the online banks. This reduces the likelihood of losing the whole banked money in case of a hacking incidence.

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