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| Theme | Viewpoint | Author | Methods | Concrete Findings |
| Inflation | Inflation positively effects Bitcoin adoption | Conlon et al. (2021) | Quantitative – Time Series – Continuous Wavelet Transform | Bitcoin price and US 5 year forward inflation expectation are positively correlated, however only during crisis times. |
| Choi & Shin (2022) | Quantitative – Time Series – Vector Autoregression at Weekly Frequency | Findings suggest a positive relationship between Bitcoin prices and inflation |
| Taskinsoy (2019) | Case Study – Turkey | Bitcoin use in Turkey has been driven by inflation of the domestic currency. |
| Mixed | Phochanachan et al. (2022) | Quantitative – Time Series – Markov Switching Vector Autoregression. | Bitcoin can positively correlate to inflation, in the short term. The study focused on high cryptocurrency adoption countries only. |
| Gaies et al. (2024) | Quantitative – Time Series | Bitcoin prices increase in response to inflation, under conditions of uncertainty. |
| Smales (2024) | Quantitative – Time Series | Above 2% inflation expectation sees no co-movement with Bitcoin. |
| Inflation negatively affects Bitcoin adoption | Basher & Sadorsky (2022) | Quantitative – Time Series | Bitcoin is not a good hedge against inflation as there is no co-movement. |
| Parino et al. (2018) | Quantitative – Cross Country | No correlation between inflation in countries and their Bitcoin adoption. Note, they were using data only before 2015. |
| Ricci (2020) | Quantitative – Cross Country | No correlation between inflation in countries and their Bitcoin adoption. Note, they were using only developed economies in their study. |
| Investment | Investment is a reason for using Bitcoin | Voskobojnikov et al. (2020) | Interviews | Investment is the primary intended use of non-users of cryptocurrency. |
| Glaser et al. (2014) | Account level quantitative analysis | Users on a sampled exchange (Mt. Gox) shuffled funds mostly between themselves and not outside the exchange, indicating investment, not payment was the intended use. |
| Wealth | Wealth is positively correlated to Bitcoin adoption | Lammer et al. (2019) | Account level quantitative analysis | Looking at a German bank’s accounts; wealthier individuals were more likely to buy Bitcoin. |
| Parino et al. (2018) | Quantitative -Cross Country | GDP per Capita correlated positively with Bitcoin adoption. |
| Gemini (2021) | Non-representative survey US | Average cryptocurrency holding respondent has a household income approximately 1.5 times the national average |
| Sins | Payment for Illicit goods is a reason for using Bitcoin | Marmora (2021) | Quantitative – Panel Data | National Bitcoin trading volume is positively correlated to marked shocks in the shadow economy (raids, seizures), indicating illicit use. |
| Saurabh (2017) | Anecdotal | There are websites, such as Silk Road (1,2) where people can buy outlawed goods, online. |
| Cryptocurrencies are being used to evade sanctions | Sarvi (2020) | Case Study – Iran | Bitcoin is a suitable cryptocurrency for Iran to use in evading international sanctions. Note: The study was conducted at an Iranian university |
| Chainalysis (2020) | Authors provide just data, conclusion is my own. | 75% of trades at a random Venezuelan exchange were over USD 1000 (suggesting elites were trading). |
| Corruption | Carlson (2016) | Interview of experts on Argentina. | Argentina’s history of corruption fosters the use of Bitcoin. |
| Alnasaa et al. (2022) | Quantitative – cross country | Corruption is positively correlated to cryptocurrency adoption |
| Remittances | Remittances can be a use case for Bitcoin | Folkinshteyn et al. (2015) | Case Study | Bitcoins properties make it suitable for use as a low-cost remittance payment system. |
| BBC (2021) | Anecdotal | El Salvador’s official reason for adopting Bitcoin as legal tender was to reduce money being lost to fees as emigrated El Salvadorians send money back into the country. |
| Ruchti (2019) | Case Study | Argues that Libra / Diem had the potential to increase financial inclusion of the unbanked through integration with communication platforms |
| Capital Controls | Capital controls can be a reason for adopting Bitcoin | Carlson (2016) | Interview of experts on Argentina. | Capital controls drive the use of Bitcoin in Argentina. |
| Viglione (2015) | Quantitative – cross Country | Countries with capital controls see a “premium” on Bitcoin prices, which authors interpret as extra demand. |
| Hu et al. (2021) | Quantitative | 25% of Bitcoin trading volume in China was capital flight |
| Alnasaa et al. (2022) | Quantitative – cross country | Capital controls are positively correlated to cryptocurrency adoption |

Predictors of Currency Substition

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| Theme | Viewpoint | Author | Methods | Concrete Findings |
| Inflation | Inflation positively affects currency substitution | Vieira et al. (2012) | Quantitative panel data study of 72 economies | Inflation is a predictor of currency substitution; however, the risk of sovereign default was an even stronger predictor. |
| Rennhack & Nozaki (2006) | Quantitative panel data study of 62 economies | Currency substitution is a response to inflation, currency depreciation. |
| Honig (2009) | Quantitative study of 66 – 92 (depending on model) countries | Lack of trust in the stability of the local currency increases currency substitution. |
| Kokesnyne et al. (2010) | Literature Review Qualitative | Countries wishing to stop currency substitution should focus on taming inflation. |
| Taşseven et al. (2015) | Case Study – Turkey | Argues foreign currency was used instead of the Lira due to the high inflation. |
| Levy (2021) | Narrative | The author credits the reduction in inflation as the reason behind the success of Latin America’s attempts to reduce inflation. |
| Inflation does not affect currency substitution | Stix (2011) | Quantitative Study of Household Data of Croatia, Slovakia, Slovenia | Neither inflation expectations nor exchange rates were a predictor of currency substitution. |
| Sovereign Default | Risk of Sovereign Default increases currency substitution | Vieira et al. (2012) | Quantitative panel data study of 72 economies | Inflation is a predictor of currency substitution; however, the risk of sovereign default was an even stronger predictor. |
| Technology | Technology increases currency  substitution | Ujunwa et al. (2021) | Quantitative Case Study -Nigeria | Financial Innovation found to be a significant predictor of currency substitution in Nigeria between 2005 – 2019. |
| Guidotti (1993) | Theoretical Model | By reducing the cost of transacting and holding foreign currencies, technological innovation can increase the usage of foreign currencies |
| Exchange Rate Volatility | Positive | Ajibola (2020) | Quantitative Case Study – Nigeria – autoregressive distributed lag | Exchange rate volatility was positively correlated to currency substitution. |
| Positive  Negative | Ju (2020) | Threshold ARCH Model studying 28 economies | Significant positive correlation between currency substitution and exchange rate volatility. |
| Stix (2011) | Quantitative Study of Household Data of Croatia, Slovakia, Slovenia | Neither inflation expectations nor exchange rates were a predictor of currency substitution. |

Methodology Review

This review will focus on quantitative studies evaluating the adoption of Bitcoin with in connection with some economic fundamental.

All time series studies

Ricci: uses both standard pearson’s correlation coefficient and multilevel regression models.

Multilevel regression models require panel data, which luckily we have

Spearman’s correlation: works on the ranks of the data.