
ON BITCOIN AND SIMMEL'S IDEA OF PERFECT MONEY

Siwittra Chainiyom and John Giordano
Assumption University, Thailand

ABSTRACT

Georg Simmel in his book *Philosophy of Money*, described how money evolves through history and predicted that it will evolve to the point where it no longer relies on any substance. He called this stage “perfect money,” which he described as “money detached from every substantial value”. Today we are faced with the development of cryptocurrencies, of which Bitcoin is the best known. Bitcoin presents a new system of transaction which does not require governments or middlemen to regulate trade. Since such currencies are completely beyond substantial value, the philosophical question emerges whether Bitcoin is “perfect money.” This essay will argue that Bitcoin can be understood in connection with Simmel’s idea of “perfect money.” But will also consider Simmel’s claim that perfect money is only possible in a stable society and will show the limitations of cryptocurrencies and Bitcoin in light of this.

Keywords: Money; Bitcoin; Cryptocurrency; Simmel; Philosophy of Money