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Analytical Study of the Growing Impact of Bitcoin and Blockchain in the International Economy

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Abstract

In this research article, an analytical study of the growing impact of Bitcoin and Blockchain in the international economy has been done. The technology behind bitcoin can affect every transaction you make, and while its appreciation and adoption has attracted the attention of developers, investors, geeks, cyberpunks, bankers, and academics, the underlying technology proposition is block chain. (Chain of blocks), a type of decentralized public ledger, is a good opportunity to showcase this disruptive technological process, which already covers the period 2009-2017. For this reason, we summarize a captivating, explanatory article recently published by Morgan E. Peck in Spectrum. We are sure that this research article will pique readers' curiosity about the ongoing debate in the world of microfinance, cryptocurrencies and block chain. And understanding and attitude towards it will be developed.

Keywords: Block chain, Bitcoin, developers, cyberpunks, decentralized, cryptocurrencies, technology.

Introduction

Bitcoin was developed as an act of defiance. Cryptocurrency was born as a result of the Great Recession of 2009; its promoters defined it as an antidote against the inequality and corruption of the traditional financial system. They believed that as this parallel currency progressed, it would compete with and eventually eliminate those institutions. Who caused the crisis? Bitcoin's unofficial slogan, "We Trust Crypto, "left no doubt about who the culprits were: middlemen, bankers, "trusted" third parties; they really couldn't be trusted. These humans only got in the way of other humans, destroying profits and complicating transactions.

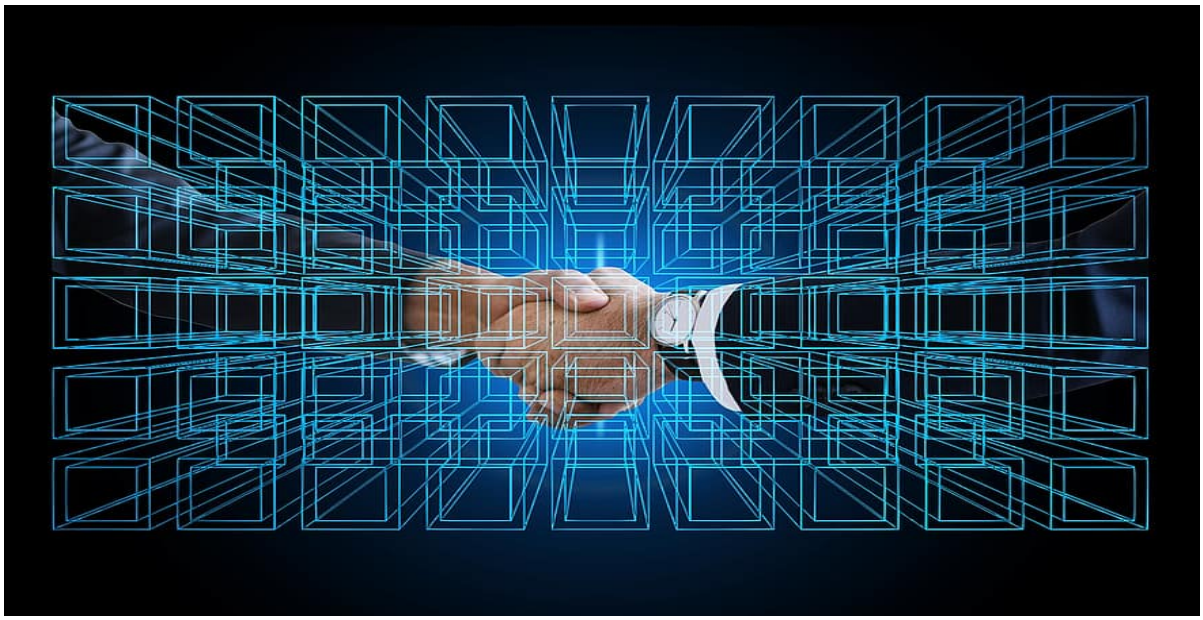
Bitcoin attempts to remove intermediaries

Bitcoin sought to replace the services provided by these intermediaries with cryptography and the pairing of codes. When a check is typically used to pay a mortgage, a series of deals take place in the background between each financial institution and other parties, moving money from your account to someone else's. Your bank can certify that your money is in good standing, as it keeps records of where every penny in your account came from and when it was transferred.

The fact is that bitcoin and other cryptocurrencies replace those agreements and transactions with specific software; A distributed and secure database called a chain of blocks (block chain). The process by which ownership of a bitcoin file would pass from person to person - regardless of government where they are located - is assigned to a network of computers.

