THE IMPACT OF THE ELECTRONIC TRADING OF DIGITAL CURRENCY ON THE
POLITICAL AND SOCIAL SITUATION ACCORDING TO THE VIEWPOINT OF THE
POLITICAL ELITE IN JORDAN

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ABSTRACT
This study aim at examine the impact of the electronic trading of digital currency on the political and social situation in Jordan. The study used a descriptive analytical approach. The sample was consist of (60) from political elite from Jordan. The results indicated that a moderate attitude toward the impact of the electronic trading of digital currency on the political and social situation in Jordan. The results also indicate that the circulation of virtual currencies may affect the political and social status of individuals in Jordan. The study recommended to pay attention to the issue of virtual currency by putting in place the necessary legislation that governs it and limits its negative aspects.

Keywords: Electronic Trading, Digital Currency, Virtual Currency, Political and Social Situation.

INTRODUCTION:
Technological development has evolved into; Dealing with digital currencies in many countries of the world, as they do not have the currency circulated in the world of computers, and their generation through special programs in the computer, and there is no circulation in the world of trading in digital currencies.

The present changes have created a place for many of the future, in today's societies. Perhaps the most prominent of these technologies is the revolutionary digital technologies in the field of payments and digital currencies, which have become a pivotal factor that changes the traditional concepts of economic policies based on paper currency (Al-Khoury, 2021).

The information contained in the main article is that it increases your chance of getting the opportunity to get the opportunity to get the trading platform spread over the Internet (Central Bank, 2020).

Ibrahim and others (2021) indicate that there are many questions about global financial indicators towards the global economy, and the number of cryptocurrencies around the world reached about 4337, with a market value of $ 1.003 trillion, “Bitcoin” holds the largest share by 66%, with a market value of $ 664 billion.

Bitcoin After the year 2009, “Bitcoin” was the issuance of digital, digital, digital, digital, digital, digital, digital, digital currencies, the path of computer software (Al-Sawy, 2021).

Virtual currencies are a contemporary form of private money. Thanks to their technological properties, their global transaction networks are relatively safe, transparent, and fast. This gives them good prospects for further development. However, they remain unlikely to challenge the dominant position of sovereign currencies and central banks, especially those in major currency areas. As with other innovations, virtual currencies pose a challenge to financial regulators, in particular because of their anonymity and trans-border character (Dabrowski & Janikowski, 2018).

Digital currencies can further be divided into different subtypes (Ally et al, 2015):

- Convertible and non-convertible: A convertible digital currency has an equivalent value in fiat currency and can be exchanged back-and-forth for real currency (Linden Dollars, bitcoins, etc.). Non-convertible digital currency (closed virtual currencies with almost no link to the real economy).

- Centralized and non-centralized: All non-convertible digital currencies are centralized, as they are issued by a single administrating authority. Convertible digital currencies can be either centralized or decentralized

Khalaf & Alnwairan (2020) reported that there are many types of virtual currencies which are exchanged on the international level. These types differ from one another in terms of how known they are and the extent of using them. In fact, the other types of virtual currencies serve as a copy or an imitation of Bitcoin.
Al-Sawy (2021) indicates that the figures published in various media outlets indicate that the value of the digital currency market ranges from $900 billion to about $1 trillion in the best estimates in 2019. On the other hand, these currencies will have negative effects on the economic reality of some countries that do not have advanced technological systems to deal with the owners of these currencies, as tax will be evaded on these transactions, and it will also help in the exit and entry of funds without the supervision of central banks, as dealing with these currencies, buying and selling will be via the Internet (Al-Sawy, 2021).

The idea of bitcoin was put forward by an anonymous developer - or perhaps a group who used - the pseudonym "Nakamoto S" where a nine-page paper was published on the Internet in 2008 titled "Peer-to-Peer Electronic Cash System". Peer A defines Bitcoin as a decentralized network and digital currency that uses a “peer-to-peer” system and proof of cryptography, to verify and process transactions, rather than relying on a trusted third party such as financial institutions (Shaheen, 2020).

The rapid technological development with regard to the communication network and computer technology, opened the way for the use of digital means and technologies, and provided the appropriate environment also encouraged the spread of electronic payment methods. And the matter did not stop there, but rather the use of electronic payment systems instead of traditional ones in order to better accomplish the purchase and sale processes through faster and more flexible online, all of these previous elements formed attractions for many individuals and online communities to experience the digital currency (Shaheen, 2020).

