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It Is Morally Correct for Everyone Involved in Cryptocurrency to Kill Themselves

The world is in flames. Global poverty, agricultural ruination, collapsing biodiversity, and cataclysmic changes to Earth's climate have caused the immiseration of billions of people, and it is hard to shake the feeling that something is deeply wrong with how human society has coalesced in the past two hundred years. There is vast disagreement, however, about what the causes of this suffering are, and what solutions will douse the inferno. Cryptocurrency, a technology which intends to serve as a new form of decentralized currency, has been offered by some as a tool to aid in the restructuring of failing social, political, and economic systems. But a deeper analysis of the technology reveals that at best it is a rehashing of the same exploitative power structures currently in place, and at worse it is a showering of sparks enkindling the world's immolation. Cryptocurrency should be abandoned as a technology because it fails to remedy the afflictions of current financial systems, while it simultaneously succeeds in introducing a set of its own idiosyncratic conflagrations. Furthermore, ostensive refutations of this position fail because they equivocate on which negative aspects of cryptocurrency are essential properties of the technology and which are merely a product of neoliberalism.

Since cryptocurrency and related technology are by their nature convoluted, it will be helpful to first establish some terminology and general facts about them. A blockchain is a type of software system which functions as a public ledger, and uses tools from cryptography to ensure that, while new entries can be added onto the ledger, it should be as difficult as possible to change what has already been recorded (Juels & Eyal). The central idea of blockchains and the cryptographic algorithms they use is that it should be transparent to view verified transactions on the ledger, but adding transactions requires a nontrivial amount of computational processing. There are many different technologies which are implemented using blockchains, with cryptocurrencies being the prime example. A cryptocurrency is a type of token generated by a blockchain as a proof that a section, or “block,” of the blockchain’s ledger has been verified (Härdle et al. 182). Multiple computers compete to verify the block, with the difficulty of the computation scaling with the number of computers being used, and the token is awarded to whomever owns the system which completes the verification first (Olson 00:13:26-00:15:04). The goal of cryptocurrency as a “currency” is to use this token as a medium of monetary exchange which is independent of government issued fiat currency (Juels & Eyal). Proponents of cryptocurrency argue that because the ledger is public, it is difficult to change, and there is no conflation with government backed money, cryptocurrency is a more democratic basis for a global economy (Juels & Eyal). Exchanging cryptocurrency for goods and services amounts to creating a new entry on the ledger, which in turn would create a new currency token once verified, and so the system seems to reinforce itself. NFTs, or “non fungible tokens,” are a type of blockchain technology which, in its most common form, takes a piece of digital or digitized media and appends an acknowledgement of that media to a blockchain, producing a token which is “non fungible,” meaning that the blockchain recognizes its uniqueness (Olson 00:39:21-00:42:50). In summation, cryptocurrencies are an alternative to fiat currency based on the belief that their cryptographic mathematical underpinnings ensure their trustworthiness in purportedly the same way that a nation's economic productivity and appearance on the world stage gives credibility to the notes issued by its central bank.

Contrary to the hopes of their proponents, cryptocurrencies are not a viable alternative to current monetary systems because they fail to address both the myriad problems of fiat currency and the neoliberal economics it engenders. "Neoliberalism" as a term has a long history of confused use, but recent academic work has painted a clear picture of what the term means, and furthermore that the global market economy the world operates in today, with its emphasis on private property rights and a *laissez-faire* deregulation of banking institutions, is rightly called a neoliberal system (Vallier). As such, criticisms of neoliberalism are admissible as criticisms of the current state of the world, the power structures dominating it, and the various crises humans are facing because of them. A central criticism of neoliberalism, and its insistence on free market forces domineering social and political life in addition to the economy, is the way it undermines democracy (Vallier). An exemplar of free market interests undermining democracy is found when analyzing the bribery extant in the U.S. political system, with the 2010 Supreme Court decision *Citizens United v. Federal Election Commission* being a watershed moment for the legalization and codification into law of this corruption (Lessig). Proponents of cryptocurrency argue that its most transformative feature is to be found in its "decentralized" nature, which allows transparency and accountability in its uses as a currency (Juels & Eyal; Kellison-Lords). Clearly this is not the case, as is evidenced by the epidemic of cryptocurrency moguls funneling exorbitant amounts of money into political campaigns, lobbying firms, and corporate PACs to ensure that their financial and legislative interests come before the general public's (Grim; Murray). If cryptocurrency is poised to start a new chapter in the democratization of current economic and political systems, then why is it being leveraged by old guard capitalists to gestate the same corruption as is fiat currency? The answer is because cryptocurrency does nothing to instill democracy into legislative bodies; it consolidates capital into the coffers of the same anti-democratic sectors of the economy as does fiat, churning corporate profits into legislative bribes exactly as before.

