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Fix the Money, Fix the World

Introduction

Today, the world finds itself with two leading, recognized economic international organizations, the International Monetary Fund and the World Bank. However, is it not ironic that these *international* organizations, dealing with global economies and development, are denominated in a single nation's currency? Is it not ironic that the *world* reserve currency has never been a currency belonging to every country, every single person, equally?

According to Nik Bhatia, "the Fed is the world's only true source of liquidity, and without its support, the [global monetary] system couldn't stand on its own" (Bhatia 70). I would like to posit that the Fed is perhaps the true leading economic IO, which by default, every state that has a tie to dollars is a member of, given that the dollar is the world reserve currency. Unfortunately, the Fed no longer has the strength to save banks as it once did, which is incredibly problematic.

Historically, beginning with the Florentine Florin, world reserve currencies tend to have a lifespan of 100~ years. Additionally, in recent history, financial crises appear to occur every 40~ years.

Historically, the dollar's time is up soon, if not now. However, if the dollar's time is up soon, a new IO must arise to address the need for a globally sound, hard, and adopted money, bitcoin.

Historically, coins were incredibly successful because they were durable, divisible, and portable. However, until the florin, purity was not maintained, and "no coin existed with multigenerational credibility" (Bhatia 14). However, the florin maintained an unchanged weight and purity, about 3.5 grams of pure gold, spanning an astounding four centuries...It also found popularity amongst working people as a way to literally carry their entire life's savings in their pocket" (Bhatia 14). As the florin shows, money is valuable and sustainable because of trust in its authenticity.

Bitcoin is the perfect form of money. Decentralized, immutable, durable, divisible, portable, pure.

Like it or not, money is power. If you control the money, you control the power. As Hobbes argues, a Leviathan is necessary for society to exit the state of nature, for society to thrive, and

for civilization to progress. Currently, I would argue that the actual "leviathan" is money, not government; money and control of money, control of what is scarce, is where power originates. We think governments hold supreme power because "governments and currencies are inextricably linked today because governments established a monopoly on second-layer money and used it to their own benefit, starting with the Bank of Amsterdam in 1609" Bhatia (33).

However, this Leviathan is weakening because fiat currency is no longer scarce. The gold standard failed, and the PetroDollar is failing. As such, I would argue we have not exited the state of nature because before 2009, we've never had a scarce property such as bitcoin that is also backed by the Law of Conservation of Energy and because there has not been mass adoption of bitcoin, yet.

Bitcoin is literally transacting with truth, with inclusion. Inflation reduces the purity of your purchasing power to pursue liberty for yourself and posterity. Bitcoin is a trojan horse for good, restoring power equitably now and for generations to come.

From this restoration of power, bitcoin is going to unlock new waves of prosperity, cooperation, and long-term time horizons, which is incredibly significant in terms of international cooperation. In a world where people can generationally store their wealth without fear of inflation, long-term mindsets will be adopted, and faith in the future will be restored. An Austrian economist, Saifedean Ammous writes in his book, *The Bitcoin Standard*, "When economic decision-making is geared toward the future, it is natural that all manner of decisions are geared toward the future as well. People become more peaceful and cooperative, understanding that cooperation is a far more rewarding long-term strategy than any short-term gains from conflict. People develop a strong sense of morality, prioritizing the moral choices that will cause the best long-term outcomes for them and their children" (Ammous 80).

An IO's true strengths come not from its mandate but from its ability to serve as a forum, resource, and actor. An earthly embodiment of the true IO, bitcoin, must be formed to harness the newfound ability for cooperation to tackle the most challenging problems now and to come. Nowadays, IOs are very short-term focused, whereas bitcoin allows us to adopt a more long-term focus and tackle problems we wouldn't have otherwise been able to. With inflation, every person and every government is running a rat race to keep up, to stay afloat. With bitcoin, people and countries can stop running to keep up and start exerting energy to do good, to deploy the wealth in productive ways.

The Bitcoin Network is a forum for unparalleled levels of innovation and protection of human rights, amongst other missions. Only 33% of the world is banked. Our world is operating at $\frac{1}{3}$ capacity. The Bitcoin Network is a forum open to 100% of civilization. The 21 million bitcoin are civilization's resources, tools, for the 21st century to address debt crises, national defense,

and secure energy. The ethos of bitcoin and its protocol, Proof of Work, is an actor. Bitcoin's actions are a model for humanity: act with truth, empathy, and inclusion, not fraud, greed, and exclusion; do the work and do good work; lift up humanity.