Despite many official warnings against investing in these unregulated currencies, fintech startups are witnessing a surge in demand from consumers who are rushing to invest in cryptocurrencies amid great interest and momentum in Bitcoin., such as Revolut, eToro and Luno, have seen a surge in demand for cryptocurrencies on their platforms amid a rebound in Bitcoin prices (Ibrahim et al., 2021).

The Arab Monetary Fund believes that the risks of cryptocurrencies on the financial sector are related to the use of currencies and price volatility, and given the significant increase in the volume of “Bitcoin” circulating in the markets, this currency could pose a threat to financial stability. The fund indicated the availability of four main elements that limit the use of bitcoin as an investment tool, including: the value of bitcoin and the volatility in the price of the cryptocurrency because it is relatively unrelated to most traditional assets, and its dependence in particular on the confidence of dealers, as well as the absence of investment funds based on bitcoin, as it is a non-existent currency. Organization (Ibrahim et al., 2021)

The competent authorities in the countries have learned to study and clarify the reality of digital currencies, their types and characteristics, with an analysis of the most prominent economic effects arising from their spread and use as a modern means of payment. A number of studies have reached results, the most important of which are; The weak infrastructure of this money, which made it vulnerable to sharp fluctuations in its prices at the lowest economic situations and events, and the absence of a central authority that regulates its issuance operations such as the dollar, the euro, the yen, the yuan and other currencies, and supports and protects it in times of crises, contributed to the increase in fluctuations in its exchange rates. (Ani, 2020)

The summary issued by the Arab Monetary Fund 2020 dealt with the trends of central banks in Arab countries with regard to digital currencies, as the supervisory authorities in many Arab countries tended to ban the use of encrypted assets issued by individuals and in this context issued many supervisory instructions warning of the risk of dealing with these assets. The supervisory instructions issued by a number of Arab central banks in Jordan, Bahrain, Algeria, Saudi Arabia, Iraq, Oman, Qatar, Lebanon, Egypt and Morocco focused on:

- Prohibition of the use of encrypted assets by banks and individuals.
- Punishing traders who deal in encrypted assets under the Anti-Money Laundering Law in some Arab countries.
- Warning that crypto-asset transactions involve a high risk of price fluctuation.
- Not accepting crypto assets as a currency that has the power of legal release.
- Not accepting encrypted assets for the purposes of official commercial transactions.
- Risks of using encrypted assets in money laundering and terrorist financing operations.
Al-Sahhaf (2021) notes that electronic money has the ability to seize cash as a primary means of making small payments and can make these transactions easier and cheaper for both consumers and merchants. Electronic money is a record of money or "value" available to a consumer stored on an electronic device in his or her possession, either on a prepaid card or on a personal computer for use over a computer network such as the Internet. This paper argues that emoney, as a network commodity, could become an important form of currency in the future, as such a development would affect the effectiveness and implementation of monetary policy and on economic and social reality.

In Jordan, the Central Bank of Jordan prohibits banks, currency exchange, financial companies, and payment service companies from dealing in bitcoin or other digital currencies. While it has warned the public about the dangers of bitcoin, and that it is not a legal currency, bitcoin is still accepted by small businesses and merchants (the Bank Jordan Central, 2020).

Statement of the Problem
In recent years, the virtual currency or electronic currency has spread, and the development in communication and electronic payment technologies has helped increase the demand of individuals for these currencies, despite the fact that many countries have prohibited dealing with these currencies, as is the case in Jordan. Virtual currencies are distinguished by the ability to control them by central banks, as they cross borders and decisions, and hence the impact of trading in these currencies on the social and political reality of many countries. The problem of the present study is represented in the question shown below,

What is the impact of the electronic trading of digital currency on the political and social situation?

The study’s objectives and questions
The researcher of the present study explored the present study aimed to answer the questions listed below:

Q.1. What is the impact of the electronic trading of digital currency on the political situation according to the viewpoint of the political elite in Jordan?

Q.2. What is the impact of the electronic trading of digital currency on the social situation according to the viewpoint of the political elite in Jordan?

The study’s significance
The importance of the study is formed from the challenges that the virtual or electronic currency poses to countries from different aspects, especially that the virtual currency cannot be controlled by central banks in the proper way as in the case of paper currency, and the virtual currency has spread at a faster pace in the recent period, From here, it is necessary to focus on knowing the expected effects on societies as a result of electronic currency trading, which is the issue examined by the current study.

Operational Definitions.
Virtual currency: A virtual currency was defined in 2012 by the European Central Bank as “a type of unregulated digital money, issued and usually controlled by developers, that is used and accepted among members of a particular virtual community.”

Electronic trading: The service provided by the brokerage company to its clients, enabling them to trade in securities by entering purchase and sale orders into the electronic trading system themselves through the use of the Internet (Amman Financial Market, 2020).

