# ANALYSIS OF THE USE OF CRYPTOCURRENCY AS AN INVESTMENT TOOL AMONG TEENAGERS OF GRIYA PERMAI KEBULEN PEKALONGAN

**Muhammad Irzyad Arkan [1], Tamamudin [2], Adam AlHasni [3]**
[1]UIN K.H, Abdurrahman Wahid Pekalongan
[2]UIN K.H. Abdurrahman Wahid Pekalongan
[3]Universitas Gunadarma

Email: arkanirzyad00@gmail.com[1], tamamudin@gmail.com[2], adamarab0@gmail.com[3]

**ABSTRAK**: *Tujuan dari penelitian ini adalah untuk mengetahui investasi mata uang virtual sebagai sarana investasi alternatif dan peraturan hukum yang berlaku di kalangan remaja di Indonesia, khususnya Griya Permai Kebulen. Sifat penelitian dalam penelitian ini adalah kualitatif, dan peneliti memperoleh gambaran umum tentang investasi cryptocurrency. Teknik analisis data yang digunakan adalah tinjauan pustaka, observasi, dan wawancara. Temuan menunjukkan bahwa tidak ada situasi hukum yang melarang penggunaan mata uang virtual sebagai alat investasi. Hal ini tertuang dalam peraturan Bappebti yang mengatur apa saja yang boleh dan tidak boleh ditanamkan. Umumnya diperbolehkan, sepanjang tidak melanggar peraturan pemerintah. Seiring dengan kenaikan harga Bitcoin yang terus meningkat, investasi mata uang kripto di Indonesia juga meningkat pesat, sehingga semakin banyak masyarakat yang berlomba-lomba berinvestasi di aset digital Bitcoin ini.*

*Kata Kunci: Cryptocurrency, Investasi, Bitcoin.*

**ABSTRACT**: *The aim of this research is to find out about cryptocurrency investment as an alternative investment tool in Indonesia, especially among teenagers at Griya Permai Kebulen, and what legal regulations govern it. The type of research in this study is qualitative, where the researcher obtains a general overview of cryptocurrency investment. The data analysis techniques used are literature studies, observation, and interviews. The results of the research show that the legal position of using cryptocurrency as an investment tool is not prohibited. This is found in Bappebti's provisions, which regulate whether or not investment can be implemented. As long as it does not conflict with state regulations, it can, in essence, be used. Cryptocurrency investment in Indonesia is also increasing very rapidly because the price of Bitcoin continues to increase, causing more and more people to compete to invest in this digital asset.*

*Keywords: cryptocurrency, investment, bitcoin.*

## 1. INTRODUCTION

Investment is an effort carried out by sacrificing a certain amount of funds, which are used to invest capital in an asset for the long term, with the specific aim of obtaining a profit from the results of this sacrifice.

According to (Herlianto, 2008), investment consists of several types, namely: real wealth investment and investment in visible or real assets such as land, buildings, etc. then Investments in visible personal wealth include investments in personal objects such as gold, diamonds, and antiques. There are also financial investments in securities such as deposits, shares, and bonds. and commodity investment: investment in commodity goods such as coffee and palm oil.

Over the last decade, a new form of investment has emerged, namely digital currency, or cryptocurrency. Unlike many well-known currencies, this one is intangible and is not issued by a country or central bank, so it is not under government control. Cryptocurrency is a series of cryptographic codes that are formed in such a way that they

are stored on a computer device, can be transferred like electronic mail, and can be used as a means of payment. Basically, cryptocurrencies are the same as other computer data, so they can be destroyed and hidden. Apart from that, cryptographic algorithms protect these programs from counterfeiting.

The decentralized nature of cryptocurrencies means that they circulate completely depending on the market and have no central authority that can regulate them. The rapid circulation and emergence of cryptocurrency currencies throughout the world have great potential to influence the world economy. It is feared that the highly fluctuating prices and circulation could affect the stability of the international economy if left unchecked.

Cryptocurrency assets, which have very high risks, are starting to become widely known because they have succeeded in providing the greatest profits compared to other investment instruments over the past few years since the appearance of the first cryptocurrency, namely Bitcoin, in public trading in 2009.

