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## **NFTS as the Interface of Cryptocurrency. Utility Values and the Act of Wasteful Spending**

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# NFTS AS THE INTERFACE OF CRYPTOCURRENCIES:

## Utility Values and the Act of Wasteful Spending

MIRJAM SCHAUB

### I. INTRODUCTION

The first NFTs (non-fungible tokens) to attract the attention of a wider public were profile pictures that aesthetically exhibited their pixelated nature and black humor. During the coronavirus pandemic, they were created as a series and generated algorithmically and initially given away for free to popularize digital wallets. In fact, NFTs make the technology of blockchain currencies, which remains comparatively abstract and obscure, much more understandable today. They also clothe it in an attractive narrative of incorruptibility. This narrative therefore draws on a radicalism, which promises independence from financial expertise and decoupling from a crisis-prone banking system as the result of an automated process free from human intervention and aggravation.

One rubs one's eyes in amazement: How does this furious narrative go hand in hand with the first 15 years of practical use of cryptocurrencies, which was trusted only by a minority: core developers, early adopters, but also nameless drug dealers and faceless arms dealers who, thanks to the anonymity of the digital numbered account, were able to conduct their deals in public without ever being prosecuted by law enforcement?

But that's not all the cheek: NFTs are the—not always successful—attempt to subject digital goods, which in themselves are not scarce because they can be reproduced infinitely, to a logic of capitalization. To this end, their momentary appearance as a one-off process on the blockchain is authenticated and signed by an image that can still be infinitely reproduced and manipulated. The trick, which also causes so much head-scratching, is that these signet images never leave the cycle of infinite technical reproducibility. At no point are they withdrawn from ubiquitous use by others. On the contrary, it is precisely their continued circulation that makes them so valuable. This is the only way they generate attention (for cryptocurrencies) and entice viewers to take subsequent action (such as starting trading cryptocurrencies).

How is it that people spend millions on an NFT which, as a pictorial, digital clone, can continue to be used unprotected and freely by millions of other people? Owning an NFT does not mean securing exclusive use of the image file associated

with it. On the contrary: owning NFTs means using the associated signature and signet images as bragging rights, in the full knowledge that the associated images are *not exclusive*. On the contrary, they should remain maximally interchangeable and ubiquitously reusable, even though they technically belong to one person who graciously and anonymously allows everyone else to participate in its use.

This raises the question of a scandalously counterintuitive concept of value. After all, the appeal of crypto investments seems to lie precisely in gaining social distinction and recognition through ostentatious waste, as in a potlatch described by George Bataille. (More on this later.) Another aspect of playing with unorthodox, if not even contradictory, value judgements is that NFTs themselves aesthetically exhibit the instantaneous transience and futility of stable value judgements. Under their banner, their owners can thus anticipate and affirm the ever-present threat of a price collapse—and savor their knowledge of it. Whoever laughs last, obviously laughs best here: “In the year 2031, so goes the narrative that the founders [of the Bored Ape Yacht Club, M.S.] came up with, the people who got into the crypto world early have all become billionaires. Now they’re bored and have nothing else to do but hang out in their clubhouse. The fact that they are monkeys is an inside joke. In the crypto community, ‘aping in’ means plunging a breakneck sum into a crypto investment.” (Bovermann 2021, 20).

## 2. THE (IN)FAMOUS TULIPOMANIA IN THE 17<sup>TH</sup> CENTURY

Making a fool of yourself, that rings a bell. It is no coincidence that the real risks of going crypto are associated with the worldwide euphoria surrounding a handful of particularly fine Dutch tulip bulbs in the 17<sup>th</sup> century. An expert of the epoch recalls:

Jan Brueghel the Elder remarks in his letters that the flowers were too expensive to paint picked, he would even travel to Brussels to paint the flowers in the Archdukes’ park on the spot. As the title *Tulipomania* suggests, the painter depicts a *mania* of the time, which in the Netherlands at the beginning of the 17<sup>th</sup> century [...] led to a collapse of the market and trade [...]. Tulip bulbs (but also other flower bulbs such as hyacinths) were traded on the stock exchanges like shares at unbelievable prices. At the peak of this market bubble in February 1637, the price paid for a tulip bulb was around 4000 guilders—by comparison, the annual income of a good craftsman was around 350 guilders! When the market suddenly collapsed, many investors who had succumbed to this mania found themselves ruined. (Ertz 2012)

The Breughels’ painting workshop poured this madness into a series of allegorical oil paintings that have one thing in common: People exist only as decoration on the pictures on the wall. The protagonists in the room are all coiffed, neatly dressed and

apparently talking monkeys who are devotedly painting tulip bulbs, robbing, burying or hunting them down to hopefully exchange them for gold coins. (Provided they aren't beaten black and blue by their angry monkey wife, who doesn't want to see them all drive each other to ruin or instigate criminal activities).



Figure 1: Jan Breughel II: *Allegory of Tulipomania*, oil on wood, 25.5 x 36 cm, Antwerp, 1640s.

How new, how old are these paradoxical value judgements that spread like wildfire through mere hearsay, finally triggering a hype that unfolds ruinous effects in an alarmingly short time?

