

What Would Institutions Look Like In A World Guided By Bitcoin?

Although many in the Bitcoin space disregard any notion of institutional guidance, reality holds that these may well form in the future.

"Without common ideas, there is no common action, and without common action men still exist, but a social body does not. Thus in order that there be society, and all the more, that this society prosper, it is necessary that all the minds of the citizens always be brought together and held together by some principle ideas."

– Alexis de Tocqueville, *"Democracy in America"*

After reading the quote above by the ever-prescient Alexis de Tocqueville, it strikes me that if a society is to be held together by some principle ideas, then the nature and content of such ideas must be exceedingly important. Furthermore, if these ideas lose their potency or become misshapen, the society necessarily degrades. Here in the United States, this process appears to be unfolding before our eyes, leaving us in desperate need of new ideas and a recommitment to a common ideal.

Thankfully, our society is shifting in such a way that a kind of "re-founding" appears to be possible in the near future, but only if the right idea becomes widely embraced. Perhaps the importance of low time preference, understood through the lens of Bitcoin, can be one such principle idea that brings people together and leads to, not only a great American revival, but a

golden age of human flourishing. Powerful ideas, however, sometimes depend on tangible metaphors in order to achieve broad adoption. I propose that planting groves of sequoia trees and hosting public Bitcoin nodes at the center of these groves can serve as a physical manifestation of this “principle idea” known as low time preference. Allow me to explore this concept more thoroughly below.

Delayed gratification is the bedrock of civilization. Planning for the future and deferring consumption are prerequisites to child-rearing, agriculture, technology, cooperation and the construction of every tool, every building, every work of art ever made. In short, all good things take time.

Inversely, instant gratification, if indulged too much, entails a litany of ills that manifest on every level of the human condition from failing personal health to crumbling infrastructure to breakdown in the political process. Taken to the extreme, high time preference reverts human progress by reducing the complexity of our endeavors. Without the ability to lower one’s time preference and, therefore, invest effort across time, humanity would simply be a collection of taller, less hairy chimpanzees doomed to walk the Earth in constant struggle against the elements and against each other. The ability to modulate our time preference, however, gives us choice. By tuning this mental faculty, we can chart a course toward either civilization or barbarism.

Sadly, our society is lurching toward barbarism as we continually prove incapable of undertaking the kinds of projects that have defined the great civilizations throughout history. Our roads and bridges are crumbling, our children are being raised by screens and strangers, our soil is eroding, and what passes for art now is often an unskilled discharge of obscenity or mere entropy. We post selfies, binge eat fast food, and watch Netflix while demonizing the most successful among us.

The causes for today’s pandemic of instant gratification are multivariate, but the abandonment of sound money lies at the heart of it all. As so starkly illustrated by the collection of graphs on wtfhappenedin1971.com, the abandonment of sanity in the monetary realm has wrought untold damage to human flourishing over the last 50 years. But why?

Civilization is a highly complex and dynamic process requiring the exchange of information and value across time and space. If the medium by which either information or value is exchanged becomes degraded, then civilization inevitably declines. The introduction of purely fiat money in the 1970s has produced massive distortions to the transfer of value among individuals and institutions and has led to a society addicted to high time preference behavior. Luckily, Bitcoin fixes this, however, the erosion of the institutions that used to bind us and help propel us forward will remain a problem until we act upon our low time preference by building new institutions that will endure the ravages of time.

While I am inherently skeptical of all things collectivist, the fact remains that we are social animals instinctively drawn toward communal enterprise. We have the same latent capacity for greatness as the humans who built the Taj Mahal, the Hagia Sophia, the Golden Gate Bridge, and who used slide rules and protractors to send Neil Armstrong and Buzz Aldrin to the moon. It is incumbent on us, therefore, as Bitcoiners at the dawn of a new age, to fill the vacuum left by the declining institutions of our day by building new institutions according to our own specifications and adhering to our own values.

These institutions must span the scale from local meetups, schools and civic organizations, to national media, higher education and fully fledged governments. These institutions must preserve individual sovereignty. These institutions must encourage people to lower their time preference and partake in tasks greater than themselves which require substantial amounts of time and effort to bear fruit. By pooling resources while preserving individual freedom, we can build up civilization to new and grander heights.

I don't pretend to have the exact blueprints for these new institutions, but I do think it's natural to start at the most local, most basic, most grassroots level and then build from there.