

# THE INTERNET AND ECONOMY

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285

**Annotation.** The information about how the Internet has affected the worldwide economy is presented in this thesis. A big influence of society on World's Money flow is described.

**Keywords.** Internet, economy, stock, society, Bitcoin, dollar.

The Internet is a young technology that has completely changed the world of the 21st century. Ranging from banks to stock exchanges, it can affect anything, even society. Most of ordinary people define social networks as only a method of communication, but digging deeper reveals their true strength. It is a real social-oriented weapon. Not only government's one, as many can think. In past few months one historic thing occurred. Mass Media have named it as 'Reddit vs Wall Street: How the GameStop Saga Unfolded' [3]. And it is still hard to find better words to describe this situation. Summing it up: some people from Reddit community united together to save place of their Childhood – Gamestop retailer chain. They had seen that crucial stock brokers are making money on lowing corporation stocks as much as possible, so that simple users in some kind of righteous anger decided to buy up shares of the company to drive up the price and force the hand of short-sellers. Word spread quickly and GameStop's stock price exploded over the next few days (the graph is shown in Figure 1) [2]. Individual investors drove up the price enough for mighty hedge funds to abandon their positions and lose billions of dollars. Even despite they were stopped soon – the goal was reached. This is a unique historic occasion – network users have bitten The Wall Street!

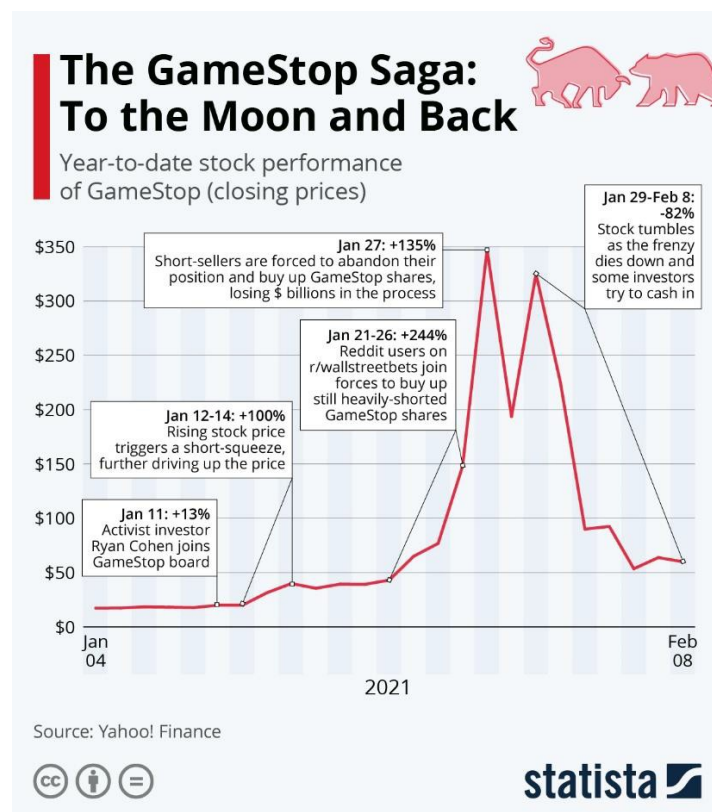


Figure 1 - GameStop stock rise and fall

So, internet society can fight back in the stock market, but the way they affect economy can be more 'direct'. Bitcoin, the word of 2017 and 2020 years. It is a digital asset, designed by its inventor, Satoshi Nakamoto, to work as a currency. It is commonly referred to with terms like: digital currency, 1-st digital cash, virtual currency, electronic currency, digital gold, or cryptocurrency. Bitcoins have three useful qualities in a currency, according to 'The Economist' in January 2015: they are 'hard to earn, limited in supply and easy to verify' [1]. In the beginning, people thought that it would be a currency of crime – due to some difficulties in tracking transactions, however now even the richest people and corporations as Tesla are interested in it. But how some lines of code can worth 60\$ thousand (the graph is shown in Figure 2)? The answer is pretty easy and clear: the influence of society. People have found the easiest and, what is more important, legal way to make money. All you need is just some money to start – to buy hardware and pay for electricity. A lot of people have become crypto 'farmers' – taking loans from banks, buying a lot of hardware and renting warehouses. According to the analysis by Cambridge University, Bitcoin uses more