Bitcoin will be the world's peaceful Leviathan. Its power is entirely decentralized, valuing privacy, security, and ethics. Think of the flourishing and progress that will come when the remaining 66% of the world is banked. Only when each person has equitable access to the financial system will society exit the state of nature, and the real work will begin, hence the need for a new IO.

Governance Design & Features

The following sections will outline the missions, policy tools, and decision rules used by this IO and why the design of this IO is better than existing IOs.

Scope: What issue is being covered?

As studied, IOs have greater success not necessarily in fulfilling their mandate but in being an actor, resource and forum, facilitating successes otherwise impossible. Bitcoin is the main IO; however, the IO I am proposing is the earthly representation supporting bitcoin in its mission. This IO's mandate was published on October 31, 2008, and was founded on January 3, 2009. The entire point of bitcoin is decentralization, of facilitation of peer-to-peer-trustworthy and instantaneous transactions of value. The intent of this IO is not to encourage government centralization of bitcoin. The intent is to facilitate peer-to-peer, trustworthy (not realistically instantaneous) transactions of value; to facilitate cross-border cooperation and adoption of bitcoin.

Bitcoin is money and so much more. Money is information, and bitcoin is layer 1 of our future. Bitcoin will touch all aspects of the future, but it stems from the best of our past. The bitcoin protocol is embedded with history, philosophy, psychology, cognitive science, economics, cryptography, religion, physics, engineering, and computer science. Bitcoin will touch on so much more than just the economy. This IO will need to have subgroups for all regions and topics, such as education, development, energy, and climate.

Membership: Who are likely members?

With current IOs, it is visible that there is a "depth vs. breadth" tradeoff. Large membership is good if issues are broad and global. An example would be climate change. For instance, if one state pollutes, it affects everyone else, as shown by the concern about Brazil staying or exiting the Paris Agreement. On the other hand, narrow membership can be much more efficient, especially with regional concerns. Furthermore, legitimacy (for a policy) increases as the number of support from states increases.

An IO addressing the need for globally sound, hard, and adopted money, bitcoin, will inherently and necessarily have a large membership. Furthermore, the welfare of each member state will be inextricably linked in a positive manner. Regardless if developed countries like the US take a large stance or a "bad actor" adopts bitcoin purely for self-serving reasons, they both will still be supporting people in El Salvador or Tanzania instantly, with no proposal or plan required. This instant support, without conditions, avoids the failure of a project due to a lack of understanding of cultural norms and allows the country to serve itself. Even countries such as North Korea, which is a part of the UN but is a gross violator of human rights with values largely the antithesis of bitcoin's, have the incentive to adopt bitcoin to grow their own purchasing power. For good and bad, whatever your mandate, bitcoin is your tool; whatever your values, bitcoin embodies them; whoever you are, bitcoin can be yours. Bitcoin has no "club" and welcomes everyone.

Centralization: Is power dispersed or centralized?

Member states join IOs to solve problems that couldn't be solved otherwise. IOs are more successful with greater centralization due to an increase in power and autonomy. However, high levels of centralization in an IO cost member states sovereignty. IOs don't want to give up consent or authority in fear of bureaucrats abusing power or the state's interest being overlooked, but they want success through IOs, or they wouldn't join them. Hence, a paradox. Bitcoin solves this paradox. Bitcoin's power is centralized in every person, every adopter, and dispersed globally.

Centralized in Adopters: Today, we put trust in people, in our representatives, and in bureaucrats, who, even with good intentions, make mistakes and often do not know best. No one can, though, because no one knows the future. With bitcoin, you can be your own representative. You can have self-sovereignty. Self-sovereignty is not a novel idea; we are just made to think that. When young, many children grow up with a piggy bank to secure their wealth. However, in the span of age 10~ to age 20~ the concept of securing our own wealth seems novel and unsafe. Money is power. Layered (fiat) money increases the supply of money, increasing the velocity of money for banks and increasing power for them.

Dispersed Globally: IOs directly get their power through consent and decrees of the member states. An IO is only as powerful as its member states let it be. However, in this case, and as described, the roles are reversed, and member states get their power from money, from bitcoin, from the ultimate IO itself. Furthermore, the amount of this power they receive is entirely in their own hands, and it depends on the time of their adoption. Luckily, at this point in time, LICs are more receptive to bitcoin than HICs, who have yet to stop and learn.

