

Crypto: Art, Currency, and Capital

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Art
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The evolution of arts, markets, and encryption technology during the Digital Wild West and NFT gold rush.

Abject, obscene, and anti-institutional renegotiations of art and practice.

New capital culture in the age of digital dependency, social value, mass culture and intangible assets.

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ABSTRACT

In 2021 a digital file sold for \$69 million US dollars, shocking everyone within the art world, and those unfamiliar with the intricate happenings of primary and secondary digital markets (Davis; Woodham, 60). This file was composed of a collection of digital images that had been attached to form a single JPEG, of which the URL was impeded into a non-fungible token and sold solely for compensation in cryptocurrency. The event sparked a frenzy of new artists in the digital space hoping to become millionaires.

While this sale initiated what artists and critics are referring to as the Wild West of digital art, NFTs sales date back to 2015, with the rise of Ether and the Ethereum blockchain - currently the only blockchain equipped to store NFTs because it supports digital contracts built of metadata (Rothstein, 194). The merge between art and cryptocurrency is a recent phenomenon, with the legitimacy of cryptocurrencies being up for debate since the many failed attempts in the 90s and early 2000s. However, the mysterious introduction of Bitcoin in 2011 by an anonymous creator would eventually lead to a collection of crypto billionaires by the end of the decade. All of them desperate for assets to spend their newfound wealth on.

Although early crypto markets were used to sell illicit goods and services (arguably a necessary step in legitimizing the value of bitcoin), NFTs and CryptoArt would eventually play a substantial role in creating a mainstream adoption of cryptocurrency, inherently impacting its value in unprecedented ways (Rothstein, 18-25, 69-81). Therefore, different questions must be raised when understanding the placement of CryptoArt within art history, such as the defining qualities of digital art, where its value comes from, and how the market compares to traditional markets either as a competitor or an extension. At the same time, an analysis of capital exposes the systems of social capital and digital elitism, explaining how social media impacts the decentralized global crypto economy.

Finally, discussion is dedicated to the alternate reality of the internet, where an entire societal structure is forming under the self-governance of coders, engineers, developers, and artists. Creating Digital real estate, legitimate currency, borderless interaction and movement, and anti-institutional frameworks to form a virtual reality opposing real life constructs. Thereby creating encrypted spaces on the web that sit independent and unobstructed by governments and any form of outside dictation or regulation.

KEYWORDS

Digital Culture
CryptoArt
Cryptocurrency
Art Criticism
Art Markets
Capital Culture
Social Capital
Encryption
Art Collecting
NFTs (non-fungible tokens)
Digital Art
Decentralization
Art Crime

FREQUENTLY USED TERMS

CRYPTOART & NFTS

CryptoArt is the term given to digital artworks that have been ‘minted’ into a non-fungible token (NFT) to be transferred from a seller to a buyer through the exchange of cryptocurrency known as Ether (*ee-thur*). CryptoArt is intangible, existing only in digital spaces where NFTs can be stored. NFTs (ERC-721s, technically) are treated as digital assets and are encrypted with metadata, consequently creating a contract that cannot be forged or tampered with. Once purchased, tokens enter the buyer’s metal (MTL) wallet or crypto capsule, which are cold storage encrypted devices that hold digital assets offline. Many collectors will also keep their CryptoArt in their MetaMask wallet, which displays their tokens virtually.

SECONDARY MARKET vs. DIGITAL MARKETPLACE

The secondary market sells used goods, such as art and antiquities. Unique to secondary markets is the inclusion of provenance value. Meaning that the ownership, lineage, or geographic displacement of the piece being sold impacts its value. That said, primary markets sell new items, including original artworks. Both of these markets are managed by experts and financially powerful people (Woodham, 45-47). Digital marketplaces borrow from primary and secondary market models, only here the artist auctions their own work, and the buyer/collector represents themselves when listing artwork for sale or re-sale, rather than having an auctioneer, broker, or auction house do the work for a commission.

DECENTRALIZATION OF ART AND CURRENCY

Decentralization removes the idea that there is one hub or core by which everything revolves or is informed. Instead, a system is created by the users independent of government or institutional intervention and control. In the case of CryptoArt, decentralization occurs as digital markets neither require a physical location to be hosted, sold, or stored, nor do artists need third parties to facilitate a sale. Furthermore, CryptoArt is moved with Ether, a decentralized cryptocurrency that does not require a bank, government, or treasury to contribute to its value, make it, or store it. Since cryptocurrency exists within the encrypted web, it also avoids legal restrictions or requirements, such as taxes or holder identification and transparency (users can be anonymous).

CryptoArt is the result of converging fields, including fine art, digital technology, and capital culture. To understand its historical significance, we must discuss the conditions of each field as they both compare and contrast to the new medium. For instance, throughout art history, artistic variations are responses to preceding qualities of creation, usually in opposition. An example is noticed during the medieval era when art was used often by the Church or ruling powers in effort to preserve history, consequently enforcing imagery related to the ruling classes. At other moments in history, such as during the World Wars, art sometimes served as a propaganda tool. In many ways, artists use their work as a social commentary tool within their societies, which are today no longer governed by guild systems or restrictive viewership and creation of art (Sidrova, 6-11). The evolution of art raises questions such as, what is art? Who are artists? Where do beauty and commodity live in the art world? And how do we challenge these notions?

There is no question that art represents the social and political developments and ideologies of people throughout history. That said, this text addresses the current digital art phenomena that are NFTs and CryptoArt. It also reveals the motivations and intentions behind the current gold rush being described as the Digital Wild West (Sidrova, 4-6; Hendler).

At the same time, the current impetus of encryption is explored to determine the rising factions using cryptocurrency. Particular focus is given to the relationship between cryptography and art, with hopes of uncovering why intangible assets have become a competitor within tangible markets and economies. In doing so, the relationship between digital technology and art is supported with textual analysis from art theorists and critics, as well as through personally conducted reviews of artists and works, developers, and collectors.

For the purpose of this text, I have observed and proposed new categories within digital art. In doing so, I have included examples that I believe define this new era of art.

Due to the extreme contemporary nature of CryptoArt, global economists Thomas Piketty and Adam Rothenstein explain the economic conditions of capital and crypto before the rise of NFTs. Their research is supported through the discourse of art market tactics, critics, journalists, and successors in the fields of technology, art, and market. All of which is required to explain the arrival of social capital and decentralized art commerce. That said, expected concerns of privacy and criminality are briefly be addressed to explain the systemic impact of NFTs (non-fungible tokens) on the silent criminal market that substantiates both crypto value and traditional art markets. Therefore, this text engages with art historical analysis within decentralized art markets to expose the economic significance of cryptoart in legitimizing cryptocurrency.

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A BRIEF HISTORY OF CRYPTOGRAPHY

THE DARK WEB,
CRYPTOCURRENCY, AND
THE BLOCKCHAIN

CHAPTER INTRODUCTION

This chapter explains the history of Bitcoin and Ether, the most relevant cryptocurrencies at the date of this writing. Important terms, like cryptography, blockchain, and non-fungible tokens are explained in detail. Furthermore, this chapter highlights the economic and societal relevance of crypto concepts.

