

Adoption Of Cryptocurrency And Abandonment Of Monetary Policy: An Analysis In The Light Of Economic Theory

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Abstract:

This article delves into the multifaceted implications of the emergence of Bitcoin as a digital alternative to government-regulated currencies. This dissatisfaction with national currencies has increased with the subprime crisis, perceived government inefficiencies, and widespread discontent with traditional monetary systems. The paper places this evolution in the broader context of the history of money, tracing its path from commodity-based systems to fiat currencies while emphasising Bitcoin's potential for disruption. This work aims to analyse the possibility of Bitcoin being adopted as a means of payment in place of national currencies. This analysis focuses on the dichotomic relationship between the adoption of this cryptocurrency and the abandonment of policies. Thus, this work critically evaluates the clash between classical economists' emphasis on minimal government intervention and the concept of money neutrality and Keynesian viewpoints that advocate state intervention to ensure economic stability. It also considers the Keynesian perspective, highlighting the role of monetary policy in stabilising economies during periods of recession. Moreover, the paper explores how Bitcoin's detachment from central banks could challenge established monetary policy frameworks. Furthermore, the study examines the neoclassical-Keynesian synthesis, acknowledging the significance of both fiscal and monetary policies in fostering economic growth and stability. Some economists argue that Bitcoin may hinder the ability of governments to implement effective policies. The paper also delves into monetarist and new classical perspectives, both suggesting limitations in the effectiveness of fiscal and monetary policies in influencing real economic variables. These viewpoints raise the possibility that, theoretically, there might be no compelling reasons to resist Bitcoin's adoption as a substitute for national currencies, provided its impact on monetary policy is considered. In conclusion, this article offers a comprehensive analysis of how Bitcoin has the potential to disrupt conventional monetary policy and challenge established economic models. It underscores the intricacies of this issue and the diversity of perspectives within economic thought, providing valuable insights into the implications of Bitcoin's growing influence on the financial system.

Key Word: *Cryptocurrency; monetary policy; Money neutrality; Government intervention; economic stability.*

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I. Introduction

The absence of a robust regulatory environment and inadequate government intervention have been identified as central causes of the subprime crisis, as indicated by Böhme et al. (2000). This crisis greatly undermined the credibility of financial assets, directly impacting confidence in the Federal Reserve (FED) and the Securities and Exchange Commission (SEC).

Through the 2008 Emergency Economic Stabilization Act, the US government's financial relief has heightened the discontent of numerous taxpayers who opposed public funds for bankrupt companies. Taxpayers criticised this government intervention for allocating resources to financially troubled firms. The state's political actions have exacerbated citizens' distrust of governmental practices. Such distrust in government action was already evident in the works of Smith and, more recently, in Friedman (1962), who believed that the actions of rulers could not establish market balance but could only hinder it.

Widespread dissatisfaction with government intervention has contributed to the acceptance of Bitcoin. In this context, Bitcoin emerged as a direct alternative to state intervention and the perceived limitations of the conventional financial system. Therefore, Bitcoin has emerged as an apparent response to government intervention and the restrictions perceived in the traditional financial system, reflecting the growing widespread dissatisfaction.

Bitcoin attracts individuals dissatisfied with government actions and seeking alternatives to the traditional financial system. This encrypted currency represents a form of digital money that operates on a decentralized network known as blockchain and differs significantly from national currencies supported and

regulated by governments. Bitcoin serves as an example of money that operates according to market forces, free from government restrictions, with rules set by its users, and its value depends on the interaction between supply and demand. Consequently, only free market forces influence Bitcoin's quotations.

This new money has brought transparency and security to financial operations through blockchain technology. The public and immutable ledger records all Bitcoin transactions, making them easily accessible and enhancing transparency in financial activity.

In summary, Bitcoin emerged as a direct response to government intervention and the perceived limitations of the traditional financial system. It aims to establish a decentralised, transparent, and secure digital currency as an alternative to national currencies controlled by governments. However, the potential of Bitcoin to replace national currencies is a contentious subject, with varying opinions among scholars. Some, such as Bohme et al. (2000), view Bitcoin as a promising technology that can reduce financial costs and enhance security. Conversely, Yermack (2013) regards Bitcoin as a speculative bubble susceptible to cyberattacks. Consequently, it is crucial to evaluate whether Bitcoin possesses the necessary attributes to fulfil the functions of money and whether it qualifies as a financial asset according to accounting theory.

