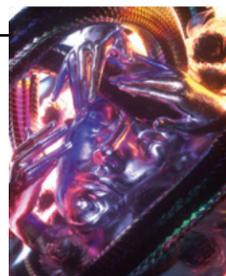


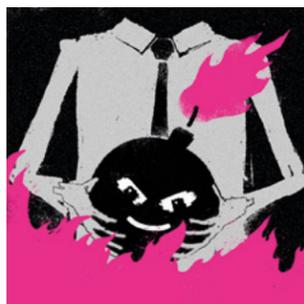
With a digital collage selling this year for \$69 million, crypto is taking the art world by storm. *Glass Man* explores the relationship between “non fungible tokens” and art



ADDIE WAGENKNECHT
Believe Me v1.1



FVCKRENDER
Shift



XCOPY
NGMI

TOKEN ART



SIMON DENNY
Backdated NFT - Ethereum Postage Stamp



JUSTIN AVERSANO
Twin Flames #49. Alyson & Courtney Aliano

Writer
CHARLIE NEWMAN

Other than appealing to the naked eye, art has always challenged society and altered perspectives. This has led artists to freeze their own blood into the shape of their face, chuck a shark in a tank or push phallic symbolism. In comes the latest art world disruptor, this time via “non fungible tokens” – NFTs – a unique code that exists on the digital blockchain. “People are now making art and using NFTs to designate authenticity and ownership like an artist’s signature on a painting”, explains Professor Casey Reas of the department of design media arts at the University of California, Los Angeles.

Crypto translates easily into art because both spheres hold the same intrinsic value based upon abstract reasoning – there is no common definition of art just as there is no set of common values in finance. What makes a Jackson Pollock

splash worth millions but your nephew’s efforts only worth a smile? Why is Tracey Emin’s unmade bed in a museum and your grumpy teenager’s at home? Leading contemporary visual artist Urs Fischer argues, “Anything can be used to create art – your mind, your hands, your elbow, your toe” It’s up to us to decide on value.

Indeed, the value of NFT art has shot up exponentially. Earlier this year, NFT artist Mark Winkelmann, commonly known as Beeple, set a new record with digital collage *Everydays – The First 5000 Days* that sold for \$69,346,250 at Christie’s, giving him newfound status as the third most valuable living artist after David Hockney and Jeff Koons. (Hockney dismissed Beeple’s artwork as a collection of “silly little things” that he “couldn’t make out what it was”.) Late to the party is Damien Hirst who is playing



Sotheby's
'Natively Digital'
Virtual Exhibition
in Decentraland

on the value of NFT versus physical in his project *The Currency*, where the buyer either chooses to keep an A4 dot painting or swap it for an NFT.

NFTs’ sharp increase in sales and interest follows the same dynamic as every other emerging art boom in history. This begs the question – are NFTs a new chapter in art history? Jehan Chu, co-founder and managing partner of Kenetic Capital, an early investment blockchain and trading firm, believes they are. Prior to setting up his own firm and creating Ethereum Hong Kong MeetUp, Chu was part of the dotcom boom before working on Sotheby’s online platform. He gradually moved to the art sector, becoming a board member of Parasite Art space in Hong Kong, and eventually to art dealing.

As a dealer, Chu grew bored of the monotonous schedule. “It’s just art fair after art fair, gallery show after gallery show, dinner after dinner, and there’s just not as much energy and new ideas, and yet the world around us is extremely volatile. There has to be some reaction; the art world can’t just keep spinning out these pleasant or academic things.” Chu favours artist Ash Thorp, a contemporary of Beeple, and his newfound term Machine Art – where use of a machine is part of one’s practice – noting Joshua Davis and Rafik Anadol as Machine Art artists.

Previously, to become a successful artist you had to attend a certain, often unaffordable school, enter endless competitions, make grant applications and hope to forge relationships with galleries and collectors, all while creating ingenious work on a shoestring. One of the greatest innovations of NFTs is that they have entirely opened up the field. Firstly, anyone with

a phone can be a digital art collector and, most importantly Chu believes, “feel like a collector, and that’s a really different thing” compared to the snooty, closed-off collecting circles of yore. Secondly, if an artist only has to upload their creations onto personal social channels or via OpenSea, MakersPlace or Nifty Gateway (an NFT marketplace that exchanged over \$100 million within its first year of launching), their audience access is far greater, thereby democratising the industry.