In a two-part magazine article, Jörg Heiser patiently lays out a web of references to show surprising similarities between the hype surrounding NFTs and the Dutch tulip bulbs: In addition to the novelty character, he mentions, among other things, a rapid social change that favors the emergence of new professional fields and specialists, but at the same time also harbors uncertainties and risks, because “not only the market, but also the marketplaces are new” (Heiser 2022), so that wind trading, rug-pull practices, sock puppeting, and white washing flourish:

Like tulip bulbs, NFTs can also be stolen, lost or deliberately destroyed in order to achieve a shortage of the commodity. For example, they are stolen—like other digital items—through phishing scams (i.e. deception to obtain personal data). According to a survey of a thousand NFT owners, around half of them had already lost access to one of their NFTs. The renowned Centre for Art and Media (ZKM) in Karlsruhe accidentally lost access to two of its ‘crypto punks’ worth around CHF 400,000 due to a simple copy-paste-error. (Heiser 2022, part 2, sub-item 9)

I would like to deepen Heise's comparative analytical work by recalling an even older hype that took place more than 100 years before the onion hysteria in Europe. It has had a no less lasting impact on history. I am going this far back to focus on the question of value, which turns out to be a poorly disguised question of disbelief: What value logic and what belief system is at work when the economic value of a thing either cannot be fixed at all (i.e. as it tends to tip over into a non-value, a scam or some other form of loss), or cannot be attained by scarcity? In other words, what value logic is at stake when an economy of sharing and an unorthodox, unregulated use prevails, which is diametrically opposed to the logic of capitalization?

The clarification of this question leads to conclusions about the current situation: What if cryptocurrencies try to increase their popularity artificially through pictorial signets, the NFTs, which are linked to image files that are usually *not stored securely* on the blockchain itself, but on private servers, from which they can disappear without a trace because they have been accidentally deleted or their URL address was changed?<sup>1</sup>

Everything—the exaggerated value, the lack of scarcity, the threat of scams and the sudden loss of value—can be studied in the laboratory at the beginning of the 16<sup>th</sup> century, shortly before the outbreak of the Reformation in Wittenberg: Political interests in power and commercial speculation in favor of the new medium of book printing, sought to moderate the relationship with the faithful via a new type of artwork (so-called *images of salvation*), failed resoundingly, after initial successes. Does that sound cryptic? Yes, exactly!

### 3. WHAT LUCAS CRANACH'S WOODCUTS ON THE REDEMPTION FROM SINS (1509) HAVE TO DO WITH MODERN NFTS

In 1509, Lucas Cranach was commissioned by his elector to catalogue 5,005 rather unsightly relic fragments from the Holy Land. Cranach was to produce handy drawings with precise descriptions of their healing effects.<sup>2</sup> The aim was to familiarize

1 Jörg Heiser also harbors this suspicion: "But they can also be deliberately misplaced, or rather, they are now burnt: They still exist as a data set, but nobody has access to its address. And you guessed it: all of this also happened with the onions, which were often stolen, misplaced or accidentally, sometimes deliberately, destroyed. What the copy-paste error of a museum employee is to the NFT legend was to tulip mania the story of the sailor who took a sinfully expensive *Semper Augustus* tulip bulb from a merchant's counter in the belief that it was a simple vegetable bulb. He then sliced the onion onto his herring bites and ate them—and thus, according to legend, the equivalent of one million US dollars." (Heiser 2022, part 2, sub-item 9)

2 "Lucas Cranach the Elder was [...] commissioned to capture the prince-electors' precious collection of relics, which at that time comprised 5005 relic particles and promised 503,300 days of indulgence [i.e. shortening the length of stay in hell, M.S.], in 119 woodcuts."—Flyer, conceived for the permanent exhibition at the Wittenberg Cranach Foundation, entitled: "Cranach's World. The life and work of the painter family in the

the faithful with the untouchability and unobtainability of the miraculous objects by means of a *Book of salvation (Heiltumbuch)*. Not only was the sale of indulgences to be simplified, also a brand-new technology had to improve its performance: the newly invented printing presses, that Cranach invested in, had to produce a first turnout. Thus, the 119 printed illustrations from woodcut are both an advertisement for Cranach's workshop and for the new medium of printing. For the faithful, on the other hand, the pictures served as infinitely precious coupons for salvation. Cranach's *Book of Salvation* served as an *interface* that allowed affective participation, even if it did not guarantee exclusive use.

Cranach's *Heiltum* images thus fulfilled a similar function to today's NFTs. In both cases, ownership is regulated, but their use remains ubiquitous and the value of the images volatile. With the Reformation, Martin Luther put a harsh end to the business model of indulgences, just as rudely as Elon Musk today decides the success or failure of the fun currency Dogecoin with a single tweet on Twitter—before its acquisition and rebranding as X, that infamously let Donald Trump's reelection as president of the U.S. Although the reference systems (political/religious) differ, the underlying processes of radical redistribution of counter-values are astonishingly similar. During Reformation, the collectible *Heiltum* images lost their original utility value overnight, which ruined also their exchange value. From then on, Cranach printed Luther's German bibles without any sign of regret. For the new medium was by no means immune to the decline in value of its first advertising images.

