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TEXT Peter Horváth <horvath@cryptoanarchy.institute>

DSGN nogoodkid <nogoodkid@cryptoanarchy.institute>

# THE NOCOINER SYNDROME

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This paper introduces and analyzes the *nocoiner syndrome*, a condition where individuals, especially those benefiting from the current financial system's Cantillon Effect, perceive early Bitcoin adopters as immoral.



*At the core  
of every civilization  
lies the concept of  
v a l u e .*

Since the emergence of Bitcoin, we have observed a psychological phenomenon among certain groups, particularly those involved in traditional financial institutions, characterized by the moral opposition to Bitcoin's early adopters and the system itself.

**This paper introduces and analyzes the *nocoiner syndrome*, a condition where individuals, especially those benefiting from the current financial system's Cantillon Effect, perceive early Bitcoin adopters as immoral.**

Through a case study of recent academic work by European Central Bank employees, we examine how this syndrome manifests in academic discourse and institutional behavior. We analyze the syndrome's root causes, including cognitive dissonance from missed opportunities and the psychological impact of working within inflationary monetary systems.

The paper challenges common misconceptions about early Bitcoin adoption's morality by examining the risk-adjusted nature of early investments and demonstrating how hodlers contribute to economic resource conservation. We propose several treatment approaches for the nocoiner syndrome, emphasizing the importance of understanding complex systems and the limitations of central planning.

Our analysis suggests that this syndrome is not merely a personal psychological condition but a broader societal phenomenon with implications for economic policy and institutional behavior.

**Keywords:**

Bitcoin, cognitive dissonance, Cantillon Effect, monetary psychology, central banking, complex systems, early adoption, institutional behavior, cryptocurrency adoption, psychological economics

*What makes one thing more valuable than another?*

Since the introduction of electronic cash with free-floating market prices, we have observed a prevalent psychological condition characterized by a distorted perception of how these innovative currencies are distributed in society. We have coined the term *nocoiner syndrome*, which describes this condition. In this paper, we are going to define the nocoiner syndrome, look at its causes, effects and possible treatment options.

**The *nocoiner syndrome* is a condition under which a person perceives early adopters of Bitcoin as immoral. Often, this condition stems from their perception that early Bitcoin adopters in their vicinity have quickly become extre-mely wealthy, by not producing anything, "just buying Bitcoin".**

We will talk about the validity of this perception in a later section, but the root cause of this syndrome is perception of a "missed train" and further justification of why Bitcoin itself and also the early adopters are bad, immoral, or misguided. This judgement is the basis for the evaluation of status. Status is a person's condition, position, or standing relative to that of others. It is an ordering function that helps people find their place in the hierarchy.

Nocoiner syndrome is not simply having no Bitcoin. Most people on this planet as of this writing have no Bitcoin. Some don't know about it, some have not invested enough time to learn about it, and some do not want or need it for its properties. **Bitcoiners do not need to judge people based on whether they do or do not own or use Bitcoin, the same way we do not judge people on modes of transportation they use, or how they dress.**

*Is resentment toward early Bitcoin adopters based on ethics, or is it rooted in envy and regret?*

To be diagnosed with the nocoiner syndrome, individuals must actively oppose and judge Bitcoiners. This often involves hiding trauma from past dismissals of Bitcoin as unworkable or harboring suppressed feelings like 'we missed this train' or 'it is too late.' This leads to animosity towards Bitcoiners.

## *Case study*

04

In a paper "The distributional consequences of Bitcoin" by two European Central Bank employees, namely Mr. Ulrich Bindseil and Mr. Jürgen Schaaf, we can experience a fully developed nocoiner syndrome in a form of academic letter. As taxpayers have funded this paper through the wages of these two ECB employees, we can examine it as a clear example of the nocoiner syndrome. **In this paper, in a very academic language, these two employees go over their traumatic experience and since they can't fully process this trauma personally, they decided to inflict their morality on the rest of society.**



One theory is that these people not only missed the train, but they realized that their wages are paid with inflationary currency whose purchasing power decreases over time. We can only imagine how traumatic it must be to be an employee of a public institution that issues a product (euro) that underperforms even the target purchasing power depreciation (declared as 2% p.a. as an official goal of the central bank). Furthermore, the main stakeholders of ECB, the states who use this product as a national currency and legal tender, consistently demonstrate a lack of confidence in their own currency through their actions, mainly by "shorting" it through issuing euro-denominated bonds. Deficit spending through government bonds is a bet on depreciation of purchasing power of the currency. Taxing the monetary illusion of profits, which are caused by the depreciation of the fiat currency between the beginning and the end of the accounting period, is another way states benefit from the depreciation of the currency.

