VENEZUELA
What future prospects does the "Venezuelan bitcoin" have?
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Venezuela will be the first country to issue its own cryptocurrency, will Petro have the same success as the bitcoin?

When the president of Venezuela, Nicolás Maduro, announced the creation of Petro, a cryptocurrency backed by the country's natural reserves, Venezuela became the first country in the world to have its own virtual currency. But, what will be the future of the "Venezuelan bitcoin"?

What is a cryptocurrency?
Daniel Varnagy, professor of Political Science at the Bolivar University of Venezuela and organizer of the forum "Let's talk about cryptocurrencies and Blockchain", likes to compare cryptocurrencies with cells of the animal kingdom: The nucleus is its intrinsic value, the cytoplasm, the cryptoalgorithms and the membrane, the confidence.

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The cryptocurrencies can be explained using the example of the cells of the animal kingdom: they are composed of a nucleus (intrinsic value), cytoplasm (cryptoalgorithms) and membrane (confidence). If they do not exist and all 3 work at once, the cell dies or the organism becomes diseased.

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For the few experts in biological or economic terms, it is a payment or investment system agreed between two people that is not controlled by any institution in the world financial system, such as the Federal Reserve or the European Central Bank. "The main collateral of any cryptocurrency is trust," explains Varnagy to euronews. "In the case of bitcoin has a specific collateral, which is the dollar, its price is based on this currency." Both the destination of origin and the final destination are encrypted, so that no hacker can replicate or copy it. "What you have in your hands is an intrinsic value of a certain quote, a set of algorithms that guarantee that the virtual ticket is unique, there are not two," says Varnagy.

What is positive about this payment or investment system?
When a bank transfer is made, the transaction can last from 24 to 48 hours and involve the payment of commissions, because there is a set of protocols that banks must carry out and may involve other international financial entities.
"With the cryptocurrency this whole process will last a few minutes, instead of going through banks, you go through the cloud," says Varnagy. "Cryptocurrencies are looking for a money system that does not go through financial systems to make it as universal as possible."
The bitcoin website encourages Venezuelans to invest in the virtual currency, because it is not regulated by any government:
"In Venezuela, since there is exchange control the amount of foreign currency (dollars, euros ...) that a person can buy at the price regulated by the government is excessively limited, thus triggering the price due to the high demand of these foreign currencies in the country. market".
What is the difference between the Petro and the bitcoin?
The Petro has become the first cryptocurrency backed by a government, a fact against the very nature of this virtual currency, according to Varnagy, who raises a series of concerns about the "Venezuelan bitcoin":
"Is this currency going through the regulatory bodies of that country or not? Is it the substitution of the currency of legal tender or not? What is its collateral or guarantee? Is it part of the financial system or not?"

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Chavez spoke of El Petro at an international summit, 2009.
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For Varnagy, the cryptocurrency is an alternative system to the existing one and that should not come into conflict with the economic system of any country in particular.
He also questions the reasons why a country would need to launch an alternative currency to the legal system by putting as something collateral something that is completely virtual, which is the oil reserves."
It is a significant problem, a thing that is virtual is having as a guarantee something that you can not dispose of at the moment, "he says.
Why the Maduro government has created the Petro?
According to Varnagy, the Maduro government is looking for a parallel system to issue debt that allows it to bypass international sanctions.
"This will allow us to move towards new forms of international financing for the economic and social development of the country," said Maduro announcing its launch.
Will the Venezuelan economy improve?
"I do not see how this movement will take Venezuela out of its economic crisis or return it to any kind of productive economic trajectory," Tim Gill, an expert in Venezuela at the University of North Carolina at Wilmington, told euronews.
Gill believes that one of the main cue