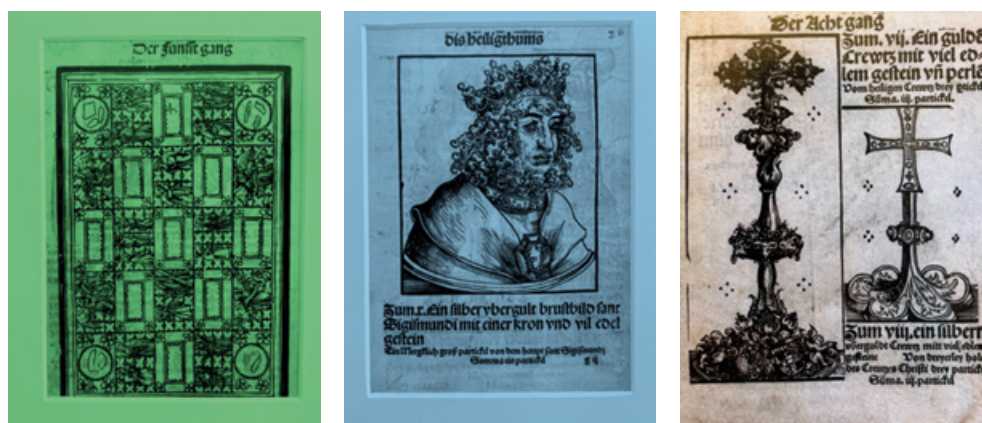
The Wittenberg scene is an excellent example to better understand the increasing symbolic value, but also the vulnerability to loss of value of today's NFTs: For it is only the 119 woodcuts—like today's limited NFTs for digital wallets—that allow the physical relics to be visually reproduced. Similarly, it is limited collectible pictures that have contributed to the popularization of cryptocurrencies. (More on this later.) What happens then is twofold: The images themselves gain importance and popularity. At the same time, they allow the faithful (like today the NFT owners) to participate in the electoral collection (or in cryptocurrencies) to an unimagined extent. There is more to add: Cranach's *Heiltum* images solve at least four practical issues by switching media from the physical relic to the printed image of a woodcut: 1) the *dispersed nature* of the fragments (by putting them in an order), 2) their *lack of context* (by describing their salvatory effects), 3) their *untouchability* (by printing them on paper), 4) their *unobtainability* (by putting a price tag on every single sheet of paper).

In the woodcut miniaturization of the relics, the printing and sale of Cranach's collectible salvation pictures (like NFTs)—compiled in a devotional book (album)—combine the symbolic meaning with a vital, practical dimension: They link it to a concrete use, that overcomes the dispersed nature, the untouchability and the unobtainability. Whoever buys one of the printed albums (or NFTs) acquires an

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historic Cranach-Hof", n.d., n.p. [Last visited in person on 8 May 2022].

important asset: The purchase of the catalogue (album) of the newly arranged, precisely described replacement relics (or NFTs), compiled in miniatures, shortens the prospective length of stay in hell (ends the painstaking non-participation in cryptocurrencies & enters the Metaverse) through devotional immersion in a particularly touching specimen of its genre (like owning NFTs helps to immerse into the Metaverse).



Figures 2, 3, 4: Examples from Cranach's 119 woodcuts for the Elector's Heiltum cycle, an album for the sale of indulgences. The green example at the top left shows how insignificant and small the relic particles (in the four outer circles) would be without the pictorial cohesion. The subsequent coloring shall make the contours clearer.

In the case of Cranach's 119 woodcuts, the passage of time put paid to the Elector's calculation of increasing their value by reproducing the unsuitability of the manageable collector's pictures in catalogue format: as is well known, the Reformation in Wittenberg put an end to the sale of indulgences just eight years later. What happened to the printed indulgence catalogues? It was no coincidence that the elector in charge was nicknamed 'the Wise': "Under the influence of Luther, Frederick the Wise only allowed the relics to be displayed without the proclamation of an indulgence in 1522" (Flyer Cranach Workshop Wittenberg 2022). Cranach's woodcuts survived the Elector's 5005 relics, unlike the physical collectibles themselves. Cranach's images survived not despite, but because of their multiplied use in the form of the "private reliving of public instruction".<sup>3</sup> They survived through the ages not in spite of, but because of the aesthetic and ontological difference to the depicted objects themselves: the particles from the Holy Land, which were bone splinters, inlaid ladies' thumbs, scraps of linen and nail splinters (cf. fig. no. 2). Cranach's woodcuts, limited to 119 pieces (similar to today's NFT-collections), in conjunction with the new presses (signing method on a blockchain), epitomize the new media age of book printing (of cryptocurrencies).

Cranach, who had long been a wealthy citizen of Wittenberg, owned, a phar-

3 The descriptions of Cranach's woodcuts quoted above are attached to the exhibits of *the Book of the Wittenberg Shrine* (1509ff.) in the Wittenberg Cranach Foundation in 2022.

macy and a print shop in addition to his spacious artist's workshop. From what we know, he was a brilliant businessman. The suggestion for the woodcuts for a small-format devotional book came—as we may assume—from himself. Like today's NFTs, they were initially nothing more than a *merchandising product*; a welcome opportunity for Cranach to keep the new printing presses working day and night, while at the same time promising the buyers' relief from the torment of the soul by allowing them to enjoy the full benefits of indulgence without having to possess relics or touch them physically. Cranach's switch to the small-format image of the shrine resolves the problem of non-possessability and non-touchability. The needs of the faithful to calm their fears of the end of the world are also satisfied in an exemplary manner.

