Economic Media: Crypto and the Myth of Total Liquidity

By Jonathan Beller

> 'Each according to their ability, each according to their need'.
> — Karl Marx [translation mine]

> 'Democratize the revolution and revolutionize democracy'.
> — Boaventura de Sousa Santos

Today there are two main types of economic media: (1) Money in all its forms including bullion, currency, credit/debt, financial instruments, and equity ('money', financial and synthetic financial instruments and property of all types with their differing degrees of convertibility), and (2) all other media (print, cinema, television, social media, computation). For more than a century these media, 'financial' on the one hand and 'cultural' on the other, have been convergent.

To see where this currently fatal convergence—marked by a generalised financialisation of semiotics—is heading consider 'social media'. Distinct from classical theories of economic production that pre-date the attention theory of value, we observe that social media are indeed economic media—media of value abstraction and value creation.[1] While able to broadcast 'personal' thoughts and 'values', users, who occupy positions in networked computing analogous to those of workers on the assembly lines of yesteryear, cannot adjust the economic protocols of the distributed machine for which they are in large part functionaries. Consequently, most of the value created by users who are, in effect, working in deterritorialised attention factories composed by a computer-network of screens—is split from its qualitative 'content', and subsequently transmitted to platform owners who collect it. The values we project and create in media factories are abstracted by means of new sets of metrics (of which 'like' is only the most primitive), and, in the processes of monetisation are converted and collapsed into the value-form priced by the code of money. They are, in short, liquidated and placed on the market. After being sold to attention brokers, this value, realised as money, flows upwards to platform owners. Thus, values are encrypted and stripped of their content as all signals, no matter their content, are reduced to number and then to price. Digitisation means—or has meant—the content-indifferent capturing of any-value-whatever as exchange value, and with it, the distribution of this value in accord with the pyramidal protocols of capital.

In a more developed eco-system, influencers carve out and monetise their attention niches, to produce their own revenue streams. But, with an acquisition template that gives rise to what I call 'fractal fascism', they still asymmetrically convert other people's attention to their money by means of their digital persona which is but an executable archive of the attention they have received. Just as industrialisation put the physical power of people to work, social media and computation puts the expressive (attentional, cognitive, affective) power of people to work. And in both traditional labour economy and 21st-century attention economy, value producers yield their value to those further up the hierarchy: platform owners (of networks, factories, or plantations) reap the spoils and externalise the costs to be borne by those whom they exploit. In all cases, the economic logic is at once extractive, relatively non-negotiable, and ultimately content indifferent: for the owners, profit is the ultimate meaning of any creative act, and for capital, the only important search is return on investment.

As soon as we understand that the mediation of value is today organised by other forms of networked mediation, and that monetary media directly interface with social and communicative practices, we recognise the importance of decoding *the protocols of money* already operating today in semiotic media to make it possible for users to redesign them more in accord with their own interests. If we were to refuse the default (and naturalised) abstraction, extraction, and appropriation of our socio-semiotic value productive activity baked into current media of all kinds, and were to politicise value's encryption and transaction in the price signal—the process(ing) normally done 'automatically' (that is, technically) by money, financialised media, computation, incorporation, and proprietary law—then we might embrace the possibility that to create, and to express, might also be to propose (wager) new forms of sociality and economy. We might imagine collective wagers on creating organisations with more robust economic signals that distributed value in accord with our expressed values, our care: wagers as simple as an image or as complex as a multinational cooperative, wagers carrying meaning and organisational protocols that allow us to design the way value flows in an emergent, non-exploitative post-capitalist socio-financial network. We might conclude that political transformation requires a redesign of the protocols of money. Understanding that 'economic media' describes a convergence of financial, communicative, computational and organisational media, we might want to redesign this convergence. And we might undertake the redesign of economic media collectively, cooperatively, fluently and consciously—as a new form of literacy and political engagement.

Collectively designed crypto-economies, for crypto, as a new monetary medium is what we are talking about, would have the opportunity to justify and validate their value parameters to those who care to participate in them and to indeed have these parameters authored by participants. This situation is not the case with existing cryptocurrencies; I am talking about what may be possible. People could seek their own qualified returns, and these returns might be collectively denominated in qualities desired by communities—qualities of life. Viewed in this light, and in contrast to the

views of some principled crytpo-currency nay-sayers (and also yay-sayers), 'crypto' as a new medium, programmable from below, would be no more a technocractic solution to social problems then was the pencil or the digital computer —it emerges, rather, as an historical result, a medium of inscription, communication and archivisation, and a political question.

