Owning It: Crypto Art is Just Another Currency

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Over half a century ago, Marshall McLuhan identified a "moral panic" that continues to roil Western culture today. In his now-canonical *Understanding Media* (1964), McLuhan discussed the mixture of fear and snobbery exhibited by "many highly literate people" in response to the dramatic rise of "electric technology"— the cinema, the telephone, the radio and above all, the dreaded television. Since these new media "seem[ed] to favor the inclusive and participational spoken word over the specialist written word," McLuhan argued that they posed a threat to established hierarchies of culture and class. As he pointed out, elitist systems of cultural knowledge and power extend all the way back to ancient "temple bureaucracies" and "priestly monopolies," and the cultural elites have always worked to keep their domains exclusive. A strikingly McLuhanesque spasm of outrage followed Christie's' procured sale of a digital art non-fungible token, or NFT. *Everydays: The First 5000 Days*, created by the savvy operator known as Beeple, fetched an eye-watering $69 million at a recent auction. That kind of money always guarantees mainstream media attention which, of course, is part of the point. Another part is the furiously hostile response to that kind of money being splurged on such a radically innovative art form: so innovative that a large part of the cultural elite questioned its status as art in the first place. It doesn't help that Beeple's content is resolutely demotic: puerile cartoons, defaced logos, ironic emojis, frat-boy fantasies.

Writing in *Spike* magazine, Dean Kissick remarks that "the old gatekeepers have been losing their power for a while now," and he counts the entrance of NFTs into the artworld among the costs. To Kissick, Beeple's "triumphant procession of popular things" is a violation of art's privileged autonomy." In the "collective-hallucinatory firmament" of postmodern hyper-reality, artists no longer express ideas but rather present empty "images of images," which the writer defiantly dismisses as "tired art, recycled pop, bad taste, political spectacle, and hyper-speculation." As J.J. Charlesworth observes in *ArtReview*: "What really seems to disconcert 'our' current artworld is the sense that a form of largely unregulated, DIY mass culture has spawned beyond the reach or control of cultural gatekeepers."

Yves Klein, Transfer of a "Zone of Immaterial Pictorial Sensibility" to Michael Blankfort, Pont au Double, Paris, February 10th 1962. Performance by Giancarlo Botti. Photo © Giancarlo Botti. © The Estate of Yves Klein c/o ADAGP, Paris. Used by permission of The Yves Klein Archives.

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It is tempting to see the cultural gatekeepers' protests against digital art NFTs as the grousing of a critical establishment at its own loss of influence. The snobbery of the self-appointed elect was challenged decades ago by Marcel Duchamp, in what looks like a premonitory contribution to the current NFT discourse. In his 1957 paper "The Creative Act," Duchamp rejects the elitist exclusion of "bad" art: "art may be bad, good or indifferent, but, whatever adjective is used, we must call it art, and bad art is still art in the same way that a bad emotion is still an emotion." Yet Duchamp also rejected the idea of equity in artistic value: "Millions of artists create; only a few thousands are discussed or accepted by the spectator and many less again are consecrated by posterity." Three conclusions follow for our own day: (1) *Everydays* is indeed an artwork, (2) it has passed the approval of the spectators (buyers) by garnering such a high bid, (3) only posterity will determine its ultimate aesthetic value. Nowhere does Duchamp mention professional critics.

This omission is especially glaring since the late 1950s were the apex of critical influence on contemporary art. These were the years when a pair of New York critics—Clement Greenberg and Harold Rosenberg—wielded an almost dictatorial influence. Such critics did not just evaluate already-existing art; their pronouncements determined the forms of future works. Because the relationship between artwork and art criticism has been mutually determining for most of the twentieth century, one of Beeple's many transgressions is his deconstruction of the polarity between the two.

Meanwhile, the media response that his oeuvre evokes is not something external to it, but one of its most vital components. The outrage increases the price, and the price is not an addition to the art but its very essence. In the form of the NFT, the ancient opposition between art and money is finally abolished. So perhaps the consequent eruption of indignation and disbelief throughout the artworld is more than defensive elitism, and there are reasons other than snobbery to be suspicious of the NFT's fusion of aesthetics with economics.