#### 4. BEEPLES AND METAKORVAN AT CHRISTIE'S

It looks like the unwieldy 5005 relic particles sold to the elector of Wittenberg by clever salesmen find their modern, digital equivalent in *Everydays: The First 5000 Days* by Beeple.<sup>4</sup> Not a single image of the digitally created images is worth mentioning from an aesthetic point of view. The digital artist, whose real name is Mike Winkelmann, has posted them daily on the online platform Tumblr since 2007. In his commentary pixels, fueled by resentment, obscenity, malice, mockery, perplexity and misogynistic boredom, the artist takes the piss out of everything that is not up to scratch.<sup>5</sup> After the spectacular sale at Christie's, critics indignantly warned that many of the individual pictures of Beeple's digital work were sexist, even racist. This criticism fails to recognize that this is Beeple's predominant stylistic principle in *Everydays*. It also overlooks that someone who exploits racial clichés in pictures does not need to be a racist. But yes, Beeple acts as *agent provocateur*. He provokes by stating all of this as the *new normal*. He profits from the fears or anxieties of those, who are triggered by his provocation, that—in its tasteless- and shamelessness—seeks attention at any price.

Let's try a more innocuous example: It is doubtful whether the auction house Christie's realized 69 million dollars for a succinct montage of a JPEG file with 21,069 x 21,069 pixels: The receipt of the purchase amount could later not be identified on the blockchain. The wallet number of the buyer (the founder of Metaverse, who goes by the pseudonym Metakovan and is possibly Vignesh Sundaresan) keeps missing. So, the very thing, that is supposed to make blockchain technology so bomb-proof, was and is missing. Presumably, this is poorly concealed surrepti-

4 <https://www.monopol-magazin.de/69-millionen-dollar-fuer-beeple-nft-bei-christies>

5 This is recognizably not a subtle work on the course of time, such as On Kawara's daily meditation in the form of the DATE PAINTINGS, but an angry, cliché-ridden, even self-pitying rebellion against one's own inability and weariness with the world, which is exhibited as snottily and defiantly as possible.

tious advertising, a coup, an insider- or in-house deal, as the “tech journalist Amy Castor surmises”, as “Metakovan [...] bundles Beeple’s digital art in a speculative fund in which the artist himself has also invested.” (Scheer 2021) Anyone who purchased Ether in the first years of issue could then easily buy Beeple’s work for less than 60,000 dollars, provided they pay in Ether again. This is not only permitted but expressly wanted. This is a revolution at Christie’s that eclipses the problem of systematic tax avoidance. The lack of taxation of transactions fits in with its underlying business model of cryptocurrencies: firstly, secondly and thirdly—to save taxes for once and for all. The public and the people are the loser.

## 5. SYSTEMATIC TAX AVOIDANCE

The article could end here and refer to the excellent studies by Joseph Vogl, who never tires of blaming the shattering business model of platform capitalism for the unleashed self-destruction of our culture. One of the reasons why cryptocurrencies are prone to heated overvaluation is the unique nature of the new app-based digital companies that are pushing their way to the top of the DAX. It seems bizarre that the value of a fun currency in circulation such as Dogecoin suddenly exceeds the stock market value of Deutsche Bank; or that Airbnb, a company that is coming under political pressure in many large cities because it contributes to the explosion of rents and later to the depopulation of city centers, is listed higher than BMW.

Joseph Vogl (2022) patiently explains in his book *Capital and Ressentment. A Brief Theory of the Present*, why the complete decoupling of analogue and digital value creation can be an advantage for investors: Because with a platform company that exists primarily as an easy-to-use app on a smartphone that brings people together effortlessly, labour can be outsourced without union ties; the transaction costs for the business to be transacted are also simply marginal. After all, no one needs to own property and look after it to make a profit with Airbnb, for example. To invest in Uber, you don’t need to own any cars, i.e. no fixed capital that wears out and wears down. In case of doubt, all you need to do is invest in new, faster and therefore better computer capacities that bring customers to their drivers. These not only help to acquire customers, which will soon be coming in at an exponential rate via digital networks, but also to handle acrobatic tax avoidance strategies. These make it possible to sell platform companies as “licensable data products” through the cross-border (Vogl 2022, 51; 50) from one subsidiary to the next, from one tax haven to the next. Through systematic tax avoidance, platform capitalism has long been detached from the common good. Using the example of an Uber ride in Belgium, Joseph Vogl calculates that only 2.5% of these 50 Euros are subject to tax at all; and by no means in Belgium itself. Vogl speaks of the “notorious procedures of tax avoidance” (ibid., 50) that the new “platform capitalism” (ibid., 51, 82, 95, 103, 148–153).

