US Should Launch a National Cryptocurrency, Says Economist Campbell Harvey

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Campbell Harvey, professor of international business at Duke University, has said a government-backed cryptocurrency is the most promising solution to curb several concerns with physical money — such as production and maintenance, tax evasion and clandestine trade. The famed Canadian economist is advocating the United States to switch from paper-based money to blockchain-endorsed national cryptocurrency — and why not, the technology is already available, he said.

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Harvey: Paper Money Makes No Sense

According to Harvey, former president of the American Finance Association, cash transactions will eventually disappear as digital money takes its place. Physical money's role in commerce has been around for millennia, but its untraceable nature has proven to assist crime and tax evasion. While this has always been the case, the growth of digital transactions has enabled governments to better trace and track where the money's all going.

Since inception, cryptocurrencies have made headlines for their use in the black market and illegal trades. However, the volume of illegal cash transactions in the black market is likely far more colossal than cryptocurrencies — but there are no official figures as physical money is difficult to track.


However, the economist pointed that some crypto disparagers oppose the idea of national cryptocurrencies, due to privacy concerns. Their argument goes that blockchain-based cryptocurrency will lead to zero privacy, as all transactions can possibly be monitored. But the reasoning does not stick well as transaction via debit/credit cards can also be easily tracked.
National Cryptocurrencies vs. Bitcoin?

Having said that, the concept of cryptocurrency will become the standard of money of the century in the coming years, believes Harvey. Although a government-based national cryptocurrency could face tough competition from the world’s largest cryptocurrency bitcoin, as it gains widespread popularity. For now, it is uncertain if bitcoin will win the race to become a norm in commerce-based transactions or not. Yet, even if it doesn’t many have predicted bitcoin will become a kind of gold standard.

Hence, the economist Harvey urges the United States should switch to a blockchain-backed national currency at the soonest opportunity — that is, if it wants its money to remain the global de facto standard unit.

Most developed countries have shifted towards digital transactions over physical cash. Thus, to switch from digital fiat money transactions to cryptocurrencies could even be easier and quicker for these countries. However, Harvey believes that smaller and developing countries could lead the digital transformation, leapfrogging over others by adopting new technology more easily. Venezuela is one such example, launching its state-owned cryptocurrency “petro” allegedly to circumvent US
sanctions. While it remains unclear how genuine the petro is or what (if any) technology drives it, other countries such as Russia and India have sketched plans to develop government-backed cryptocurrencies.

Blockchain-based currency can certainly more secure than physical money in many situations (such as small businesses that deal in large volumes of cash and must transport it). Several other economists have also opined that several concerns with using physical currency — such as tax evasion, terrorist financing and corruption — could be eliminated using a more transparent, blockchain-powered cryptocurrency.

*Will the United States or any other country introduce a national cryptocurrency in the next five years? Share your views in the comments section.*

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Akshay (http://akshay.makadiya.com) is a founder of RankLane, a Digital Marketing Agency. Being an SEO consultant he loves to write and speak on Digital Marketing, Cryptocurrency and Latest Technologies. Hit him up on Twitter @axymak for a quick chat.
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