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Freeportism as Style and Ideology: Post- Internet and Speculative Realism, Part I

Works in Wooden Boxes

The Geneva Freeport can hold up to one million artworks. Recently its facilities had to be expanded due to increasing demand. The artworks end up in wooden transport boxes, stacked in rows on shelves in huge halls, where they sit and wait for their price to rise or fall, or to be shipped to an auction or to another freeport. The air temperature measures 21 degree Celsius, with exactly 55 percent humidity.¹ These are considered ideal conditions for the survival of artworks.

We know of many strange cults that have produced works of art not meant to be seen, at least not in this world: paintings in Egyptian pyramids; a terracotta army buried alongside the first Chinese emperor; ritual art, when it isn't entirely funereal; totems and fetishes; shrines where artworks remain hidden; triptychs opened only once a year.

It is safe to say, however, that never before now have so many artworks been produced to remain hidden, all enclosed in disenchanted wooden boxes, suspended in a permanent circuit of exchange, in a place called a "freeport" because it is free of customs duties and taxes of all kinds. Since no one is allowed to see the art, it is also free of audience and spectators, an anti-

theatron; it is a place of un-seeing. We must examine the conflict between the forces that create new ways of representing and being seen, and the relations that just as quickly place these out of sight.

What does it mean to participate in such a cult? What discursive operations accompany the production and marketing of these works? Art and ideas alike have always responded to their conditions of encounter, to how they are exhibited, inscribed, perceived, bought, and sold, adapting to whichever is dominant among their various modes of representation. Hito Steyerl was the first to recognize the significance of “duty-free art” and to theorize the mode of representation I am calling “freeportism.” Steyerl notes how this tax-free art concretizes and complicates the old dream of total artistic self-legislation, of autonomy from the heteronomous laws of the market, the court, and the state: Art’s conditions of possibility are no longer just the elitist “ivory tower,” but also the dictator’s contemporary art foundation, the oligarch’s or weapons manufacturer’s tax-evasion scheme, the hedge fund’s trophy, the art student’s debt bondage, leaked troves of data, aggregate spam, and the product of huge amounts of unpaid “voluntary” labor—all of which results in art’s accumulation in freeport storage spaces and its physical destruction in zones of war or accelerated privatization.²

There must be contemporary forms of art and thought that have adapted to the political economy of this mode, which I begin by considering in a little more detail, before examining post-internet art and speculative realism, as its corresponding style and ideology, respectively.

Risk and Collection

The market for art is about 5 percent of the trillion-dollar market for luxury goods. Contemporary art accounts for about 13 percent of the 5 percent, or less than 1 percent of the total market. It is a small fraction, but the most risky.

Not coincidentally, the notion of risk has recently undergone a deep reevaluation, not to say a revolution. Since the invention of the Black-Scholes formula in 1973, risk can be calculated, separated from its underlying assets and priced appropriately. This ability to price risk was a huge advance, we can say, in the technological forces of representation, as risk was brought under the regime of value. The result was an explosion in the market for derivatives and their dissemination throughout the world economy. Today, it is possible to purchase insurance against almost any contingency one can think of. This has made risk management crucial to contemporary investing, much of which now involves bundling risky assets into larger collections, or securities,

diversifying the dangers and minimizing, presumably, the chances of everything going wrong at once.

Buying an artist's work is a risky position. Collection means diversification. Buying a contemporary artist is especially risky, but since Black-Scholes, we can represent risk—or we think we can—insofar as we can price it. The risks of contemporary art can be managed, and they are. Contemporary speculation on art and artists relies less and less on individual judgment and more and more on benchmarking with other collectors. It's just a subfield of modern portfolio theory, with proper risk assessment and diversification strategies; meaning and criticism are simply outdated methods of managing risk. They belong to another time.

If risk is a claim about the future, then the capacity to price risk is a technology for disenchanting prophecy. It reaches out towards the future, and the strain affects all kinds of goods and assets, artworks included. Even if there are, as yet, no derivatives on artworks, these are nevertheless being evaluated in the same way. In fact, every artwork functions like a derivative on the artists' future output. Artists are priced according to their implicit volatility. When still young, they appear as prized call options with very good potential—potential they lose as they grow older. Volatility expectations shrink as they near their expiration date.

No investor looks at an asset's inherent or eternal value—whatever that might mean—but instead considers the probability of a different price in the time to come.