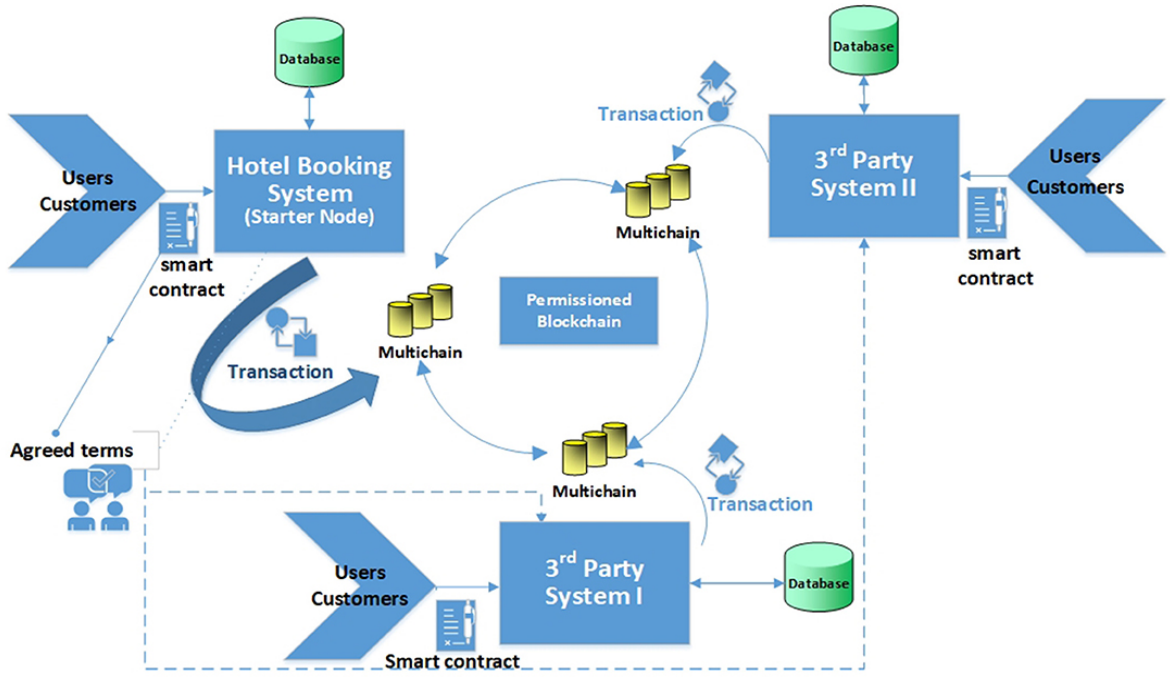
Can a block chain offer people a secure database?

Eight years after the first block was created, people are trying to apply it to processes and procedures that go beyond just moving money around, with varying degrees of success. Basically, they're asking: What other transactions can block chain automate? What other intermediaries can be superseded by block chain technology? Could a block chain offer a secure database of people, connect them with people trying to go somewhere, and give a transparent platform for payments to both parties? Could block chain act as a repository and streaming platform for TV shows, movies and other digital media, while keeping track of royalties and payments from content creators? Can a block chain monitor the status of airline flights and pay passengers a pre-agreed amount if their planes don't take off on time. If this happens, will block chain technology help Uber, Netflix, and everyone in the market? May displace (or outperform) another flight insurance provider.



The block chain platform whose software is the Ethereum Virtual Machine (EVM) is -

A block chain platform whose software runs remotely on a distributed system called the Ethereum Virtual Machine (EVM). In the block chain universe, Ethereum, which has its own cryptocurrency called Ether, is by far the most open project for experimentation. However, if we keep zooming outward, we appreciate a diverse collection of potentially disruptive innovators. New groups are releasing block plans almost daily. And the titans of the tech world are not planning to miss out, Microsoft is giving its customers tools to experiment with block chain applications on its Azure cloud. IBM, Intel and others are collaborating on an open source block chain initiative called Hyper ledger that aims to provide a framework for enterprise block chains. Meanwhile, many of the biggest banks-the same longstanding institutions that block chain pioneers were trying to neutralize-have put together their own versions of the technology in an effort to stay ahead.