Before the twentieth century it was a simple matter to own a piece of art. One simply bought it, took possession of it and, if one chose, locked it away in one's cellar. Ownership gave exclusive rights to the artwork (albeit not to its copyright). That changed in the age of mechanical reproduction, and by the twentieth century anyone could view the same image as the artwork's owner photographed in a book or magazine. What ownership brought was now access to the *original,* the bearer of the mysterious, pseudo-sacred "aura" that Walter Benjamin famously associated with the original work of art in the age of mechanical reproduction.

The relationship between art and money has always been symbiotic. This was true of papal patronage in the Renaissance, and it remained true of the twentieth-century European avant-garde whose fortunes, according to Greenberg, were inexorably linked to the market "by an umbilical cord of gold." After all, art and money are basically similar phenomena: both are valuable and significant systems of symbols. The twentieth century was replete with artists questioning the relationship between art and money. Their difference from Beeple was that they were looking for ways to uncouple the pair, rather than fuse them.

As early as 1914, Duchamp's revolutionary concept of the "readymade" had undermined the process of commodification. Along with his Dadaist allies, Duchamp succeeded in redefining the fine arts, moving away from the given of physical painting and sculpture and towards serialized, de-commodified, temporary or even traceless performances and manifestos. By insisting that a fictitious "R. Mutt" had the right to anoint a urinal as art because "whether Mr. Mutt with his own hands made the fountain or not has no importance. He CHOSE it," Duchamp initiated what the late David Graeber called the "aesthetic validation of managerialism." A lowly plumbing fixture can be art, as long as someone (who did not even create it) calls it art. According to Graeber, the task of validation, and the creation of value, later devolved from artists to curators, who could throw ordinary objects into the mix along with *bona fide* artworks, confident that no one could legitimately object. Today this function falls to auction houses which, in Graeber's words, use "money as a sacral grace that baptizes ordinary objects magically, turning them into a higher value." That is exactly what happened to Beeple's *opus* on March 11, 2021, when the sale closed at $69,346,250.

Subsequent movements like Fluxus and Conceptual Art continued Duchamp's efforts to separate art from money. Their methods included relying on performance instead of painting or drawing, and using DIY kits instead of traditional cast or carved sculpture. They documented events with sets of instructions or certificates of authenticity, and these took the place of paintings and sculpture as the physical manifestations of art that was otherwise disembodied. The remarkable Piero Manzoni created works such as *Merda d'artista* (*Artist's Shit*, 1961), and advertised his "product" by standing in a toilet with a tiny tin in his right hand and a coy smile on his face. Manzoni commented on the relations between art and money in *Sculture vivendi* (*Living Sculptures*, 1961), which consisted of living people "authenticated" with different colored ink stamps designating various body parts, or the entire person, as an artwork. He incorporated tongue-in-cheek pricing systems into his artworks: the price of the shit-tins corresponded to the price of gold per gram, the color stamps on the living sculpture were priced by body part and so on. Manzoni documented his works with photographs, making the record part of the process, and proving their uniqueness, just as the blockchain records the uniqueness of the NFT.

At around the same time, Yves Klein was inventing, performing and documenting his transgressive classic *Zone of Immaterial Pictorial Sensibility*. Performed on February 10th, 1962, it involved Klein throwing half of his payment into the river Seine. The work's buyer then burned the receipt for the transaction. This performance presaged the NFT in several respects. The artwork included the physical destruction of the artist's remuneration, provocatively suggesting an equivalence between the two processes. As Klein gnomically explained: "For each zone the exact weight of pure gold which is the material value correspondent to the immaterial acquired." To be authentic the event had to be witnessed—Klein specified by "an Art Museum Director, or an Art Gallery Expert, or an Art Critic"— in a manner that anticipates the authentication provided by an NFT's imprint in a blockchain. Klein even included a provision to prevent resale: "The zone[s] having been transferred in this way are not any more transferable by their owner."