*Strange. Is there anyone else who designs products meant to fail and benefiting from their failure?*

Would Sunlight and Freedom breed different thoughts?

Decades spent within the confines of a vast bureaucratic institution in Frankfurt, under the harsh glare of unhealthy artificial light and within a rigid state hierarchy, have taken a heavy toll. At the same time, these employees must watch as people embrace their competitive product—Bitcoin—with increasing enthusiasm. This popularity is demonstrated not only by price action itself, but also by a significant imbalance between long and short positions, heavily favoring the longs (as evidenced by the consistent contango in BTC/EUR and BTC/USD futures). Such a stark contrast must have a significant contributing effect on the development of the nocoiner syndrome. These two employees themselves have spent years trying to convince the public that Bitcoin is dead, used for evil purposes, or harms the stability of the world. Meanwhile the bottom-up adoption blooms, starting with early birds, through institutions, institutional asset providers (ETFs) and even states, such as El Salvador. It is only natural that under such strong psychological stress and mismatch with reality, cognitive dissonance would manifest in a form with which they are proficient and for which they are actually paid - in the form of an academic paper.

Mr. Bindseil and Mr. Schaaf are of course only the visible examples of the nocoiner syndrome. This condition is prevalent with central bankers, parts of financial sector and even the general public that is using fiat currencies and are forced to go long. The realization that their pension is going to be paid in the same depreciating currency must have negative effects on their long-term mental health. The nocoiner syndrome is often accompanied by chronic stress, eating disorders, unpleasantness in social interactions and generally a negative outlook on society and the world at large. Experiencing both the highly esoteric and misguided belief in central planning on the one hand, but the constant underperformance of said planning leads to further cognitive dissonance, which is often resolved in hoping for a change in leadership, because better leaders would do better. No, they won't. The economy is a complex system and we know for a fact that complex systems can't be centrally planned and the results will be bad. Since the publication of Stephen Wolfram's A New Kind of Science in 2002, we have a name for this problem - computational irreducibility. We know - that this problem will not be solved by better models.

Papers published by a central bank analysts are more or less a coping mechanism for this deep psychological trauma, including but not limited to the nocoiner syndrome. Understanding the complexity of the world and turning off the fiat mindset, embracing decentralization and bottom-up discovery leads to much better outcomes, for early birds to late comers alike, regardless of the exchange rate of Bitcoin to fiat currencies. We let the participants in the system (agents) compute the following state of the system. We cannot reduce this computation (as shown by Wolfram), but we can be part of it.

Why do some people and institutions resist Bitcoin, and what deeper fears might this show?

How could adopting decentralized currencies like Bitcoin affect trust in traditional currencies and banks, and what might happen to the economy in the long run?

*To resist change is  
to cling to the past,  
but the future favors  
t h e b r a v e .*



In the beginning of Bitcoin, many early adopters started playing with the technology. The risk-adjusted return, or expectation of return was horrible. **In 2010, Laszlo Hanyecz paid 10,000 bitcoins to a fellow enthusiast for two pizzas, marking one of the earliest real-world transactions with the cryptocurrency.** The price at that point included the expectations of the early adopters of the value of Bitcoin.

A lot of early adopters have tried many other projects. In 2009, the U.S. government effectively shut down e-gold, an online digital currency backed by physical gold, by prosecuting its founders for operating an unlicensed money-transmitting business, leading to its suspension and subsequent liquidation. Liberty Reserve, a centralized digital currency service backed by gold, was shut down in 2013 when its founder was arrested. Bitcoin did not have a good outlook, although it removed the attack vector of central authority. Even the creator of Bitcoin, Satoshi Nakamoto, decided to stay anonymous, removing a possible attack vector.