Artists Nik Kosmas, Martin Thacker, and Bitsy Knox produced a brand of matcha which they suggested for use as a green tea mask, offering the following recommendation: "If, when you rinse away the mask, you notice that your face looks a little bit, er greener than normal, don't panic: simply remove any excess 'greenness' using a cotton swab and some face oil, or gentle cleanser."

Assets at Zero Interest

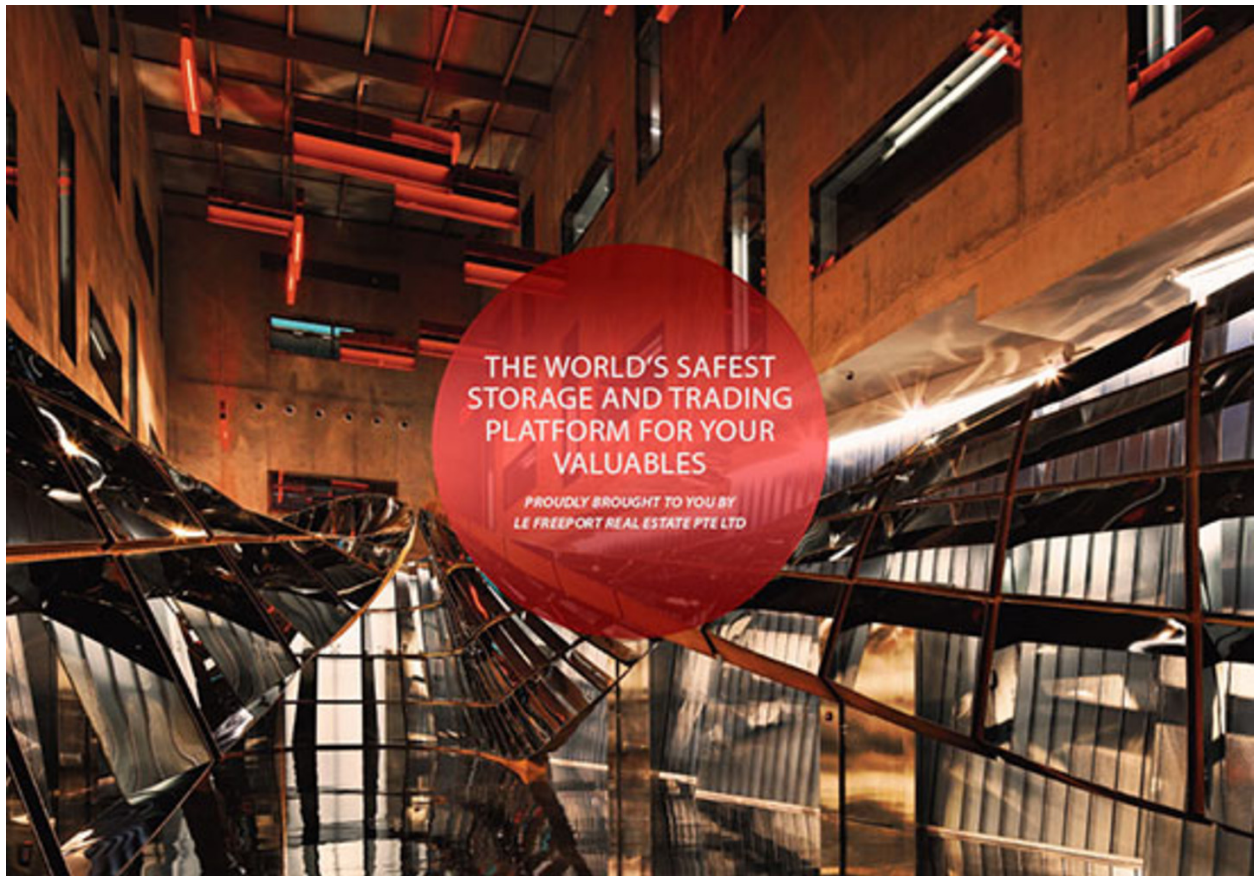
Today's collectors know that being rich means having claims on future payments. Liquidity is the key, and this is measured not in stocks, but in flows. In 2008, the housing crisis resulted in a fundamental shift in economic policy that has left assets at the center of the political economy. Artworks can be assets and their value rises and falls in parallel with the value of other assets, like houses or land.