The introduction of Bitcoin marked a revolution in the design of money and financial transactions. This innovation has sparked intense debates about regulation, privacy, security and even the possibility of replacing national currencies. Therefore, understanding the history of traditional currencies and the rise of Bitcoin helps us contextualise the importance of government tools, such as monetary policy, in an ever-evolving financial landscape.

II. A Brief History of Money

The evolution of money, as we know it, is the result of a process lasting about two thousand years that made it possible to carry out exchanges of goods. People initially used commodity money but later replaced it with metal money. The replacement of commodity money became necessary to facilitate the exchange of divisible goods. The introduction of paper coins, with and without ballast, has made it possible to transport means of payment safely over long distances.

They conducted commodity money exchanges using surpluses of goods produced for consumption. The items chosen as money were generally related to the main activity of the community. Thus, people often used ornamental and consumer goods as commodity money. Mises stated that gold originated as an ornament and later evolved into a means of payment. This money originated spontaneously in the market without government intervention. The Mises regression theorem describes this process, arguing that good was initially valued for its direct use before becoming accepted as a medium of trade.

A gold-backed coin was eliminated in the 1970s, giving way to fiduciary paper money. In this new system, the deposits made by customers in banks allow these institutions to issue financial assets that play the role of money as we know it today. However, many banks have begun to grant loans in amounts far exceeding deposits, which has weakened both these institutions and the financial system as a whole. Each bank was responsible for converting its currencies and liabilities in this period, a system Hayek (1931) called "Free Bank."

The evolution of the currency was a gradual process to overcome the difficulties of the exchange system at different times in history. By adopting new forms of money, it was possible to meet the needs of consumers and overcome the limitations of previous currencies.

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III. Abdication of monetary policy with the introduction of Bitcoin

The current monetary arrangement in many countries is characterized by a monopoly on issuing currency with compulsory legal tender. At the heart of this system is the central bank, an institution responsible for organising and controlling the banking system, ensuring its effectiveness and efficiency.

The central bank plays a crucial role in formulating monetary policy. It sets the discount rates, the interest rates at which commercial banks can borrow money from the central bank. This action directly impacts the interest rates that commercial banks charge to their clients and, in turn, affects the cost of credit for individuals and businesses. This current monetary arrangement was designed to control the amount of money in circulation, influencing inflation, economic growth, and financial stability.

The introduction of Bitcoin fuels the debate surrounding this monetary arrangement. Introducing Bitcoin could potentially replace the current state-backed monetary system with a market-driven one. *Blockchain technology* is a fundamental innovation that radically changes the technical foundation, transforming the production process (creative destruction). Consequently, using cryptocurrencies could eliminate the need for

financial and foreign exchange intermediaries, transferring the responsibility for currency issuance away from central banks. However, this transition depends on the gradual improvement of this new means of payment.

Different currents of economic thought have different conceptions of the state's role in the economy. This belief in the state's role in the economy leads them to have a position on the effectiveness of monetary policy and, therefore, the introduction of cryptocurrency.

The following is the positioning of different currents of thought on the effectiveness of monetary policy. An understanding of the effectiveness of monetary policy presupposes acceptance or rejection of the introduction of cryptocurrency. Economists convinced of the ineffectiveness of monetary policy would be inclined to accept the introduction of cryptocurrency. Those economists would be those belonging to the school of thought who do not recommend state intervention for achieving the economy's stability. On the other hand, the authors who believe that the market requires state intervention to stabilise favour monetary policy and oppose the introduction of cryptographic money as a substitute for national currencies.

Classical economists: roleless state of economic growth promoter

The foundations of classical theory would not recommend the use of monetary policy. Therefore, there would be no dichotomy between introducing Bitcoin as a money and abstaining from monetary politics. Although, at the time of Adam Smith and David Ricardo, there were no centralised monetary policies or central banks in the current form, Moreover, the introduction of money by the private sector, such as Bitcoin, was not directly addressed by classical economists since Bitcoin is a technological innovation much later than its time.

The basis of this finding was that monetary policy is a state intervention, and classical economists were opposed to it. When left to operate without interference, these thinkers believed that market forces tend to lead to the full use of productive factors. This finding includes monetary policy, which involves the control of the money supply and interest rate by the central bank. Classical economists tended to be sceptical about using monetary policy to combat economic problems, such as unemployment.