This political question turns fundamentally on a new capacity to *denominate* value. Bitcoin, the digital money that with 'blockchain technology' famously solved the double spend problem, is not always even considered a monetary medium. It is, but I feel that much more about it is revealed when we understand clearly that it is also a *social medium*—a computation-based platform for the expression and organisation of social relations. Like Facebook, it is then also a network of interfaces, an attention aggregator and an archive. As a piece of software, it performs socially significant functions that bind social activity to material resources. Those who seek to solve the mystery of bitcoin's value best look there, to the analysis of media and attention economy—where user activity on a computational platform is the central component of value creation. In this view, bitcoin is a social medium too, but one that demands that all expressive activity be reduced and expressed—denominated—in the movements of quantities of bitcoin archived in the blockchain. In this it is actually like other currencies, with their denominated interfaces, but it is platformed not on a nation-state and its institutions, but on cryptographically secure, distributed digital computing. Understanding bitcoin as a medium, that is, as a set of protocols for denominating social relations, reveals more about it (and also about traditional forms of money) than do standard economic approaches to crypto, whether celebratory or dismissive. Bitcoin is a communications medium that absorbs the social activity around it, reduces the semiotic signals to denominations of bitcoin, and securely communicates the transmission of these quantities. For all that, all communications are denominated in bitcoin, in the bitcoin monologue, and thus ultimately as 'price'. To hold bitcoin over USD is to wager on the spread it opens with fiat currencies. But neither bitcoin nor USD can preserve qualified values on its price signal.

What then is Cryptocurrency? Let's forget some of what we think we know and pose this question in the spirit of Andre Bazin who, when confronted by the emerging but soon to be pre-eminent medium of his own period, asked, 'What is Cinema?' and then endeavoured to locate in cinema long dreamt aspirations for persistent presence and even immortality as telltale elements in what he ordained 'the myth of total cinema'. Contrary to the *culturati* of his era, he saw the cinema as the potential realisation of an abiding dream, as a form of technical, artistic and indeed spiritual expression, that was on a continuum with prior cultural practices—from mummification to graphic, literary, pictorial, photographic and phonographic creation. For Bazin, the cinematic recording of image, sound, space and time emerged from many of the long-standing historical, philosophical and political aspirations and preoccupations of 'mankind'. Cinema's creation of a 'decal' of reality allowed for the greater apperception and preservation of it. It was a new medium, an archive of space and time, that addressed some of the most cherished aspirations of various civilisations, and enhanced the possibility for their fulfillment.

The less interesting question of whether or not cinema was art woefully failed to address the question of how cinema as medium, archive and much more would change the meaning, nature and function of art itself—the mere fact of cinema was *already* part of art's historical transformation. Today many conversations around cryptocurrencies that ask 'are tokens money (or equity)?' often fail to grasp the long-term consequences and potentials of the computational platformisation of the medium that is money, assuming instead that money, along with equity and other financial instruments are relatively fixed forms, and that crypto will have to fit itself in to existing categories. Indeed, the garden variety hand-wringing about crypto, which is not confined to regulators, fails to appreciate the deep structural, functional, technical, social and abstract changes that have already taken place in what passes as money, and thus also in capital and in forms of value productive labor. *Economy can today be grasped as a network*, and that network, along with its protocols, has undergone tremendous change over time. Today we might begin to make conscious changes in network protocols that horizontalise agency rather than defer to and valorise its default functions and heirarchies.