For this IO, I recommend that each member state, upon joining, pay a one-time fee of .01% of their GDP to purchase bitcoin and deposit it into a central pool with all other member states. The bitcoin will never be returnable and will be used to fund the different task forces and regional

operations. While perhaps initially seeming extreme, this will ensure each country has a stake in the world reserve currency, enhancing commitment to the mission.

The total estimated world GDP is 85.24 trillion dollars ([source](#)). If .01% of this, equaling 8,524,000,000 (from all member states giving .01% of their GDP), were allocated to bitcoin at a price of \$20,000, this IO could purchase 426,200 bitcoin and fund its operations for eternity. For the US, that would be a one-time payment of \$2,300,000,000, which is less than they annually contribute to the UN ([source](#)).

Furthermore, multi-signature (multi-sig) custody solutions already exist, eliminating single points of failure so that no one person of the IO would have control of the funds.

Unlike with the WB, this design means there is no strategic consideration of lending to MICs such as China for the interest payment to then funnel more money and pay for lending to LICs and then funding LICs unsuccessfully due to a lack of cultural understanding for successful implementation. For instance, the Latin American regional task force could request technical expertise on how to bring power to villages in El Salvador. They would have access to meetings with experts who know how to bring bitcoin miners into the area and capture hydropower from a local water mill and provide electricity, heat, and power to the area. The member states, armed with their own wealth through bitcoin adoption, who know their own cultural practices best can then move on productively from there.

Energy is the root of all human flourishing, so bitcoin, digitally created and secured through energy, when dispersed centrally and globally, can effect change.

Control: Who has control? How does voting work?

In regard to voting, each country's voice must be maintained. Every country must be able to extract benefits and make sure the benefits outweigh the costs. The point of bitcoin is to retain this voice, to give power back to its holders. The point of the IO is not to control states; it's for states to gain financial freedom to control themselves; each state has the incentive to grow the adoption of bitcoin to increase their own power outside of the IO and their ability to do work within the IO. Additionally, for special projects tackling global problems or anything not previously budgeted, a 95% consensus must be reached from all member states, each getting one vote, following the bitcoin protocol itself. While one country, one vote can lead to stagnancy (unlike under weighted-voting), such as in the WTO, all member states of a bitcoin IO have a protected self-interest to make sure there is no lock, freeze, or stagnancy. Furthermore, one country, one vote addresses concerns stemming from the tradeoff of equity and fairness and aligns with the values of bitcoin. Since everyone contributes an equalized amount, one-time, powerful countries don't have "more skin in the game" than developed countries. Additionally,

traditionally, under weighted-voting, powerful countries get what they want by buying off other countries, which goes against bitcoin and is undermined by one country, one vote.

Flexibility: How does the IO react to change?

Mandates change, situations change, and priorities change. Transactions of goods and information occur because of a mismatch of values. Money will always be the catalyst and part of the solution. If you fix the money, if you have sound, truthful, and legit money, you fix the world.

Bitcoin was created to bring about change; it's the most flexible tool we have while at the same time the most reliable tool we have. A bitcoin IO changes every day, through every project, but more importantly, it will always do so reliably. Additionally, the fact that this IO is so flexible and adaptable is part of why it will receive buy-in from all states, eventually.

Legitimacy: How is the IO legitimized? How is it maintained?

Again, legitimacy, truthfulness, and trust are directly embedded within bitcoin itself. Bitcoin is coded with ethical, legit values. Countries seen as adopting money that supports these values and supports humanity worldwide will be seen with greater respect. Countries seen as empowering their citizens and others worldwide will be anointed with greater legitimacy and positive public opinion.

Additionally, with its funds in bitcoin, anyone worldwide, anytime, can fact-check the IO to ensure the funds are where they are and how much they are. To bring up the Fed again, no one can go inside Fort Knox, and no one even knows if the gold reserves are there. Proof of Reserves of a bitcoin IO is available anytime, to anyone, through the bitcoin blockchain, an immutable and decentralized ledger. Furthermore, this IO can also be held accountable for its projects and commitments because anyone can track the money from the IO's address (if they know them) and when it is being spent.

Retention: Why will governments find the IO appealing?