The study’s limits
The study’s limits are listed below:

Spatial limits: The present study aim at examine the impact of the electronic trading of digital currency on the political and social situation in Jordan.

Temporal limits: The present study was carried out during the year 2021.

Human limits: The researcher of the present study selected a sample group consist of political elite from Jordan.

Previous studies
The researcher of the present study reviewed several studies that are mentioned below:
Shaheen (2020) exploring the economic characteristics of the Bitcoin currency, which has been widely used in recent times, due to the many advantages that distinguish it from money in its traditional forms, which has a set of economic effects. The study found that Bitcoin is among the technological innovations, which contain a set of characteristics worthy of study, those that make it the focus of attention, such as digital currency, peer-to-peer feature, low cost and speed of transactions, transparency, central control, privacy, and solving Double spending problem, in addition to security and encryption.

Zambalaeva & Yang (2020) discusses the impact of digital currency on the activities of platform companies. Companies use digital platforms to improve their efficiency, build relationships between customers and the company itself, while reducing costs. It was found that digital currencies guarantee a secure payment environment for transactions, the cost of creating the currencies themselves is low in relation to paper banknotes. Hence, the introduction of a digital currency could bring about fundamental changes in the architecture of many areas.

Khalaf & Alnwairan (2020) identifying the meaning of (virtual currencies). It aims to identify the stand of Islamic economy on the use of virtual currencies. There is a need to identify these things due to the increasing use and prevalence of such currencies. It’s expected that virtual currency shall become number one currency in the future. It was found that the use of virtual currencies is associated with several risks and suspicious issues which may negatively affect individuals and countries. Therefore, such currencies mustn’t be sold, bought, or exchanged until providing clear mechanisms for controlling their use.

The study of the Arab Monetary Fund (2019) which examined the risks and repercussions of virtual currency on the financial sector. The study concluded that, through the available experiences, the use of encrypted assets must be absolutely condemned and should not be defended and legislated, but efforts must be combined in order to design new systems to meet the challenges posed by the use of these virtual currency, and as a first step, policies that ensure financial safety and consumer protection should be preferred.

Said (2019) investigate the economic impact of digital fiat currency (DFC). The study reported that DFC could be a solution to the rapid issuance of crypto currencies and could also offer many opportunities for governments to attain their financial inclusion goals. On the other hand, DFC may also help Government in their efforts of cutting cost and following up on financial transactions with citizens (e.g. taxes, subsidies, ...etc.).

Al-Bahooth (2017) investigate the meaning and types of virtual money and identify the economic impacts of using virtual money during the contemporary and future period of time. It was found that virtual money may cause major economic problems. Such problems may include: the difficulty faced by the central bank in managing the monetary policy that aims at regulating the use and management of virtual money.

Ally et al (2015) discusses the potential impact of digital currency technology on the Australian economy. It includes (i) the payments sector, (ii) the retail sector, and (iii) the banking sector; and explores potential ways in which Australia can take advantage of digital currency technology to establish itself as a market leader in this field. The study reported that digital currency implementation in Australia will have effects on the three sectors, that is, payments, retail and banking. But retailers should be the most amenable to the introduction of digital currency use with sizable reduction of payment processing fees for payments made.

Joshua et al (2015) investigated the possibility of non-state actors increasing their political or economic influence by deploying a virtual currency Bitcoin for use in normal economic transactions. The study concluded that from an economic perspective, reliance on virtual currencies faces obstacles, including society’s acceptance of it as a new currency that does not have a historical background and therefore lacks legitimacy because it does not exist in the form of paper or money in societies where money used to be material. From a technological perspective, today the deployment of a virtual currency that replaces the regular paper currency constitutes a major challenge, including access to the technological know-how needed to develop, publish and maintain virtual currency as an electronic service, and ensure high levels of transfer safety.

Comments on the aforementioned studies

We note that previous studies focused on the importance of the impact of virtual currencies on countries in various ways, and most studies showed that virtual currencies have negative effects on the political, social...
and economic situation in countries, especially that virtual currencies cannot be controlled in light of the growing demand for their possession and circulation.

**Methods:**
The researcher of the present study adopted a descriptive analytical approach, because it is the most suitable approach.

