

Crypto's murky core — and why the bubble must burst

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Jemima Kelly [in FT Alphaville](#) captured the essence of the crypto world in a few sentences in an article published yesterday. She said:

Crypto itself is the Wild West of finance, where exploiting regulatory loopholes and bypassing national controls is the name of the game. ... Crypto has never been about innovation, but about getting away with things you would not otherwise be able to. ... Murky dealings aren't the bug, they're the whole point.

She added that Donald Trump earlier this year “hosted a dinner for top buyers of his \$TRUMP memecoin,” making at least \$350 million from its launch before its value “plunged by more than four-fifths.”

Those comments encapsulate the reality of crypto.

For more than a decade, the crypto world has sold a story of freedom, transparency and decentralisation. But the truth, as Jemima Kelly notes, is the opposite of that. The blockchain may record transactions, but the people behind them are hidden behind alphanumeric codes. “Transparency” is a sleight of hand: it records the flow of money without ever revealing who controls it.

That design is, of course, deliberate. The purpose of crypto was never technological progress. It was to create a financial system that could operate beyond the reach of the state, regulators, and democratic accountability. The “innovation” was to disguise lawlessness as liberty.

And because opacity is its defining feature, fraud is not an aberration in the crypto world. It is its business model. Each crypto scandal might be presented as a rogue exception, but the pattern of them suggests otherwise.

Crypto is neoliberalism made into computer code. It promises that individuals can create value out of nothing, that markets can exist without governments, and that rules are unnecessary if everyone pursues their own self-interest. In other words, it is the digital reincarnation of the same ideology that has already failed us in the real

economy.

Like neoliberalism, crypto's rhetoric is claimed to be about empowerment. Its reality is about exploitation. Early adopters, miners, and exchange owners reap vast speculative gains. The rest are left with losses, or worse, with stolen savings and no recourse.

That is not freedom. It is feudalism rebuilt on a blockchain.

In this context, it is notable that, as Jemima Kelly observed, the Reform Party has become the first major UK political party to accept cryptocurrency donations. Ireland has banned such contributions precisely because they are untraceable. The UK, as usual, has opened the door, and Farage is walking right through it, undermining democracy as he does.

That is because crypto is, by its very design, money without a country to call its own or which is accountable for it. It allows those with wealth, whether legitimate or otherwise, to move resources across borders, fund campaigns, and shape politics without oversight. That is why authoritarians love it.

The sad fact is that no one has understood the political utility of this better than Donald Trump. His \$TRUMP memecoin was not an accident; it was a demonstration of how easily political graft can be rebranded as innovation. When a US president can personally profit hundreds of millions of dollars from a digital token whose price then collapses by 80%, we are not looking at a financial revolution. We are looking at a racket.

Despite this, Bitcoin is currently trading [at a near-record high](#). Its cheerleaders call it proof of adoption. In fact, it is proof of desperation. Every time belief in crypto begins to fade, its market promoters manage to inflate it yet again, deferring what must eventually be the inevitable implosion.

We have seen this before. The 2021 surge was followed by a 70% collapse and the evaporation of trillions in nominal "wealth". Now, as regulatory scrutiny tightens and liquidity drains from real economies, the pattern is repeating.

The fact is that what we are seeing is that crypto's price rises when money elsewhere stops working. That is not because crypto has value, but because it is the last refuge of speculation. It is a pressure valve for those who cannot admit that the neoliberal model of endless asset inflation is dead. When that illusion eventually collapses, the losses will fall, as always, on those least able to bear them.

And when that collapse happens, the central myth of crypto, which is that it is value-neutral and "just technology", will be exposed. Technology always embeds values. It cannot be "value-neutral". Nothing is. In this case, the embedded values are greed, secrecy, and evasion. Crypto offers no social good. It produces no public wealth,

builds no infrastructure, and solves no human problem. Its energy use is obscene, its employment impact trivial, and its ecological footprint indefensible.

Cryptocurrency is neither a currency nor an asset, and it is not a system of exchange. It is a faith system, at best, and faiths without foundations end in collapse.

When the next crash comes, and it will, the losses will again be socialised, as I have suggested before. Governments will be forced to intervene to contain the damage, just as they did with banks. Once more, public money will be used to clear up the wreckage of private greed.

At that point, perhaps, we will finally learn that there is no such thing as “decentralised” finance. All finance, in the end, rests on the stability of states, laws and institutions, and on trust. And crypto has none: it is designed to remove trust from the system.

Crypto’s apparent success is a mirage. The current surge in Bitcoin’s price does not reflect productive investment, innovation, or confidence in the future. It reflects panic and a desperate search for yield in a world where genuine value creation has stalled.

Like every bubble, this one depends on the greater fool theory: the belief that someone else will buy what you already suspect is worthless. The greater fool this time may be the voter, the pension fund, or the political system itself.

When belief finally breaks, it will not be the end of technology. It will be the end of an illusion that greed can be turned into code and be called progress.

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