This obfuscation of cryptocurrency's congruence to the status quo is seen in the rhetoric of its defenders. Ashwini Anburajan, a tech entrepreneur who cofounded a "tokenized venture capital fund" ("22X"), argues that cryptocurrency "creates a virtuous cycle of capital that allows many more entrepreneurs to succeed," by "democratizing access to capital," (Anburajan 05:35-05:52). What Anburajan means by this is that small investors can put money into this capital fund by buying their special blockchain tokens and receive a small amount of equity in a group of vetted startup companies. But this is something those investors could already do with their capital investments beforehand, and so the inclusion of a cryptocurrency mechanism in this system is superfluous at best. There is nothing any less "democratic" about investing money into a startup than there is in buying a cryptocurrency token which confers the same, if not less after transaction fees, amount of equity. Anburajan argues that this mode of investment makes it easier for companies like hers to secure funding because they do not need to compete to win the attention of venture capitalists (Anburajan 01:49-02:31), but this belies the scam that this investment fund truly is. One of the main ways that people can invest in the 22X Fund is to send Bitcoin, a particularly lucrative cryptocurrency (Härdle et al. 187), and receive a 22X token in exchange. The sleight of hand is this: Bitcoin can grow in value, and the 22X owners now have access to that token as an asset, not as a fixed amount of currency. While this might at first seem like a normal exchange, since the investor is placing capital into the hands of a company to receive equity on their eventual profits, the difference is that the equity was not paid for by a currency ("crypto*currency*" is a misnomer, see below), but instead paid with a speculative asset to a middle party. Any increases in the value of the Bitcoin token becomes profit for those now holding it, whereas a dollar would be worth the same amount as any other dollar. These hints of the volatility inherent in cryptocurrencies, and their propensity to be exploited for profit, shed light on the myriad deficiencies unique to them and why their adoption as a solution to the world's problems would be a mistake.

The distinct problems cryptocurrency presents are rooted in the fact that cryptocurrencies are not actual currencies. At the outset of his magnum opus *Capital*, Marx lays out an analysis of where and how goods derive their value and cleaves a distinction between use-value and exchange-value. Use-value is the intrinsic ability of a product of labor or raw material to serve some human purpose (Marx *Capital vol. 1* 125-131), while exchange-value is an immaterial property of these objects emerging only after their commodification, meant to quantitatively measure their exchange rate relative to other commodities (Marx *Capital vol. 1* 123). Marx argues that because exchange-value is not derived from material facts about a product of labor or raw good, and because two distinct types of commodities can be measured out in such a way that their respective total masses share the same exchange-value (say, one hundred pounds of iron and one pound of gold if they happen to be worth the same in some market), there must be some abstract third concept which they both reduce to, and he posits this to be money (Marx *Capital vol. 1* 127-128; 163-178). Under this view, money is a reified abstraction of the exchange-value between two commodities and is distinct from both the use-value of the commodities and the material (physical, chemical, historical) facts about them. This ontological analysis of the monetary basis of currency is paralleled in contemporary philosophical analyses of the difference between money and assets, which see money as an amalgamation of a value store and a unit of exchange, and assets as "promises of future money payment" with no tangible value (de Bruin et al.), a view which is consistent with both Marxist and capitalist ideologies. Cryptocurrency, then, is not a currency in any system, as it stores no value and functions solely as a promise of future payment. Even worse, in order for anyone to eventually collect this debt, the holder of the token must "cash out" into fiat currency, defeating the purpose the tokens supposedly serve.

In light of this unsoundness, it follows that if cryptocurrency were to be used as a currency, it would shatter the foundations of the global economy in a way national bank issued fiat currency is incapable of. Cryptocurrencies are highly volatile, speculative assets which derive their exchange-value not from any sort of human labor, but from their use as a mode of fictitious capital, a piece of debt being traded from one hand to another under the promise that somewhere down the line someone will collect their due (Marx *Capital vol. 3* 525-543). Considering that the immutability of the ledger is central to the integrity of cryptocurrency tokens themselves, and since these tokens are nothing but a verification of transactions on the ledger, this exchange-value is entirely dependent on the consistency of the blockchain as new transactions unfold over time. But this immutability does not exist, because blockchains are stored on multiple pieces of hardware and so are permanently corrupted by latency and communication errors between the hardware, causing discrepancies in and irreconcilable "forks" of the ledger (Olson 00:28:20-00:31:07). For all of the problems with fiat currency, and there are many, the idea that in a fiat system a malfunction between two privately owned hard drives sitting in some Arizonan warehouse could throw the entire global economy into disarray as people suddenly disagreed about whose copy of the same piece of money was the real one is so laughable it defies a serious defense. The idea that cryptocurrency should, or even could, replace fiat currency is absurd and juvenile, and as such is par for the course from libertarians.