A BRIEF HISTORY OF CRYPTOGRAPHY

THE DARK WEB, CRYPTOCURRENCY, AND THE BLOCKCHAIN

In the grand scheme of human history, digital technologies are extremely new phenomena with seemingly predictable yet infinite growth. The rapid expansion of digital innovations far precedes any development within a globalized world, including tools like the internet. Arguably, the internet is responsible for shaping the 21st-century, and its digital dependency. Boldly, among the many affordances granted by the internet is the creation of extended reality, supported by communication networks, digital real estate, e-commerce, government, and of course, the movement of currency and the creation of digital assets.

While the internet dates back to the 1960s, the World Wide Web (WWW) was first introduced in 1989 by Tim Burners-Lee. The WWW was introduced as a tool that stored information at a specific web address, or URL, that was accessible to anyone who had the hyperlink. Eventually, the internet would also be used to move information between different computers. This was done through a process known as packet switching, where information packets (IP) would travel across different routes to reach their intended IP address. At the dawn of digital information exchange, this process was revolutionary (Rothstein, 13). However, the system lacked security and information could be intersected and retrieved by

anyone who knew how to access the routes. At the same time, the identities of senders and receivers of information were public knowledge since every router had an IP address connected to a location and user. Thus, raising plausible concerns about the security of the internet.

In the 1990s, a group of hackers known as 'cypherpunks' emerged with the creation of the dark web, which is an area of the internet where things are hidden with encryption (Rothstein, 23). Cypherpunks specialized in digital cryptography, meaning that they focused on creating tools that increased the electronic privacy of the internet (24). While the dark web is notorious for hosting hackers, spies, and criminal activity, it is also responsible for identification security software used by banks, schools, and governments. For example, the dark web enabled the adaptation of asymmetric encryption to the internet, which allowed people to communicate secretly. In 1991, software engineer, Phil Zimmerman developed a downloadable, public program called Pretty Good Privacy (PGP) that allowed the free exchange of encrypted messages (25). PGP's threat to information monitoring led to government accusations of the software being munition, enabling warfare or espionage (26). Zimmerman was never prosecuted, though his software started a massive discussion about the legalities of encryption. Consequently, leading to The Cypherpunk list, which would bring together a group of people who were determined to prevent the internet from becoming a surveillance tool for governments. This list would eventually introduce the creators of bitcoin to one another (27 -29; 71-80).

Before cypherpunks, the conception of 'onion routing,' was invented by Paul Syverson, Michael Reed, and David Goldschlag who worked for the US Navy in the research department (27). Onion routing allowed for people to 'go undercover' on the internet with software known as 'Tor'. Tor created an anonymous network of encrypted layers, similar to an onion, that moved information packets while obscuring their origin and destination. Tor, in conjunction with PGP, and other tools created within the dark web led to a dynamic system of untraceable secrecy, all of which was pertinent to the success and legitimacy of cryptocurrency.

In 2010, a digital currency, now known as bitcoin, and system of exchange was proposed via email to a collection of software developers. Many of them were hesitant to entertain the idea due to the anonymity of the email's sender, Satoshi Nakamoto, believed to be an alias. At the same time, all preceding digital currencies had otherwise failed, so what would make the new currency any different? Simple, the innovative and unprecedented blockchain technology first proposed by Satoshi Nakamoto that allows encryption and security (35).

The blockchain offers a unique, secure chain of encrypted blocks that hold meta signatures. A new block is formed every time a bitcoin exchange takes place. This process is known as bitcoin mining; and takes extensive amounts of energy and very powerful computers. The blockchain makes it impossible for someone to counterfeit bitcoin, similar to how a bank or treasury would make it nearly impossible to forge money in order to trust its value (35). Essentially, according to Adam Rothstein,

“...the blockchain is just a ledger that lists all of the units of cryptocurrency and who owns them” (36).

Therefore, if replicated coins were attempted, everyone would be made aware due to the dissonance of having a duplicate or the bitcoin being unaccounted for in the blockchain.

In its early stages, one bitcoin was valued at less than 0.30 cents when compared to the Canadian Dollar. Fewer than 10 years later, in 2021, 1 bitcoin is valued at more than \$65400 CAD, fluctuating daily, with competing cryptocurrencies rising in value with demand for use. The events that led to this substantial rise begin with a darknet marketplace known as The Silk Road, enabled entirely by cryptocurrency. Due to the lack of government control within the dark web, Ross Ulbricht, a software engineer, whose digital alias was Dread Pirate Robots, created the Silk Road as a place to sell illicit products and services. The website functioned like an Amazon Marketplace for things like drugs, weapons, and assassinations, and eventually grew to become a billion-dollar marketplace, legitimizing and increasing the value of cryptocurrency. The dark web marketplace also resulted in FBI intervention, arriving at the arrest of Ulbricht, who was given a double life sentence in 2015 (20).

Perhaps without surprise, the surge in hype and value around bitcoin led the creator, Satoshi Nakamoto, to completely vanish from the internet. All trails from their existence completely disappeared.

1. Bitcoin mining has a serious impact on the environment and is in dire need of a green intervention. As is, it may not be entirely sustainable. However, if all bitcoin mining were to stop, bitcoin would disappear. At the time of this writing, a new trading platform known as Palm has been introduced, functioning as a 'green' trading network.

2. This value was collected after viewing the currency value on April 29th, 2021 using WealthSimple Trade.

3. Ulbricht was eventually found due CAPTCHA technology after sending an unencrypted email to a close affiliate and hit-man, who was actually an undercover FBI agent. Ironically, this agent also wound up in jail after smuggling millions in confiscated and illegally motivated bitcoin and illicit goods (Rothstein, 71 - 82).

Despite the numerous attempts to name someone as the creator behind the alias, every lead has resulted in a dead end, making the person or people behind bitcoin a mystery.

Around the same time as Nakamoto's disappearance was the introduction of a new cryptocurrency known as Ether, which lived on the Ethereum blockchain. Considered to be the renaissance of cryptocurrency, the Ethereum blockchain allows smart contracts to be embedded within the blockchain, creating a newfound value around digital assets and exchanges. These contracts, similar to a signature on the blockchain, are considered to be unalterable. ⁴

Preceding Ethereum's blockchain by a few years are digital assets known as non-fungible tokens or NFTs. This software encrypts metadata onto a digital token that is impenetrable once sealed. Noticing the compatibility between NFT software and the Ethereum Blockchain, Glitch CEO Anil Dash and digital artist Kevin McCoy teamed up in 2014 to bring together their version of NFT technology to the blockchain for the sole purpose of supporting artists, consequently birthing the base of a billion-dollar digital art market (Dash, 2021).

However, the team's software was released in 2014 under the name *monetized graphics*, and it did not gain the popularity expected. Instead, it was brushed to the side and its creators declared their idea ahead of the times to the extent that the art world was not prepared for the innovation. Since this was the case, neither McCoy nor Dash thought to patent their technology. Shortly after, NFTs and the contract compatible Ethereum blockchain became nearly synonymous. With the rising popularity and use of Ether, artists no longer resisted the idea of encrypting their art. Dash explains in *The Atlantic*,

“The system of verifiably unique digital artworks that we demonstrated that day in 2014 is now making headlines in the form of non-fungible tokens, or NFTs... Head-spinning prices are now being paid for artworks that, just a few months ago, would have been mere curiosities.”

