
MUST A CURRENCY BE CENTRALLY REGULATED TO BE ETHICAL?

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AN INVITED RESPONSE TO Andrew Allison (2021), “Scharding on Non-Centrally Regulated Currencies and Price Volatility,” *Bus Ethics J Rev* 9(8): 47–53,
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ABSTRACT

Scharding (2019) argues that Bitcoin is unethical on Fichte’s (2012/1800) view because its instability makes it unable to guarantee that users can afford what they need to live. She contrasts Bitcoin with currencies controlled by central authorities that can guarantee their stability. Allison (2021) objects that not all centrally controlled currencies are stable and not all non-centrally controlled currencies are unstable. I clarify that both stability and a means of securing stability (typically, a central authority) are necessary, but not sufficient, for a currency to be ethical.

A CURRENCY IS ‘ethical’ on Fichte’s (2012/1800) account of the ethics of currency when people can use it to secure, for the foreseeable future, what they need to live. This view would evaluate a currency as unethical, then, if the currency’s value fluctuates so wildly that people cannot use it to purchase the staples of life over a set period (Fichte 2012/1800). A typical mechanism for stabilizing currencies is a central authority. For example, the Bank of Canada controls the value of Canadian dollars, thus stabilizing the value of this currency. Some currencies are not controlled by a central authority, however. Cryptocurrencies like Bitcoin are monitored by peer-to-peer (P2P) communities and are not subject to centralized control. In its nearly 15 years of existence, Bitcoin’s value has varied significantly. Between

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