Klein had first made his point about the arbitrary value of art in 1957, when he placed eleven identical paintings in Milan's Galleria Apollinaire. These were to be purchased at various prices, according to what the buyer felt each was worth. In the mid-nineties, the British duo K Foundation performed an artwork by burning banknotes to the value of a million pounds sterling. By the twenty-first century, when Banksy's $1.4 million *Girl with Balloon* dramatically shredded itself to pieces in front of a stunned audience at Sotheby's, and Maurizio Cattelan taped a perishable fruit to the wall at Art Basel, the venerable system of exchanging enduring artworks for money had been thoroughly and irretrievably deconstructed in theory. It continued to flourish in practice, however, and it blooms anew in the parodic form of the NFT.

The confusion and scorn with which the general public has responded to the sale is no mere backwoods Luddism. It may be true, as the influential dealer and gallery owner Stefan Simchowitz recently pointed out in a Clubhouse chatroom, that NFTs are just another commercial platform based on a new technology. But they also represent the ultimate aestheticization of exchange-value—a process on which artists and art critics have meditated for most of the last century. NFTs are the apotheosis of the tendency described in Guy Debord's 1967 *The Society of the Spectacle,* whereby alienated human labor-power attains an autonomous, performative force by taking a symbolic form. Debord had nothing but scorn for the society of the spectacle, but it would surely be rash to dismiss his prophetic diatribe as cultural elitism.

NFTs' dramatic entrance into the art market announces another stage in this process. It is not access to the artwork that has been sold: anyone with an internet connection can view the content, which has in any case been dismissed by Beeple himself as "trash." There is no "original" to which the owner might enjoy exclusive access. What the NFT's purchaser has bought is not the image itself, or even the copyright to the image, but *ownership* of the image. Furthermore, this ownership is entirely conceptual or, if you prefer, financial. It does not consist in exclusive rights to view the image; it consists in exclusive rights to *sell* the image. Ownership of art has become identical with art *per se,* just as an artwork's price has become part of its essence. Art has become money; it has turned into currency.

This erosion of the border between aesthetics and economics is also visible in the financial sphere, where most value now takes the form of "derivatives," a hyper-symbolic mode of representation whose manipulation for profit looks more like artistic than economic activity as traditionally understood. Meanwhile, NFT "creators" assimilate the market dynamics which give their work value into their art itself. In that, Beeple is a true heir of Kaws, whose current retrospective at the Brooklyn museum was characterized by the *New Yorker*'s Peter Schjeldahl as "a cheeky, infectious dumbing-down of taste" where "blandness reigns." The content of Beeple's work is unimportant. Its images are self-consciously banal, proudly lowbrow, deliberately jejune. But it is not images that Beeple is selling. They're not even what he's creating. What he's creating, what he's selling, is ownership: financial value. The advent of the NFT renders the distinction between art and money obsolete.

This is the culmination of a lengthy process. As early as 1976, the former Situationist Malcolm McLaren simultaneously heralded and criticized the merger of art and money with the project he called "the Sex Pistols." McLaren delighted in provoking interviewers by drawing attention to the disparity between the financial rewards reaped by the band and the objectively low quality of their aesthetic accomplishment. This perceived incongruity had already caused public outrage with the Beatles but, whereas the "60s generation of rock stars attempted to defend their work as legitimate art, McLaren actively celebrated the disproportion between his band's aesthetic quality and their remuneration. In fact, that disparity, and the fury it provoked among cultural gatekeepers, was an inherent element of the project itself.