Similar to *monetized graphics*, NFT technology allows the artist to encrypt their signature onto a digital token, as well as metadata associating the token to a digital asset, such as a JPEG. The token's metadata also supports contracts outlining the value of the digital asset, the royalties an artist will receive on every resale, and any other terms or conditions necessary. This process is called 'minting'. These tokens are then listed on digital marketplaces controlled by a cryptocurrency like Ether for instance, allowing the token to sit on the Ethereum blockchain once made and sold, permanently accounting for its existence and all future transactions. Popular NFT markets include Opensea, founded in 2017, and Foundation, founded in February 2021 - the largest and most active NFT marketplaces at the time of this writing.

Recent commercial success has shifted discourse within the traditional art market around the validity of intangible works, as well as their value. Considering that traditional methods of determining the authenticity of artwork are otherwise non-transferable to digital spaces, a great deal of dissonance has surfaced to speak about the current NFT craze.

4. When the Ethereum blockchain was created in 2016, a hacker gained control of \$80 million worth of Ether, and a percentage of the metadata on the blockchain. As a response, the hacker's was used against them, creating a back and forth conundrum between the hacker and the software developers. The creators of the Ethereum Blockchain considered reversing every single transaction ever made on the chain to return all the funds back to whoever had them in the very beginning, stripping the hacker of their stolen funds, also leaving some collectors without anything. Naturally, this idea was not well received. So, instead the creators forked the chain and trapped the hacker's funds in a second blockchain, leaving us with two chains: Ethereum One (new) and Ethereum classic (Rothstein, 190-200).

The first NFT ever sold was a GIF of a flying cat farting a rainbow. It is titled *Nyan Cat*. A remastered version of the same GIF sold for 300 Ether (\$519, 174.00 USD at time of sale) in 2021, 10 years after the original piece sold.

The artist is Chris Torres.

This sale was covered by journalist Erin Griffith for the *New York Times*, Feb 22, 2021.



While the commercial success of NFTs has been beneficial to many artists, an overlooked flaw within this technology is the fact that images, videos, and any digital visual renderings are too big to fit on the blockchain. Therefore, due to the lack of storage space, NFTs do not actually hold an image, instead, they hold a link to the artwork. That means, when an NFT is sold, the buyer owns a link on the internet. This link requires a host, being the website that it exists within. Should the website dissolve, fail, crash, or rot, the artwork itself would disappear. Yet, the transaction history would forever remain on the blockchain, but the digital asset would be replaced by '404 error.'

All things considered, digital capital exchange enterprising is changing the way people interact with traditional markets. With origins in criminal behaviour, crypto markets have evolved to interfere with traditional, elite markets such as the global art market.

Pushing societal boundaries and forcing artists, collectors, and dealers to renegotiate their approaches to the movement of art. Additionally, the evaluation of art is in question, with cryptoart taking on qualities of social capital similar to other digital platforms. In other words, cryptoart is assuming value though social media populate or rising similarly to influencer culture. Through deeper investigation of the intersections between art, technology, and capital we can begin to understand the changing relationship between artist and institution, as well as the growing relationship between artist and engineer, or fine arts and science, all under the veil of capital culture.

STYLES MOVEMENTS CRYPTOART

A LITERATURE REVIEW
CONCERNING MOVEMENTS
WITHIN CryptoArt

CHAPTER INTRODUCTION

This chapter brings together different literature, artists, and criticisms on the topic of NFTs and CryptoArt. Less concerned with determining the value of art or the qualities of digital markets versus tangible collections, this chapter introduces the reader to the different styles found within the CryptoArt movement. Finally, an attempt is made to position notable CryptoArtists within larger conversations within the art world and society.

STYLES MOVEMENTS CRYPTOART

A LITERATURE REVIEW
CONCERNING MOVEMENTS
WITHIN CryptoArt

Until recently, CryptoArt has not received significant scholarly attention. This is due to being relatively new in the timeline of art, existing as a futuristic art movement - surpassing ideas and functions of post-modern art. Arguably, the new form of digital art, saturated with diverse pieces and copious amounts of creators is somehow a culmination of all art forms, transferring traditional and non-conventional methods into a digital scape.

Another element of CryptoArt's futurism is the fact that markets are enabled by decentralized currencies and space. This directly confronts concerns raised by art critics like Alistar Hicks (2014), who explain the ongoing debate as to whether or not there is a centre in the art world. While Hicks and his contemporaries do not speak directly to CryptoArt, they do address the fact that geography impacts how the artist views themselves as a member of the world. From Hicks' work *The Global Art Compass* (2014), he demonstrates the different realities that artists must face due to their geopolitical situations, explaining that our regions are impossible to separate from our work. If this is the case, what role does the digital geography of the internet play in shaping the artists identity?



The borderless realm of the internet introduces multiple conditions that are not accessible in the real world. The first being the effortless secrecy, or ability to activate an avatar that replaces your true identity. Another remarkable feat of the internet is the instant communication and networking available to anyone with connectivity. These networks allow people to learn skills, share information, and build entire digital societies. Already highlighted for its importance, is decentralization; the absolute lack of government intervention or supervision within areas of the encrypted web.

Image displayed is 1 of 5 in a digital set titled *Aphrodite* by Kristian Hejlevin (@nocreativeabode). Published on March 26th, 2021.

TOKENOMICS

Finally, the most important affordance of the internet, at least in regard to the CryptoArt and NFT movement, is artificial intelligence (AI) and digital design (DD). Other artists have dared bring their pieces to life, giving us works like Heikki Leis' *Potato Mold* (2012), which is quite literally what its name implies. Lei's work comes from their "Afterlife" series, which places various fruits and vegetables under observation as they decay for months before being photographed. Another piece considered to be living is Philip Ross' *Mycotecture Alpha* (2009). Mixing wood chips and mushrooms to make bricks, Ross builds room-like structures from the living elements. That said, the intelligence of living art is more the result of habits in nature, than it is the product of intellect as humans would determine.

Therefore, artificial intelligence is a type of life that is enabled by human intervention, yet can often mature independently. At least, this is the goal for creators when working with AI. With this in mind, CryptoArtists have begun a new wave of reproductive or indeterminate art works, known as **Tokenomics**.

Described by Sarah Philpott in 2021 during the Canadian Association for Italian Studies Conference (*Style Movements in CryptoArt: An analysis of stylistic choices often seen in the NFT marketplace*, 2021), Tokenomics can be viewed from the framework of a larger economic ecosystem that is focused on how cryptocurrencies work on a macro and micro level.

Mad Dog Jones' *REPLICATOR* (2021), is an example of tokenomics for its ability to generate new and unique NFTs within a 28 day cycle. The algorithmic piece relies on simple artificial intelligence to create 6



generations of art work as offspring from Generation 1, which is the single mother NFT sold in auction.

Generation 1 begins as a singular illustration (shown above) and will produce 1 new NFT every four weeks, stopping at Generation 7. Each generation will create NFTs of their own, creating one less artwork than the preceding generation. With the exception of Generation 7, which will not produce any NFTs. Each generation has the potential to "jam" thereby preventing the expected number of NFTs from existing. Since this is the case, investing in this NFT can be highly rewarding with a large return of NFTs, or incredibly disappointing with few returns. This model of CryptoArt mimics the complex influx of the cryptocurrencies, where value is impacted by unpredictable events.

Mad Dog Jones.
REPLICATOR. 2021, NFT.
Private Collection.