Classical economists' belief in "Say's law" reinforced the position that the government should refrain from interfering in the economy. From a classic perspective, there is no need for government action to adjust demand to supply (*lei de Say*). This result means that, according to the classical theory, the total output of an economy will always be equal to the total income. Therefore, there will be no aggregate demand deficit to be corrected by monetary policy.

In the 18th century, classical economists, in opposition to mercantilist thought, argued that the State's participation in the economy was minimal and restricted to essential functions. Based on the idea that money is merely a measure of a society's wealth and the mere issuance of money cannot generate wealth, this assertion suggests that money can only have a temporary impact on production. In these authors, the money, just a means of exchange, was neutral in terms of its ability to affect the rate of growth of the product, which real variables would determine:

Productions are always bought by productions or services; money is only the means by which exchange is carried out. (RICARDO, 1981, p.291-292)

Or:

Money is only a passing trade in this double exchange, and when the exchanges are over, it is always true: products were paid for with products. ” (SAY, 1983, p. 138-139)

Money neutrality, as a corollary to Say's Law, asserts that purchasing power cannot be created or destroyed by money through credit or debt. Instead, it facilitates intertemporal allocation in favor of present consumption, potentially at the expense of future consumption. Consequently, if money's primary function is to enable intertemporal decisions regarding how to spend the purchasing power generated during production, even if economic fluctuations occur over time—expansion when consumption exceeds production and contraction in the opposite scenario—the economy should ultimately maintain inherent stability.

Within the classical theoretical framework, money is neutral regarding its influence on real variables. Therefore, it makes no sense for the government to issue or contract a debt to finance tax expenditures. Thus, there would be no dichotomy between the introduction of a money chosen by the market (cryptocurrency) and the abandonment of monetary policy, according to the foundations of classical theory.

The Keynes prescription of monetary policy in the post-Keynesian interpretation

According to the Keynesian view, monetary policy plays a limited role in stabilising the economy, especially in times of recession, due to the endogeneity of the money and the preference for liquidity by economic agents. However, Lord Keynes saw the state action as necessary for the economy's stability. Thus, it is reasonable to admit the dichotomy between introducing Bitcoin and abstaining from monetary policy in the post-Keynesian interpretation.

For the post-Keynesians, it was Keynes who, after the 1930 depression, identified the issues related to effective demand. Simultaneously, his reflections on the monetary sphere laid the foundation for the development

of fiscal policy. The inadequacy of effective demand was explained in the production sphere by the fact that investment decisions depended on uncertain expectations about the future. In the monetary sphere, money served as a refuge from this uncertainty. The dynamic method introduces the elements of irreversibility and unpredictability of events. Keynes then incorporates the reserve function of value into money, considering it an asset with unique liquidity properties, desired for its own sake, as it connects the present to the future.

Drawing on the conclusion that full employment is not an inevitability for all, we encounter a rejection of the assumption of money neutrality. In his discussion of the liquidity trap, Keynes (1970) displays limited confidence in the effectiveness of monetary policy in extricating an economy from crisis due to the endogenous nature of money. This endogeneity is expressed through individuals' strong preference for liquidity and security. In the extreme scenario of a liquidity trap, economic agents would hoard any increase in the money supply, thereby nullifying its impact on interest rates and, subsequently, on investment levels. As Keynes (1970) noted: *(...) although it is to be expected that, ceteris paribus, an increase in the amount of money will lower the rate of interest, this movement will not occur if liquidity preferences increase more than the amount of money*" (KEYNES, 1970, p. 168). So, the liquidity preference would affect money inflation by letting cash flow out when people are optimistic and keeping it in when people are pessimistic.

Again, the conception of currency has consequences for the economic policy prescription. For Keynes and several post-Keynesians, the absence of automatic market mechanisms leading to full employment introduces the need for state intervention to prevent crises and promote economic growth. However, in a crisis—here understood as a recession or depression—monetary policy would have a minimal scope because the actors would tend to protect themselves by keeping their assets in the most liquid form, and the monetary supply would play a secondary role in determining the interest rate. As monetary logic only reinforces the instability inherent in the system, it remains to recommend fiscal policy as an autonomous way to increase employment, demand, and income through higher government spending. The multiplier analysis shows that variations in government spending and taxes can affect the output. Thus, the Keynesian prescription is interventionist, and fiscal policy has the role of promoting countercyclical stabilisation.