Does the scorn displayed by McLaren and McLuhan for the twentieth century cultural elite and their "moral panics" apply to the widespread critical suspicion of NFTs in our own day? There is surely an element of elitism, and even envy, behind the cultural gatekeepers' dismay at Beeple's success. But that does not mean there are no reasonable or ethical objections to the NFT's forced union of art and money. The real ethical objection to the rise of NFTs involves the elimination of aesthetics itself as a discrete sphere of human experience. If aesthetics and economics are not merely analogous but actually identical, we must bid farewell to aesthetic experience itself. Art will no longer be even theoretically autonomous of the market. There will be no sphere of experience that can meaningfully be separated from finance. The prospect of Beeple's $69 million will undoubtedly encourage many to tie the knot (as evidenced by the subsequent Sotheby's and Phillips auctions entirely dedicated to digital art NFTs), but the marriage of art and money may well turn out to be fraught, fractious and ultimately unfeasible. And divorce is always expensive.

Two recent controversies suggest that the emergence of crypto art may forever undermine the hegemony of the object-centered art market. In March 2021, a firm known as Injective Protocol bought a Banksy print for $95,000, sold an NFT of it for $380,000, and publicly burned the original on YouTube. Then, in April 2021, a firm known as Daystrom attempted to auction off an NFT of a drawing by Jean-Michel Basquiat on the understanding that the purchaser would have the right to "deconstruct" the original. Both were provocations in the venerable tradition of Dada and Punk, and the pearl-clutching public reaction was an integrated response. Headlines included "NFT: No Fucking Thanks," "Sickos," and the withering deadpan of the BBC: "Banksy Art Burned, Destroyed and Sold as Token in 'Money-making Stunt.'"

The idea that the destruction of art can be part of art is old news, having been espoused throughout the twentieth century by artists ranging from Yves Klein, to Ai Weiwei, to Pete Townshend. Such auto-destruction aimed to make a grander statement than anything available within the formal confines of material art. In 1953, attempting "to figure out a way to bring drawing into all whites," the young Robert Rauschenberg came up with the idea of erasing an extant drawing. Not one of his own, though. Rauschenberg was then pretty much unknown, and he insisted that the drawing erased had to be "real art." He approached the abstract expressionist Willem de Kooning, whose work was held in the highest esteem. The chasm between the two men's artistic standing was the key to the project, pointedly framing the affair as a newcomer's challenge for dominance.

The "Erased de Kooning Drawing" sent shock waves through the New York art world. It was simultaneously hailed as a daring act of Neo-Dada defiance and damned as ignorant vandalism. But Rauschenberg's stunt was an attempt to force his way into the artistic canon, not a challenge to the existence of the canon itself. Long after his apparently anti-aesthetic gesture had been comfortably assimilated into high art, Rauschenberg described it as "poetry." The advent of digital art NFTs is very different. A moral gulf separates an artist who painstakingly erases another's drawing, with his explicit permission, from the wanton destruction of an artist's work by the owner of its digital avatar.

The NFT that represents the artwork stands in an antithetical, hostile relation to the original. The putative purchaser of the Basquiat non-fungible token was granted the option to "deconstruct" the original, because by doing so, they would transform the NFT itself into the original. But even if Basquiat's handiwork had been destroyed, its reproductions would remain. In the twenty-first century, the NFT—a digital imprint of the work in the blockchain—is thus actually *more* unique than the original drawing itself. As BurntBanksy put it:

> *If you were to have the NFT and the physical piece, the value would be primarily in the physical piece. By removing the physical piece from existence and only having the NFT, we can ensure that the NFT, due to the smart contract ability of the blockchain, will ensure that no one can alter the piece and it is the true piece that exists in the world. By doing this, the value of the physical piece will then be moved onto the NFT.*

The financial value of the artwork rises, Phoenix-like, from the ashes of the original's destruction and finds a new abode in the NFT. What was really destroyed when the Banksy was burned? Neither the image itself, which continues to exist online, nor access to the image, which is available to anyone with a computer or a smartphone. By physically destroying the Banksy print, the purchasers of the NFT attacked the Benjaminian "aura" that dwelt within the original work of art.

