Bitcoin *Is* Value

Bitcoin is a US strategic reserve. Bitcoin is a store of value. Both statements are true. However, Bitcoin as a holistic value proposition is even more fundamental and exemplary than its base political and financial elements: Bitcoin is value.

What does this mean, though, Bitcoin is value? Specifically, what is the value of BTC, the token that is produced as a bounty for mining, for using energy to add new blocks to the Bitcoin timechain / blockchain, as laid out by Satoshi Nakamoto in “Bitcoin: A Peer-to-Peer Electronic Cash System?” The only value mentioned in that paper that relates to what we as author and reader mean by the value of currency is the “incentive value” for mining a block, the reason for expending energy to earn BTC. But what is the totality of value of BTC as a currency, its exchange, use and social value?

The value of BTC is a product of the totality of the system that is Bitcoin, its entire process of generating, storing, transacting and verifying BTC. Bitcoin’s value is determined by its consensus mechanism, how it reaches a truth, otherwise writable as: TSM = d(E) + c(F) + n(F) → f(T). The Scientific Method (TSM) is the full process of creating truths, that is, meaning, significance and value, and although the ways in which TSM is executed and the inputs it receives are widely diverse, the method itself is straightforward: it is the full process of determining evidence [d(E)] (via existing abstractions), constructing facts [c(F)] from that evidence (the process of facticity), and assembling those facts (via narration [n(F)]) into [field-specific] truths (f[T]).

Bitcoin is pure scientific method: this data production, this engaging Bitcoin and ultimately scaling it within the network itself, are what produce value. The source of our most poignant social disagreements is not about the truths that we have produced as such but rather about the procedures by which we have created them: the consensus mechanism that we have used to generate meaning, significance, and value. This is evidenced across our primary social activities, from religious devotion such as prayer to academic research such as history writing to the essence of money as hedonistic promise to the use of machine code for daily communications. All these activities, and many more, operate in identical ways for the same purpose: they connect the abstract to the real and assign meaning both to the products of that union and to the processes by which it is achieved.

History and Bitcoin are entangled, complementing applications of TSM to elicit value. The historical method is a field-specific application of the scientific method that generates meaning in the form of identities. Likewise, Bitcoin is a specific deployment of the scientific method to create value in the form of currency, BTC. The scientific method, however it is implemented, is logical and repeatable but also unpredictable in its appearances, its content. The Bitcoin decentralized ledger landscape, as with past for History and being for theology, is a rhizomatic [content] assemblage: it is the fruit of overlapping networks of data and random lightning strikes of chain inputs and outputs f(Tx). The historical method’s facticity model is linearly contingent insofar as it is the product of a transparently traceable process with a certain and verifiable origin, as with Bitcoin’s header data and with Bitcoin as a timechain (or, blockchain) superstructure.

Bitcoin as timechain wills to power and Bitcoin as currency wills to fulfillment. Bitcoin operating as the physical network-machine directly channels the sparks of being and Bitcoin operating as money is the repairing of the temporal, תיקון עולם. Hasidism is mysticism and saga flowing together in a single stream, Martin Buber tells us. Bitcoin is rebirth, repair and renewal – all that has significance – flowing together on waves of melody and light in the encounter of the non-historical and the historical.

Bitcoin is the convergence of antihistory and history, a mirror of Catholicism’s dyophysitism uniting universal essence like raw energy with the historical, in a way that sustains the sovereignty of both. Bitcoin is, like the messianic figure in that theology, the logical site on the event horizon between the void and the edge of the existing situation, ready to erupt into a catalyst for radical transformation when the conditions are right for it to become manifest, to move from partially existent to fully actualized.

Change comes from within a situation, it is what is sitting there within a historical world, a product of it, like Bitcoin, but which is not yet leading that world’s discourse, not the founding of its subjectivity. The process of the subject’s becoming via the event, respectively here Bitcoin’s proof-of-work consensus mechanism and Satoshi’s article, generates a new historical situation, a novel world, with its own value replacing the old.

I conclude, then, by reiterating that Bitcoin is value: USD is neither a product of the scientific method nor is it scientific in its form and representation. Such fiat skips over core steps in the scientific method – especially step 1 – and therefore ends up as only a fragmented truth, one that cannot be verified, cannot be objectively and universally confirmed, by experimentation: fiat is adjacent to currency as value – enough to appear unified with it but lacking the grand theological and scientific fulfillment to stand on its own as value. This is why most money before Bitcoin (not all: Visigothic currency is an exception, for instance) has remained in the realm of pure hedonism, the promise of future pleasure via exchange value: exchanging that money for whatever one desires, whenever one desires. This is only partial value: the totality of value is completed by use, by meaning, by the fulfillment of need: connecting the abstract to reality is the core need of our society, in our religious institutions between the divine and us, in our university classrooms between mathematics and tangible outcomes, in all of the devices we carry around between software and effect, in our connection to the dead between inexistent and existent, and more.

Is Bitcoin salvation? Well, I am not a theologian, only a Bitstorian. But what I can say confidently is that Bitcoin is the totality of value: its proof-of-work consensus mechanism, its physical connection to the universal and the abstract, its ability to unite the ephemeral and the existential without sublimation… Bitcoin is the currency that humanity finds on the other end of the tightrope across which we are bravely walking toward the next stage in evolution. Bitcoin is currency-value not imposed from above but rather, in the words of Martin Buber about Hasidic resonance, it is the sparks of the divine. To use Bitcoin is to reach out and feel our essence: in this, Bitcoin *is* value.

– Bitstorian