The prescription of monetary policy is intrinsically linked to Keynes' theory, in which demand for money is crucial in determining the price level. Variations in the amount of money can cause changes in the rate of circulation of the currency, going in the opposite direction and keeping the price level constant. Under these circumstances, inflation is no longer exclusively a monetary phenomenon, as in the "classical" sense, and its explanation relates to cost factors.

Indeed, the question of whether or not there will be inflation as a result of an expansionist policy, be it fiscal or monetary, depends on several factors. These questions include the extent to which capacity is used, when supply and demand are adjusted, and which sectors have benefited from the expansion and to what extent. A complex interaction of various economic multipliers influences the final result about real income.

Therefore, the relationship between monetary policy, demand for currency, inflation, and their effects on the economy is multifaceted and depends on some interconnected variables. It is crucial to consider all these elements when analysing the impact of expansionist economic measures.

About monetary policy, Keynes and several post-Keynesians seem to agree that its use is limited since the central bank does not have complete control over inflation due to two main reasons. First, it has no absolute control over the currency, whose creation is endogenous. Second, real factors related to production costs can explain inflation, which does not solely depend on monetary aggregates. Regarding economic policy, the Keynesian prescription is the same as saying that monetary policy should only play a supporting role, mainly by keeping interest rates low to help keep investments going and stop the government debt from growing too quickly.

In the light of Keynesian and post-Keynesian ideas about the role of money in the economy, we can understand how monetary policy relates to the introduction of Bitcoin. Since the money is not considered neutral and the economy tends to be imbalanced, there is an argument against introducing Bitcoin. Therefore, it is justifiable to say that the lack of government control over Bitcoin is a significant concern from the point of view of monetary policy, especially for the post-Keynesians.

The prescription of neoclassical-keynesian synthesis: partially efficient fiscal and monetary policy

The research of these economists makes it possible to investigate the possible existence of a dichotomy between the introduction of Bitcoin and the economists of the schools of neoclassical-Keynesian and neo-Keynesian thought have attributed a role to monetary policy in fostering economic growth. Given the current recognition of the importance of monetary policy in stimulating economic growth, it is reasonable to admit that they would be opposed to the abolition of this policy as a governmental instrument to promote economic growth. Economists of this orientation would be expected to oppose the replacement of national currencies with cryptocurrencies. Thus, the introduction of Bitcoin can be discussed in this context of economic analysis, especially when considering the implications for monetary policy and the role of the currency in the economy.

Bitcoin is a decentralised digital currency with a fixed supply and is not subject to the control of central banks. This aspect means that traditional monetary policy may apply to Bitcoin in a different way than it is to fiat currencies. The lack of government control over Bitcoin may affect monetary stability and economic stabilisation policies.

Furthermore, the discussion about how or not Bitcoin can be incorporated into existing economic models, along with its influence on fiscal and monetary policies, may be relevant to understanding the changes in the modern economic setting. Therefore, when considering the dynamics between currency, fiscal policy and monetary policy, it is important also to examine how the introduction of Bitcoin affects these relationships and traditional economic models.

In Hicks's traditional IS-LM model, the liquidity trap is considered a particular case of horizontal LM, where demand for currency remains unelastic with the interest rate. On the other hand, the vertical IS curve represents an extraordinary scenario in which, due to high levels of uncertainty, investment also becomes inelastic to the interest rate. However, in the general case, both curves are in the intermediate range, which means that both investment and demand for currency are sensitive, but not perfectly, to variations in interest rates. As a result of this configuration, a part of the effectiveness of fiscal and monetary policies is lost. As a result, monetary policy has become recognised as an essential tool for economic stabilisation, to be used in conjunction with fiscal policy.

The IS-LM model describes the interconnection between monetary aspects, represented by the LM curve, and real aspects, represented by the IS curve. In the context of the Keynesian model, the main source of this interaction lies in the rigidity of the general price level. When there is a shift in the investment curve due to a rise in government spending, characterising an expansionist fiscal policy, this generates an increase in demand and production, driven by the multiplier effect. However, this increase in output also tends to raise interest rates unless interest rates are rigid or there is a simultaneous expansion in the monetary market. This latter situation can be seen as monetary financing of fiscal policy, where expansion in the commodity market is accompanied by expansion in the monetary market. It is important to recognise that fiscal policy, although practical, is not as efficient as the early Keynesians initially thought. Its effectiveness can be partially neutralised if not accompanied by expansionist monetary policy. In short, the effectiveness of fiscal policy is subject to coordination with monetary policy to achieve the best results in promoting economic growth and controlling interest rates.