As yields fall, any asset with claims on rent—a piece of land, a house, a highway or other infrastructure—rises in value relative to nonproductive assets. The point is not the rent-seeking; the point is the rising price of rent-producing assets relative to other, historically higher-ceiling investments. With yields closing in on zero, these valuations can rise to infinity: as returns of any kind become rarer and rarer, even a limited return becomes relatively more and more valuable, even if the return on an asset is limited.³

After the housing crisis, as interest rates went down to zero—and recently, below zero—even the demand for unproductive assets increased, so long as

they were risk-free. This is why works of art have been so powerfully affected by the general rise in asset prices. Although works of art do not pay rent, they are nevertheless a kind of real estate, titles to a piece of a limited body—no matter what, there are only so many Picassos. And this makes them safe places to put money. Being exhibited, being shipped here and there, being viewed by people—all of this is considered risk. It's costly. It's useless, and it's potentially damaging. Those works of art better stay in their wooden coffins in a freeport! And so, post–securitization crisis, the freeports grow in number and in size. Art is more valuable out of sight, stabilizing value-as-such. As Steyerl has it: "The freeport contains multiple contradictions: it is a zone of terminal impermanence; it is also a zone of legalized extralegality maintained by nation-states trying to emulate failed states as closely as possible by selectively losing control."⁴

In freeportism, the contradiction between the work of art as an asset and its existence as a work of art is installed permanently. Like the gold in the Swiss banks near the Geneva Freeport, the strange—and limited—visual qualities of art make it too significant to be seen. Freeportism is the institutional location of a perpetual disruption in the value process. It is an effort to harness the energy generated by an endless crisis of representation by creating a permanent liquid hoard, an alchemical anti-museum art-bank which captures and hides art as a way of propping up and stabilizing the mode of representation more generally.



An ad exhibits the chrome high-tech interior of a freeport art storage facility in Singapore.

Lack of Transparency, Black Money

The lack of transparency is not a bug, but a crucial feature of the art market. There is no central clearing house. Nobody needs to know about a deal except the dealer and the client. Prices remain secret. Assessing a “real” value is impossible, because reality is an effect of the transaction.

This is perhaps what Yves Bouvier, the CEO of the Geneva Freeport, understood that Dmitry Rybolovlev, the Russian collector he overcharged by roughly one billion dollars for several paintings, did not.⁵ By reinvesting that money in new arms of his freeport empire in Luxembourg and Singapore, he was creating the institutional architecture that would retroactively confirm the validity of the exorbitant prices he had charged, which then became the founding deposits, securing his bank of art. The value of a Picasso without a system of freeports might be much less than the value of a Picasso in a world equipped with a full-service, international network of institutions designed to

preserve, and thus recognize, in perpetuity, the absolute value of the works in question.

Art exists, relatively autonomously, at the border of the mode of representation, and makes the art market similar to money laundering, because this border is always being crossed and recrossed, such that the numbers that appear on either side can't really be compared. When I recently asked a dealer active in the international market what percentage of dirty money was involved in the art business, his reply was: 200 percent. The joke was instructive: the amount a painting is sold for might be less than what was paid, but the circuit through the art-asset value-form will also have cleaned it off.

What the art market demands are objects of durable quality produced in large numbers. Yet, each one should be unique in order to warrant the impossibility of falsifications and reproductions. "Movable assets" is what Rybolovlev told Bouvier he needed, and so Rybolovlev bought art.

Liquidity reflects the power of an artist's brand. She or he has to issue a certain amount of work, and, at the same time, obey safety regulations against overproduction. Anselm Reyle, a pre-post-internet artist, whose output looked very much like many recent post-internet products, and which was also directed towards a smooth adaption to market needs, nevertheless retired after overproduction caused the price of his work to crash in 2013. A liquid market has also another side. Not only supply must be guaranteed, but also demand has to be carefully managed. This is where the challenge and the risks rest on dealers, in the primary and sometimes also the secondary market, and on auction houses. In order to provide liquidity they have to act as market makers, meaning they have to guarantee minimum prices or buy back artworks. The liquidity constraint poses a major danger to all these market participants, and maybe that is why artists have not failed to address the issue. It was impossible to miss, in this respect, the appearance of a certain "liquid" surface in so many early post-internet artworks. The style soon became so widespread that an exhaustive list is impossible. Especially memorable examples include the slurps of color in Timur Si-Qin's work and the use of fluid surfaces and water bottles by Pamela Rosenkranz. Steyerl, of course has shown the way here, too, with her show *Liquidity Inc.*