PASTICHE & PARODY

Warhodl (2021)

APE SHIT, can # 7

For example, celebrity engineer and designer, Elon Musk tweeted about Dodge Coin in June of 2021, causing the currency to rise by over 7%. Arguably, unavoidable within any capitalistic market are hierarchies of wealth and popularity, as proven by the influence of Elon Musk. Similarly, digital elitism is also fervent within the digital art space as innovators work to be 'the first' in their field or endeavor. This is accomplished by minting an IRL concept to an NFT and profiting. This mentality is shared with the notions attached to the American Wild West where individuals fought to be founders of cities and institutions. This is leading to the constant reference by artists and collectors who claim NFTs to be the dawn of the Digital Wild West.

Hicks offers a similar opinion about American artists, noting the culture of self-centeredness and "unoriginal-recreation" or "sad rip-offs" (17). That is not to say that the works being created by CryptoArtists are sad or self-centered, but it is important to note that a great deal of popular artwork created is a recreation. Therefore, a substantial section of the CryptoArt market is made of pastiche art. In other words, artists are rendering their own versions of popular works through imitation. This is not to be confused with parody art, which are mimetic works usually created with exaggerated or comedic elements.

American CryptoArtist Warhodl and his soup cans are an example of pastiche work. Taking a variation of the name and artistic concept from pop artist Andy Warhol, Warhodl makes NFT soup cans that reflect current ideologies or concepts in the 21st century. For example, the artwork *Ape*



Shit is using contemporary slang to recreate the Campbell's soup can that was already borrowed by Andy Warhol when experimenting with everyday objects.

During his life, Warhol was referred to as an artistic genius to which other artist were compared. The idea of his genius being unique is challenged by Hicks, who suggests that despite the fact no two artists inhabit the world the same way,

"...the art market, of course, still clings to the notion of solitary artistic genius, but it will change to reflect the times" (149).

With this in mind, as crypto artists thrive to be remembered for their individual contributions, the shift from solitary artistic genius, and of course self-centeredness, is evolving into a collaborative network in pursuit of otherworldliness.

In this alternate reality, now referred to as the URL, Elena Sidorova says the internet is shifting from a tool that complimented traditional markets to,

Image shown is *APE SHIT, Can #7*, by WARHODL (2021).

5. I was first introduced to the Digital Wild West while in a conversation with painter and recent digital artist Jared Hender in 2021.

AFROFUTURISM

Diana Sinclair (2021)
"Spectarice" + "Beholder"

"...an apart-standing art market segment with its unique features and development patterns" (8).

Further claiming that it is difficult to speak about the internet as an art market without sounding avant-garde and futuristic (8). Yet, at the time of this writing, the CryptoArt era is filled with just that - futurism.

Since the Bitcoin Art (R)evolution hosted in 2018 with the Paris innovation hub ERM Développement, a show dedicated to the growing role of cryptocurrency in the contemporary art market (Sidorova, 5), the art movement of CryptoArt has seen a rise of futuristic pieces, especially in the form of Afrofuturism. Joni Boyd Acuff explains that afrofuturism, proposed by Mark Deny in 1994, refers to,

"...speculative fiction that treats African-American themes and addresses African-American concerns in the context of twentieth-century technoculture—and, more generally, African-American signification that appropriates images of technology and a prosthetically enhanced future" (*What is Afrofuturism?*, 180).

Early definitions of Afrofuturism were used to situate Black people within the discourse of science fiction and technology. Moreover, the term was a critique on the unsteady futures of Black people due to their mass incarceration or police brutality, in which the term inherently connected the future to



Black people. In the process of creating Afrofuturism, distinct visual elements emerged from the convergence. Some critics, such as Susana Morris, noticed the social power of Afrofuturism, aligning the movement with Black feminist thought. The aesthetics of Afrofuturism places Black voices and characters within design narratives geared towards empowerment and betterment (Boyd Ancuff). A popular example of Afrofuturism is the Marvel film *Black Panther*, which places Black people in a futuristic, technologically advanced world, inspiring a better future for Black communities (Boyd Ancuff).

That said, the growing number of Black artists using crypto technology to improve their communities has created a movement within the movement of CryptoArt. Platforms like *The Blkchain* and artists like Diana Sinclair are working to build entry avenues for Black artists, gaining investments and educating populations about the abilities and

The model in Sinclair's NFT set is Cidnee Phillips.

advancements of Black people. Sinclair in particular is working with outside investors to help allocate funding to Black women who face barriers when entering the NFT space. As an artist herself, her work combines digital elements of photography, videography, with animation to create futuristic portraits. In her set, “Spectarice” + “Beholder” Sinclair photographs a Black woman with natural hair in a dark environment, using digital tools to cast a light on the model’s skin, creating a deep, royal shade of purple. Using animated elements, Sinclair creates a colourful collection of foliage that seems to be flying out of the space where the model’s eyes would normally be. The peaceful energy of the work invites the viewer to associate visions of growth, nature, freedom, and life with the eyesight of the model, making it seem as though the model is looking upon prosperity. At the same time, the looping image that moves the foliage and nail polish (which looks like small flower petals), is suggesting that progress and growth comes from within the Black woman represented.

Other artists, such as YoungKevArts and Toronto based Lizzy Idowu focus on placing the Black body into futuristic realms, using deep colours reminiscent of Black skin tones, as well as vibrant materials and patterns relating to Black culture. Idowu has also renegotiated the popular cartoon *Powerpuff Girls* by creating “puffs” with different ethnicities and cultural attributes, introducing Afrofuturism to mainstream entertainment, intending to shape narratives around memories and representation.

NFT technology is proving to be a dominant force within the Black creative community, with other notable figures like rappers Snoop Dogg and Doja Cat also engaging with the technology in their own respective pursuits.



YoungKevArts (2020)
Escape into the Metaverse



Lizzy Idowu
The Transcending Collection (2021)

“There is something finite and unresolved about an interior as a subject; the sense of enclosure is pleasing to both the artist and the viewer” (161).



Jo-Anie Charland
Underwater, Day 186, 2020

That said, it is safe to assume NFTs and cryptocurrency are leading to a stimulus in the Black economy - a capital structure normally marginalized within larger capital structures, including the traditional art market.

Other notable contributions to CryptoArt are rendered places and idealized lived spaces. Philip Hook defines lived spaces in *Breakfast at Sotheby's*, saying that,

These lived spaces often embody futuristic elements, containing uncommon materials or celestial views through doors and windows. There is also a chromatic presence within a lot of CryptoArt, giving pieces an industrial or technological feel. Looking at *Underwater* by Jo-Anie Charland, we see the chromatic pink water floaty casting a sheer glare on the bottom - which would likely be unrealistic due to the fact that the sky is above the viewer, meaning that the sun should intrude from overhead, not below. That said, the illusion of being in the pool under a pink sky is creating that sense of a pleasing enclosure as mentioned by Hook.

