# **Melanie Klein’s Favorite Crypto Funds**

## **Introduction**

* Melanie Klein, one of the pioneers of psychoanalysis, developed the theory of object relations.
* She emphasized how individuals relate to “objects,” meaning both people and symbolic things, through unconscious processes.
* For Klein, early psychic life is dominated by splitting, projection, envy, and reparation.
* Money, and by extension investment, can be understood as a psychological object charged with these unconscious dynamics.
* Crypto funds provide a contemporary case where primitive anxieties and phantasies are enacted.

## **Klein and Money**

* Klein linked psychic life to the earliest infant experiences of satisfaction and frustration.
* Money can become a symbolic “object,” representing nourishment, security, or deprivation.
* A financial product may be experienced as a “good object” when it offers stability and gain.
* The same product can also be experienced as a “bad object” when it causes loss or disappointment.
* Investors relate to crypto funds through unconscious phantasies of safety, betrayal, envy, and repair.

## **Splitting in Crypto Funds**

* Splitting is a defense mechanism in which objects are divided into wholly good or wholly bad.
* Investors often split crypto funds into two categories:  
  • Bitcoin-only funds as pure, safe, and good.  
  • Altcoin or high-risk funds as corrupt, dangerous, and bad.
* This division allows investors to manage anxiety by keeping good and bad separate.
* Splitting creates rigid positions, such as maximalism or hostility toward alternative projects.
* It prevents integration of complexity, mirroring early infantile modes of thought.

## **Projection in Crypto Funds**

* Projection occurs when unwanted feelings are attributed to external objects.
* Investors may project greed, fear, or hostility onto market actors such as exchanges, regulators, or hedge funds.
* For example, losses may be explained as the result of manipulation by whales rather than personal risk-taking.
* Crypto funds become targets for projections of distrust and betrayal.
* Projection allows the investor to disown uncomfortable feelings, but it also distorts perception of reality.

## **Envy and Rivalry in Crypto**

* Klein described envy as a destructive impulse directed at the good object.
* In crypto, envy is visible when investors resent others who profit from meme coins or early entries.
* Instead of appreciating gains of others, envy may lead to undermining or reckless attempts to match them.
* Funds that succeed can evoke rivalry, leading investors to take excessive risks in pursuit of similar returns.
* Envy thus destabilizes rational investment and fosters impulsive speculation.

## **Reparation and Healing**

* Reparation is the unconscious attempt to repair damage done to the good object.
* In crypto, this is seen when investors shift from risky speculative funds to community-based or cooperative funds.
* Examples include DAO-managed funds or stablecoin funds designed for collective benefit.
* The act of choosing these funds can be read as an unconscious wish to restore trust and stability after destructive phases of speculation.
* Reparation reflects the desire to heal the split between good and bad objects and to integrate them.

## **Kleinian Typology of Crypto Funds**

**Bitcoin Funds**

* Symbolize the idealized good object.
* Experienced as pure, stable, protective.
* Provide psychological security and attachment.

**High-Yield DeFi Funds**

* Symbolize the bad object.
* Tempting but anxiety-provoking, associated with danger and betrayal.
* Reflect unconscious fears of depletion and loss.

**Privacy Coin Funds**

* Ambivalent object, both protective and frustrating.
* Offer security from surveillance but limited adoption.
* Represent the tension between safety and exclusion.

**Community or Cooperative Funds**

* Reparative objects, oriented toward trust and mutual benefit.
* Symbolize healing after destructive envy and splitting.
* Reflect desire to restore balance and integration.

## **Klein’s Warnings for the Crypto Age**

* Klein would warn that investment behavior often reflects infantile dynamics rather than rational judgment.
* Splitting creates rigid camps and prevents nuanced evaluation of projects.
* Projection of fear and hostility fosters distrust and conspiracy thinking.
* Envy undermines solidarity, driving destructive competition and reckless speculation.
* Without recognition of these unconscious processes, investors may remain trapped in cycles of idealization and disillusionment.
* Klein emphasized the need for integration: acknowledging both good and bad aspects of an object, rather than keeping them split.
* Applied to crypto, this means recognizing both the possibilities and dangers without collapsing into extreme positions.

## **Conclusion**

* Klein would see crypto funds not as neutral instruments but as objects invested with deep unconscious meaning.
* Investors relate to them through splitting, projection, envy, and reparation.
* Bitcoin funds are idealized as good objects, speculative funds feared as bad objects, privacy funds embody ambivalence, and community funds symbolize repair.
* These unconscious dynamics explain the intensity of emotions that surround crypto debates and investment choices.
* Klein’s lesson is that maturity requires integration, recognizing complexity instead of clinging to primitive divisions.
* In the end, crypto funds reveal not only market strategies but also the inner world of unconscious phantasy and desire.