

Cryptocurrencies and Governance, These Things are Happening

It's a marvel to me to witness what is happening on planet Earth as it regards cryptocurrencies. Satoshi Nakamoto, whoever or whatever he/she/zhe is, began a revolution as big as the wheel and the printing press and the Internet that came before it, or so it seems to me.

Over \$93 billion dollars, and counting, have poured into the cryptocurrency market since Bitcoin was released in 2009. Millions of individuals have come together without central direction to build this worldwide phenomenon.

Changes are happening every day that have global ramifications, all of which are happening without permission by governments, and often in spite of governments' supposed authority to control other people. That is truly *awesome*.

There is governance, to be sure, as it regards cryptocurrencies, but such governance is without centralized structure. Cryptocurrency manipulation must follow specific rules, and changing those rules requires popular acceptance by users and stakeholders of each given cryptocurrency. Nobody can implement their preferred change arbitrarily. The only thing arbitrary about cryptocurrencies is one's desire to get involved in the hundreds of different systems, and once involved, they must follow the rules.

I think there's a model here for political governance, or in others words, governance around the idea that people have rights, and those rights should be protected, with physical violence if necessary. While people mostly agree that behaviors such as murder, rape, robbery, assault, and battery are undesirable and we all should be protected from them, there's a lot of disagreement on the smaller stuff, like who's entitled to what, provided by others that haven't themselves committing any of the foregoing behaviors (ie. crimes). That's not to say that people don't disagree on the big stuff, but the disagreement is more a matter of definition than of undesirability.

Who should decide which entitlements should be enforced? The current model says that for a given arbitrarily-derived geographical area, one entity should decide, even when party to the dispute, and that entity may be influenced in any number of ways. In other words, *one size fits all*, like it, leave it, or hope you get enough popular support to change it.

Alternatively, using the cryptocurrency model, there would be no single entity per arbitrarily-derived geographical area to force one set of rules onto everyone else. Instead, individuals would pick and chose which rules they wish to engage with. When someone violates their rules, they have the option of dealing with it personally or calling on their

rights protection agency to do so. Everyone involved now has a strong financial incentive to remedy the dispute as peacefully as possible. How so? Because everyone involved is bearing the costs of resolution personally. There's no forcing those costs on to innocent third parties. Any attempt to do so will be met with the same type of response the original dispute was met with.

Of course, I can't predict how all of this will develop, spontaneously, just as I couldn't predict the effects of the wheel, the printing press, the Internet, and of the emergence and spread of cryptocurrencies. But I can say that I'd prefer governance based on this model over governance based on the old model. Seems far more effective, efficient, justified, and just plain 'ole *right*, to me.

In any event, to what extent the cryptocurrency phenomenon pushes against old models in the financial industry, and beyond, should be a welcome change for anyone tired of getting "landline government in a cell phone world," quoting Michael Malice. I don't think it can be stopped. I think that now that it's begun, it's here to stay.