To those unconvinced by this analysis, a counter argument will immediately suggest itself: it is a perfect solution fallacy to argue that because cryptocurrencies do not solve all of the problems inherent in neoliberalism, they therefore cannot be adopted as a supplemental facet of the economy. After all, the argument may go, the adoption of cryptocurrency by the general public would not require nation states to replace their central banks with blockchains, and since it is logically coherent to have both existing at the same time, it would be a false dichotomy to suggest otherwise. So, it concludes, society is free to reap the mutual benefits they both provide. But this attempted counter argument is blocked by noticing that it makes an equivocation on which benefits cryptocurrencies have in and of themselves and which are the product of labor. Activist Meghan Kellison-Lords makes the argument in her article “Bitcoin Is Post-Privilege and Pro-Human Rights” that, contrary to some arguments against Bitcoin which press on its most common use being to concentrate capital into the hands of rich white men (a point she agrees with but argues is “neither new nor compelling news,” failing to defend her title), Bitcoin is used by activists such as herself to provide aid to homeless shelters and natural disaster relief funds (Kellison-Lords). In defense of her article’s thesis, Kellison-Lords makes the claim that Bitcoin is a force for justice because “the fastest growing sector of the Bitcoin economy is charities,” and that they “have helped thousands of people locally and globally suffering from poverty,” (Kellison-Lords). These statements make the equivocation clear. The moral worth of something like a currency (or a speculative asset) is not judged by the uses to which it can be put. Bitcoin being used as a medium of exchange for goods which were then supplied to charities does not confer onto Bitcoin the morality of those charities. Believing that it does gives rise to a contradiction: if the moral worth of Bitcoin as a technology is conferred to it by the morality of its use, and it has been used for both good (the charities) and bad (see the myriad cases of the self-foiling "decentralized," "untraceable" currency being used to pay for domestic assassinations e.g., ("Dark Web Hitman")), then Bitcoin is demonstrably both morally good and morally bad. But something cannot be both morally good and morally bad, so the presupposition that use of currency confers morality is false, and Kellison-Lords' argument fails.

In regard to the alleged false dichotomy, the equivocation which defenders of cryptocurrency make when advocating for its conjunctive use with fiat is no clearer than in the case of the environmental impact its production has. According to a study done by the University of Cambridge, conservative estimates of the amount of electricity used by Bitcoin production alone puts the total amount per year as more than what is used by the entire country of Argentina (Cho). Cryptocurrency is not unique in its gluttonous energy consumption, as financial structures supporting fiat currency do the same (Olson 00:16:49-00:18:18), but therein lies the equivocation. Bloated and wasteful energy consumption is wrong, but clearly the way to stop it is not to supply it with a new vestige. Adopting cryptocurrency, either as a replacement for fiat currency or as an additional medium of exchange, will only widen the infernal maw of climate destruction. Ultimately, the refutation of these counter arguments makes it clear that cryptocurrency fails in its attempt to remedy the ills neoliberalism, both because it exacerbates the current sicknesses and introduces its own putrefactions.

With the argument against these technologies firmly established and defended, there is still one question which needs to be addressed. Is it, in fact, morally correct for everyone involved in cryptocurrency to kill themselves? On the one hand, it seems plausible that an argument justifying this conclusion can be given in two of the dominant theories of normative ethics. A utilitarian could argue that, given the wealth hoarding incentivized by cryptocurrency as well as the climate impact its production causes, a calculation based on future generational welfare will conclude that maximal utility would be achieved if everyone involved in cryptocurrency killed themselves (see the pioneering work by F. Ramsey on intergenerational welfare economics, explored in (Dasgupta)). A deontologist could argue that, in contrast to Kant's claim that suicide out of self-pity is not morally just because it is using the human body as a means to an end, suicide borne of repentance would be morally just because the deceased body is not acting as a means for the repentance but is itself the end the repentance seeks (cf. Kant's discussion of suicide (Kant 31-32, 37)). But on the other hand, maybe this is all a bit much. It can be conceded that normative judgements regarding the fate of all those perpetuating these societal ills falls outside the scope of this paper.

What is clear in light of the present arguments is this: cryptocurrency does not form an involatile, democratic, or otherwise just form of currency. It fails both in its ploy to redefine the economic structures governing current global markets, and in its attempt to act as a viable alternative pressure to redirect their currents towards equality. What it succeeds in is opening up new vectors for the same corruption, exploitation, and climate destruction plaguing current modes of existence. NFT's are a scam, divorced from any extollation of the artists producing the work being commodified, and deployed as an attempt to profit off of the naivety of middle-class would-be-investors with disposable incomes and a dearth of social purpose. It is true that the neoliberal hellscape breeds poverty and destruction because its core tenants are inequality, class division, and the harvest of non-replenishable resources. But a real solution to these problems will grow organically from the grass roots of organized labor, the elimination of wealth, and a radical upheaval of capitalistic power structures, and not from a craven regurgitation of their most condemnable vices draped in a technocratic dreamcoat. The billionaires will not save us, because they are the ones lighting the matches underneath our feet.

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