This cryptocurrency, which provides the highest returns compared to other instruments, is what makes many people interested and wondering how to invest in it. Because it is something new, especially when cryptocurrency is booming in Indonesia in 2021, there are many ordinary people who want to start investing in this instrument but don't know about cryptocurrency itself.

Therefore, this research was carried out to deepen information regarding investment in cryptocurrency, especially among teenagers at Griya Permai Kebulen. So, it is hoped that this research will be a guide for potential investors who want to invest in this instrument and become the basis for future research related to investing in cryptocurrencies.

## 2. METHOD

### 2.1 *Types of research*
(Sekaran, 2013) state that research design is a framework or plan for collecting, measuring, and analyzing data according to the research problem. This type of research is descriptive research. This research seeks to provide an explanation, description, and description of cryptocurrency investment in Indonesia.

This research study uses a qualitative approach, namely that the data collected is not in the form of numbers but comes from interviews and other official documents. According to (Syahza, 2021), qualitative research is research that aims to understand the phenomenon of what happens to the research subject, for example, behavior, perception, motivation, action, and so on, holistically, in a special natural context, and by utilizing various scientific methods.

In this study, the researcher describes the analysis of cryptocurrency as an alternative investment tool among Griya Permai teenagers, which includes: How to analyze cryptocurrency investment as an alternative investment tool among Griya Permai teenagers and How to analyze cryptocurrency as an investment tool according to Bappeti regulations.

### 2.2 *Operational Definition of Variables*
The operational definition contains several explanations regarding operational definitions or meanings, namely containing each variable used in research, which is then clearly defined and contains specifications for the variables used in this research. Some of the terms used in this research include:

1. Cryptocurrency: digital currency used through a creation process using encryption techniques and managed by a peer-to-peer network.

2. Investment: capital investment in one or more assets owned, usually for a long period of time, with the hope of gaining profits in the future.

### 2.3 *Population and Sample*

Population is a conception area conforming of objects or subjects that have certain rates and characteristics determined by experimenters to be studied and also conclusions drawn (Sugiyono, 2016), The population in this exploration is all youthful cryptocurrency investors in Griya Permai Kebulen.

Sample A sample is a portion of the population. The sample consists of a number of members named from the population. (Amri Amir, 2009). The sampling technique used in this exploration is non-random sampling, namely the purposeful sampling technique. The Purposive Sampling Technique is a technique for determining samples with certain considerations (Sugiyono, 2016: 85). The samples in this study were several cryptocurrency investors who met the following characteristics or criteria:

1. Respondents who have invested in cryptocurrency at least in the last 3 months.
2. Respondents who buy, sell, or invest in cryptocurrency on the Indodax platform
3. Respondents are at least 17 years old.

### 2.4 *Data Type and Sources*

There are generally two types of data, videlicet quantitative data and qualitative data, which will be explained below. The author focuses more on qualitative data in carrying out this analysis.

1. Quantitative Data Quantitative data is data or information attained in the form of figures. In this numerical form, quantitative data can be reused using mathematical formulas or can also be anatomized using statistical systems.
2. Qualitative Data Qualitative data is data in the form of words or verbal forms. Carrying qualitative data can be done through interviews.

The data sources used in this research are primary data and secondary data.

1. Primary Data Primary data in research was obtained by conducting direct interviews with sources conducted by researchers.
2. Secondary Data Researchers obtained this secondary data through various books, journals, previous research results, related articles, and comments from cryptocurrency users.

### 2.5 *Data Collection Technique*

The data collection techniques used in this research are:

1. In this research, the author successfully collected various necessary literature from both primary and secondary book materials, then reviewed various other literature and classified it according to the main issues discussed and then analyzed it in depth.
2. Observation: This observation is a research activity carried out systematically on the object to be researched, which is obtained from the results of observations on buying and selling transactions used as investments on the Indodax platform, either via the Indodax website or through bitcoin trading via the application.
3. An interview is a communication or commerce process to collect information by means of questions and answers between experimenters and informants or exploration subjects. With moment's advances in information technology, this

interview was conducted without face-to-face contact, videlicet via telecommunications media.
4. Documentation means collecting secondary data by means of documentation studies, studying, exploring, and citing theories or concepts from a number of sources of literature, including books, journals, newspapers, the internet, and reports or written works related to cryptocurrency investment.