## 6. A SIMPLE, BUT RADICAL CREDO: USE IT OR LOSE IT!

When these *peanuts* are also paid in cryptocurrencies, the plan of self-printed or even just invented play money in one's own bubble entertains unimagined flights of fancy. Cryptocurrencies are so volatile because their users have internalized the pop-cultural credo of ubiquitous use, both intuitive and counterintuitive, rational and irrational. They embody the credo of pop culture, which reaches deep into network culture and platform capitalism. This credo is as simple as it is radical: use it or lose it. The imperatives of usage at any cost including abuse and usufruct—are transgressing the traditional bonds of ownerships.

At the same time, new forms of capitalization must be found in pop culture, which is linked like no other to the unbridled desire for ever new, purchasable things, so that the ubiquitous use of the many is once again transformed back into the monetary wealth of the few. However, a radical moment of redistribution remains, as the new shareholders of the platform economies do not always correspond to the Ivy League clientele, who—e.g. in wealthy countries like the United States of America—traditionally strengthen and promote their own network over generations. At first, cryptocurrencies were used by mainly self-proclaimed underdogs, tech bros, drug or weapon dealers, who were used to act in secret. Via blockchain technology they could make dirty money—out of the sudden—confidently, boldly, freely and without fear in plain day light. Shame has been replaced by fresh insolence.

To come back to a more recent, before already briefly mentioned example, the *Bored Ape Yacht Club* (BAYC) epitomizes this attitude, this chutzpah, like no other. Its only wealth is not based on futuristic mega yachts that could be confiscated in Italian harbors during the Russian war of aggression against Ukraine, but on comic pictures of bored apes that are freely available on the internet. During the coronavirus pandemic, the monkeys sparked a hype around the so-called 'non-exchangeable tokens'. Even the term with the negation in it is a euphemism. After all, they are inter-changeable, collectible and sellable in every respect. An NFT is a digital certificate on a blockchain that refers to another digital object, usually a document with an image or video file. Since this certificate is also linked to the wallet of a natural person, it also cements ownership rights in code. This ability to link assets to a wallet makes the blockchain more than just an accounting technology for digitally securitized changes of ownership.

If the blockchain is a digital accounting technology that is given new media weight through public but encrypted storage on a digital platform, then NFTs are encrypted signatures whose purpose and meaning is to publicly display ownership of any kind digitally. This is usually done using a computer-generated image. An NFT then does not exist as a simple digital signature, but rather as an image with finite, easily recognizable characteristics in all channels (Instagram, Facebook, X) that simultaneously represents the entirety of my digital and analogue possessions.

## 7. NFTS AS PSEUDOGRAMS, SIGNATURE OR ALIAS IMAGES

An NFT is therefore not a pseudonym, but a pseudogram; not an alias name, but an alias image. A pictogram whose infinitely wide distribution and simultaneously interchangeable owner identity nevertheless serves the purpose of recognition. Such an NFT is a digital mask, the pictorial equivalent of an incognito. Most NFTs serve as pictorial reference traces which, under conditions of encryption, enable identification without unmasking. The pictorial surface of such an NFT is therefore basically a *trompe d'œil* for encrypted wallet numbers, metadata and the link to an image or image-generating file. NFTs thus turn the blockchain into something that can be used in many ways. They give the nonsensical code sequence a sensual form. NFTs are both a *pars pro toto* of blockchain technology and its interface, its very own spin-off and its most successful merchandising product.



Figure 5: A selection of CryptoPunks<sup>6</sup>.

NFT as pseudograms are linked to a display of ownership on a publicly visible blockchain, as the display of ownership obviously serves not only to increase its own value, but also to increase the value of cryptocurrencies as such. Just as an author signs her books after readings, she increases book sales overall through her autograph. The increase in value not only benefits her, but also the buyer, whose autographed copy limits and counteracts the loss in value of the individual book with unlimited reprinting possibilities.

The invention of NFTs as a *spin-off* of cryptocurrencies is closely linked to the attempt to make digital wallets more attractive. As mentioned briefly before, platform operators for trading cryptocurrencies initially gave them away as free merchandising products. The first NFTs to be distributed on a large scale were 10,000 limited-edition, algorithm-generated images of crypto punks as a thank-

6 Guido Lange. 2021. "CryptoPunks NFTs: Prices and sales at record levels", on: *Block-Builders.de*, 3 August 2021, <https://block-builders.de/cryptopunks-nfts-preise-und-umsaetze-auf-rekordniveau/>

you for entering online capitalism. This functioned as an advance assurance that, although if one might plunge into breakneck madness (aping in), he or she would not sink into the maelstrom of anonymous insignificance (cf. Reichert, 2021, 18, 25, 26). The symbolic capital of these tiny *signature images* linked to a blockchain was thus from an early state on a promise. What promise? ‘Through me you are and remain unique!’

At the same time, NFTs solve the problem of incomprehensibility and non-sensicality (here: the blockchain, whose numerical codes themselves are not particularly tangible), just like Cranach’s *Heiltum or salvation images* did in 1509. NFTs thus organize the ‘smart’ transition from one economy to another. They represent the radical new that makes cryptocurrencies powerful agents on the international financial markets. Because the radical new always arouses fears and lacks trust, it needs an aesthetic that counteracts the uneasiness with its outspoken harmlessness.