electricity annually than the whole of Argentina. 'Mining' for the cryptocurrency is power-hungry, involving impressive GPU calculations to verify transactions. First it was a 'boom' in crypto market in 2017 but soon it ended. Nowadays it is not a 'boom' – it is a complete evolution. It can show us that some 'tweets' from a famous person can rise Bitcoin for nearly 5\$ thousand, and it is completely a new thing in worldwide economy.

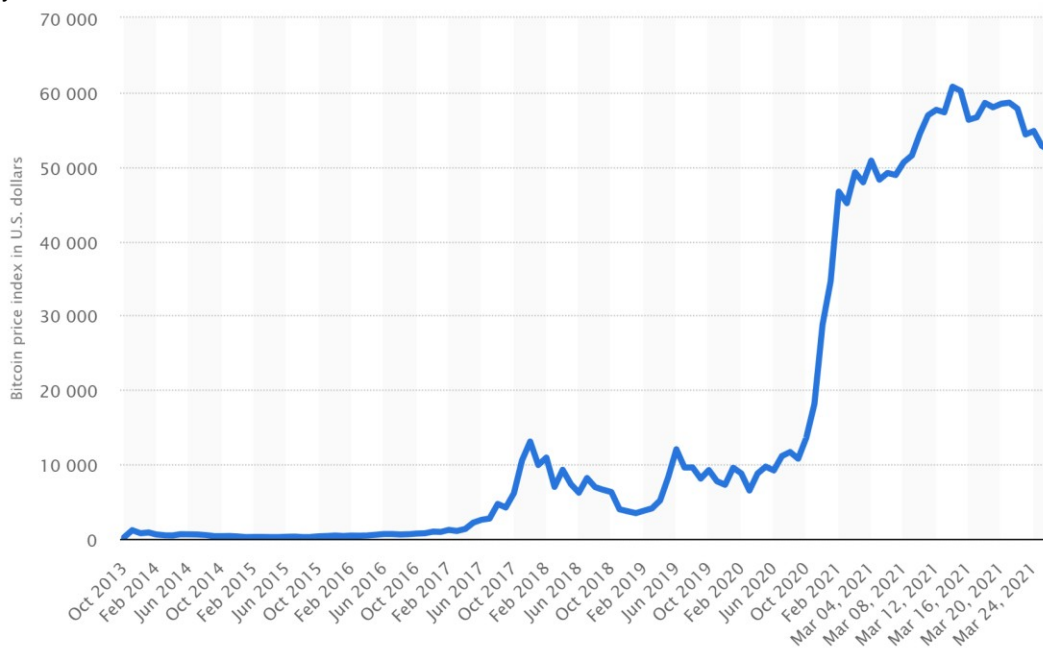


Figure 2 - Bitcoin price from October 2013 to March 26, 2021

Summing up, we can define Internet as a tool that has opened many new and unique ways in economy. As an insane 'spider web' it has linked all continents together. More and more things are being changed right now: from bank systems to payment methods. Online shopping is gaining popularity as well, AliExpress profits will not lie, despite it just a marketplace for sellers. During the Lockdown it has helped many businesses to survive providing them to share products through the delivery services. People will continue to find more and more ways to avoid governments and 'outdated' ways of making money. Maybe it is just a funny joke, but nevertheless it is going to be a rule of future – 'Laziness is the engine of progress'. Still there are some difficulties to find proper remote work conditions, but it will not be a problem in the nearest future. The economic impact of the Internet will likely not be as weak as the pessimists presume, and not as overwhelming as many cyber-geeks suppose. Analyzing the situations above, the future influence on the economy will be defined as 'significant'.

**References:**

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