Furthermore, an attempt to reduce the level of liquidity through increases in interest rates (or vice versa), expressed by a shift from LM upward (contractionist monetary policy) would have fiscal consequences, represented by retreats in the levels of product, income and employment. That is, if contractionist monetary policy affects real-product levels, its efficiency in reducing real liquidity is lower. On the other hand, we cannot say that monetary policy is inefficient. For Tobin (1983), for example, an expansionist monetary policy has the same effect as a reduction in monetary wages: it increases liquidity. It causes interest rates to fall, raising levels of investment, product and employment.

In the IS-LM model, interest rate fluctuations can mitigate the impact of demand shocks, leading to the economy being less volatile. However, it is crucial to note that this model does not escape criticism, as it is often accused of simplifying economic reality. This Keynesian interpretation admits that even with a non-neutral currency, balance through price adjustment is not a guarantee, requiring the direct intervention of the economic policymaker in quantities.

In the traditional version of the Phillips curve, where inflation and unemployment rates are inversely related, economists have also demonstrated the interaction between fiscal and monetary policies. An expansionist fiscal policy that had the effect of reducing unemployment or increasing output would also have the monetary effect of generating higher rates of inflation, and a monetary policy that was capable of lowering inflation rates would have a recessive effect on output.

The Phillips Curve theory gave rise to unique implications for economic policy by illustrating the association between varying inflation rates and disparate levels of full employment. These implications sharply contrasted with the conventional viewpoints of classical and monetarist approaches. This result occurred because the Phillips Curve showed that there was not a single point of long-term balance but rather a variety of balances associated with various inflation rates. As a result, economic policy recommendations were influenced by this more complex understanding of the relationship between inflation and unemployment, diverging from traditional views.

In sum, according to a neoclassical-keynesian synthesis, introducing Bitcoin can potentially disrupt traditional relationships between monetary policy, fiscal policy, and economic models. Bitcoin's independence from central banks and government policies adds a new layer of complexity to the economic scene, requiring a reassessment of economic stabilisation strategies. Therefore, in this theoretical framework, it would not be recommended to adopt Bitcoin to preserve monetary policy effectiveness because it could reduce the efficiency of state interference, which is recognised as necessary.

Monetarist and neo-classical prescription: neither fiscal nor monetary policy

The 1960s marked the rehabilitation of monetary policy with Friedman and Schwartz (1968, p.428) on the role of currency policy in U.S. monetary history. Unlike Keynesians, who would study crises by asking where state intervention was insufficient, Friedman would attribute crises to the misuse of monetary policy, dangerously potent because of its inflationary effects:

Really, money is just a machine, but it is an extraordinarily efficient machine. (...) In virtue of being so penetrating, when out of control, it will introduce a violent displacement in the operation of all the other machines. FRIEDMAN and SCHWARTZ (1968, p.428)

Nunes & Nunes (1999) state that this conflict becomes evident when Friedman makes a distinction between two types of interest rates: the short-term interest rate, which can be controlled by economic policy, and the long-term “natural” interest rate, whose control would be an illusion because its behaviour would be in line with the automation of the market. According to Friedman, when the government buys bonds, it issues currency and manages, at first, to lower interest rates. Nevertheless, the availability of currency becomes higher than desired, and the levels of investment, consumption, demand, income and consequently demand for currency and demand for credit increase, raising interest again. In addition, increased demand for currency generates a trend of rising prices. If expansionist monetary policy is not carried out at that time, interest rates tend to return to their initial position.

