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Bitcoin's logo.
Courtesy of the artist.

Cryptocurrencies, Explained: Why Artists Are Already Leaving Bitcoin Behind for Something Bigger

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February 6, 2021

After Francis Bacon's *Three Studies of Lucian Freud* (1969) sold at Christie's New York in 2013 for a then-unprecedented \$142 million, *New Yorker* art critic Peter Schjeldahl penned a blog post simply titled "The Circus." He didn't just use it to side-eye the mind-warping prices at the market's peak. He questioned the entire concept of an art market, period, by acknowledging that Bacon and Freud were both "obviously worth something"—but only "given the spooky assumption that art is worth anything."

A few years later, the fraught relationship between art and value lies at the molten core of several pieces made using blockchain technology. Part one of this series addressed how, in theory, the blockchain strengthens the markets for new media by introducing the concept of digital scarcity. This innovation means that works as simple as an "original" JPG or GIF could be made as rare as Francis Bacon paintings. (This fact leads to a host of business implications that will be covered in Part III.)

However, a handful of forward-looking artists is using the blockchain to do more than reset the market's perception of supply and demand. The technology, their work proves, is more than new software—it's also a new medium.

Currency Exchange

Blockchain-based work probably first surfaced in art-world consciousness in the form of Sarah Meyohas's *Bitchcoin* (2015). The project was a natural manifestation of the New York-based artist's central

interests, which she characterizes as “how you create value, what value is, and what value means,” as well as how value can be represented.

The word “Bitchcoin” refers to two intertwined elements of the same project. First, Bitchcoin is the name of a niche cryptocurrency Meyohas created after immersing herself in blockchain subculture beginning in late 2014. Bitchcoins were never traded on any official third-party crypto exchanges such as Coinbase. But their rules were written into a corresponding white paper, and 200 of the digital tokens could be purchased from Meyohas directly after the launch at a fixed price of \$100 each.

Meyohas believed then that “no one was going to consider [Bitchcoin] valuable unless there was something backing it.” So just as the US dollar was once backed by gold, Meyohas decided to back her cryptocurrency with a tangible asset: *Speculation* (2015), a photographic edition of eight specifically made for the project.

Stay with me: The particulars here are crucial. In the corresponding white paper, Meyohas guaranteed each individual Bitchcoin with a five-inch by five-inch segment of one of the associated, available editions of *Speculation*. Therefore, a collector who acquired 25 Bitchcoins (at a total price of \$2,500) controlled 625 square inches of one Meyohas photograph—just enough for the entirety of the work (sized a bit under 22 inches by 29 inches). And at that point, if they chose, they could trade in their Bitchcoins for ownership of a physical piece whose value would rise or fall as Meyohas’s career progressed.

Setting aside the question of future value, it sounds like a straightforward system of exchange: Cash becomes Bitchcoin; Bitchcoin becomes a photograph. The transaction itself is only technologically different from, say, a Starbucks gift-card purchase: Cash becomes a rectangle of plastic; a rectangle of plastic becomes a Mocha Frappuccino the size of a fire hydrant.

Practically speaking, then, the most significant distinction between a Bitchcoin transaction and a gift-card transaction is that the former gets tracked on the distributed digital ledger that is the Bitchcoin blockchain. Yet the underlying technology was less intriguing to Meyohas than what it enabled offline.

More Than Meets the Eye

Meyohas sees *Bitchcoin* as an example of relational aesthetics—a genre in which an artist’s work consists of engineering human interactions in the wider world. Think: Art as social participation.

“Ultimately,” Meyohas explained of her micro-economy, “it’s about trust.” The blockchain provides an incorruptible digital record of debts, but that record is worthless without the cooperation of the actual humans involved. Every Bitchcoin transaction can only take place if all necessary parties play by the established rules.

In that sense, the blockchain aspect can be irrelevant—or even inscrutable—to collectors buying into Meyohas’s cryptocurrency. What matters is how they think and act in response to her value-exchange regime. This is the second—and no less important—element of the project. “You don’t need to know how the system works in order for the system to work,” Meyohas noted about not just Bitchcoin’s technology but, more broadly, the technology underneath any economic model.

Just think: How many people who regularly swipe a Visa or American Express could easily explain the machinations behind credit cards? What percentage of Paypal users have rigorously examined the digital architecture underneath their last Etsy purchase?

So Bitchcoin (the cryptocurrency) merely extended a ladder up to *Bitchcoin*, the window onto human behavior.

And since the launch of Bitchcoin, other artists have begun wielding blockchain technology to open that inquiry even wider.