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The Politics of Finance: FinTech and Bitcoin in Late Modernity

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Apparently, a few people have become rich over Bitcoin. But there is no way to verify that claim and no one will really ever know if it is anything less than hype. But hype or no hype, the Bitcoin saga appears to have convinced thousands of people to "invest" or make purchases using this currency alternative through cyberspace. Financial technology (FinTech) engulfs modernity. FinTech is found in global financial hubs, institutions, markets and government agencies, FinTech is required to provide a wide range of services from mobile apps and ATM cash dispensers to stock markets and hedge funds in London, New York and Paris. Uncertainly is removed and reliability and predictability are enhanced when FinTech is adroitly applied. In Singapore the central bank also known as the Monetary Authority of Singapore encourages innovation and experimentation using FinTech under a controlled and restricted environment. The direct government regulation of FinTech in the financial industry proves that the political authorities are keen to ensure that the use of FinTech does not destabilize or weaken financial norms or encourage overt risk as seen in the Bitcoin saga.Bitcoin are digital coins that can be sent directly from one person to another without going through a central regulatory agency or state political apparatus. There is no need to go through a bank and hence it reduces the cost of bank fees or companies like PayPal to zero. The issues that one might have with PayPal or credit cards from banks evaporate. More importantly, almost every country has Bitcoin machines and accounts cannot be frozen. Anyone can open a bit without showing proof of identity or any other condition that a bank might impose. Therefore, Bitcoin is changing the financial landscape in a way that digital watches changes the price and cost as well as consumer tastes that were monopolized by Swiss watches [1]. The radicalization of the wristwatch market forced Swiss watchmakers to rethink, reduce and innovate in order to survive. How does Bitcoin work? Bitcoin uses miners to verify financial transactions without the controls imposed by a central authority or a private or commercial bank. Bitcoin uses open source FinTech so that in the end no one really owns or controls Bitcoin or written another way, everyone owns and controls Bitcoin. Bitcoin is therefore taking the world by storm because it provides an alternative to the currency system that is controlled by a few countries (that made use of political violence and force to ensure the survival of their political economies) [2]. There are also other advantages to the use of Bitcoin because unlike currencies which are subjected to inflation, devaluation, or even counterfeiting. Because Bitcoin is a crypto currency and hence virtual, it does not take on a physical form and cannot be physically carried around. Immigration and customs officials cannot inspect how much Bitcoin you have in your virtual wallet. This can be avoided if one uses Tor or other apps that are accessible through the Dark Web People should be aware of the serious drawbacks to Bitcoin. No one knows if Bitcoin has or is or will be used for terrorist financing [3]. Everyone knows how much a given account number has, the level of transactions and volume as well as the amounts paid and received. Bitcoin is not completely independent of the banking and currency system. Bitcoin is based on mutual trust and hence payments made cannot be refunded. You cannot get cash from Bitcoin "dispensing" machines but you can buy and sell Bitcoin as well as other products on such machines. You need to pay in cash for Bitcoin and that involves interfacing with a bank. So it isn't that great an invention. In Singapore, the state police and regulatory authorities have a tight control over the people because of the small size of the population as well as the small size of the entire country. For example, in late 2017 fraudulent Bitcoin dispensing machines in Singapore were shut down. The price of Bitcoin was valued at US$0.39 in 2010 but is now worth US$12,000 as of January 2018 [4]. Bitcoin and Block Chain Block chain is the main innovation of Bitcoin. Block chain is a digital database of every transaction, address and wallet since Satoshi Nakamoto invented it. Satoshi Nakamoto is a fake name that is used to mask the authentic owner(s) of Bitcoin. The smallest amount of a Bitcoin is known as a Satoshi and is one-millionth of a Bitcoin. Bitcoin uses a simple node to propagate the blocks of transactions and automatically looks up relevant IP addresses to add to its database. Each block is connected together to form a ledger of all the transactions that occur at the precise date and time. Bitcoin miners are paid a small fee for notarizing a given transaction and for maintaining the Bitcoin ledgers. If anyone miner does not authenticate a transaction, then the transaction is not approved. Bitcoin is made up of mathematically complex algorithms and protocols. It should not be used without carefully studying its impact on. your money [5]. Bitcoin and its main innovative feature, Block Chain, is not merely a kind of crypto currency but may represent other common objects in the Internet of Things. A Bitcoin for example may represent or symbolize 10 million barrels of oil, the face used in a cosmetic product, 88GB of RAM or a basket of fruit. Bitcoin can be programmed, it is "programmable currency", and hence can be controlled by the programmer. The representation can be verified through its history of its transactions that have been notarized by the Bitcoin miners. This is why many think that Bitcoin appears to provide transparency, reliability and efficiency by removing the middleman. An expert on financial matters Ravi Menon, who happens to be the chairman of the MAS, warned people of the hype over Bitcoin. In my own view, Bitcoin is indeed the flavor of the month and the hype will evaporate at some point. Also, Bitcoin miners cannot keep increasing the number of coins in circulation as it has been capped at a specific amount. This amount can be seen at the official website that claims to be, the official Bitcoin website. Bitcoin can be accessed from any part of the world that has access to such technology. Having explored the limits of the physical world and the limits of the human body to go beyond our planet, human beings are now looking deeper into virtual space and exploring and expanding those frontiers [6]. Conclusion: The Politics of Finance in Cryptocurrency There is a politics of finance in Cryptocurrency because of the imbalance of power across the Internet. There are many different Cryptocurrencies that compete for customers with different virtual financial goods and products. Some experts believe that it is a clever technological scam that makes use of fancy mathematical logic and algorithms to perhaps delude and mislead people into parting with their money. While there are many people who claim to have made unproblematic transactions, there does not appear to be any reliable evidence of people actually making physically convertible profits from transacting in Bitcoin. The fact that the governments and their agencies cannot or have not interfered in a big way to prevent Bitcoin or other currencies from setting up shop does not mean that there will be no political intervention in the future. The levels of uncertainty and risk in purchasing and selling Bitcoin appear to be about the same as one might have buying the state lottery or making a 4D bet on the Singapore governmentowned betting company named Singapore Pools. But there is also a politics of Bitcoin because it adds to the financial hype that has engulfed academics teaching FinTech in their undergraduate classrooms. FinTech is just a catchall phrase for technology used for financial products and services. It is not something really new or fancy. Bitcoin and Block Chain however are original innovations that are different from FinTech because the former is both new and innovative like a "strawberry" while the latter is just a category like "fruit". The future of Bitcoin is limited and unknown and the bubble will eventually burst if not sooner than later. But what if it doesn't burst and what if it stabilizes and provides a genuine alternative to immoral and ridiculous credit card interest rates, housing loans