That’s why the overtly retro charm of the 8-bit cyber punks doesn’t just fall into the register of a self-historical narrative, as Kolja Reichert (2021), among others, believes. Rather, it fits into the figure of camouflage typical of all media revolutions. A new medium likes to wrap itself up like a wolf in sheep’s clothing. This is another reason why NFTs that function as signets are considered harmless and cute. Instead, they claim to use the new digital possibilities as playfully as possible. NFTs are therefore extremely helpful transitional objects, from the digital to the seemingly analogue and back to the digital.

## 8. THE UBIQUITY OF USAGE:

### NFTS AND THEIR INEXHAUSTIBLE UTILITY VALUE

Despite the promise of interchangeability, there is no *one* function of NFTs that towers above all others, but rather a whole set of possible actions in the digital world that are triggered, enabled, favored and suggested by them. NFTs can be exchanged and collected. As in the case of Cryptokitties, which can be used to ‘breed’ more NFTs and continue trading them. They can be used as field-forest-and-meadow NFTs to protect ideas, like a patent, only without the patent office, which issues percentages of the proceeds from each resale. They can be used to create digital doubles for real existing things, whose accessibility is thus maintained or increased in a playful way, for example when digital excerpts of the Old Masters are traded as NFTs by the Uffizi Gallery in Florence. It was closed during the coronavirus pandemic but thus kept the air conditioning systems running to preserve the six-hundred-year-old pictures, while entertaining a virtual public. Artists and designers are finally discovering NFTs as a new way to open completely new markets, while they can confidently dispense with the cost-intensive use of printing presses, paper, charcoal, canvases, smelly paints and toxic solvents. This multitude of possible uses is, I suspect, what makes NFTs so popular. Their obviously almost

inexhaustible utility value is the open secret of their success. My list of these uses is certainly not exhaustive. It should be seen as a starting point for discovering in the versatility of NFTs, 1) as a *give-away*, i.e. as an incentive to purchase a digital wallet (merchandising product), 2) as *digital collectible images* (including moving images) that can be exchanged, crossed (breeding) and resold (keyword: gamification); 3) as a *special unique seal* for digital artworks, which indicate the exclusive right to their further commercialization on a public online platform solely through the encrypted indication of ownership; while at the same time they can also be used, shared and memefied by anyone free of charge; 4) as a *digital clone and as a digital display of ownership* for analogue, i.e. not only mathematically, but spatio-temporally – physically – existing values and works, because their owners hope to increase their marketing opportunities through increased visibility and accessibility. (So called *free-rider* or, more kindly: *field-forest-and-meadow NFTs*, because there is no causal or necessary connection to cryptocurrencies); 5) as *signets turned into images*, which function as digital signatures and, like the pin (with emblem), lead to an exclusive club in the digital and/or analogue world; 6) as an outwardly visible and inwardly effective identification mark for the *tech-savy user community*, which is enjoying growing popularity as a digital status symbol (keyword: *bragging value*); 7) as an *investment, i.e. as an object of speculation*, which is sold as an *open edition* for a limited period in otherwise unlimited quantities; 8) as a practical entry requirement to become a *share-holder* of a DAO and to be able to vote there (like a mandatory contribution); 9) as an *interface* that not only introduces the use of cryptocurrencies in a selfless or purposeless manner, but also incentivizes their further use (keyword: adsorption into the digital world).<sup>7</sup>

The multitude of possible, overlapping uses already heralds the uncomfortable truth that emerges: Neither the acquisition nor the ownership of an NFT can, will or should limit and restrict the further use of the NFT by the mass of other non-owners, because they form the sounding board for further value creation. We can imagine its potential to be just as overwhelming as looking into a blast furnace where everything must be melted down beyond recognition before it can take on a new form. At the same time, the privileges of the owner of an NFT remain extremely limited. They often border on the ridiculous, seeming like a parody of the conventional approach to ownership. In general, the trade in NFTs remains paradoxical: because there is no exclusivity or privacy of use attached to the object of a digital signature, NFTs do not monopolize or restrict the rights of use of other users.

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7 Jan Distelmeyer generally defines interface as a dispositive that mediates between individual use and opaque media infrastructure: “Interface stagings guide how the universal machine can prove itself in each particular use – what it is and who I am in relation to it.” Distelmeyer, Jan. 2017. “An/Leiten. Implikationen und Zweck der Computerisierung“, in: *Navigationen 2: Medien, Interfaces und implizites Wissen*, ed. by Christoph Ernst and Jens Schröter, Siegen: universi, p. 38.

## 9. THE IRONY OF UBIQUITY

It seems ironic that the official discourse about NFTs emphasizes the logic of ownership, which is at the same time so clearly undermined by the culture of use itself. What is left therefore of the promise linked to the dominant narrative about NFTs, its immutability and its tamper proof? Not much. As the digital signing of any digital data (which does not necessarily have to be minted anew) can be found or stolen, it remains a willful, extremely brazen form of value creation. It is based solely on the act of digital cloning—at least in the case of the aforementioned ‘free rider’ or ‘field-forest-and-meadow’ NFTs, that becoming a *phygital* that bridges the physical with the digital realm (Del Vecchio, Secundo, and Garzoni 2023).