Just as the chromatic elements are mixing with dreamy pink skies, the mixing of different elements within CryptoArt brings a new idea of montage to art, such as the layering of audio, visual, and the representation of different ‘materials’ within a piece. For instance, the artist Slime Sunday removes human bodies, usually women, from pornographic photographs or videos and places them within other environments. These environments are usually constructed of different objects, settings, structures or places to create a suggestive scene that alters the viewer’s perception of the sexual interaction. Montage is, arguably, a defining quality of contemporary art, especially work made with mixed media. Langdon explains montage within digital art, stating that,



Up (2021), Slime Sunday

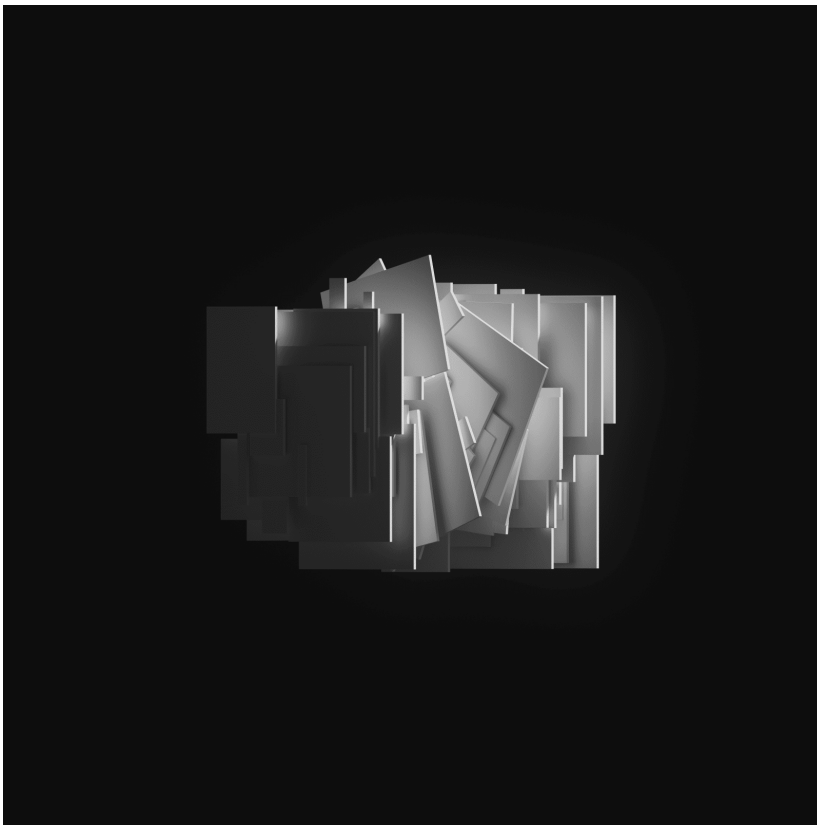
“As cultural theorist Frederic Jameson observed, Modern expression presented ‘fragmented senses of the world. ’One Modernist technique that features strongly in digital art is montage. Montage emerged as a form of cultural backlash in its critique of conservative bourgeois tastes. It was deliberately ‘ugly, dissonant, bohemian, sexually shocking’” (14).

When visiting the work of CryptoArtist Slime Sunday, we see the way they have used montage elements in the digital scape to create dissonant and sexually shocking work. The work *Up* (2021) scales a woman’s figure to be larger than the surrounding skyscrapers,, making her part of the cityscape. However, the viewer is forced to stand between her legs and gaze into her pelvic region, which is obstructed by clouds from the sky that she is standing within. Slime Sunday borrows his living images from pornographic media, using sexuality and profanity to address the viewer. This is likely a critique on society, whose pervasive viewership and sharing of sexual content has been normalized on the internet, but experiences censorship within public spaces. Their montage works to express this narrative.

Confronting notions of taste, Slime Sunday often places women within bourgeoisie spaces, or other luxury areas. This negotiates the relationship between sex and class, or indulgence and moderation, a prevailing topic in art history.

Proving that the tactics used to create art have remained the same, and instead the tools are changing. Similar to montage is another realm of CryptoArt filled with geometric shapes and forms. Raising discussion about technology and aesthetic, these minimal designs montage ASMR qualities and imagery that can be described as ‘satisfying’. The merging of metallic and chromatic digital elements into artistic composition creates a form of montage that I am referring to as **Alloy Art**, since this particular style seems to be a defining movement within CryptoArt and has yet to be named. These pieces can be stationary or mobile, enabled by a cursor or sound embedded into the work.

Perhaps, it is safe to suggest that the introduction of cryptocurrency has built an entire culture that does not oppose traditional art forms, but reformats them for placement within the second reality of the encrypted internet. All while adopting distinct characteristics that assure the viewer that technology is a focus within the advent of CryptoArt. The next challenge is to determine how value is attached to the intangible digital assets.



pak. *The Turn.* 2020,
NFT. Via Nifty Gateway.

THE VALUE OF INTANGIBLE OBJECTS

RELEVANCE AND ANALYSIS

CHAPTER INTRODUCTION

This chapter speaks toward the value of intangible, digital assets. In doing so, the factors that determine market value of art and CryptoArt consequently introduce us to the events that helped to legitimize cryptocurrency.

THE VALUE OF INTANGIBLE OBJECTS

RELEVANCE AND ANALYSIS

Digital art has experienced many different shifts, the first most notable being the introduction of the camera in the late 1800s (Langdon, 15-17). With this tool, the depth and union between art and technology was revolutionized. After the introduction of the camera, artists began to interact with things like the television, the personal computer, audio and visual software, and eventually the internet. Birthing what is known to art as The Digital Age (1950 - 1970) (*Art Story*). Digital art marked the relationship between artists and engineers, or between arts and science, bridging a gap that had separated the two extensively within western metaphysics.

The artistic toolbox expanded tenfold as artists began to learn new skills while also exploring the relationships society held with technology, making claims about the impact of information on the masses. Since this was

the case, early digital artists were often members of other fields, including mathematicians, computer scientists, and economists, since it was from these intersectional perspectives that true advancements for the art, as well as the artist, would come to be. Among the many founding figures within digital art are a few notable creators, including Frieder Nake, who used algorithms to instruct computers to plot a series of shapes within a digital drawing to eventually produce a work of art, thereby proving that a computer had its own artistic logic. Perhaps without knowing it, Nake was among the first to foreshadow the inevitable relationship between machine and human (Fishwick, 10). He was also contributing to the growing discourse concerning the relationship between aesthetics and computing, which is a controversial idea

within the current artistic criticism circulating the popularized network of CryptoArt.

The inevitable union of machine and human is discussed among many others, including the globally recognized performance artist Stelarc, whose artistic concepts focused on the abject body being doomed to become reliant on technology. His claims were so pervasive that he suggested technology would no longer be an extension of human, but rather their downfall. So much so, that the human body would eventually lose its natural processes to nuts, bolts, and computers (Smith, 70-74). While Stelarc was speaking from a place of technological dependency, firstly from the point of view of replacing body parts, such as the way we employ prosthetic limbs, he was also stressing society's addiction to Digital evolution. Suggesting that people would eventually create a world that human beings could not live in as their natural selves.

In a way, Stelarc may have been trying to expose the second reality introduced to us as the internet. Growing daily both in form and function, the internet has led to the creation of artificial identities and realities, enabling social systems that seem to be otherwise separated from the prevailing social systems of the real world. Therefore, in speaking of the two realities that exist, the abbreviations IRL, representing 'in real life' and the URL, representing internet spaces accessible via hyperlinks, are used to differentiate between realities. Of course, URL spaces are influenced by IRL systems, and vice versa. However, a major distinction between the two is the fact that URL is borderless, meaning, there are areas of the internet that cannot be traced, recorded, or governed by outside intelligence.

Consequently, the internet has been able to do something that IRL has made impossible - it has created a globally accessible model of cryptographic decentralization. In other words, there are no presidents or dictators of the encrypted web, allowing for users to build their ideal social society, including their currency, privately. This is enabled through the introduction of cryptocurrency and the substantial innovation of the blockchain.

