

Virtual and flat finance (traditional finance and new opportunities) in COVID-19 era

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Abstract:

The financial system is part of the economic system that enables the co-creation of purchasing power and the provision of services that allow it to circulate in the economy. It consists of a market financial system, where these services are provided through market mechanisms, and a public (fiscal) financial system. Considering the state's financial system from the perspective of cryptocurrencies, one should also take into account the monetary (monetary) policy, which is part of the economic policy - next to fiscal policy and structural policy. The basic assumption of a proper monetary policy of the state is to take care of the value of the national currency, and thus to ensure the right amount of money in the market, so that the economy develops smoothly and prices are stable. It should be emphasized that this is the initial assumption of the financial (monetary) policy of a state that changes in the era of internet money, including transactions in the area of finance technology. European financial integration and the recent economic and financial crisis raise new questions, whether in the area of financial regulation or monetary policy. The proliferation of the digital money has also transformed the monetary field with the creation of new means of payment and the appearance of new currencies. New concepts emerge in a context of increasing monetary circulation within a globalized world without any real regulatory harmonization. While virtual portfolios or contactless payment technologies can create alternatives to traditional payment methods, new "digital currencies," such as bitcoin, are presented as an "alternative" to the traditional currency system. In addition, the desire to respond to needs not or insufficiently secured by the official currency, particularly to promote local links and exchanges, can find answers in complementary currencies. Public authorities have traditionally been reluctant to create new currencies or payment channels that could change value chains and reduce their room for maneuver and control over monetary policy. As for them, the economic actors (consumers, producers and banks) are the drivers of these changes and are aware of the opportunities, without always measuring the consequences (security of the financial system, protection of depositors and transactions, systemic risk, costs, etc.). In the literature on the subject, cryptocurrencies, in particular bitcoin, and their impact on the state's financial system are little studied. Publications on cryptocurrencies focus mainly on IT aspects, in particular on the methods of encoding cryptocurrencies. However, there is little research devoted to the problems of their impact on the state's financial system. The main goal of the work is to identify and analyze cryptocurrencies and their impact on the current and future financial system of the state. The main thesis of the thesis assumes that: Cryptocurrencies, in

particular bitcoin and ethereum, enable global transfer of value based on a secure coding mechanism (Block chain technology) being on the one hand an innovative tool in the field of finance technology and on the other hand a threat to the traditionally adopted financial system in for whom the anonymity of investors will make it impossible to control money circulation in the state. A reference to this thesis is the theory of three lenses by prof. Janusz Ostaszewski (Warsaw School of Economics), assuming the implication of the following variables, i.e. the economy in a global perspective, finance where cryptocurrencies would be a new good and technology in which the blockchain cryptocurrency encoding mechanism could become a future-oriented mechanism that guarantees transaction security on global markets while upsetting the traditionally adopted scheme of the state's financial system. In a borderless environment, where stakeholders have different points of attention (highlighting risks for governments and opportunities for economic actors), it seems tricky but crucial to achieve a stable legal and operational framework what we can see now in the era COVID-19 where virtual money are the best option because safe for our health.

Keywords: virtual finance, financial system, cryptocurrencies, bitcoin, money, COVID-19

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