

# Is Bitcoin a Reaction to US Dollar Hegemony?

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*Blockchain technology and the birth of the so-called cryptocurrencies finds deep roots in three contributing factors: the advance of technology; the manipulation of global economic and financial rules; and the persistent attempt to weaken the national economies of countries that geopolitically challenge the US power system. In this first article I address these issues from a financial point of view, in the next analysis I intend to dive into the geopolitical aspects and broader the perspective on how Russia, China and other nations are taking advantage of a decentralized financial system.*

Many national economies seem to have begun the process of protecting themselves from what seems like an inevitable economic trend. [De-dollarization](#) — dumping dollars for other goods of value — has become popular not only with countries but also with ordinary individuals as a result of global technological growth and increasing access to the Internet. The financial markets are generally reflecting this same trend.

The US dollar is the world's most dominant [reserve currency](#). The planning and financial rules that accompany this situation are decided in the United States for the benefit of Washington and a few of her allies. This has been reflected in the creation of the petrodollar, the abolition of the gold standard, and the most recent financial crisis of 2008, with the senseless process of quantitative easing. All these economic decisions have been made with the precise aim of prolonging American domination of the global economy, artificially propping up an unsustainable financial system.

The practical consequences of this unsustainability have led over time to thoughts of a practical alternative, both to escape from the domination of the dollar and to re-anchor the economy to real value. The need to circumvent this situation has become especially urgent for countries with a large amount of dollar-denominated debt, or where they face the prospect of being excluded from the SWIFT international payment system.

It is therefore not accidental that countries like Iran and Venezuela, but also Russia and North Korea, have resorted to alternative methods to operate in the global economic space. Washington's political decision in 2012 to remove Iranian banks from SWIFT immediately set off alarm bells for several countries. The need to escape from the possibility of being excluded from SWIFT became urgent for countries under the threat of Washington. An alternative payment system was thus born in 2015, christened the Cross-Border Interbank Payments System ([CIPS](#)), unsurprisingly founded by China. Basically a copy of the SWIFT system, it serves the role of being a backup system should the Americans seek to exclude from SWIFT recalcitrant countries. A more radical solution has been sought by Venezuela, with the country creating its own virtual currency. President Maduro has announced the creation of a [crypto state currency](#) based on the value of oil and supported by barrels of oil worth over five billion dollars. Venezuela has been forced to take this step because of a scarcity of US dollars in the country brought on by the economic warfare visited on it by

Washington, which has succeeded in driving the country into a deep crisis.

This search for fresh liquidity is a gamble for Maduro, who even hopes to be able to trade with allied countries in the new currency, thus circumventing international bans. Even North Korea is said to [operate in bitcoin](#), thereby circumventing the international system of prohibitions and blockades.

The sanctions on Russia, and the influence that Washington exerts with the dollar on the global economic system, has led Moscow and Beijing to a de-dollarization agreement, establishing the [yuan gold standard](#). Russia sells hydrocarbons to China, which pays for them in yuan, then Russia immediately converts the yuan into gold at the Shanghai Gold Exchange, in the process bypassing Washington's sanctions.

This situation is being replicated in country after country. The United States increases financial and economic pressure on countries through such international bodies as the IMF and the World Bank, then these countries organize amongst themselves to push back against the interference. Technology has facilitated this strategy of decentralization against the center that is London and Washington, the financial heart and primary cause of manifold global problems. Firstly, the possibility of the unlimited printing of dollars has distorted global economies, inflating stock markets and causing national debts to grow out of control. Even the [gold markets](#) are manipulated by virtue of the abundance of easy money and such ponzi-scheme tools as derivatives and other forms of financial leverage. All too predictably, as seen in 2008, if it all comes crashing down, the central banks are going to bail out their partners through the mechanism of quantitative easing, guaranteeing unlimited cashflow and leaving taxpayers, along with the small players in the financial markets, to carry the burden.

It is probably too early for the common man to understand what is happening, but in fact the dollar is depreciating in relation to some more tangible assets. But gold continues to be corralled by [parallel financial mechanisms](#) and other financial instruments created for the sole purpose of manipulating the financial markets on which the common man depends in search of modest gains. As with others, the gold market suffers from the combine power of the US dollar, centralized financial institutions and market manipulation. Entities such as the FED (and their [owners](#)), criminally colluding and working with private banks, hedge funds, rating agencies and audit companies, have made immense wealth by driving the world into a debt scam that has stripped normal citizens of their future.

What is happening in the cryptocurrency markets is not only occurring in parallel with the spread of the Internet, smartphones and the increasing ability to operate in the digital world, but is also seen as a safe haven from centralized financial regulators and central banks; in other words, from the dollar and fiat currencies in general. Whether bitcoin will prove to be a wise long-term investment is yet to be seen, but the concept of cryptocurrencies is here to stay. The technology behind the idea, the blockchain, is a definitive model for decentralized economic transactions without any intermediary that can manipulate and distort the market at will. It is the antidote to the debt virus that is killing our society and spreading chaos around the world.

Washington is now left to deal with the consequences of its demented actions against its geopolitical adversaries. The decision to remove Iran from the SWIFT system, and the ongoing economic war against Russia and Venezuela, have pushed the People's Republic of

China to obviate any direct attacks on its financial system by creating an alternative economic system. The goal is to warn the United States and her allies that an economic alternative exists and is already operational, ready to be opposed to the Euro-American system if necessary. Washington does not seem to want to renounce the role of manipulator and ruler of world speculative finance, and the obvious result of this is the creation of a financial system that is slowly working against the current one. Lack of anonymity and the centrality of systems seem to be the two fundamental elements of the current financial system that orbits around London and Washington. An anonymous, decentralized and technologically reliable system could be exactly what Washington's geopolitical adversaries have been looking for to end the US-Dollar hegemony.

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