

INTRODUCTION

What is *Bitcoin for Institutions* and why write a book about it? Is bitcoin not bitcoin? Does its ownership change its properties? I would say it does. When the money used by the world is hard to make and easy to validate, it becomes an exceptional tool for capital accumulation, coordination of trade, and generally aligning the incentives of spenders, savers, entrepreneurs, and planners. Under a system of hard money, capital flows into the strongest and most capable hands. The entrepreneurs who make the best capital allocation decisions end up keeping their capital, and those who make poor decisions are fated to have their capital flow to those who better meet the demands of the market.

This book is not a treatise on Austrian Economics. It does, however, accept that when there exists a money that can give individuals power, it will inevitably gain adoption. It will discover the economy that naturally wants to emerge when it is underpinned by long time horizons, confidence in humans due to an alignment of incentives, and a ruthless ability to verify every unit of money in circulation. These properties make entrepreneurs want to build on their best ideas, as they have confidence in a rational marketplace for their product. Bitcoin is expected to cause a similar renaissance as gold did during the Industrial Revolution. Much has been written about the misery emanating from this past