Many attempts have been made to create a widely adopted digital currency, however it was not until bitcoin, then Ether, and the rise of cryptomarkets that cryptocurrency would have any substantial value. Without surprise, artists incorporated cryptocurrency into their own market-focused lifestyles, leading to the newfound phenomena of CryptoArt.

The arrival at CryptoArt markets was to be expected, considering that organizations such as Experiments in Art and Technology (E.A.T) were created to introduce artists and engineers to one another as early as the 1960s. E.A.T., founded in 1966 by engineers Billy Klüver and Fred Walkhauer, in association with artists Robert Rauschenberg and Robert Whitman, was an initiative that ran as a one-to-one collaboration for specific projects, bringing in people from all over the U.S., Canada, Europe, Japan, and South America. To promote success, artists and engineers were attempted to be matched due to compatibility both on an individual level, and stylistically (Loewen, 1 - IV).

Today, social media applications promote similar networking to that of E.A.T. For instance, the popular platforms Twitter and the relatively new Clubhouse⁶ have become social incubators for the mergers between artists and engineers. At the same time,

6.Clubhouse is an invite only audio chat room application that is only available on the iOS (iPhones). This app connects people from around the world in discussions based on interests.

other fields, like business and law are finding space within the realm of crypto art and NFTs.

The encryption technology creates a new leader within the institution of art, placing the artist at the forefront of their own success in many ways. Whereas traditional art markets tend to favour collectors and auction houses, creating an economy within a secondary market and its extended necessities, including insurance markets. Consider for a moment that traditional art markets are composed of works that must be physically managed and maintained, therefore artworks become relics over time. Since this is the case, their authenticity is proven in different ways, including through strange determinations by connoisseurs, who use concepts like the Miracle Test. This test suggests that a true, authentic, and surviving work would have a distinct ‘aura’ that could be detected by any expert, otherwise showing up as a feeling of ‘awe’ within the everyday viewer. That said, this method only required the expert to be in the room with the work and ‘feel’ its energy (Bown, 15).

However, this ‘miracle’ alone is often not enough to determine the value of a traditional work. Instead, it must be accompanied by a believable proof of provenance. This is one of the easiest qualities to forge within an art market, especially since many ancient works were looted, stolen, or forged with all accompanying documentation being written on paper by hand. Even more, most signatures of authenticity and registrations within the traditional market are simply hand-written, as though one would hope that theft or forgery would be possible (Lenain, 287).

In some instances the previous statement may be a bold claim, but

according to Noah Charney, 70% of all registered artworks were missing as of the year 2009 (87-101). Therefore, suggesting that the next logical investment after buying art is insurance. Insurance for artworks originated within criminal circles during the seventeenth century in England. Ancient antiquities, usually gathered through looting or other criminal ventures, were traded across borders and oceans. However, travelling by ship with incredibly valuable goods was risky due to weather complications and piracy. Thus prompting a system of organized art crime that brought together looters, dealers, and early insurers (87-101).

In other words, the insurance market was born to mitigate losses of illicit and stolen goods, eventually expanding toward other personal belongings. With this in mind, the value of art was negotiated, eventually coming to terms of appreciation such as provenance, age, material, and social capital. An unexpected source of value also arose within the art market in the forms of theft and forgery, making a recovered art work more valuable than a protected piece. Mathew Bown explains this when he states,

“... if a relic was claimed stolen, that was felt to be evidence that it was genuine because, well, who would want to steal an item that wasn’t genuinely miraculous?” (14)

Such is the case with the *Mona Lisa*,⁷ or a master deceit like that of Hans van Meegeren and his million-dollar Vermeer fakes.⁸ Forgery, fakes, and thefts carved a new avenue into the art world, creating a substantial market related directly to criminal allure.

7. Before 1911, the Mona Lisa hung unattended and garnered little attention in The Louvre. In August of that year one of the museum janitors, Vincenzo Peruggia, stole the artwork because he believed it belonged in Italy. It was missing for days before anyone noticed, then a frenzy of press circulating the theft made the artwork famous. Peruggia was caught two years later, allegedly tired of having the painting sitting in a chest at the foot of his bed (Lenain; Charney).

8. Hans van Meegeren failed as an artist under his own name. Considering the institution of art to be made of fools, he forged a ‘lost’ collection of Vermeer artworks, created a false story of provenance, and sold the pieces for millions. Eventually outrun by ego, he admitted to forging the pieces and proved himself to be the master artist while on trial by painting a fake Vermeer in the courtroom. He died mysteriously before serving his jail time (Dixon, 2019).

Thereby making room for street art and other illegal forms of art within galleries, museums, and the symbolic economy.

In other instances, the movement of art within established auction houses and between esteemed clientele may have corroborated with unlawful transactions, such is the case with previous Whitney Board member Warren B. Kanders and his company Safariland.

Safariland is a producer and wholesaler of weapons used by police and military, many of which are illegal for use on civilians yet make it into civil disputes, including tear gas which has been used along the US border to dismantle migrants. Warren describes himself as a philanthropist focused on arts, education, and health, yet his products have been used to against the amelioration of those avenues (Harris & Pogrebin). While unconfirmed, it has been noticed that his dealings within art market and donation align with the sale of weapons to countries at war or areas where production of those goods are illegal (Kinsella).

This is all brought to attention to discuss the blurred lines existing within the traditional art market, where many sales are predetermined or even unrecorded. Furthermore, a significant number of artworks are missing, many more unregistered, and plenty of fakes sit synonymously in different locations all claiming to be originals. Since this is the case, the art market has been a prevalent capital and exploitative tool within the institution of art, creating hierarchies and barriers for many artists.

On the opposing end of these observations are NFTs and CryptoArt. NFTs, while only existing in the URL space, arguably disassemble traditional criminal tendencies in art.

Instead, artist signatures, proof of authenticity and rarity are minted onto the non-fungible token, which is permanently embedded onto the blockchain. Here, the record of the token's existence is unable to be tampered with. Additionally, the marketplaces that have been created to accommodate the sales and promotion of CryptoArt function as decentralized spaces, resembling familiar digital marketplaces like Etsy or Amazon. Instead of the artist relying on an auction house to display and negotiate their work, consequently taking a commission for their labour, the artist is instead able to represent themselves on these digital marketplaces. Meaning, the need for a broker, or an expert to introduce the artist to buyers, is seemingly completely removed. Threatening the traditional market as the primary digital market curbs the total number of sales compared to the traditional market.

Although the digital market has proven to be successful in recent years, it was not until the intervention of Christies auction house in March 2021 that NFTs became mainstream information. On March 11, 2021, Christies auctioned off their first NFT, created by a digital artist known as Beeple. The piece, titled *Everydays: The First 5000 Days*, made Beeple one of the world's richest living artists selling for 42, 329.453 Ether, or around 69 million USD. Leading to a massive investment in the cryptocurrency, as well as others, raising the value by more than 400% in immediate weeks following the sale (Davis).

Beeple's million dollar NFT was composed of digital images that the artist had been making for over 10 years, or 5000 days, completing at least one image per day. The evolution of his work displayed his growth as an artist, but also showed the evolving techniques used by digital artists. His *Everydays* also interacted with the political climate in the US, where the artist lives and creates. Often mocking Donald Trump in grotesque ways, Beeple's *First 5000 Days* depict scenes of the former President as a dominatrix punishing a fantasy covid character in *Trump Dominating Covid* (October 2, 2020). As well as a disturbing image of a robotic Hilary Clinton force feeding an infantilized Trump via a tube Reaching from between her legs in a piece called *Feeding Time* (27 Aug 2019).