Visually, NFTs challenge what we traditionally deem as art, appearing and sounding more like games – Cryptopunks, MeBits and Squibbles are often created using game software. But then again, nobody thought a urinal was art until Marcel Duchamp debuted his *Fountain* sculpture in 1917, or soap pads could be a masterpiece until Andy Warhol made replicas of Brillo boxes in 1964. Both created shock waves and changed the definition of art as we see it today, a path NFTs appear to be forging too.

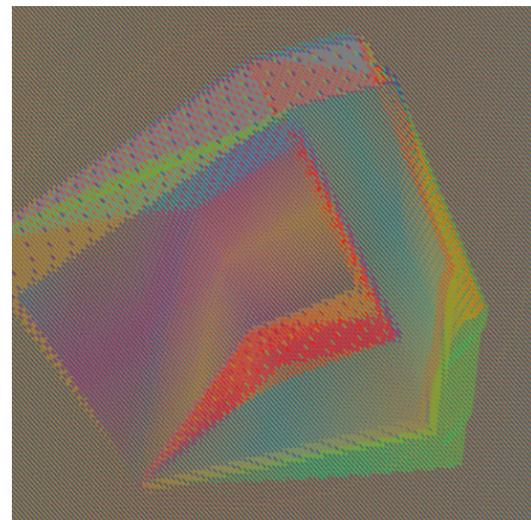
Chu describes it “as the sand in the oyster because it’s such an irritant, but it’s a necessary one to produce the next revolution of the art world”. Throughout history whenever a new movement or trend arises, it always hits the stage defiantly, and NFTs are following suit. Chu points out, “If the whole NFT art movement came from Paul Chan or Rachel Rose, it would be like, ‘Oh yawn, OK, great’. But it had to come from the outside and it had to be offensive as this \$69 million price tag.”

But the systems working within the art world are listening. Chu works directly with a group of 25 galleries and collectors to help educate

and support the NFT space, while also advising curator Hans-Ulrich Obrist at the Serpentine and working as a director at the San Francisco Museum of Modern Art. The Pace Gallery in London jumped on the digital art band wagon this summer, now accepting Ethereum across the board, supporting John Gerrard, Urs Fischer and Simon Denny, before launching a dedicated platform for exhibiting and selling NFTs. Christiana Ine-Kimba Boyle, Pace's first director of online sales, looks forward "to sharing our artist's visions through a newer lens and reaching a more diverse audience".

For Boyle, digital has helped "our artist[s] escape the limits and bounds of the white cube. For us, we see our artists using the technology to extend their practices and conceive the 'inconceivable.'" Sotheby's contemporary art specialist, Michael Bouhanna, notes that although the overall demographic tends to be younger and crypto-wealthy, Sotheby's is taking a long-term approach because it believes that NFT technology is "one of the greatest innovations in the art market we've seen in a long time, both for the art and for the asset".

This pairing of art and asset is a new concept that enormously benefits the artist. Chu explains, "This is the first time in art history where the art market is part of the medium ... because the smart contract can dictate where the funds go on primary and secondary sales and allow[s] them to participate in their market in perpetuity." Essentially, NFT artists are paid in royalties and are able to write their own contracts. Crypto-enthusiast Alex Williams explains that these smart contracts are "going to revolutionise a lot of business" because they remove the middlemen, making the process more efficient and seamless. Additionally, Cassandra Hatton, head of Sotheby's new Science and Pop Culture Department,



CASEY REAS There's No Distance 2.1

explains that "NFT technology has enabled us to certify authenticity and provenance".

NFT art was arguably the closest we could get to walking into a gallery during the pandemic. Prior to that, it's no coincidence that the crypto world was created in the wake of the 2008 financial crash, a time when corruption and a wave of mistrust came crashing down upon the establishment. Conversely, the internet is a universally safe space for us, a place where we bank, speak with family and friends, where we shop, and yet simultaneously we own nothing on there—the NFT is the answer to feeling disenfranchised.

Kate Moss was particularly interested in this notion of ownership when she collaborated with The Anonymous Collective to create her own triptych of NFTs, *Kate Moss: Moment in Time* via MitNFT. One of the images, *Sleep with Kate*, sold earlier this year for \$16,000, which Moss donated to Adwoa Aboah's Gurls Talk Foundation. Moss sees NFTs as a philosophical concept: "Art for me has always been about the moment. Time is the thing that there is never enough of and that waits for no one, I'm intrigued by who will want to own a moment of mine."