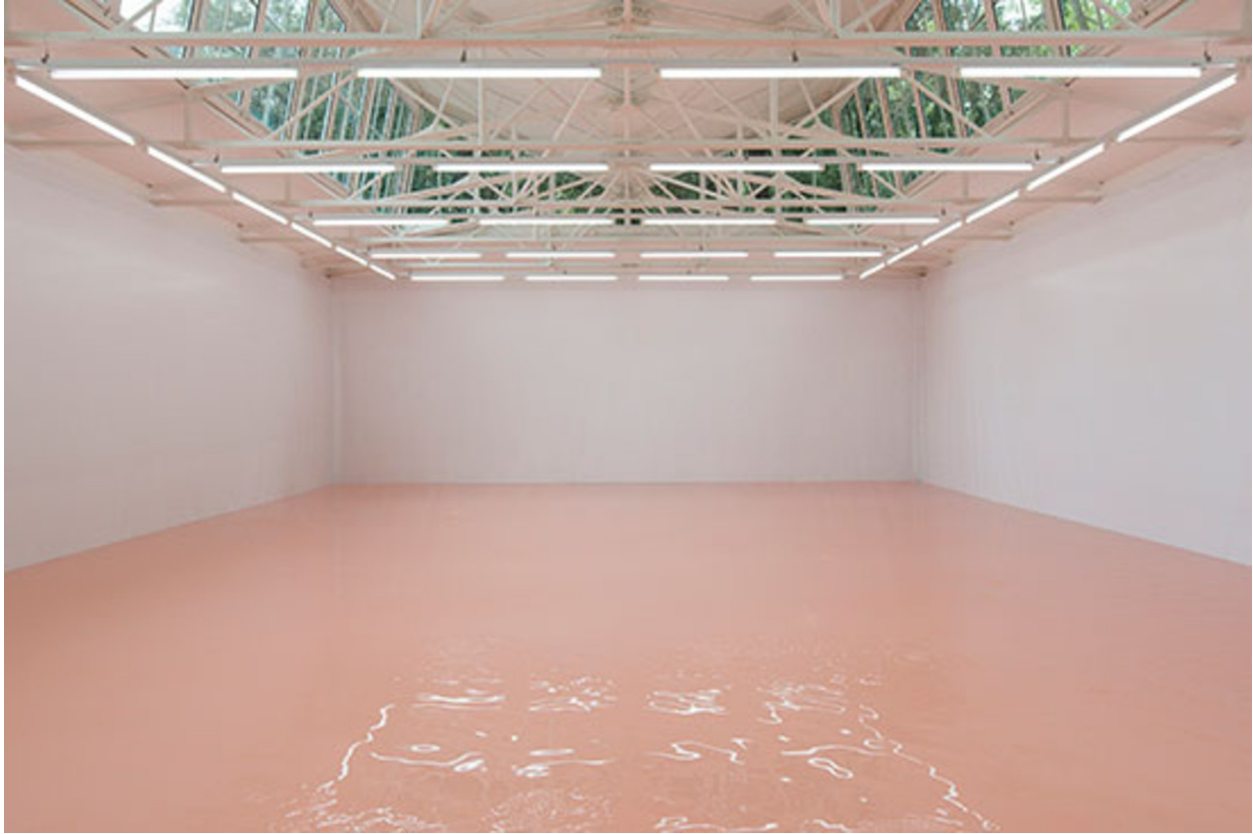
The use of liquidity is an example of the metaphorical appropriation of technology by art, one of four kinds of such responses I will discuss. When

gold was the stuff of hoards, art was placed in frames painted gold. Today, having broken gold's monopoly on liquid wealth, it is liquid which limns the surface of the post-internet work.

Post-Internet

The term “post-internet” did not spread because it was well defined. On the contrary, its ambivalence and its openness allowed it to resonate widely. Its prefix “post-” is borrowed from notions like the “postmodern” or the “post-digital.” “Post-” used to mean “after,” but now it also includes “beyond” and “deriving from.” It confirms and denies at the same time, exerting a kind of double bind. It says: we belong to the internet, knowing that the internet is over. We are digital, but it does not matter, because that is just what everybody is. “Post-” also presumes to know the border of something: post-internet means we believe that the end of the event called “the internet” is somewhere in sight, in the same way that postmodernism served first of all to consolidate modernism into something we could have conceivably moved beyond.