**The study’s population**
The study’s population consists of political elite from Jordan.

**Sample**
The researcher of the present study selected a random sample that was chosen from political elite from Jordan (group of leaders and members of parties, current and former members of parliaments)

The sample consists from 60 female and male. The researcher of the present study distributed the questionnaire forms by hand. All the reiterated forms are valid for statistical analysis. Data about respondents is shown below through table No. (1)

Table (1): Data about the members of the sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>41</td>
<td>68.0</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>19</td>
<td>32.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60</td>
<td>100.0</td>
</tr>
<tr>
<td>Political</td>
<td>Parties</td>
<td>38</td>
<td>63.0</td>
</tr>
<tr>
<td>Background</td>
<td>Parliaments</td>
<td>22</td>
<td>37.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**The study’s instrument**
The researcher of the present study aimed to examine the impact of the electronic trading of digital currency on the political and social situation in Jordan. The researcher developed a questionnaire that consists from two parts. The first part aims to collect demographic data (i.e. gender, political background). The second part aims to collect data about the study’s areas. Those areas are: (political and social situation).

The five point Likert scale was used to rate each item. It consists from the following rating categories: (very great = 5, great extent = 4, moderate extent = 3, little extent =2 and very little extent = 1).

**Validity of the instrument**
The researcher of the present study assessed the validity of the questionnaire through passing it to three experts to assess it in terms of language, clarity and relevancy to goals. The recommendations of these experts were taken into consideration.

**The reliability of the instrument:**
To measure the reliability of the instrument, the researcher of the present study calculated the Cronbach alpha coefficient value which is 0.827. This value is high. Thus, the reliability of the instrument is high.

**Methods for statistical analysis**
To reach results, SPSS was used. In addition, the researcher of the present study used a set of statistical methods. Those methods includes: Frequencies, percentages, Means and standard deviation, Cronbach alpha coefficient value. The following criteria were used to classify means:

- 2.33 – 1.00: Low
- 2.34 – 3.67: Moderate
- 3.68 – 5.00: High

**Results**
**Results related to the study’s first question:**
Q.1. What is the impact of the electronic trading of digital currency on the political situation according to the viewpoint of the political elite in Jordan?
To explore the respondents’ attitudes towards the impact of the electronic trading of digital currency on the political situation, means and standard deviations are calculated. They are presented in table (2) below:

**Table (2): Means and Standard Deviations of Political Situation.**

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>M</th>
<th>S.D</th>
<th>Rank</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Virtual currencies have a significant impact on the general political situation</td>
<td>3.55</td>
<td>1.08</td>
<td>1</td>
<td>Moderate</td>
</tr>
<tr>
<td>4</td>
<td>The electronic trading movement affects the international and local political situation</td>
<td>3.52</td>
<td>1.02</td>
<td>2</td>
<td>Moderate</td>
</tr>
<tr>
<td>5</td>
<td>Countries can only control electronic currencies through strong legislation</td>
<td>3.49</td>
<td>1.02</td>
<td>3</td>
<td>Moderate</td>
</tr>
<tr>
<td>1</td>
<td>In Jordan, there are strict measures to counter virtual currencies</td>
<td>3.48</td>
<td>1.22</td>
<td>4</td>
<td>Moderate</td>
</tr>
<tr>
<td>2</td>
<td>Owning electronic currencies may affect the fiscal and monetary policy in Jordan</td>
<td>3.43</td>
<td>1.01</td>
<td>5</td>
<td>Moderate</td>
</tr>
<tr>
<td>3</td>
<td>Jordan, like other countries, cannot face electronic currencies without international cooperation</td>
<td>3.41</td>
<td>1.35</td>
<td>6</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.47</td>
<td>0.96</td>
<td></td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Based on table (2), the overall mean is (3.47) which are moderate. Statement No. (6) Rank as first which states the following: (Virtual currencies have a significant impact on the general political situation) with mean equal (3.55) and standard deviations equal (1.08) which is moderate. Statement No. (3) Rank the last which states the following: (Jordan, like other countries, cannot face electronic currencies without international cooperation) with mean equal (3.41) and standard deviations equal (1.35) which is moderate.

These results indicate the belief of the study sample from the political elite that there is a future impact of electronic currencies or virtual currencies on the political situation in Jordan, like other countries. As the electronic trading of virtual currency needs to be placed in a solid legal framework in cooperation with international countries and coordination with them in this field. It is expected that owning virtual currencies may affect state revenues, increase tax evasion and decrease economic growth rates.

**Results related to the study’s second question**

Q.2. What is the impact of the electronic trading of digital currency on the social situation according to the viewpoint of the political elite in Jordan?