What does that mean in concrete terms? Any pixel of any digital photograph of any color segment, let’s say from Gerhard Richter’s stained-glass window in the Cathedral of Cologne, can be sold as an NFT without the painter or anyone else being able to (successfully) raise a legal objection. What is exhibited is not only the concrete possession of something that would otherwise evaporate into the depths of digital space due to its technical reproducibility. It is less the concrete possession that can be experienced in the example of NFTs than the *symbolic and social capital of possession* in general. The symbolic weight of NFTs lies in the mere, the *hollow form of possession*, a form that creates its own content and values—only after the fact. In the example of NFTs, the concept of use in pop culture is radicalized: It challenges the traditional claim of ownership as a form of possession that guarantees *exclusive* rights of usage. Now that pop culture has chosen the ubiquity of use—in all its dimensions, from abuse to self-consummation to usufructs—over any other form of possession, the doctrine of sharing prevails in a twisted manner: the *symbolic power of possession* has freed itself from any concrete item that is (to be) possessed. Symbolic possession can be asserted digitally by reclaiming it. Symbolic possession no longer entails exclusive right of usage as proof of ownership. But it still entails pictures, in all its hybrid forms.

## 10. UNOBTAINABILITY, POTLATCH, SHAME

Not a renowned designer, but an underpaid illustrator with the artist’s name *All seeing Seneca*, who counts David Lynch, Gustav Klimt and Maurice Sendak among her heroes,<sup>8</sup> drew the aforementioned, ostentatiously bored monkeys before an algorithm sampled the various accessories from the freely available images of mon-

8 See the artist’s website at <https://allseeingseneca.com/about>. She only considers NFT to be a certification method, not art. The quote on Lynch, Klimt and Sendak can be found in an interview from 25 May 2022, which is linked on her website, namely here: <https://hypebeast.com/2022/2/studio-visits-all-seeing-seneca-coinbase>.

keys on the Internet. Not even the supposedly individual accessories make these monkeys particularly exciting. The most important thing about this monkey, however, is its attitude, not just any attitude, but a particularly exquisite one: that of boredom.

There are 10,000 of them. 10,000 bored monkey like the famous *[O]bvious 10,000 of New York*, a phrase evoking “The Upper Ten” coined by the American poet Nathaniel Parker Willis in mid 19<sup>th</sup> century expressing exclusivity and limited participation. Here 10,000 does not refer to the wealthiest people in New York City but to 10,000 forms of boredom of comic-like monkeys. One of the bores casually puffs on a cigarette under his cowboy hat, another smokes a pipe and hides his hairy face behind sunglasses, wearing a lumberjack shirt and a baseball cap with the club’s identifying marks, a skull and crossbones between the initials of the club—it must be that gothic, otherwise the existential trait of this boredom cannot be explained. Oh yes, a monkey like this is sometimes pierced too.<sup>9</sup>

These digital relatives that are supposedly so close to us in their virtual yacht club (located in Miami), which is now the exclusive playground of their well-heeled owners (even if this game is no bigger than the walls of their toilets), have had an amazing career: Anyone who bought a bored digital monkey for 300 US dollars in April 2021 was able to resell it for around 300,000 US dollars in November of the same year. Madonna’s profile picture on Twitter has featured a bored-looking monkey since 25 March 2022, which, as the transaction history of the NFT marketplace OpenSea shows, she bought for 180 ETH, i.e. around USD 565,000 at the time (Kremer 2022). Madonna writes: “I finally entered the MetaVerse..., ... .. My very own Ape! 🐒 Thanks @moonpay ✍️ We all need protection from Evil Eye.” (Madonna 2022). Including 4,029 retweets, 3,496 quoted tweets, 25,018 likes.



Figure 6: Madonna’s private ‘Bored Ape’ first appeared on her Twitter account on March 25, 2022.

9 “The monkeys have strange glasses on their noses, others have laser beams shooting out of their eyes, they wear all kinds of hats and some are made of cyborg implants. What they all have in common is a hungover, cool look and a hint of end-time romanticism. Three-digit million sums are currently flowing into crypto exchanges every week when trading these little pictures [...] which become more and more expensive the more often they change hands. A complete ‘ecosystem’ is to be created around the Bored Apes, with a real clubhouse in Miami, three-dimensional apes in virtual worlds and a ‘decentralised autonomous organisation’ that coordinates everything.” Bovermann (2021, 20)

Madonna can undoubtedly be blamed for spending half a million dollars on a monkey picture one month after the start of the Russian war of aggression against Ukraine under the leadership of Vladimir Putin. Is Madonna possibly deliberately celebrating a 'potlatch' here, i.e. an ancient rite of public lavishness and the simultaneous secret shaming of everyone else for the brilliant opportunity to destroy wealth in its obscene splendor instead of continuing to accumulate it? Is this not the ultimate demonstration of their power, which celebrates itself as arbitrariness? And is it an act of ostentatious self-demolition, comparable to the constant proclamations of the new crypto millionaires that they are just 'a piece of shit', which is why they decorate the walls of the toilets in the virtual clubhouse of their Bored Ape Yacht Club in anticipatory boredom, neatly pixel by pixel, of course.