Post-internet represents the latest episode in the long trajectory of artistic responses to shifts in the forces of representation and the evolution of media technology. We can characterize these responses in one of four ways: 1) the aforementioned metaphorical appropriation; 2) “technologism”; 3) *tech-derived* projects and practices, or “derivatives”; and 4) *tech-related* projects and practices, or “relatives.”



Pamela Rosenkranz, *Our Product*, 2015. Installation view at the Pavilion of Switzerland, Venice Biennale. Photo: Marc Asekham.

Technologism

Technologism describes artwork that threaten to be entirely exhausted by an embrace or a rejection of a given technology. There are both technophilic and technophobic examples of technologism, in this respect. The point of departure for classic modernism, for example, can be seen as a technophobic rejection of the new technologies of representation that appeared in the nineteenth century. By contrast, many movements of the second half of the twentieth century, like Fluxus, Land Art, and Conceptual Art, paved the way for the reentry of technophilia, a belief in the liberating power of tech in and of itself.

As the name implies, Media Art was an attempt to formulate a technophile modernism, liberating it from its technophobic constraints. Of course, by refusing mechanical reproduction, this phobia had made modernist works exceptionally attractive as repositories of value. In contrast to the dire prophecies of certain critics, the effect of the mass media was to make singular, “authentic” expression more valuable than ever, precisely as this value was no longer different in kind. The relationship between high

modernism and mass-market representation was one of reciprocal stabilization, in this respect, rather than total antagonism or total identity. The Media Artists' unfettered belief in the progressive nature of technology naturally led them to collapse this structure, refusing materialization and art's economic exceptionalism in the same gesture, and creating art irrespective of the capacity of the market to price it *as art*. And so it didn't sell.

Media Art did however manage to settle down in the lap of the new neoliberal governments of the Eighties, whose fiscal policy called for the massive subsidy of technological innovation. The appearance of Media Art allowed the funding of culture to be channeled towards this, more directly lucrative, goal, and so Media Art was institutionalized alongside media-related commercial disciplines at universities and academies.

Like Media Art, most of the proponents of Net Art fall under the category of technophile technologists, and, to a certain degree, they repeated the strategies of their predecessors. But the window of opportunity was closed. Neither were states willing to create another body of media-related institutions, nor were the established institutions of Media Art willing to share their funds. In the United States the situation was somewhat less strict, with some funding provided by institutions like the Walker Art Center and the Dia Foundation. But it never allowed for a second wave of institutionalization. And it did not change the enmity of the market for these self-hating valuables.

This was because Net Artists made even fewer concessions to the demand for assets. Nor were market participants willing to expand the conventional understanding of value. The first wave of Net Art took place entirely outside the marketplace, and was mostly about applying conceptual practices within the novel environment of the internet. With few exceptions, immateriality was crucial for works like those of Jodi.org, Heath Bunting, and Olia Lialina. Even more so than Media Artists, whose production adapted to established institutional career opportunities, many Net Artists were deprived of profitable options and were forced into productive desperation. There are contemporary artists who similarly elude materialization and operate only within the web. Unfortunately, the disruptive energy that the curator Tatiana Bazzichelli, among others, has claimed for these art practices remains somewhat hermetic and limited to a closely connected network, without spreading out towards the larger culture.⁶

It is only with what is known as “post-internet” art that technologism—either pro or con—begins to fade. None of the post-internet artists claims to be spearheading technological progress. But nor are they wringing their hands at the colonization of the life-world by the march of reification or calculability due to relentless technological advancement. Quite the opposite: practices shared by most post-internet artists derive from activities in social media, awareness of technological change, well-established techniques of production, and a preference for new materials.



A screenshot of artist Oliver Laric's website and project *Lincoln 3-D Scans* (2014).

Derivatives

Practices *derived* from the internet include artworks whose core motif remains an internet practice. Commodities and objects may *result*, but the practice can be sustained without them. Among early post-internet artists, many projects regarded the act of exhibiting as a slightly old-fashioned ritual, opening the possibility for a freeport to replace a gallery. One of the most famous examples are the staged exhibitions and TV projects of LuckyPDF in London.

Oliver Laric can be seen as another proponent of web-derived practices. The website *vwork.com*, which Laric cofounded, provided a showroom-like service for artworks, focusing entirely on their visual qualities. With the *Lincoln 3-D Scans* project, Laric realized an online distribution platform for freely available 3-D scans of sculptures from the holdings of the Collection and Usher Gallery in Lincoln, UK. Both projects are centered within the web and extend to artistic practices outside it.