Beeple, *Feeding Time* (27 Aug 2019).
Digital.

These disturbing images are accompanied by racist and sexist drawings, demonstrating the perverse positionality of the artist.

Beeple's freakish abjections and unconventional attitudes towards being an artist are a stunning example of anti-institutional art. Although some may not be as unappealing as Beeple's work, other artists are pushing the boundaries between audience and artwork, creating digital pieces that impact the viewer in new ways. In doing so, these artists are redefining what it means to be an artist and what constitutes art. Other artists, such as Slime Sunday, Maddogjones, and Pak are creating still works within different niches, but are all sitting at total artwork values between 13 and 42 million dollars, (approximately 3000 to 11,000 Ether) at the time of this writing. Other artists, whose animated works loop similar as a GIF, are also taking advantage of the multiple digital affordances available, like layering sound on their pieces.

Millions of creators are contributing the realm of digital art with the intentions of financial success. Truly, there are no limits or definitions concerning the criteria to be a digital or CryptoArtist, other than the fact that your work be minted onto an NFT for sale along the blockchain.

Economist Thomas Piketty explains an idealized economy as one marked by perfect assets, which may be the direction that crypto culture is headed. Piketty notes,

“...what could be more natural to ask of a capital asset than that it produce a reliable and steady income: that is in fact the goal of a “perfect” capital market as economists describe it” (42).

Piketty’s suggestion can be applied to the shared ideologies circulating artists who are engaging with NFTs, many of whom believe the technology to be the saving grace of the artist. Since this is the case, generous creativity has emerged with the turn of the decade, creating a mosaic of styles and ‘moments’ within the NFT space. This multiplicity of crypto exchanges has been labeled the Digital Wild West by artists and collectors.

The Wild West, situated between the 1860s and 1890s in Western U.S. has been described as an era of lawlessness, where everyone was focused on expansion, greed, and reinvention. The 2010s and 2020s are proving to be similar for the massive accumulation of crypto wealth, the feverishly changing styles of digital art, and the adoption of NFTs into surrounding areas of society outside of the art realm. For instance, new platforms allowing for digital assets, like CryptoArt, to be recognized as liquid and therefore able to be leveraged against IRL investments.⁹ Piketty also made mention of immaterial capital and financial (digital) assets contributing to national capital, stating

“The nature of capital has changed: it once was mainly land but has become primarily housing plus industrial and financial assets. Yet it has lost none of its importance” (149).

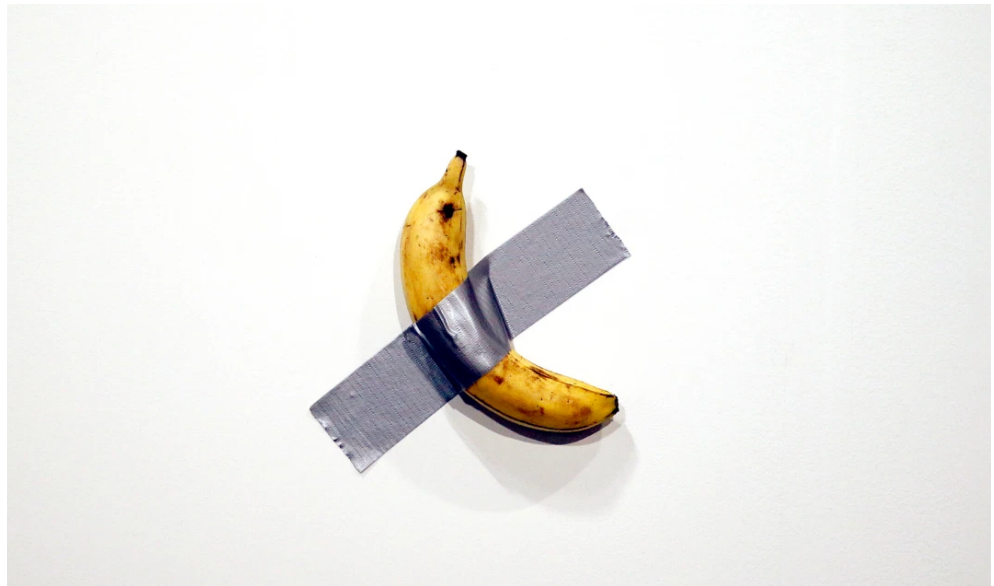
With the claims of Piketty in mind, his work on 21st Century Capital must include the driving capital of the digital gold rush: social capital. As a component of symbolic economy, social capital suggests that who makes the work may be more important than the qualities of the work. Bown explains social capital within symbolic economy,

“The estimated price changes here indicate what I will call the charismatic ratio: the proportion of the price of a high-value art-object that is due to the name of the artist – i.e. to the artwork as relic – against the proportion that is due to the inherent qualities of the work (low-value art-objects still reflect something of a production cost – the artist’s expenses, the gallery’s overhead)” (15).

Which brings us to a new point about the high and low works of CryptoArt: in order to list an NFT on a marketplace, certain costs must be covered, including the fees to mint the artwork to the token, to encrypt the token on the blockchain, and to facilitate the sale of the work. These additional costs are known as gas fees. Furthermore, artists must be invited to list their works on the prominent platform Foundation, meaning they must have a certain amount of social capital to afford entry. This social capital is easily determined by digital qualities like follower count, previous artistic success, or knowing the right people. Despite the number of digital marketplaces that exist, the financial impact of minting and gas fees lead many artists to struggle when trying to

9. The liquidation of digital assets also affords the investment of stakes within NFTs, making them stock assets. This is powered through the NFT index fund (nftx.org). Furthermore, financial guidance on NFTs mentioned here has been mentored by Investor Ben Roy in a personal conversation.

Comedian, an artwork composed of an actual banana attached to a wall with a strip of duct-tape sold for \$120,000 at Art Basel in 2019. The buyer ate the banana directly after purchase. In an interview in the *New York Times* following the sale, gallery founder Emmanuel Perrotin defended the sale by stating, "All artwork costs a lot of money, they buy an idea, they buy a certificate." Arguably, NFTs embody this claim as well.



cover their own costs. Since this is the case, common among many entry artists is a market model for popularity. In other words, artists mass produce or render a large collection of simple works upon market entry. These works are listed at a low cost, some selling their works for as low as \$0.30 to \$50.00. The purpose of this is to sell as many pieces as possible to gain traction and social capital. Naturally, the more pieces an artist sells, the more their name and work shows up within secondary digital markets.

Since many new artists list their work for relatively low costs, mostly to cover their production fees and gain status, a particular buyer-seller style is evolving, described by artist and critic Kenny Schachter as mass produced simple works known as "low effort" art. He also notes the uniqueness of digital platforms for their ability to allow anyone to create and profit. Arguably, in relation to the concept of "low effort" CryptoArt, are the widely accepted and highly sought-after collections of kitsch art.

