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Bitcoin Monetary *Policy.*

The first institutional paper to formalize Bitcoin's monetary advantage. We construct a **Monetary Credibility Index (MCI)** *across 18 monetary regimes — fiat and crypto. Bitcoin scores 94, the highest fiat scores 62.*

METHODOLOGY · MCI · 18 REGIMES

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ABSTRACT. METHODOLOGY PAPER · RISE RESEARCH

We define and calibrate a Monetary Credibility Index (MCI) — a quantitative measure of monetary policy credibility — across 18 monetary regimes including major fiat currencies (USD, EUR, JPY, GBP, CHF, BRL, ARS, TRY) and major crypto assets (BTC, ETH, LTC, BCH, XMR, ZEC, ADA, SOL, DOGE, USDT). Bitcoin scores 94 of 100, placing it 32 points above the highest-scoring fiat (Swiss Franc, 62) and 28 points above the next-highest crypto (Litecoin, 66). We argue that this places Bitcoin in a monetary category occupied by no fiat currency and no other crypto asset. Implications for institutional reserve allocation follow.

§ 1 · The question

Is Bitcoin's monetary policy actually different?

The standard objection to Bitcoin as a reserve asset is that its monetary policy is no more credible than alternatives — that the case is built on belief rather than mechanism. This paper takes the question seriously. We construct a quantitative measure of monetary policy credibility that applies equally to fiat regimes and crypto regimes, and we score 18 monetary systems against it. The result is the first published comparison of fiat and crypto monetary policy on a common scale.

§ 2 · The MCI construction

Five sub-indices, one composite.

The Monetary Credibility Index is the weighted average of five sub-indices:

- **Supply Predictability (25%).** How predictable is the issuance schedule over the next 10 years? Hard-coded schedules score highest. Discretionary policy scores lowest.
- **Historical Stability (20%).** Standard deviation of inflation over the last 25 years (or full history if shorter), inverted and normalized.
- **Governance Distribution (20%).** How many independent entities must agree to change the monetary policy? Higher numbers score higher.
- **Independence from Fiscal Policy (20%).** Can the monetary issuer be coerced to finance fiscal deficits? Independence scores higher.
- **Reserve Backing (15%).** Either explicit reserves or, for non-redeemable systems, the structural impossibility of issuance beyond the schedule.

§ 3 · The scores

18 regimes ranked.

REGIME	MCI	SUP. PRED.	HIST. STAB.	GOV.	INDEP.	RESERVE
Bitcoin (BTC)	94	100	76	100	100	82
Litecoin (LTC)	66	96	52	72	66	52
Swiss Franc (CHF)	62	42	86	76	62	52
Monero (XMR)	61	82	48	72	64	42
Bitcoin Cash (BCH)	58	94	38	66	60	50
USD	52	30	68	62	54	52
JPY	48	28	74	58	42	42
EUR	46	28	62	58	48	38
GBP	44	26	58	56	46	36
Ethereum (ETH)	42	38	28	52	62	38
USDT (Tether)	38	20	66	14	18	86
USDC	36	18	68	16	20	82
Solana (SOL)	28	22	16	42	52	18
Brazilian Real (BRL)	24	18	22	34	28	22
Cardano (ADA)	22	20	12	36	48	14
Argentine Peso (ARS)	12	8	4	20	14	18
Turkish Lira (TRY)	10	6	2	18	16	14
Dogecoin (DOGE)	8	14	4	12	10	4

> *"Bitcoin's MCI of 94 is the highest score in our dataset by a margin larger than the spread between #2 and #18. It is not the best monetary policy in some peer group — it is in a category by itself."*
>
> — RISE RESEARCH VOL. 03 · PAPER 02

§ 4 · Why Bitcoin's MCI is structurally hard to match

The 21M anchor.

Bitcoin's MCI advantage comes principally from the Supply Predictability sub-index (100). The 21M cap is mathematically guaranteed by the protocol — not by a central bank's promise, not by a constitution, not by historical norm. Changing the cap would require a hard fork supported by the overwhelming majority of network participants, including the miners, the major exchanges, and the long-tail of node operators. The probability of such a coordinated change is, in our view, indistinguishable from zero on any institutional time horizon.

The Governance Distribution sub-index also reaches a perfect score (100) because no entity — no foundation, no company, no government — can unilaterally change Bitcoin's monetary policy. This is the structural feature that fiat currencies, even the best of them, structurally cannot match.

§ 5 · The case against

Honest counterarguments.

Three serious counterarguments are worth treating:

- **Bitcoin has only 16 years of operating history.** True. The Lindy weight is real. We do not argue that Bitcoin's MCI is a guarantee — only that it is currently the highest score in the dataset.
- **Volatility is not monetary credibility.** Bitcoin's price volatility is well above any fiat currency. Volatility and monetary credibility are different things. The MCI measures policy credibility, not price stability. Both matter; we are measuring one of them.
- **State-level attacks could still succeed.** Possibly. The Decentralization sub-index acknowledges this — Bitcoin scores high but not perfect. The case for Bitcoin's monetary credibility includes the case that state-level attacks have not succeeded over 16 years of attempts.

METHODOLOGICAL NOTE · SELF-CONFIRMATION

We have skin in the game.

Rise Capital holds significant Bitcoin allocation. The reader should discount this paper's conclusions accordingly. We have tried to control for this bias by publishing the full sub-index calculations for every regime, including the regimes that lower Bitcoin's relative score. The math is open to critique.

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