

Cryptocurrency adoption: In the long run Elon Musk and other investors mean nothing for the Bitcoin value



The reason is very simple. It's all about getting Bitcoin adopted, not about investments. Like I explained in a [previous article](#), the value of a currency is based on trust and usability. And in the case of cryptocurrencies like Bitcoin and Ethereum, these two things are entirely created by adoption into the real economy. You need to be able to buy and sell something with it. I'm not just talking about buying an expensive car, but more about the daily necessities. That creates trust. If people accept your Bitcoin it means they trust it to have and keep the value. That goes for cryptocurrencies, but in fact that applies to every currency.

Think of it like this, in the real economy a farmer produces food. He wants something in return for this food. It doesn't really matter if this is a dollar bill, a silver coin or a cryptocurrency. We can replace an entire financial market if the real producers and suppliers accept an alternative as having value. Bankers, investors, traders, they don't have anything to do with this process. Trust is the only thing that's needed. Without trust, the United States dollar is

nothing more than toilet paper with a pretty picture on it.

Except for “meme coins” like Dogecoin which are really made to just make a quick profit, big cryptocurrencies need to be adopted to become “safe”. The positive thing is, that’s actually happening with Bitcoin. When we have a look at the [Bitcoin ATM Map](#) we find there are currently 25292 ATM’s in 74 countries, that’s a good amount considering there were about 550 in 2016. And it doesn’t end there. Big platforms like Paypal already accept cryptocurrencies for their United States customers and according to [Yahoo News](#), Amazon will start accepting Bitcoin payments before the end of the year.

In general, adoption, as it relates to the technology world, is the process of something becoming more widely used and well known. Blockchain adoption has increased over the years since Bitcoin launched in 2009 as an asset running on blockchain technology. Distributed ledger technology, or DLT, has caught the attention of mainstream companies for various use cases, such as supply chain management, while many crypto native projects continue harnessing the tech. With about 130 million users, Bitcoin is now at a similar inflection point where the internet was in 1997. And Bitcoin’s mass adoption rate hints that the largest digital coin will hit the one billion user mark nearly two times faster than the internet did. The internet took 7.5 years to go from 130 million to a billion users. And bitcoin is projected to achieve that milestone in the next four years.

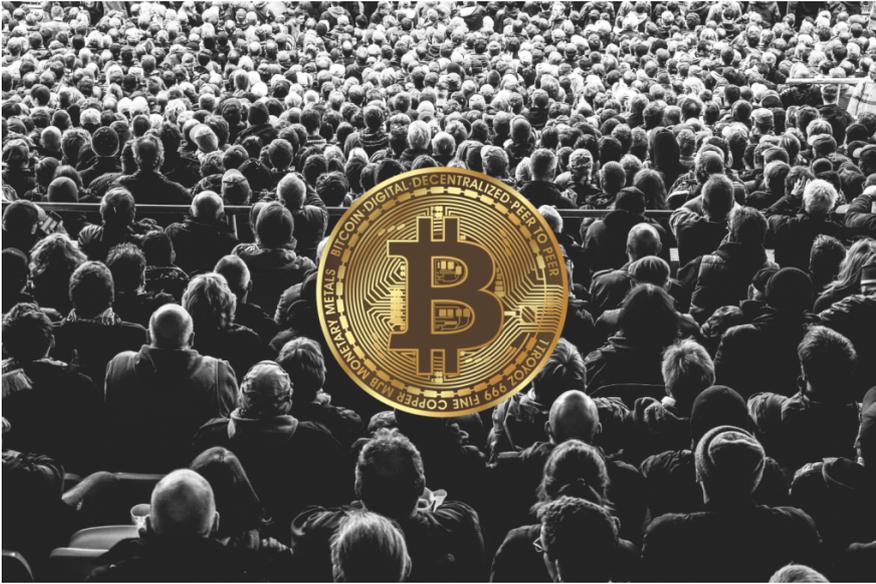
It’s likely the United States will be the leading country in the cryptocurrency world even though the country of El Salvador already made Bitcoin legal. A recent study in the United Kingdom looked at which countries are most prepared for digital currency adoption. The study looked at the top 66 countries based on population. It analysed a series of factors from January 2018 to March 2021 that relate to the adoption of cryptocurrencies, including uptake, crypto ATMs, internet speeds, and search volume of popular cryptocurrencies. The

study showed that the United States is the most prepared country for integrating cryptocurrency across the country. It has the most crypto ATMs per person worldwide and crypto uptake by the population is above average. Hong Kong is second on the list. Third on the list is The Netherlands, which has demonstrated significant potential for cryptocurrency adoption across the country.

A recent [report](#) conducted by crypto exchange Gemini in partnership with CoinMarketCap and Seedly, which sampled 4348 Singapore-based adults who self-identify as having or being interested in personal finance and investment products, shows that 67% of the respondents currently own crypto assets. While one in five crypto holders are women, the study profiles the average Singaporean crypto holder as a “29-year-old male with an average annual household income of about 51968 Singapore dollars (\$38456) a year.” Regarding the distribution of crypto assets held by Singaporean investors, Ether, the native cryptocurrency of the Ethereum blockchain, takes a clear lead with 78% as the most popular cryptocurrency, while 69% of crypto holders own Bitcoin.

