



Controlling the perception that Bitcoin is Broken

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Bitcoin doesn't care. It continues to develop a monetary, financial, economic, intellectual, and social ecosystem around itself. But a pair of reports in the mainstream media makes Bitcoin look broken. Arguing with the messenger is an option. But the better path is to get on with the hard work of fixing up Bitcoin in perception and reality.

Unfair? Perhaps. A [Planet Money](#) podcast finding that Bitcoin wouldn't relay a [simple transaction](#) appears to have been conducted on software that didn't supply the fee required under current conditions. In light of such reports, new users may hesitate to get involved. Their reluctance may retard Bitcoin's growth and slow desirable advances in global financial inclusion, financial privacy, autonomy, and monetary and financial stability, as well as Bitcoin's growth in value on exchanges worldwide.

For Bitcoin's technical sophisticates, doing a transaction that way is just dumb. But there is a good argument that transaction fees were supposed to supplant mined bitcoins over the next hundred years. Wallet software and the knowledge to use it in a market for transaction-inclusion services were arguably meant to evolve over that span, not in the last year.

So if *New York Times* reporter Nathaniel Popper was playing the role of everyman when he sent his transaction to oblivion, he represented a large number of Bitcoin users and a huge number of non-users. The technical and social capital for transaction fees is still in the earliest stages of development.

In his [Times](#) piece on [mining in China](#), Popper sounded notes that must surely rankle Bitcoin Core developers and their supporters. He characterized them as having "resisted changing the software," when in fact they've been working hard to optimize the software for their preferred 1MB blocksize limit.

Now Bitcoin is broken – at least in the eyes of millions of *New York Times* readers and *Planet Money* listeners. It is looking to them like Bitcoin is a technically constrained payment system that is hard to use.

What to do? The expression “never argue with someone who buys ink by the barrel” needs updating, but its import is unchanged. When the ink hits the paper or the editor hits “publish,” what’s done is done.

Bitcoin Core’s philosophy and plans are not well understood. The community around Core has not communicated effectively with Popper and others outside their circle. They have yet to establish in the popular mind that they have a vision for a fully secure Bitcoin ecosystem with capacity to rival or supplant today’s dominant payment and monetary systems.

Some in the Chinese mining community may share these concerns. At the time of this writing, rumors are swirling that a recent meeting in China produced an agreement to shift away from Core to a software version that supports bigger block sizes.

There are reasons why they might make this change. Core offers miners increased fees, which are surely welcome (if constraining, as Popper’s reporting suggests). Over the long term, Core’s plan for off-chain transactions would diminish the role of the blockchain, with uncertain results for miners.

The alternative, a bigger blocksize and greater on-blockchain through-put, doesn’t promise much in near-term fees. But it does support the simple vision of a massive blockchain-based payment system, supported by increasingly valuable digital money.

Core may offer miners the role of “big fish in a small pond.” Bitcoin Classic might make miners big fish in a big pond. For the Core side, of course, that skates dangerously close to mining centralization, which threatens Bitcoin’s very foundations.

There is no way forward but forward. Miners, node operators, and ordinary Bitcoin users should constantly assess whether the software version they run is the best for the ecosystem and themselves. Proponents of different software versions should make their cases in the most persuasive terms they can. This means open debate that avoids rancor, personal attacks, technical attacks, and censorship.

Why is it important to conduct the debate on a high plane? The third actor. The blocksize debate is not just about competing versions of Bitcoin’s philosophy, future, and software. It is an exhibition for non-Bitcoin-users about the type of people that adopt cryptocurrency. Every side in the blocksize debate is displaying to the wider world what the “crypto world” is like.

Bitcoin is not broken, though news reports may have convinced some people that it is. The goal of stalwarts on any side of the development debates must be to ensure that their own actions help rehabilitate Bitcoin’s public image and don’t bring down what they are working so hard to build.

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