In early 2010s, buying Bitcoin was a risky business with a high probability of total failure. These early investors disproportionately created (produced) value in the Bitcoin ecosystem, later joined by the famous "HODL"ers, who would never sell Bitcoin.

**They were not rewarded only for being lucky, but for persisting and believing in the system, even though the weighted risk/reward ratio was horrible.**

Latecomers who join the Bitcoin economy at a later stage enter at a higher price, but with much less risk.

According to Porkopolis Economics Top Money research, Bitcoin is the 6th largest reserve asset of the world, with the value of reserves only roughly five-fold smaller than the euro and the dollar (gold is still king, roughly 3x larger than USD and EUR and 12x larger than Bitcoin). Bitcoin is not going away; it is now a more important reserve asset than silver or the British pound. This means that if we weight risk of Bitcoin, it might be a better idea to enter the Bitcoin economy now than it was in 2010. The risk is gone.

Was Bitcoin's success inevitable?  
Included in its "code"?



The question of morality should then be flipped - early adopters are those that reap the benefits of their risky investment, but it is thanks to them that Bitcoin has grown and is playing the same game as the top reserve assets of the world. These early adopters also de-risked the investment and continue to do so, by being stubborn "HODL"ers.

How does appreciation  
heal resentment?

The morale of this part of the story is - we suggest getting past the cognitive dissonance and traumatic experience of the nocoiner syndrome and flip the moral judgement to a feeling of gratefulness and appreciation for the service that these early adopters provided, by creating something new, bottom up. Their daily decisions to believe in Bitcoin were instrumental to bringing Bitcoin where it is today.

## 06

# *Static vs dynamic view of the economy*

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Quite common with central planners (and people who believe in central planning) is also static outlook of the economy. It is required for their worldview, because **having a dynamic worldview clashes with the computational irreducibility and the impossibility to predict the effects of their actions.** Mr. Bindseil and Mr. Schaaf have shown a snapshot of the distribution, without acknowledging the dynamics and the role of demonstrated preferences throughout the passage of time.

In the early days, many early adopters initially invested small amounts and often sold at 'magic' price points of \$100, \$500, \$1,000, and \$10,000. As the risks diminished, they reinvested with significantly more capital, albeit at much higher prices. This ebb and flow is healthy in any economy, but is entirely absent in the worldview of people affected by nocoiner syndrome, such as Mr. Bindseil and Mr. Schaaf.

How does the fixed view of  
central planners prevent them  
from recognizing the value of  
early adopters in saving  
resources?

One of the reasons why current "early birds" deserve the returns of their Bitcoin is that they had an option to sell

(and thus consume scarce resources of the economy), but chose to keep their Bitcoin and abstain from consumption. These people thus (contrary to Mr. Bindseil's and Mr. Schaaf's paper) conserve the scarce resources of the economy - they have access to it, but abstain from using this access and choose to still hold the asset. These scarce resources - buildings, human labor, real estate, factories, machines, or consumables - are then available for use by other people. Their inaction (decision not to spend) further incentivizes preservation of scarce resources, increasing the real wealth of society.

**We can easily say that any view of the economy, which is static (and not dynamic) completely misses the point and can be dismissed as incomplete.**

## *Distributional consequences of fiat currencies*

07

Let's combine these concepts and look at the distributional consequences of fiat currencies, in a dynamic economy. The Cantillon Effect describes the phenomenon where the injection of newly created money into an economy has a non-uniform effect on prices, benefiting those who receive the new money first. In the context of fiat currencies issued by central banks, this effect is particularly significant because central banks, monetary authorities and commercial banks can create money without physical constraints.

Distributional consequences of Bitcoin have much lower effect on the economy, first because the monetary inflation rate is low (approximately 0.84% p.a.), but the newly created coins have a high cost of production. The profit margins are heavily dependant on the price of energy, current hashpower in the network and price of capital (ASIC miners and other hardware). In a fiercely competitive environment, the miners often run on margins less than 10%.