## 2.6 *Data Analysis Technique*

Data analysis is the most important step in exploration. The data that has been attained will be anatomized at this stage so that conclusions can be drawn. In this exploration, the Miles and Huberman model analysis technique was used. According to Miles and Huberman in Sugiyono, 2005:91, "qualitative data analysis conditioning are carried out interactively and continue continuously until completion, so that the data is impregnated." Data analysis activities are data reduction, data display, and conclusion delineation and verification.

1. Data Reduction (Data Reduction) Reducing data means recapitulating, opting the main effects, and fastening on the important effects. Reduced data will give a clearer picture and make it easier for pens to collect further data and search for it if necessary. In this explonation, data was attained through interviews, and also the data was epitomized and named so that it would give a clear picture to the author. The author of this study focuses on investors, especially those related to cryptocurrency.
2. Data Display (Data Presentation) The coming step after the data has been reduced is data display, or presenting the data. In qualitative jotting, data presentation can be done in the form of short descriptions, maps, connections between orders, and the suchlike, but what is most frequently used is narrative text (Sugiyono, 2005: 95). Data presentation is carried out by grouping the data according to their separate sub-chapters. The data that has been attained from interviews, from written sources, and from library sources is grouped; piecemeal from that, it also presents the results of interviews with informants, namely investors who are investing in cryptocurrency.
3. Conclusion Drawing/Verification (Conclusion/Verification) The final step taken in qualitative data analysis is drawing conclusions and vindicating them. The original conclusions put forward are still temporary and will change if strong supporting substantiation isn't set up at the coming stage of data collection. Conclusions in qualitative jotting are new findings that have never existed before. Findings can be in the form of a description or picture of an object that was preliminarily unclear, so that it becomes clear after being examined.

## 3. RESULT AND DISCUSSION

### 3.1 Investment

The term investment has several meanings related to finance and economics. Economic theory defines investment as expenditure for purchasing capital or goods that are not consumed currently but are used for production activities to produce goods or services in the future. Investment can also be called capital investment.

The following are several definitions of investment, according to experts: According to (Tandelilin, 2010), the definition of investment is delaying current consumption to be used in efficient production over a certain period of time.

According to (Mohammad Yusuf, 2021), investment is "a commitment to a certain amount of funds or other resources made at this time, with the aim of obtaining a certain amount of profit in the future. Investors buy a number of shares now with the hope of

gaining profits from increases in share prices or a certain amount of dividends in the future, in return for the time and risk associated with the investment."

According to (Syamsiah, 2017), investment is a form of delaying current consumption to gain consumption in the future, which contains an element of threat pf query so that compensation is demanded for the delay.

### 3.2 Cryptocurrency

Cryptocurrency is the name given to a system that uses cryptography. The word "cryptocurrency" comes from a combination of two words, videlicet "cryptography," which means secret law, and "currency," which means currency.

According to (Hasani, 2022), cryptocurrency is a virtual currency system that functions like a standard currency, which allows druggies to make virtual payments for business deals that do without service freights but still has a centralized trust authority.

Cryptocurrency is a digital currency erected using blockchain technology. This technology doesn't bear a third party to act as an conciliator. So that every sale becomes more transparent. Cryptocurrency uses blockchain technology; every being piece of data will be connected to each other, and every piece of data is possessed by everyone in the cryptocurrency system user environment.

Cryptocurrency is principally just another type of currency. It's just that presently, cryptocurrency is considered further of a digital asset than a medium of exchange or exchange rate.

### 3.3 Legality Of Crypto Currency In Indonesia

Based on the results of the GlobalWebIndex Survey, it is stated that around 10% of internet users in Indonesia already own cryptocurrency. With this percentage, Indonesia is ranked 5th with the highest number of cryptocurrency users in the world. The survey was conducted in the second quarter of 2019. (Lidwina, 2019). With the high interest of Indonesians in cryptocurrency,

The Indonesian government continues to intensively prepare regulations and record market exchange data and crypto assets circulating in Indonesia to guarantee security and ensure that cryptocurrency on the Indonesian market exchange can be legally registered and legal in Indonesia.