Cryptocurrencies are currently experiencing huge spikes in demand around the world. The willingness of individuals to convert to cryptocurrency and the rate of cryptocurrency uptake is important to the successful growth of cryptocurrencies in each country. As cryptocurrencies become more mainstream, consumers will begin to accept digital currency as one of their assets more freely. The volume of cryptocurrency ATMs in a country is another key characteristic for the successful growth of the currency. ATMs provide an easily accessible option for less tech-savvy people who want to invest in cryptocurrencies, making these currencies more widely available to all. Internet speeds are of course a key facilitator of cryptocurrencies as all transactions occur online. Any country that has poor internet infrastructure will have a significant barrier to the successful adoption of the

currency. Greater internet speeds and fast, scalable technology will encourage faster mass market adoption.



Countries, including China, UK, and the European Union plan to unveil their own cryptocurrencies to modernize the financial system. “We’re launching a new task force between the Treasury and the Bank of England to coordinate exploratory work on a potential central bank digital currency (CBDC),” Rishi Sunak (Member of Parliament for Richmond) said at a financial industry conference. As these digital currencies trickle into our consciousness, its slow adoption will herald broader acceptance and adoption over time. As people begin to realize the use cases for the currency and the stability, transparency, and security of on-chain blockchain money movements, trust will grow. Considering the United States is (still) the largest economy in the world, and the country and its companies seem to be willing to take the lead on adopting cryptocurrency, that might be really the primary signal that it’s going to happen.

There is some bad news too, with Bloomberg just 2 weeks ago reporting about China’s Bitcoin ban possibly intensifying, according to Bobby Lee. China has launched a new campaign against cryptocurrencies this year, taking action against miners and imposing curbs on crypto banking services and

trading. The moves have fueled Bitcoin's drop to about half of its mid April record near \$65000. "The next thing they could do, the final straw, would be something like banning cryptocurrency altogether," Lee said in an interview in downtown Shanghai, without elaborating on how a ban might be enforced. "I put it at the odds of 50-50." The Chinese government realized that in order to achieve so called financial stability and keep control, they don't want to see an unregulated, volatile financial product that's being traded, used and invested by the Chinese population.

Just earlier today, Bitcoin.com posted an [article](#) with the headline "People's Bank of China Targets Crypto Companies in Shenzhen Crackdown". It's unclear whether the targeted entities have been allowed to continue with their other business activities. According to Chinese crypto journalist Colin Wu, also known as "Wu Blockchain" on Twitter, the PBOC has shut down the 11 firms.

The Shenzhen branch of the Central Bank of China recently launched a special crackdown on illegal cryptocurrency trading activities and shut down 11 companies suspected of conducting illegal virtual currency activities.

– Wu Blockchain (@WuBlockchain) [August 17, 2021](#)

Next to a cryptocurrency trading crackdown, the Chinese central bank is supposedly going to help consumers and businesses avoid violations of current financial regulations. This includes an educational program devoted to financial risk prevention. They have organized teams of experts who will provide door-to-door services to over 3000 companies in order to improve their handling of foreign currency matters.

And just a month ago, the European Union stated that they will make Bitcoin "traceable" and ban anonymous crypto wallets. They said "The aim of this package is to improve the detection

of suspicious transactions and activities, and to close loopholes used by criminals to launder illicit proceeds or finance terrorist activities through the financial system.” The new law would establish a new EU wide anti money laundering authority (AMLA) with oversight of cryptocurrencies by 2023.

[#Cryptocurrency](#) is one of the newest ways to launder money.

Our rules will now apply to the whole of the crypto sector. We will ban anonymous crypto wallets and make sure that crypto-asset transfers are traceable.

– Mairead McGuinness (@McGuinnessEU) [July 20, 2021](#)

This means that a service provider exchanging cryptocurrencies on behalf of a customer would have to record their name, address, date of birth and account number, as well as the name of the intended recipient of the transfer. Anonymous cryptocurrency wallets would also be banned under the new law, just as anonymous bank accounts already are, in an effort to make transactions using Bitcoin and other cryptocurrencies fully traceable.

So there is both positive and negative news in regards to cryptocurrencies being adopted. But some experts are clear with their predictions:

Frederick Kaufman, author of “The Money Plot: A History of Currency’s Power to Enchant, Control, and Manipulate” said: “Way before 2071, the dollar will have more in common with a crypto than with silver or gold, so there is no need to doubt the longevity of encrypted algorithms as stores of value and media of exchange. All money is a form of encryption. It’s been that way from the start, and as our lives converge ever more closely with the digital universe, the drive to invest in tokens will only accelerate. Ironically, that impulse will

connect us to primitive instincts, and do its part to keep us human.”

Dragan Boscovic, from the Blockchain Research Lab at the Arizona State University stated: “Central bank authorities are busy developing regulations on cryptocurrency. They recognize that digital currencies are native to the digital economy and, as such, are on their way to becoming mainstream in the next 10 years.”

My personal advice at this moment? If you've got money you can afford to lose, start investing at least something in Bitcoin or large alternative coins like Ethereum and Litecoin. If you plan to do it as a long term investment, stay away from the smaller meme coins. Because this is about adoption into the real economy, not about making a quick buck based on short term (social media) boosts in attention.