Compare this with fiat currencies, where the cost of production is almost zero. **Those closest to the source of new money creation—including Mr. Bindseil and Mr. Schaaf—benefit from these newly created units before they impact general price levels.** As a part of coping mechanism for the symptoms of their highly developed nocoiner syndrome, they are pointing fingers at others, while they should be pointing fingers at themselves and thinking about how their work—not only their wages but also their broader creative output—affects the wider economy. They are literally stealing the purchasing power of the society by working for an institution creating an inferior monetary product that is built on the concept of stealing purchasing power.

On the other hand, we as Bitcoiners do not have hard feelings, because we are constructive and are solving this issue for us very simply - we are never on the long side of their fiat coins, saving in and using mostly Bitcoin. These negative effects on our purchasing power can even be mitigated by doing what the primary issuers of the fiat currencies (states and banks) are doing - shorting the fiat currency through debt.

**Ironically, the primary victims of money printing are exactly the people, who are the target audience of the nocoiner syndrome's propaganda - the users of their inferior product, common men and women who do not use Bitcoin yet.**

*optionality  
is a form of  
liberty.  
Let's keep  
the doors  
open?*



It is perhaps this realization that led Mr. Bindseil and Mr. Schaaf to writing their paper - the **Bitcoiners have a way out**, the other users of fiat currencies have chosen not to use this exit yet, but it is available to them. The central planners such as ECB's chief Christine LaGarde understand this and fear this. She said about Bitcoin that "It's a matter that needs to be agreed at a global level, because if there is an escape, that escape will be used." Yes, it is being used, to escape the Cantillon Effect and wealth destroying effects of centrally planned fiat money. Unfortunately for Mrs. LaGarde and her colleagues, it is too late to "agree on a global level" on this matter.

**Of course, the Cantillon Effect has negative consequences on the economy as a whole, not only on the inflation and distribution of income.** The Cantillon Effect has negative consequences on production capacity of the economy, where entrepreneurs with preferred access to newly created monetary units can deploy capital in a way that is not warranted by the demonstrated preferences of the economy. Access to cheap debt, state subsidies, or direct contracts with state entities enable them (and their employees) to deploy capital without bearing the full cost, which is then transferred to the whole society. While Bitcoin "HODL"ers more often than not choose to exercise austerity and conserve the scarce resources, the new fiat currency units created through debt have to be spent, before they lose their value. **Inflationary fiat economy thus leads to wealth destruction and impoverishment of the economy.**

*Are we pursuing  
happiness, or avoiding  
d i s c o m f o r t?*

# *Prediction of outcomes and skin in the game*

08

A key characteristic of the nocoiner syndrome is the sufferer's persistent avoidance of market participation while maintaining strong theoretical positions. Those affected by the syndrome often make declarative statements such as "Bitcoin has failed" or "no one is using Bitcoin," as demonstrated in the article "ETF approval for bitcoin - the naked emperor's new clothes." However, they notably lack any financial exposure to these predictions, such as taking short positions. **This disconnect between conviction and action represents a fundamental aspect of the syndrome.** When their predictions of Bitcoin's demise are consistently contradicted by market reality, it creates additional psychological trauma, reinforcing the cycle. Unable to reconcile their inability to predict market movements accurately, they retreat into moral judgments, claiming Bitcoin "destabilizes" the economy or "steals from society." Particularly telling is that their documented failed predictions, such as "Bitcoin's last stand," remain publicly available, serving as persistent evidence of their flawed judgment.



*There is  
no complex  
system  
without  
feedback!*



# *Evolutionary stages of the nocoiner syndrome*

09

The nocoiner syndrome manifests in various stages of progression, with one of the most advanced phases characterized by the promotion of alternative digital currencies without critical self-reflection. The authors of the previously mentioned articles exemplify this by offering their solution to fellow "mortals" who, like them, have "missed the train." Their advocacy for the digital euro, as seen in "Digital euro: Debunking banks' fears about losing deposits," reveals a particular cognitive pattern. While criticizing open-source, bottom-up community initiatives that emerged organically from internet innovation, they simultaneously promote centralized banking



system solutions without acknowledging the inherent contradictions in their position. The psychological coping mechanism of "we missed the train" frequently evolves into "let's build a better train." These efforts invariably fail because they fundamentally misunderstand the core reasons for Bitcoin's success—its decentralized, bottom-up nature and organic adoption.

