

**МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ**  
**Сумський державний університет**

**Економічні проблеми сталого розвитку**

**Экономические проблемы устойчивого развития**

**Economical Problems of Sustainable Development**



**Матеріали**

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environment, which is not available for monopsony. In this case, state intervention is not at all an anti-market measure.

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## **PERSPECTIVES OF GLOBAL USING A CRYPTOCURRENCY AS A MEDIUM OF EXCHANGE: EVIDENCE FROM UKRAINE AND THE WORLD ECONOMIES**

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Society's natural order and the evolution of commodity money required an adequate common value equivalent. The money, or more specifically, the mediate tools needed for commodity exchange, came through a long history of its development.

The evolution of money is as an endless process as the process of society's development. In emerging and developed economies, it is commonly acceptable and economically grounded to use fiat money, a real value of which isn't tied to its nominal value. Towards further enhancing of efficiency of money circulation, there are serious global steps to refuse from paper technologies. These technologies are aimed at cashless payments. The level of cash money in a certain economy depends upon the following factors: general state of economic development; share of shadow economy; availability of terminal networks; financial culture; population literacy; motivation etc.

Developed countries tend to contract cash operations. This causes economic growth, increases transparency and leads to the active development of modern online services and technologies.

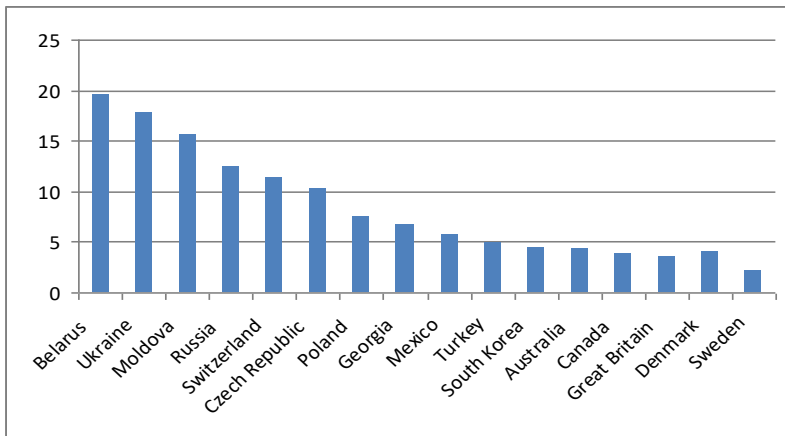


Figure 1. The M0 to GDP ratio across the world in 2014, % [1]

There is a low level of using noncash money in Ukraine. Among the majority of developed countries Ukraine has a high value of M0 to GDP ratio.

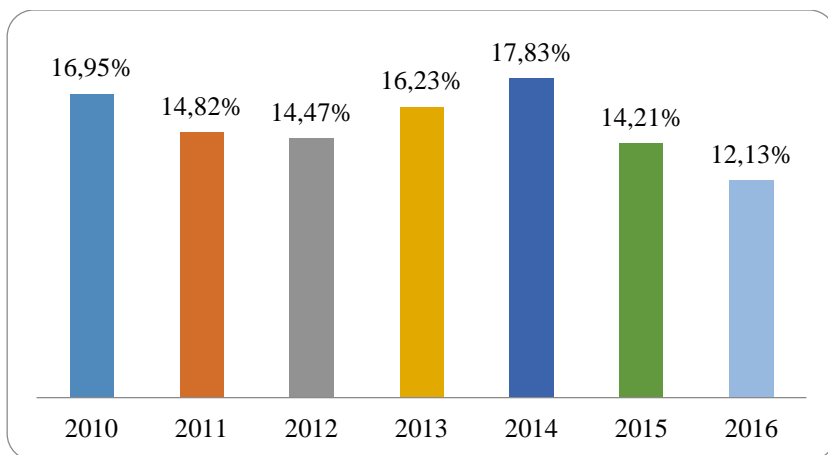


Figure 2. Dynamics of the M0 to GDP ratio in Ukraine, %, authors' calculations based on [1,2]

A high level of cash money in monetary circulation constraints economic development, decreases transparency and reduces active development of modern online services and technologies. For the purpose of optimization of the global economy, there have been created the preconditions for developing new payment tools of the latest generation. These tools are widely known as electronic payment systems and virtual money (cryptocurrency). In October, 2008, there has been appeared a name “cryptocurrency” for the first time. This was an idea of an Internet user with a nickname Satoshi Nakamoto. Nowadays such currency is called “bitcoin”. According to Bitcoin Foundation Ukraine, bitcoin is a decentralized, digital and global currency to be produced outside banking system without government control. It is traded online and spent all over the world.

We can outline three groups of the world economies’ reaction to the cryptocurrency [3]:

1. Absolute rejection. It has been developed in such countries as Russia, China, Bangladesh. These countries are concerned with national security matters and are prudent about out-of-government control processes.

2. Partial restrictions of noncash operations. Such countries are searching for the ways to combine fiat and non-fiat circulating tools. The governments of Spain, Thailand, Ecuador, India and Canada begin to regulate the volumes of cryptocurrency restricting it partially.

3. Pragmatic realism. Non-fiat money are taking into consideration and regulated by the government. This approach is relevant to the EU countries.

As to Ukraine, the NBU announced about its intention to regulate virtual currency circulation matters on the legislative level since September 2015.

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