Member states come from all different viewpoints. It is credible to ask why they would be willing to join a more democratic IO. As described, countries are reluctant to relinquish their power and appear "weak." This is not a concern within the design of this IO because bitcoin inherently addresses all concerns. For good and bad, bitcoin molds perfectly to each and every adopter. Governments will find a bitcoin IO appealing because they and every other government can mold it to whatever their values are and form of government it is, and it works in harmony. Bitcoin attracts realists, liberalists, constructivists, left & right-wing populists, nationalists, democrats, communists, dictators, socialists, authoritarians, totalitarians, oligarchs, aristocrats, monarchists, theocracies, and colonialists alike.

If you are a realist, and you believe that power is in planes and ships and that IOs should not be allowed to interfere with the military pursuit of great powers, you'll support buying bitcoin. You'll see joining this IO and owning bitcoin as a hyper-strategic reason to support your own interests and survival. If you do not accept what will eventually become the world reserve currency, you will lose purchasing power to buy those planes and ships. Human rights are often of less importance here, but not with bitcoin. Another paradox solved.

If you are a liberalist and you believe that power is in economic efficiency in generating greater payoffs, you'll support buying bitcoin. You look for what mutual advancements and beneficial payoffs can be obtained through collaboration. Collaborating in owning bitcoin increases all parties' economic growth. You recognize there is imperfect information, for you don't know what other countries will do, but with some game theory, you know that the outside option for countries of not adopting bitcoin is worse off, so they will not be incentivized to reject.

If you are a constructivist and you believe power is in ideas, you'll support buying bitcoin. Whereas realists and liberalists think that IOs are instruments of states, you think that states and IOs shape each other in world politics. You believe that actors behave toward the world around them in ways that are shaped by the ideas that they hold about the world, which are generated by past actions. You recognize that IO mandates must embrace flexibility and that priorities and perceptions change, especially generationally. You recognize the importance of actively participating in self-determination in a decentralized system and equal voice, so you will recognize the value of bitcoin.

If you are a left or right-wing populist, you'll accept bitcoin. If you're a left-wing populist, you advocate for equity, the redistribution of money. You dislike how IOs are typically run by wealthy nations. In turn, you would support an IO effectively run by all 7.7+ billion people through bitcoin adoption. If you're a right-wing populist, you prioritize yourself or a central group you are a part of. Again, bitcoin helps you do just that.

If you are Russia, a socialist country that has recently been locked out of SWIFT and is dealing with incredibly wealthy and upset citizens with a war to fund, you accept bitcoin, so that you can have access to your funds 24/7, and your actions cannot be tracked by others (as long as your addresses are private).

If you are China, a communist country, who, despite kicking bitcoin miners out, has a looming aging population crisis on your hands and your trading partner, Russia, accepts bitcoin, perhaps you do too. Allowing your citizens to save generationally will increase their likelihood of starting families and curbing your looming crisis as their faith in the future is restored.

If you are the United States, a democratic country that values free speech and was founded on the values of independence and liberty for all "to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity," you should accept bitcoin ([source](#)). Not only does bitcoin align precisely with our founding principles, but it is our solution to a looming national defense crisis. Being the world's reserve currency is a blessing and a curse; the curse is coming. If demand for dollars declines, the US debt is a problem. Even if the time horizon of this problem is far off, is it not correct practice to address the problem now?

For instance, "The Department of Defense (DOD) is responsible for the military forces needed to safeguard US vital national interests. The President's 2023 Budget for the DOD provides the resources necessary to sustain and strengthen...investments that build enduring advantages. The Budget: preserves America's technological edge; **bolsters economic competitiveness**; and combats 21st Century security threats...The Budget requests \$773 billion in discretionary funding for DOD, a \$69 billion or 9.8-percent increase from the 2021 enacted level." ([source](#)). Additionally, the 2031 Total Predicted Debt is \$44,846 billion, the 2031 Predicted Interest Payment is \$910 billion, and the 2022 BTC Price is \$20 thousand (at the time of writing). In FY 2023, if the US allocates about \$9.1 billion (1.18% of DoD budget) to buy 4550,00 BTC at \$20,000 a coin, in FY 2033 (assuming \$2MM/coin), we can pay down our interest payment and start paying down our principal debt payments. Or, while we're at it, we might as well print the money to do so. The price of tomorrow is inexpensive or incredibly expensive.

If the US wants to follow the values of its founding, remain the dominant military power, and fulfill the mandate of the DOD, then it will adopt bitcoin. If the US wants to tackle its debt, avoid a crisis from being the world reserve currency, and continue exerting authority, bitcoin is the answer.

Conclusion

Actor, resource, forum, the ultimate IO, bitcoin will happen gradually, then suddenly. International community, be ready.

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