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# *Treatment of the nocoiner syndrome*

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While seeking positions closer to the source of money creation may appear to alleviate the nocoiner syndrome, it merely masks the underlying issues. It is similar to an anesthetic drug, that does not remove the cause of the pain, but only numbs it. This approach obscures both the psychological trauma and cognitive dissonance rather than addressing them.

**The real treatment starts like any other processing of trauma - by removing the mental fog, understanding the role of the individual in causing the impoverishment of the population and opting out of the fiat system that causes these problems.**

Entering the Bitcoin economy is not required for the treatment of the nocoiner syndrome, but similarly to the effects of psychedelic therapy it no longer allows for cognitive dissonance to continue and removes the fog instantly. It is thus the most effective treatment, which can be deployed if a person sees that they have a problem. Acceptance of the existence of the nocoiner syndrome is the hard part though.



**Becoming a Bitcoiner, with however small amount, not only changes the skin in the game, but it reveals the problems of the fiat system and changes the identity of a person.** When a person owns Bitcoin, they can no longer perceive Bitcoiners as immoral, that would require coping with one's own integrity and immorality. It launches a series of explosive processes on a personal level that blow up the cognitive dissonance required to hold the nocoiner syndrome conditions together. **The next part is rebuilding their moral and ethical foundations, pointing inward rather than outward and using oneself as a reference.** The shaking of own's perception of status, especially among peers who have been listening to moralizing rants caused by the nocoiner syndrome, is another thing that needs to be handled and the person, in addition to treating the trauma, cognitive dissonance needs another way of finding their own inner worth and value for the world.

If the person suffering from the nocoiner syndrome is benefiting from the Cantillon Effect, quitting their job or changing careers, even moving, might be necessary. Unfortunately, processing all this might be very hard, but finding new peers (Bitcoiners) and deriving personal worth from within might help. Self-organized (bottom-up) support groups for people suffering from nocoiner syndrome might be helpful. **Going out in the world and interacting with the peer-to-peer economy based on Bitcoin might help.** Finding a way to increase the wealth of the society and becoming a productive member of society rather than just "mining" fiat units that are free to create might also be therapeutic.

Another strategy that might be helpful is drawing a line between "old bitcoin", which was a toy of "crazy cypherpunks and cryptoanarchists" to a new bitcoin with institutional acceptance and an increased role in the world might be helpful. "I thought Bitcoin was immoral then, but current Bitcoin is something else, it has evolved" is a good way to start. The person suffering from nocoiner syndrome does not have to fully confront the cognitive dissonance at first, but might come to experience the new bottom-up world that is emerging first, and then cope with the past trauma at the end of the process.

*What can I do to help them?*

*Aren't we focusing too much on the "cypher" and not enough on the "punk", though?*

We have defined the emerging epidemic of the nocoiner syndrome among academia, intelligentsia, political class, central planners and the people benefiting from the Cantillon Effect. We have described its symptoms, causes, excluded related common and non-pathological status of a "nocoiner" (a person that does not own any Bitcoin yet) and suggested a way to treat this common, but destructive disease. **Our goal is to heal society from the negative effects of the nocoiner syndrome such as envy, animosity towards free people and the need to control others (central planning).**

***We wish all the people suffering from the syndrome early and thorough healing.***

That includes Mr. Bindseil and Mr. Schaaf who we used as case study, as they voluntarily published a description of their symptoms and were paid for it with freshly printed virgin euros.

***May they be safe, may they be healthy, may they live with ease, may they be free from suffering.***

1. Find Bitcoiners
2. Interact with the peer-to-peer economy
3. Be productive (increase the wealth of the society)





# **NOCOINER SYNDROME**

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**INSTITUTE OF CRYPTOANARCHY**