

Introduction

The monetary and financial system in its current form is a problem. However, Bitcoin is not the solution. In fact, it risks widening the distance between money and labor, between finance and the real economy. Nevertheless, it has value as a provocation to rethink the function of central banks and to develop systems of complementary currencies that are truly able to promote, and not hinder, trade and investment.

This book is divided into five chapters. First of all, we will attempt to state as clearly as possible what bitcoin is, how its technology works, and how the technology translates into the construction of what appears to be, at the same time, a newfangled electronic payment system and an old-fashioned monetary system (Chapter 1). It is precisely this problematic aspect that has led us to study the political economy of bitcoin, that is, the causes and consequences of the spread of bitcoin as an alternative currency (Chapter 2). But bitcoin is not only a (would-be) currency; Bitcoin is also a technology susceptible to multiple applications in the commercial, legal, and political fields.*¹Here as well, the promises of a better world are accompanied by alarming areas of darkness (Chapter 3). The fact that blind enthusiasm tends to prevail, seeing Bitcoin as a technological instrument of libertarian renewal, has led us to focus our attention on the ideology that supports and envelops it (Chapter 4). However, since the intention of the monetary reform implied by Bitcoin represents a demand that deserves

* Following widespread practice, we write Bitcoin capitalized when we refer to the technology for payment and encrypted registration of information, and bitcoin not capitalized when we refer to the currency that the technology creates and puts into circulation.

being discussed, we will dedicate our concluding reflections to other ways of seeking monetary alternatives: complementary currencies (Chapter 5).

Disclaimer

The Authors have no long or short positions in bitcoin or other cryptocurrencies. They have, however, long expressed their dissatisfaction with the current monetary system, and have spent words and energy to make new monetary and financial forms possible, with a view to overcome the intrinsic flaws of money “as we know it.” This is a very long position, typical of a long-term investor (like Warren Buffet). We do not expect any particular personal result in the short-term, but we know that we are working in the direction of a reform that sooner or later will show its potential; not only thanks to the crisis of the current monetary model.

Although the Authors fully underwrite the entire text, we note that Luca Fantacci wrote Chapters 1 and 3, while Massimo Amato wrote Chapters 2 and 4. Chapter 5 is the result of a joint effort.