

Speculation and Acceleration: Financialization, Art & The Blockchain

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Abstract

This paper looks at the financialization of art and the economy through a discussion on how art functions as a financial instrument and gains value by its circulations as images, digital objects and information. [1] These economies of original and scarce artworks and the ubiquitous symbolic value of art as information is also underpinned by the new blockchain models presented by start-ups looking to ‘disrupt’ the art market. Artists are also exploring finance as a medium in their work as a reflection on their own economies and practices. Through an analysis of artist projects and start-ups, this paper explores the new models and possibilities of blockchain for the economies of art.

By relating blockchain to cybernetics as new frontier in techno-capitalism, we can analyze the hype around ‘Web 3.0’ as another libertarian dream. [2] Despite the ideal of decentralization (the ideal of enabling peer-to-peer transactions) there are risks of greater centralization with the blockchain just as we have seen with the internet. [3] All the while China has placed bans on new ICOs (Initial Coin Offerings) in an attempt by the government to retain control of development of the technology which they are rapidly spearheading. [4] While Hong Kong remains a global financial center, the logic of finance and the accelerated developments of new technologies becomes one that directs the economy at scales beyond our individual capacity. There is a need for artists to engage within these economies to open up to new possibilities rather than having the future be determined by a technological or financial elite.

We will look at several start-ups applying blockchain technologies to the art market including Ascribe, Verisart, Monegraph, Maecenas. These companies are creating models for the authentication, verification and financialization of works of art. These models present a means to support artists, but also a distributed model of ownership for collectors, though often following traditional logics of the art market. Blockchain enables people to create their own currencies and tokens that are defined by protocols that can enable decentralized governance and transparency. When considering blockchain for art it allows for an immutable universal ledger making transactions records visible that contrasts with the opacity of the art market in general. This is of particular interest for digital works of art and digital assets, which are difficult to track and remunerate for artists. It could enable a system for artists to be remunerated for their work as it circulates online.

Among the most successful applications of blockchain in the digital creative field is Cryptokitties, a platform for the creation and trade of generative images of kitties as digital ‘art’ objects. In a gamefied experience, this example can be considered a playful application of the technology with entertaining results. Cryptokitties is an example of the applications for the trade of art as digital objects. Whereas other emerging alt-coins that parody Bitcoin generate value as memes like Doge Coin and Pepe Coin, which is more a reflection of the populism of online cultures. Paolo Cirio in his *Art Commodities* project critically imagines an economy where socially engaged projects gain value as they circulate

and where works are offered at an accessible price, inverting the logics of the art market and encouraging participation through a low barrier to entry. [5] Other artists like Brad Troemel, Sarah Meyohas, Andy Bauch, Jonas Lund, and Ed Fornieles are exploring the implications and potential of blockchain for the financialization of their own artwork, as well as providing new perspectives on the developments of blockchain technologies in the broader society.[6] [7] Groups like the Economic Space Agency formed of radical economists, finance theorists, and computer scientists aim to create open source tools for creating one's own economy to "provide an open yet safe platform for the interoperability of heterogeneous value and risk systems and the scalability of token-based economies to create new social, economic and financial relations." [8] They present an alternative and altruistic vision for the potentials of blockchain through practical tools for development.

As the hype around blockchain remains dominated by techno-utopians and financial speculators, there are artists seeking to accelerate the art market, while others search for alternative models and fairer practices. There is risk of further centralization and control by a largely Western male technological elite; however, experimentation and speculative imaginaries of artists opens to new perspectives and visions that may not stop rapid technological innovations, but may influence intensities towards another future.

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Biography

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