Thus, monetary policy does not directly control interest rates; its influence is limited and primarily tied to deficits and inflation. In that case, all the government can do is confuse the agents by sending erroneous signals that temporarily lead them to deviations from the chosen route until they realise the mistake and return to the original course. Such oscillations, however, are incapable of permanently influencing the behaviour of the economy. If interest returns to its “natural” position, there is no incentive to increase the product, and the natural interest rate corresponds to a natural unemployment rate. Thus, for Friedman and Schwartz (1963), monetary policy can raise the level of product and employment in the short term. However, if prices are flexible, the economy remains in full employment balance in the long term, and the monetary authority cannot affect real variables persistently:

Nunes & Nunes (1997) assert that these authors believe that market rigidity or imperfections, such as nominal wages or the rigid interest rate, cause unemployment. In other words, by resorting to re-elaborations of pre-Keynes concepts, monetarism seeks to frame Keynesian theory as a particular case with rigid wages. The blame for any problems is attributed to market imperfections, trade unions, and the government because they interfere with the balance of the real variables, which is obtained automatically. Market freedom, on the contrary, would end up eliminating unemployment as real wages fell.

New classical school economists, using the assumption of rational expectations, reinforced Friedman's idea of monetary neutrality by extending it to the short term. Under this assumption, Sargent (1979), Lucas (1972), Kydland & Prescott (1977) argued that long-term results occur instantly, as economic agents know the values of relevant variables, such as currency stock, government spending level, as well as the position and inclination of the aggregate demand curve, all of which inferring the expected price level.

Unlike the monetarists, the neo-classics assert that there is no efficiency of policies even in the short term because the agents know the government's strategy and move to immediately neutralize all measures that drive them away from their original goals. State intervention is incapable of altering the natural course of events. The market economy alone achieves the balance of full employment. It operates permanently at its natural unemployment rate because the agents can make decisions based on comparing individual interests and costs and coordinate their plans to make the best possible use of the available resources, i.e. the agents would be fully aware of the relevant variables and would maximize.

If the proposition that there is a unique and stable balance in each economy is accepted, then only government intervention or misinformation can prevent the actors from reaching the balance. However, as incorrect information is dissipated by experience, in the long term, no intervention can effectively change preferences, including the desired allocation between work and leisure, which is supposed to determine the natural unemployment rate. The attempt to use monetary policy to remove the economy from its natural position is harmless because it has no real effects - it consists only of changing the currency stock - and the actors cannot be deceived.

The neoclassical conclusion in terms of economic policy, however, is identical to the monetarist: there must be neither fiscal policy, Barro (1974), nor monetary policy, Sargent (1981). The hypotheses of natural unemployment rate and currency neutrality eliminate any possibility of economic policy affecting real variables in any direction: expansionist or contractionist.

In view of the preceding, it is reasonable to admit that the monetarists and the new classics have no theoretical reasons to be opposed to the adoption of Bitcoin in place of national currencies, considering only the role of monetary policy. This finding is based on the absence of the dichotomy between monetary policy and adopting a market-driven currency, bitcoin.

IV. Conclusion

Bitcoin in the global financial landscape has sparked intense debates and discussions, particularly concerning its impact on monetary policy and its economic role. This debate can be framed within various economic schools of thought, each offering a different perspective on the relationship between Bitcoin and government intervention.

Firstly, proponents of the classical economic school argue that Bitcoin aligns with their belief in minimal government intervention in the economy. Classical economists view money as a neutral entity and advocate for limited government interference. From this standpoint, introducing Bitcoin as a market-driven currency would not necessarily conflict with their ideology, as it does not rely on government control.

Secondly, Keynesian economists emphasise the importance of government intervention, especially during economic downturns. They argue that Bitcoin's lack of government control could challenge implementing effective monetary policy, especially in managing demand and stabilising the economy. Keynesians will likely be sceptical about replacing national currencies with cryptocurrencies like Bitcoin.

Thirdly, the neoclassical-Keynesian synthesis school acknowledges the need for both fiscal and monetary policies to achieve economic stability. They see Bitcoin disrupting the traditional relationships between these policies and the economy. This group would likely be cautious about fully adopting Bitcoin without a clear understanding of its implications for economic stability.

Lastly, monetarists and new classical economists believe in monetary neutrality and emphasise the importance of market forces. They argue that government policies, including monetary and fiscal measures, have limited effectiveness in influencing real variables. From this perspective, adopting Bitcoin might not be opposed, as it aligns with their view that government intervention has little impact on the economy.

In summary, the debate surrounding Bitcoin's introduction and its impact on monetary policy is complex and multifaceted. Different economic schools offer varying perspectives, with some being more receptive to Bitcoin replacing national currencies. In contrast, others express concerns about its potential effects on government intervention and economic stability. As Bitcoin continues to evolve, further research and analysis are needed to understand its long-term implications for the global financial system.

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