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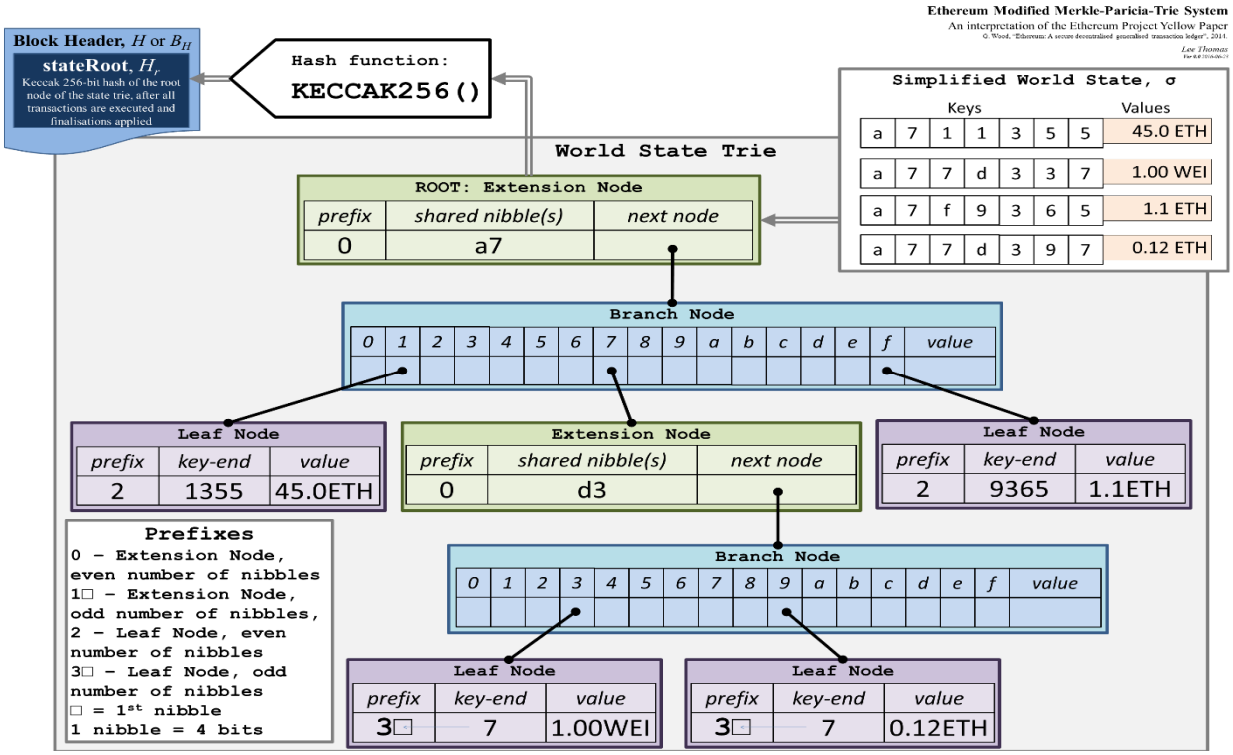
It has to be understood what exactly is block chain and what does it do

And even bitcoin, the first and most successful block chain to run on, is being adapted for applications its designers never dreamed of. Almost without exception, these new block chain projects remain elusive from true mass adoption. No block chain concept or strategy based on it has yet revolutionized any industry. According to Blockchain.info, bitcoin is used by no more than 375, 000 people worldwide on any given day. But investor money is pouring in, and proposals float and crash like tectonic plates in a hot stream of hype and intrigue. When the mantle cools, which block chain platforms will survive and which will slowly sink beneath the surface? To make any kind of prediction, you have to understand what exactly a block chain is and what it does. The starting point is, logically, bitcoin.

How does block chain work?

Bitcoin Example Illustration: Nicholas Little In 2009, an anonymous hacker (or group of hackers) unveiled the first fully digital currency, signing on as Satoshi Takemoto. The technology works on the principle that, at its core, money is just an accounting tool, a way to quantify intangible value, assign ownership, and provide a means of transaction. Cash has historically been the means of carrying out these functions. Just physical money-notes, coins-equals ownership, and it is up to individuals to personally negotiate transactions with each other. Unless it is quite difficult to replicate cash, there does not seem to be a need for a complete accounting of who has been the successive owner of what parts of the money supply, nor the details of, for example, successive who has been holder of money the $50 bill has since been printed. However, if an existing table was available to see who owned which bill, suddenly physical representation might seem unnecessary and insufficient.



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In fact, banks and payment processors have already sought to partially embed physical currency in digital records by tracking and processing transactions within their closed systems. Bitcoin accomplished the change by creating a single, universally accessible digital ledger called the block chain. It is called a block chain because changes can only be made by adding new information at the end. Each new addition, or block, contains a set of new transactions-a few thousand by the end of the month-that refer to previous transactions on the chain. So if Helmut pays Hendricks one bitcoin, that transaction appears at the end of the chain, and includes the transaction in which Helmut was previously paid by Hendricks with the same coin, which in turn was paid the previous moment. Records that hence was paid by Hendrik. It was paid for by Hagrid ... and so on. The bitcoin block chain, unlike the ledgers kept by traditional financial institutions, is replicated on networked computers around the world and is accessible to anyone with a computer and an Internet connection. A class of participants in this network, called miners, is responsible for locating user transaction requests, validating them, and adding them to the block chain as new blocks. The verification consists of verifying that Helmut actually owns the bitcoins in his transaction and has not yet spent them elsewhere.

Conclusion

We still need bitcoin and ethereum to work at scale, and companies need to be more decentralized and secure their sensitive data. Now we face a new and different kind of challenge: given the huge amounts of money invested, it remains to be seen how many veterans and newcomers alike will stay true to the cause and truly embrace the technology. Together we will keep working to change the world. Came with them.

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