Exodus

Connor DeFrain | University of Idaho | February 2025

"The unexamined life is not worth living"

Socrates wasn't referring to money when he said that, but maybe he should have been because money is something rarely examined by most of the population. Our entire lives are spent chasing, saving, and trusting money without ever asking what it is, where it comes from, or who decides its value.

The pillars that shape our daily lives revolve around security. We collectively choose to form governments rather than remain truly free because security outweighs freedom in practicality. We all have free will but most of us can get behind laws and legal punishment because we agree as a society that they protect us and make our lives safer. Similarly, people work regular jobs not necessarily out of desire but necessity. Opting out of work is always an option but that choice comes at the expense of security. Ultimately, giving up our freedom to live within structured rules and consequences feels safer than pure freedom without guarantees. We accept rules and structure because they make life easier to manage. Most people don't want freedom in its abstract sense, they want convenience, and being able to hit the drive thru at McDonald's is a lot more convenient than stepping outside with a stick to hunt a woolly mammoth.

Beneath all of this is a harder truth - humans are psychologically self-interested by default and quick to cheat when it benefits them. A clear demonstration of this is Goodhart's Law in action: "When a measure becomes a target, it ceases to be a good measure." The pattern has shown up repeatedly throughout history. During the 7th century BCE in the Neo-Assyrian Empire, governors were supposed to collect tribute (taxes) and send it to the capital. They'd often demand extra, send the right amount up the chain, and keep the rest for themselves. A few hundred years later, Roman emperors kept spending money they didn't have, so they diluted the silver within their coins and pretended the money still had the same value, inflating the entire economy to keep the lie going. In 2008, banks handed out junk loans packaged as high grade investments (targeting those with no clue what they were signing) because the more loans they issued, the more fees they collected. History has shown that in every system across every era, once humans realize how something is measured, it's exploited; because humans prioritize short-term optics over long term integrity. This is exactly why not a single fiat currency has survived intact and why U.S. housing prices have increased 969% since 1970 while the dollars lost around 83% of its purchasing power.

According to System Justification Theory, people often defend existing economic and social systems even when those systems actively harm them. In their research, psychologists John Jost and Mahzarin Banaji studied how people responded to unjust conditions, like unfair workplace practices or marginalized groups internalizing lower social status. The results showed that participants frequently rationalized outcomes as inevitable or deserved. The theory suggests this response reduces anxiety, reinforcing the illusion that the world is fundamentally fair and orderly.

It's worth noting that in today's western culture, most feel victimized. It's prevalent on social media, in classrooms, even from politicians themselves; but it's all just managed dissent. People call the economy rigged, bitch about inflation, or demand systemic change, all while continuing to use fiat money, participate in the same institutions, and rely on the same jobs for security, making outrage a release disguised as resistance. Protests are popular because they give the unemployed and/or disillusioned a sense of purpose, then the artificial motivation fades, the structure absorbs, and it's onto the next trend. This reinforces Socrates' warning in the sense that we often confuse commentary for examination. And when real scrutiny threatens our sense of security, we retreat into narratives that make us feel informed without requiring real change.

Modern money is the most obvious case of unexamined acceptance. Inflation and currency debasement are commonly framed as policy mistakes or unfortunate outcomes, but that misses the design. Fiat was designed to be flexible, reactive, and politically controlled. The U.S. removing gold convertibility in 1971 was a deliberate shift toward unrestricted monetary power. And when that door opened, it followed the same script every other system does. Fiat became a textbook case of the Principal-Agent Problem - the public (principals) handed control of the money system to policymakers (agents), trusting them to act in everyone's interest. But those same policymakers learned they could juice markets and dodge consequences as long as the narrative stayed intact, bringing us right back to Goodhart's Law. The Fed now prints over $200 billion worth of notes per year and corporate bailouts (like those in 2008) are seen as necessary. After the housing crisis, only one banker went to prison. The firms responsible for the collapse got rescued, leaving retail investors who did nothing wrong with the short end of the stick. Studies linked to a spike in suicides and bankruptcies. One estimated that the crisis led to approximately 144,483 excess deaths and another found an estimated 5,000 additional suicide deaths in 2009 alone. Yet, the same public that condemned Wall Street continued to rely on the same system, took the stimulus checks, and moved on. Everyone wants justice until they realize it costs them energy.

The same pattern shows up in how society treats alternatives. Gold is the most widely accepted fallback, but it still exists within the same monetary framework. Gold's value increases in reaction to monetary debasement or institutional stress. Gold prices rose sharply following the collapse of Bretton Woods, responding after the United States formally severed ties to gold convertibility. Prices surged again following the liquidity interventions of 2008 and the global stimulus packages during the pandemic. Each time, gold reacted after institutions had already begun to respond to crises. This reactive behavior reveals gold's fundamental limitation, it's tied to the system as a hedge. Its value derives largely from institutional recognition and legacy trust.

Bitcoin operates differently in the sense that it doesn't adapt to changing political or economic conditions. The protocol was designed to provide the best of both worlds: the salability of fiat money and the scarcity of gold, but with no central discretion. Its monetary structure (21 million coins), predetermined issuance (halvings), and fixed block intervals (every 10 minutes) will always remain exactly as they were at inception, regardless of market sentiment and institutional acceptance. Nobody can manipulate the rules, which takes away any chances of yet another example of a human-led system taken advantage of. Even minor upgrades like SegWit and Taproot improved functionality without ever touching Bitcoin's monetary base. So while fiat systems offer QE during crises and gold provides historical reassurance through institutional support, Bitcoin's intrinsic value lies in that it's completely static. Its unresponsive nature demands a direct confrontation with economic reality, requiring users to adapt to it rather than the other way around. Most perceive that as sketchy but that's exactly what gives it integrity.

Whether people understand the protocol or not has absolutely no bearing on whether it continues. Socrates believed that philosophical insight begins only when comfortable assumptions are disrupted. Bitcoin forces this kind of disruption within the macro monetary realm. Bitcoin is a rare instance of real sovereignty in a world of manipulated systems and psychological crutches.