To explore the respondents’ attitudes towards the impact of the electronic trading of digital currency on the social situation, means and standard deviations are calculated. They are presented in table (3) below:

**Table (3): Means and Standard Deviations of Social Situation.**

<table>
<thead>
<tr>
<th>No</th>
<th>Statements</th>
<th>M</th>
<th>S.D</th>
<th>Rank</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>There is an impact of the virtual currency on the social status of individuals in Jordan</td>
<td>3.62</td>
<td>0.91</td>
<td>1</td>
<td>Moderate</td>
</tr>
<tr>
<td>12</td>
<td>The impact on society of virtual currency trading is similar to the global situation</td>
<td>3.61</td>
<td>0.93</td>
<td>2</td>
<td>Moderate</td>
</tr>
<tr>
<td>8</td>
<td>Social reality cannot be separated from the issue of virtual currency</td>
<td>3.60</td>
<td>1.11</td>
<td>3</td>
<td>Moderate</td>
</tr>
<tr>
<td>10</td>
<td>There is no great popularity for the circulation of virtual currency among the segments of society</td>
<td>3.53</td>
<td>0.94</td>
<td>4</td>
<td>Moderate</td>
</tr>
<tr>
<td>7</td>
<td>Jordanian society is relatively far from the virtual currency circulation</td>
<td>3.41</td>
<td>1.10</td>
<td>5</td>
<td>Moderate</td>
</tr>
<tr>
<td>11</td>
<td>Virtual currency may contribute to new trends in society towards its circulation</td>
<td>3.40</td>
<td>0.91</td>
<td>6</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.59</td>
<td>0.98</td>
<td></td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Based on table (3), the overall mean is (3.59) which are moderate. Statement No. (9) Rank as first which states the following: (There is an impact of the virtual currency on the social status of individuals in Jordan) with mean equal (3.62) and standard deviations equal (0.91) which is moderate. Statement No. (11) Rank the
last which states the following: (Virtual currency may contribute to new trends in society towards its circulation) with mean equal (3.40) and standard deviations equal (0.91) which is moderate.

The results indicate that the circulation of virtual currencies may affect the social status of individuals in Jordan by influencing people's attitudes towards trading virtual currency in the future. Global experiences and the popularity of virtual currency may contribute to changing the community's conviction towards owning these currencies. The development and modernity in the electronic fields, especially the issue of electronic payment, is one of the factors that may affect the social status of individuals in Jordanian society and thus be affected by the circulation of virtual currencies.

CONCLUSION
The current study measured the impact of the electronic trading of digital currency on the political and social situation according to the viewpoint of the political elite in Jordan. The study concluded that there is a moderate effect of the issue of virtual currency trading on the political and social situation in Jordan, and the results confirmed the effects on Jordanian society that will not be isolated from the effects that occur in other countries. Previous studies have shown that there are negative effects of electronic or virtual currency on societies, although these currencies may be essential in the future.

It can be said that digital currencies will be a natural development in the history of dealing with money. Over the centuries, various technologies appeared in the cash payment and circulation system, starting with coins and banknotes, through the check payment system, then credit cards, and finally the payment system through applications and programs using mobile phones and personal computers. It is clear that in many countries the use of cash has begun to decrease in favor of credit card payment systems or mobile applications (Shaheen, 2020).

Ibrahim and others (2021) indicated that at the level of Arab countries, social networking sites indicate a growing interest in cryptocurrencies, and while laws and legislations do not regulate investment in digital currencies yet, the appetite of Arab investors, especially young people, is flowing towards record heights. Bitcoin and other digital currencies.

Al-Ani (2020) indicated that the leaders of the Group of Twenty during recent meetings recommended the need for international monetary coordination and cooperation to work on setting frameworks to protect dealers in these currencies, while working on drafting laws that control the issuance of these currencies and mechanisms of their circulation at the international level, and issuing mandatory instructions that prevent the circulation of these currencies. These currencies, pending international controls on them.

Some studies have been concerned with evaluating the potential impact of the emergence of crypto-assets issued by people on both monetary policy and financial stability. On the monetary policy level, and in order for these assets to have an impact on monetary policy, it is clear that the existence of this system will support the orientations of central banks aimed at reducing inflation rates and price stability, but it may, in turn, conflict with the orientations of banks aimed at stimulating economic activity by working to create An acceptable increase in inflation rates, as is the case now in a number of advanced economies, especially European countries and Japan (Arab Monetary Fund, 2020).

Here, it is necessary to shed light on the importance of monitoring international developments related to electronic or virtual currency to confront its negative and maximize the benefit from it.

RECOMMENDATIONS
Based on the aforementioned results, the researcher of the present study recommends:

- Pay attention to the issue of virtual currency by putting in place the necessary legislation that governs it and limits its negative aspects.
- Conducting more studies to determine the effects that result from the circulation of electronic and virtual currencies at the local and international levels

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