

Monetary and Fiscal Policy in an Age of Cryptocurrency and Political Partisanship

Phillip LeBel, Ph.D. Emeritus Professor of Economics
Montclair State University, Montclair, New Jersey 07043

lebelp@montclair.edu

<https://webmsu.montclair.edu/~lebelp/MonetaryFiscalPolicyRedux.html>

Monetary and Fiscal Policy are the core institutions that promote economic stabilization and growth in an economy. In this course, we examine just what these institutions do, how well they perform over time, and how their performance is affected by the rise of cryptocurrencies and political partisanship. In undertaking this examination, we bring together various strands of economic thinking from which we derive a set of proposals for more sustainable, transparent, and inclusive governance.

The course is divided into four sessions. Topics and downloadable materials are listed for each session. Some elements are derived from my newly published book, *Risk and the State: How Economics and Neuroscience Shape Political Legitimacy to Address Geopolitical, Environmental, and Health Risks for Sustainable Governance* (Walker Brown, 2021, available via Amazon.com). As with previous ALL courses, a website listed above will bring together various downloadable files that will be used in the respective sessions.

Session 1 (October 13, 2021)- What are cryptocurrencies and what do they portend for the framing of monetary policy? Topics covered are: Cryptocurrencies defined; The evolution of payments systems; How are cryptocurrencies created?; Cryptocurrency mining; hashing algorithms and the asymptotic limits of cryptocurrency mining; Can cryptocurrencies serve as legal tender?; Volatility of cryptocurrencies; Implications of cryptocurrencies on the framing of Monetary and Fiscal Policy.

Session 2 (October 20, 2021)- How are monetary and fiscal policy defined and applied in the U.S. economy in comparison to other countries and at other times? Topics covered are: Standard models of monetary policy; Fractional reserve central banking; Monetary policy in perspective; Financial crises and monetary policy responses; Performance of equity and housing markets; The tools of monetary policy; Fiscal policy defined in relation to monetary policy; Looking forward to the direction of monetary and fiscal policy

Session 3 (October 27, 2021)- What constraints shape the current state of political legitimacy in the United States? Topics covered are: Determinants of constraints on fiscal policy; The shape and evolution of fiscal revenues and expenditures; A taxonomy of fiscal revenues and expenditures by function; A comparative perspective on U.S. fiscal policy in relation to comparable economies; Questions of timing - the budget calendar, recurrent versus capital expenditures, earmarking and budgetary distortions; The needs of reform measures

Session 4 (November 3, 2021)- What kinds of economic and political reforms should we consider for an inclusive and sustainable monetary and fiscal policy? Topics covered are: The basis of political reform; The scope of political reforms; Capital budgeting principles; Crafting incentives for fiscal discipline; Transparency and accountability in fiscal policy - size, earmarks, and amendments; Upholding the independence of the Federal Reserve; Dimensions of monetary and fiscal policy; Global competition considered; Global fairness notions; Reforming the Electoral College; Limiting filibusters and requiring more than simple legislative voting majorities; Term limits and mail-in voting; Election funding transparency and accountability; Reducing gerrymandered election redistricting; Reducing self-dealing legislation;