Model and actor Emily Ratajkowski is using NFTs as an opportunity to take control and profit from her image. Reas makes the distinction that "within things in the physical, material world, ownership is pretty clear, but with digital files, it's always been sort of a fuzzy area. NFTs allow one person to have clear, public ownership over a digital thing, like an image or video".

NFTs may be heralded for their fixed structure but cracks are showing in their supposedly flawless system. Art historian and curator Tina Rivers Ryan points out, "We need to have a conversation about how NFTs relate to the idea of a free and open web. The rhetoric around blockchain is that it's a completely decentralised technology but there are limits to that, as represented by NFT platforms which are a centralised service."

This dichotomy leaks further into the NFT space as both crypto and traditional artists share the same economic disparity. In the traditional art market, the top 1 per cent of artists receive 64 per cent of sales, while the bottom 99 percent receive 36 percent of sales. Considering the NFT art space is relatively new, their hierarchy of sales is not much better. In crypto, the top 1 per cent of artists get 48 percent of sales and the bottom 99 percent of artists get 52 percent of sales*.

Similarly the crypto world has acquired negative press for its energy consumption – one Bitcoin transaction amounts to the same power consumption as the average US household uses



From left to right: CHAOS Dégagé, CHAOS Analysand, CHAOS Bucolic

in 58.02 days. Sotheby's have resolved this in their current Urs Fischer's CHAOS series where they will be offsetting the minting of each NFT and donating a percentage of the proceeds to be staked on Ethereum 2.0 to support the sustainable future of NFTs.

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Arts writer Jo Lawson-Tancred notes, "If you are an Ethereum investor you want more people to invest so that you can make more money and not lose money. One of the slightly more flashier ways to do that is art, so it kind of attracts people to invest in Ethereum because it becomes also a new art collecting craze."

Is cryptoart just a PR move? John Russo, CEO of the Maddox Gallery in London, links the craze for NFTs as "a direct result of the success and flamboyance of the cryptocurrency market ... It's important to note that much of the hype surrounding NFTs is often focussed on the transaction as opposed to the artwork itself and the quality or level of craftsmanship that created it, which goes against our cultural value of art."

Russo admits he is "a tremendous fan of digital art" but nonetheless is cautious about the "false economy" surrounding NFTs as you do not own the copyright when you own an NFT. Since the dawn of the internet, digital art has existed, so why would one pay thousands of dollars for something that's free to access? Old school digital artists are also concerned about the over-simplification of their creations – NFTs reduce their art down to jpegs.

Aside from "bragging rights", Russo questions the benefits of owning an NFT. Why else would you spend \$2.9 million on the NFT of Jack Dorsey's first tweet or £538,000 for the NFT viral sensation of *Charlie Bit My Finger* given that Twitter and YouTube will ultimately fall by the wayside one day. What happens to those

NFTs then? The big spenders are referred to as "whales". They are either investors or crypto currency evangelists that financially benefit from hyping all things crypto. Is it just a coincidence that Jehan Chu is both an art and crypto investor; or that multimedia artist, Amrita Sethi, worked in finance for 20 years before crossing into the art world where she "combines sound, technology and art to tell a unique story"? Sethi and Chu took opposite journeys between the art and finance sectors and yet they both benefitted from their individual experiences.

Chu switched from art dealing to crypto in 2016: "Interestingly enough, they're very similar; the transition was very smooth because backing an unknown or undervalued artist is very similar to backing a start-up founder, it's the same dynamic. Art fairs are just like crypto conferences, galleries are just like VCs and so the eco systems map very, very, closely. It was important that I'd done so much stage work and talks and tours, trying to explain contemporary art to civilians because I did the exact same thing explaining the long-term value and potential of crypto to civilians." Perhaps the bragging rights are solely for the people who want to buy a slice of a famous NFT through tokenisation. Maybe the whales need reminding that art is not like a holiday timeshare.

Urs Fischer points out how people seem to fear art: "Art has always been a word for this thing that can't be rationalised, when you see or hear something you struggle to explain. But that's what the word 'art' is for." Perhaps the only answer is to welcome the new and accept it for what it is.

Art has existed since approximately 70,000BC and it's inevitable that the medium will continue to evolve. Perhaps we should all take a leaf out of Sethi's book and enjoy the fact that "the future of art literally has no boundaries – it's a blank canvas and anything and everything one could possibly imagine and not imagine in possible".

* sothebys.com

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