It is worth returning to George Bataille (2021) to understand why obscene wealth is rightly paired with contempt for it. The deliberate destruction of one's own wealth is not devoid of logic if one understands its accumulation itself as an unfair acquisition. Destruction is then the only "use [...] that lies in its [the] essence [of wealth]" (Bataille 2021, 83) because only the waste testifies to the obscene accumulation of wealth itself. Wealth that is not utilized is accordingly—no wealth at all! As cross-generational initiations and threshold rituals, weddings and funerals have always been economically ruinous celebrations of exuberance. They are widespread in almost all cultures and can always be observed. Bypassing the possibility of bargaining, valuable goods or resources are squandered excessively without any ifs or buts or hesitation. The aim seems to be to increase one's own social status in the community in return.

When researching the social structure of North American indigenous tribes—such as the Tlingit, Haida, Tsimshian or Kwakiutl—ethnographers came across practices of excessive waste as an unorthodox form of bartering. The term 'potlatch' therefore refers in the narrower sense to an unsolicited and excessive 'gift' that a chief makes to his rival "to humiliate, challenge and oblige him" (Bataille 2021, 80). The recipient must not refuse the poisoned gift. He can only "return the favor a little later with a new potlatch, which must be even more generous than the first, that is, he must return the gift with interest" (ibid., 81). Thus begins a spiral of the destruction of goods and values, with the apparently not unwelcome consequence of levelling the economic imbalance. All of this is radical and absolutely belongs here because the potlatch, like a 'paradoxical intervention', is a procedure that is as unorthodox as it is radical as it artificially creates equality among unequal people, in this case by public waste and collective excess.

Based on Marcel Mauss' *Essai sur le Don* (1925), Bataille explains why there have always been economies in almost every country in the world that "would not have corresponded to the need to acquire something, but to the opposite need to lose or waste something" (Bataille 2021, 80). Ethnological research explains this anomaly as the necessary "end point of the sacrificial cycle" (ibid.), thereby transforming and explaining the ostracized into the sacred part of the whole. Every sacrifice is always "[...] a mixture of fear and frenzy. Frenzy is more powerful than fear, but

only when its effects are turned outwards, against a foreign prisoner. It is enough that the sacrificer gives up the wealth that the sacrificed could have meant for him.” (Bataille 2021, 74)

This is where the big issue of use returns. Every potlatch is a “*consumption for others*” and as such it is highly manipulative. According to Bataille, the waster simultaneously celebrates the contempt for his unwelcome gifts and presents imposed on the other person. According to Bataille, every squanderer gets something valuable in return, namely an *increase in social status*. What he “now guards like a possession is the effect of his generosity” (ibid., 83). So, it is the inordinate expenditure that, as if on a set of scales, pushes social status to dizzying heights.

In the light of these age-old bartering rites, who give up real things for fame as something of higher value, thereby levelling their own wealth economically to enhance their own social status, the lavishly high price that Madonna is prepared to pay to enter the Metaverse can be explained as a deliberate waste.<sup>10</sup>

Do the limits of the analogy between potlatch in a protected social setting and dizzying NFT sales lie in the growth of new, anonymous agents, as is currently happening in DAOs (decentralized autonomous organizations)? Or rather in the fact that it is by no means certain that the overheated market activity of 2021 and 2022 with NFTs is a “waste of useful wealth” (Bataille 2021, 82)? Usefulness was undoubtedly an essential prerequisite for Bataille’s analysis.

Hence a final attempt at explanation: Madonna chooses the path of belonging not to any culture with any values. She enters a digital culture that is entertaining itself and shocking the rest of those who don’t approve by playing with self-degradation and self-dumping in such an exaggerated manner, that shame is overcome by embarrassment. Madonna inscribes herself into a *culture of self-blaming without feeling shame*—which was alien to her throughout her whole artistic career—through the *calculated exposure of the obscenity of her own wealth*. Madonna plays with the knowledge of certain codes of do’s and don’ts, that acknowledge the unrestrained capitalization of even the slightest insignificance with *demonstrative boredom* and ultimate coolness. The display of disinterestedness is particularly striking. It almost seems as if the attitude of boredom is the real obscene luxury and *jouissance* here, which is barely concealed. Cui bono? Madonna’s special Bored Ape NFT undoubtedly provides precisely these codes of self-satisfaction and coolness, which, with its many eyes, simultaneously attracts the gaze like an apocalyptic beast and seeks to banish the evil eye. I am tempted to regard it as an *apotropaic* figure, that attracts and repels attention at the same time, to be always on the safe side. Madonna seems to be tired of platform capitalism to the same extent that she intends to profit from it.

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10 One might argue that in the specific case of Madonna (net worth 850 million dollars) the digital ape costs less than 0.0006% of her total wealth. Thus, she is not wasting her wealth in the strict sense. But she is still sending a fatal message to the world, especially due to the coincidence with Russia’s invasion of Ukraine: ‘Look here, I don’t care that you other celebrities are now donating money for weapons ...’

Is Madonna, for all her fame and all her trendsetting throughout her career, let off that easily? “A profile picture that you have paid for and that belongs exclusively to you, [says a club member of the Bored Ape Yacht Club], is not comparable to just any picture [...]. You’re not just a monkey owner, you’re also a monkey” (Bovermann 2021, 20). Self-realization and self-weariness, shame and embarrassment, destruction of value and new value creation become indistinguishable in the bright daylight of the digital era.

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MIRJAM SCHAUB

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