The "aura" is what makes the experience of viewing Da Vinci's Mona Lisa in the Louvre, or his drawings at the Met, different from looking at their images in a book. It is inseparable from the viewer's visceral reaction to the physical traits of the work: variable pressure of the crayon on paper, the thickness of impasto brushstrokes or their glossy translucency, the weave of the canvas showing through the loosely applied imprimatura, the mutable effects of light playing on the surface at different times of day. An artwork's aura is also the source of its financial value, the reason the original Mona Lisa is worth more than a reproduction. But if the original is destroyed, there is nowhere physical for the aura to reside. The aura's abstract, symbolic nature is then revealed, and it becomes possible to package, market and sell the aura in the absence of the original. The destruction of the original allows the NFT to monetize the aura, imposing on it the form of financial value. As Daystrom explain:

> *Value has become increasingly fungible, diluted and unstable in our evolving metaverse and there's a tremendous spike in user demand for exclusivity. NFT assets provide this exclusivity and create an entirely new online value system that was previously unimaginable.*

But an "aura" is not a material thing. Does it necessarily perish along with its physical incarnation? Perhaps it was not destroyed so much as transubstantiated, reborn into a financialized afterlife where it is no longer subject to mortal decay. Like BurntBanksy, Daystrom make a plea for authenticity, not a protest against it. Authenticity is no longer a quality of the original artwork, contingent on the artist's touch or painterly gesture. Authenticity is now a quality of the NFT that represents the original, and the only authenticity available today is statistical uniqueness. Yet people remain sentimentally attached to the old distinctions between authenticity and image, original and reproduction, reality and representation. The cries of fear and loathing at the prospect of destroying a Basquiat drawing (albeit not a great one) or a Banksy print (albeit one of an edition of 500) are not naïve defenses of the artwork's lost integrity. They are inarticulate but nonetheless passionate protests against the postmodern condition. No wonder the word "deconstruction" where simple "destruction" would have sufficed was so triggering.

Of course, the owner of anything has always had the right to destroy it: that is what ownership means. There was a persistent rumor that Van Gogh's *Portrait of Dr. Gachet* was cremated along with its deceased owner in 1996. It turned out to be false, but the idea of an owner wantonly destroying the work evidently resonated with the *Zeitgeist*. To preempt any such plans, the federal government passed the Visual Artists Rights Act of 1990 to protect works of "recognized stature" from destruction by their owners. In this context, the new form of ownership represented by NFTs is arguably more democratic than its predecessor. When ownership involved taking physical possession of the unique artwork, the owner could easily prevent the public from viewing it by keeping it in a bank vault. In the digital age, the detachment of the aura from the artwork makes such hogging impossible, so perhaps this detachment is not the problem. The problem is the NFT's inherent antipathy towards the original.

That has the potential to become a very serious problem. NFTs are liable to physically attack the artworks they represent as long as there is a financial incentive for them to do so—and such an incentive is hard-wired into their blockchain nature. In dystopian theory, NFTs could obliterate all actually existing works of art, replacing them with tokens of their financial value. The process would be seamless. NFTs simultaneously embody two kinds of abstraction: financial value and the aesthetic aura. The fact that both of these abstractions can be incarnated in the same symbol at the same time shows that they have become functionally identical. And if identical, then interchangeable.

If art is money, then money is art. The history of money is a process of aestheticization, and the NFT heralds its climax. As money develops from precious metals through bank notes and credit cards to cryptocurrencies, its symbolic nature is incrementally revealed, and its kinship with other forms of symbolic representation becomes clear. The arcane gyrations of financial "derivatives" that constitute today's economy are entirely figural in nature, and thus ontologically indistinguishable from the manipulation of symbols in art, poetry, or music.

It is this final collapse of aesthetics into economics that dismays the artworld's commentators, although they do not yet articulate their fears coherently. They are right to be alarmed. The proposed physical destruction of the artwork may (Banksy) or may not (Basquiat) actually happen, but the concept of art as something different from money has already been fatally undermined. Aesthetics and economics are united in the NFT, but theirs will not be a partnership of equals. And while artists and critics may be slow to catch on, economists should easily recognize the merger for what it is: a hostile takeover.