But there are examples from beyond the first wave, too. Being disappointed by what he perceived as a surrender to market forces, curator Ben Vickers initiated the *unMonastery* project to encourage internet-based conceptual practices. As he stated in response to a questionnaire in the catalogue for the 2014 exhibition *Art Post-Internet: INFORMATION/DATA*:

I guess I'd define "post-internet" as a lost sign post to a community that doesn't exist anymore, one that fell apart due to opportunists and general distrust but that serves as a convenient marketing term for dealers and young curators wanting to establish themselves on the first rung of the art industrial complex ladder.⁷

Unfortunately, the possibility to turn web-related practices into a conceptual questioning of the art market itself was never fully recognized. The very few gestures in that direction were limited to imitations of web commerce stripped of all conceptual originality—the signal example being *DIS* magazine's webshop featuring artists' products like printed T-shirts for ordinary consumers.⁸ This was a depressing echo of early, Net Art technophilia, albeit one shorn of even the slightest utopian desire. Sometimes a cigar is just a cigar, Freud said, and sometimes retail is just retail.

Relatives

With *web-related* practices, the core consists in conventional material artworks that nevertheless could not exist or would not make sense without some web-related activity.

The most representative example of web-related practices can be found in the work of Katja Novitskova. Her works install images taken from the web as sculptures in the gallery. Here the artwork is not much more than a transitional stage through which the images are being fed before slipping back into the online circulation of images.

Many post-internet artists have applied this kind of dual strategy by closely interlinking web-based resources with material production. The resulting artworks possess a double existence, as material objects and as information. The object is hosted in the gallery—or for that matter in a wooden transport box—while the images are hosted on social media and websites like *vwork.com* and *Contemporary Art Daily*. Many more people get to see the images of the artworks than the objects.

On one level, of course, this has been the case at least since the introduction of image-reproduction techniques in the fifteenth and sixteenth centuries, a revolution in the mode of representation that made the careers of Marcantonio Raimondi and Albrecht Dürer. But entering the internet not only allows a different scale of distribution; there is also a reversed circuit of

representation. The sequential relationship between depiction and object is turned upside down: it is not that the original doesn't exist or doesn't matter, but that it exists only to occasion its representation somewhere else. The work of art is not a simulacra, but a stage on which to perform social media. To a greater or lesser degree, all post-internet artists partake of this shifting cycle of attention. But only some of them declare this practice as the conceptual core of their production, whilst others simply take it as a given and unavoidable side effect. Navigating like this—between web-related aspects and material work—is no longer limited to post-internet artists. As art critic Michael Sanchez pointed out, it had already become a widespread practice by 2011.⁹

As we saw with “liquidity,” metaphoric appropriation means that conventional artworks are produced independently of new technological practices—like the internet and securitization—but nevertheless claim some link with them. In terms of “post-internet,” this fourth category—*web-related art*—encompasses all those works that relate metaphorically to the internet, by either applying online available production processes or being hosted within social media communities. The works in question tend to take a very conventional shape, as either sculptures or videos. And these may be very interesting, but not for reasons of the internet.

This fourth strain has grown to be the most successful, and in consequence the most attractive and populated. This is no surprise. Liberated from conceptual concerns, artists were free to go where an imaginary market would be waiting for them.

There are positions that embrace this attitude, most notably the work of Simon Denny, who openly promotes a practice of product development learned from start-up culture. His idea of user or exhibition experience became most apparent in his works at the DLD 2012 conference, which in turn sped the adaption of post-internet to market demands.¹⁰

The turn taken by post-internet—from its early preference for derivatives to its later, inflated output composed chiefly of densely material metaphorical appropriations—is both an example and a reflection of the imperatives the market is currently forcing on artistic production. In the course of less than five years, an artistic movement growing out of networks and mutual recognition within social media was turned into a branded production machine providing liquidity for speculation. That the freeports do not yet house many post-internet artworks does not matter. What matters is the speculative approach that leads venture collectors to invest in these assets. In order to claim their future value, artworks have to fit the site of non-exhibition

at a freeport. The better objects are optimized for circulation through social media images, the more they adapt to the requirements of freeportism. The secondary layer of online-existence allows the “real“ object to be completely withdrawn, buried in a wooden coffin.

In the second part of this essay, I will show how speculative realism became the ideological partner of this mode of representation.

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A contribution coordinated by *e-flux journal* editor Julieta Aranda will reply to this text in an upcoming issue.

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