Referring to artworks that appeal to the masses, a great deal of digital art falls into the category of kitschness. Tomas Kulka expresses the conditions of kitsch art quite well, explaining that,

"People often say that kitsch is sketchy, cheap, that it is artistic rubbish-the very opposite of chic. Should we survey the entries under "kitsch" in standard dictionaries, we would find expressions like "worthless art," "pretentious art," "artistic rubbish," or simply "bad art." Yet "kitsch" is by no means coextensive with bad art. Though kitsch is bad, not all bad art is kitsch... The peculiarity of kitsch consists, no doubt, in its appeal. People like it; at least many do. Commercially, kitsch competes successfully with serious art. The mass appeal of kitsch has been exploited by advertising agencies to promote commodities, just as it has been used by political parties to promote their ideologies. (The official art in Hitler's Germany or Stalin's Russia may illustrate this point)" (19).

A noticeable trend motivating artists and collectors in the crypto space is the obsession with being 'the first' person to do, buy, or sell something. Once again, proving that clout is capital.

Arguably, now a consequence of digital art's popularity, CryptoArtists are exploiting kitschiness.¹⁰ This is likely happening because the synergy of CryptoArtists and digital markets suggests that anyone can be an artist, consequently turning hobbyists into an institution. That said, perhaps CryptoArt is forcing critics and historians to revisit the relatively new concept of kitsch, which seems to have mutated into a million-dollar market.

The final concern raised toward the CryptoArt market is the outrageous inflation of currency value. Multiple factors contribute to the more than 400% value increase of Ether, as well as the peaks of other currencies reaching the tens of thousands, like bitcoin reaching \$67 thousand CAD. Notably, insider buying is a leading cause of inflation, including friends buying one another's work, inherently moving around the same lump sum of currency between different artists. Within the NFT space is a constant utterance to support your friends, the disadvantaged, the adamant creators, then the statement is followed by ideals of reinvesting in those who invested in you. Perceivably, thousands of transactions like this would happen daily due to the colossal number of artists listing their work on the digital markets. Furthermore, million-dollar success stories are creating hype which increases the use of cryptocurrencies, leading the value reflect the demand.

Consider once again the \$69 million sale of Beeple's *Everdays*. Not only did this draw global attention to the world of CryptoArt, but it also led traditional markets and critics to explain some possible reasons the sale occurred. For instance, Sabrina Tavernise, a national correspondent for the New York Times

explains the common practise of pre-arranged deals within auction houses. In other words, auction houses will guarantee an artist a certain amount of money for their work before even having an interested buyer. When this happens, the auction house is responsible for compensating the artist regardless of their ability to find a buyer or not. Should the auction house fail to find a buyer, they must instead facilitate a 'sale' to adhere to public speculation and contribute to market value. Similar to the inflation being caused between CryptoArtists, traditional auction houses will give a large sum of money to a sit-in buyer who will purchase the work on the public market, returning the money to the auction house. After keeping a percentage, the rest will be given to the artist whose future works hopefully match the worth that the auction house established when pricing their sit-in sale. Another scenario would be the interjection of an unpredicted buyer who competes with the sit in until they are able to outbid them. This is a best-case scenario. Of course, it is not known for sure whether this method was employed during the Beeple sale, though it is reasonable to speculate that the first established auction sale of and NFT at this caliber may have interacted with some tampering (Tavernise, *Cryptocurrency's Newest Frontier*).

Everything considered, the CryptoArt market and NFT technology is still incredibly new compared to traditional markets and is held together with contracts composed of metadata that is constantly up for debate. In order to understand the artistic value when compared to the commercial success of CryptoArt, the gold rush will need to relax into a structure that establishes sub-cultures within crypto culture.

10. The term 'kitsch' first came into popular use around in the 20th century, aligning itself with romanticism in which everything was deemed worthy and loveable respectfully, even the grotesque. Largely, because the impoverished masses required this hope (Kulka, 8-12)

Digital art creates entirely new systems of viewing, experiencing, and creating art. Furthermore, social tools like Instagram and Twitter are being used to promote work and network with creators around the globe. For the first time in the history of art, there are very few barriers for artists. From films to computing, the scope of digital art expands and unfolds rapidly, bringing us to a significant moment in art history with the capital enterprising of CryptoArt and NFTs. Not only are artists creating and selling works without the interference of the institution of art, but they are also saturating the unconventional digital realm of art with thousands of new pieces daily. From this, crypto artists are rearranging traditional market schemes creating a primary market that is estimated to move millions in cryptocurrency every day. The rise in NFT popularity has gone so far as to impact the rise of value of Ether, the dominating currency of CryptoArt exchanges enabled by the Ethereum blockchain.

Currently, alternate realities are being built within AI and IO spaces, allowing for the rise of crypto properties and digital enterprises. Beyond this, a relationship between URL and IRL is growing more dominant as cryptocurrencies are being adopted by more users. Even more, IRL establishments are becoming crypto compatible, further legitimizing the currency within society at large. The impact that CryptoArt has made, not only within art history, but also within capital culture is significant. Finally, to determine why would anyone purchase an intangible asset, we must acknowledge that a requirement for creating capital value within a currency is by creating goods that can only be obtained with said currency. Crypto needed a market to legitimize itself, CryptoArt and NFTs needed buyers to do the same. As a result, cryptocurrency has now entered the IRL, becoming one of the strongest currencies in the world to date.

CONCLUSION

As discussed, cryptocurrencies began showing up in the early 1990s with heavy skepticism, emerging as an extension of the dark web, an encrypted space on the internet. The early crypto market known as *The Silk Road*, enabled by Bitcoin, introduced crypto to the public as a market for illicit goods and services. Eventually leading to FBI intervention, setting cryptocurrency into motion in popular use. At the same time, this market led to the trade of money for cryptocurrency, slowly making impact on the tangible economy. However, arguably, it was not until the artistic adoption of NFTs that cryptocurrency would become a legitimate currency in the real world, outside of digital spaces. The word artistic, in this instance, extends to a plethora of digital practices, rendering artists into ‘creators’ able to produce, sell, and collect work across the vastness of the internet, building the CryptoArt market. This market functions as a decentralized space where artist can list their NFTs in an open format, similar to an Amazon marketplace, renegotiating traditional art markets, as well as notions of art. Therefore, the conditions that determine the value of CryptoArt must also be re-evaluated to include concepts like social capital. Furthermore, the CryptoArt movement can now be broken down into smaller movements within the NFT space, including Afrofuturism and digital pastiche.

With that in mind, this text introduces the foundations of CryptoArt, acting as an introduction chapter to a larger work that could address numerous issues within the world of CryptoArt. This includes theft, fraud, and the threat of Crypto/Art markets turning into black markets that return to facilitating criminal activity. Truthfully, it is completely plausible that an active black market for CryptoArt could be presently active and hidden by the mainstream gold rush of NFTs. Finally, due to the contemporary nature of NFTs and CryptoArt, the effects of recent events, such as the Beeple sale in March 2021, or the recent Christie’s auction of CryptoPunks on May 11, 2021, are still unknown. A larger work may also include detailed documentation of NFT breakthroughs, including artists like Justin Aversano and Skye Nicolas, or education systems and university curriculums.

Until the craze has peaked, and the debris has settled, the youthful economic and social consequences of CryptoArt are in need of organization more than analyzation. Meaning, that right now it is the responsibility of critics and historians to define and categorize what is happening artistically, then we can begin to explain what is happening socially, culturally, and economically as it unfolds. These feats will be tackled in a text-book project that I hope to complete, accompanied by a diverse curriculum in digital art and crypto culture that will work to explain the legitimization of cryptocurrency as a result of NFT technology and CryptoArt.

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