### 3.4 Analysis of Cryptocurrency as an Alternative Investment Tool in Indonesia for Bitcoin Digital Currency

In cyberspace or in the digital world, there are lots of people who carry out buying and selling transactions with bitcoin payments, and there is hot news or news that is shocking about the SilkRoad case abroad, namely selling illegal drugs with bitcoin payments via the website, thus making bitcoin in the spotlight. It is starting to become known, and many governments in developed countries are starting to monitor it. There are even countries that have legalized bitcoin as a medium of exchange or as a means of payment.

Bitcoin is not legal if used as a means of payment on a national scale. Meanwhile, the legality of using bitcoin for investment purposes is legal because, until now, there have been no regulations prohibiting buying and selling bitcoin for investment purposes in Indonesia. This is also supported by the existence of PT Indodax Nasional Indonesia, which is officially established in Indonesia with the site Indodax.com.

When it comes to Bitcoin when it comes to foreign exchange trading transactions, the trading model is the same, namely exchanging physical Rupiah currency for digital currency or physical currency of other countries with the price and value following the supply and demand (for Bitcoin) exchange rates determined by the world's central bank. (for foreign currency) for investment purposes or trading goods or services to other countries using agreed-upon world currencies.

Bitcoin can be traded like trading gold, where gold is an investment instrument that is included in the commodity futures type in accordance with Law Number 10 of 2011 concerning amendments to Law Number 32 of 1997 concerning Commodity Futures Trading (Futures Trading Law). Like gold, digital currencies (cryptocurrencies), such as Bitcoin and Ethereum, are designated as commodities that can be traded on futures exchanges.

As is known, the amount of gold is very limited, and as a futures commodity, the price is determined based on demand and supply, or supply and demand. When there is a lot of demand, the price of gold will rise; conversely, if supply is higher than demand, the price will fall. This principle is the same as for bitcoin, where the number of bitcoins itself is also very limited, namely only 21 million. To create new bitcoins, they must be obtained by mining. People who do mining are miners who use sophisticated computers to decipher complex mathematics to get bitcoins. It is the same as gold, which is obtained through the mining process, but mining in Bitcoin is called mining. So, in principle, bitcoin can be compared to gold.

By clarifying bitcoin as a commodity like gold, in fact, nothing has been violated because the futures trading law can be the basis for bitcoin to become one of the residents of the futures exchange.

Cryptocurrency investment itself has also begun to develop in Indonesia. This development can be seen in the increasing number of cryptocurrency users in Indonesia. The level of public trust in cryptocurrency investment is increasingly strengthening. The most growing cryptocurrency investment currently is Bitcoin.

Bitcoin is the first cryptocurrency that, since its appearance, has continued to experience rapid development. The price of Bitcoin continues to increase, causing more and more people to compete to invest in this digital asset.

As is known, the price of bitcoin is very volatile. Keep in mind that Bitcoin's market capitalization value grew from zero to 1 trillion dollars in just 12 years. Volatility It is a consequence of getting high returns. Why is the Bitcoin price so volatile? The current value of bitcoin is very volatile because it is still 12 years old, and even recognition as a "new asset class" was just received from Goldman Sachs in May 2021. We should be happy to be able to invest in and adopt bitcoin at an early age. High volatility at the beginning of adoption is natural because it is a period of price discovery (the price formation process). Gold has also experienced high volatility, like bitcoin.

Bitcoin is very volatile because it is traded purely on the free market, and no one can control it, including manipulating its price. It's actually a good thing. Bitcoin is different from other investment instruments such as shares and debt securities, which are less volatile because they can be controlled and manipulated by central banks or government policies (for example, ARA and ARB on the stock exchange in Indonesia).

## 4. CONCLUSION

After conducting research, the researcher can draw several conclusions to answer the problems raised in this research. The conclusions that can be drawn are:

Cryptocurrency is a currency whose circulation is not controlled by a central bank and whose use is limited only to those who recognize it. Bitcoin is not legal if used as a means of payment on a national scale. Meanwhile, the legality of using bitcoin for investment purposes is permissible. And Bitcoin can also be traded like trading gold, where gold is one of the investment instruments that is included in the type of futures commodity according to the law. Cryptocurrency investment in Indonesia is also increasing rapidly because the price of Bitcoin continues to increase, causing more and more people to compete to invest in this digital asset.

The legal status of using cryptocurrency as an investment tool is not prohibited. This is found in Bappebti's provisions, which regulate whether or not investment can be

implemented. As long as it does not conflict with state regulations, it can, in essence, be used.

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