Consider the historical mutation from shells and cattle or gifts, to gold and paper and other early instruments of debt and credit to computer-enabled synthetic and derivative finance on the debt/credit/accounting/speculation side of things, and consider also the (partial) shifts from feudal, enslaved and industrial labour to a globalisation of informal economy, attention economy, cognitive and affective labour, and generalised precarity and the like on the production side. Given the historical results, this 'progress narrative should give us many reasons to fear. These stages of increasing scale, complexity and abstraction, of more elaborate systems of account and of risk/liquidity management, and also of more widely distributed yet interlocked productive activities, more complex and global socio-material relationships, and the development of increasingly abstract and granular interfaces for value circulation and production are the *precursors* to crypto. No one can doubt that the latest economic media of both transmission and production all require the development of computation as the armature of financialisation. The emergent cryptographically secure platformisation of money and money-like interfaces as *a network of value creation* comes *after* these developments in the history of money, finance and computing. Again, this history of computation is itself driven by the increasing scale, complexity and penetration of financialised social relations of production, along with the development of new tools for speculation, accounting and risk management. It is necessary to point out that in and of itself, neither computation nor cryptocurrency does anything to mitigate the unimaginable violence of extractive economics throughout the history of capitalism, indeed, arguably their primary function to date has been to intensify and scale such violence. In ways still to be discovered, crypto and specifically 'the token' presupposes and indeed absorbs many of these capacities for the computational abstraction of sociality. They are in the DNA of the token, its conditions of possibility, or if you prefer, its unconscious. Like the computer itself, the token too is less an invention than an historical result.[2] But historical materialism reminds us that this result is also the result of struggle, and it is to this struggle that we must turn.

As a culmination of sorts, crypto, particularly in relation to aspects of archive (transaction records), issuance, program, and denomination simultaneously reveals something about the character of the prior if still very much extant stages of the medium called money and the money-form, and both threatens and promises to bring these to a higher stage. The political valence of this higher stage is, for the moment at least, open—or rather it is an opening that bears both the constraints imposed by capitalism and the history of struggles against capitalism's foreclosure of life. This claim appears more forcefully if one concedes that history itself is the history of struggle and furthermore that our hegemonic cultural and technical forms are unavoidably expressions of contested social relations. At this juncture and for those who are in one way or another invested in the myth of total liquidity in which everyone, no matter their race, gender, sexuality, religion, nationality, culture, ability is guaranteed full social enfranchisement—in which, *everyone* no matter their 'state', has free access to the easy convertibility of their life capacities into social belonging along with a fair share of the social product as they may require, (and thus also has the right to become as they might)—the historical result may be that crypto, as part of a long struggle against sovereign money, poses an un-

precedented political opportunity: the decolonisation of money.

Importantly, crypto offers monetary design possibilities that shift monetary control into the hands of those who are users of money and, relatively speaking, away from banks and states who are users, but also userers, of money, making monetary features of issuance, access, designability, credit, programmability and denomination digitally composable and in principle accessible to all. These are technical issues yes, but more significantly, they are political issues, in terms of both their provenance and futurity. Today's national monetary systems with their central banks and credit systems are centralised, hierarchical and colonial. This hierarchy results in the fact that the poorer you are, the higher your liquidity premium—the more of your life you pay with for money. Indeed, *it is the dispossession of the poor that guarantees the liquidity of the wealthy, that is, of their command over life.* What if in place of the enclosures imposed by existing hierarchy mediated by the institutionalised monetary system and its current sovereign forms of extraction and accumulation, we could horizontalise issuance, credit and debt?

At present, to some readers here, many of these features may seem quite abstract or buried in esotericism. For most perhaps, the idea of 'the internet of money' only suggests peer to peer electronic transactions and not the emergence of a new type of monetary medium. I will not have space here to fully elaborate the ideas encoded herein, and it should be abundantly clear that I am not talking about any crypto currency already extant but only about how we may organise. If we listen closely, the phrase 'internet of money' begins to express the growing proximity between communicative media and the progressive potentials of radical finance as an expressive medium—a medium of communication, organisation and horizontal economisation.

The massive horizontality and democratisation promised by the internet that failed so spectacularly as it ushered in the current era of neo- and fractal-fascism precisely did so because this democratisation of access to publishing and broadcast only generalised and developed attentional labour without managing to democratise the financial protocols of accumulation. The media remain fixed capital; therefore, they function as both worksites and sites of value liquidation and extraction. The information revolution, like the socialist and communist revolutions that promised to change first economy and then communication to horizontal endeavors, was commandeered by capital. This global dream/drive for democratic production and communication and planetary self-knowledge, which Marx first identified as the emergence of a world literature, has been too long expropriated. With social media as only the most obvious example, finance and financialisation have been used to extract value from the expressive and semiotic activities of the masses (which now includes all types of production) and has fostered fascism. Consequently, 'finance', like 'credit' and 'debt', has been a dirty word, and rightfully so. However, we may be entering an era in which *the economic logic of extraction underpinning the financialisation of expression can be reversed* and in which a *detournement* of all that has been subsumed by financialisation is becoming possible. A reformatting of monetary protocols allowing for a horizontalisation of issuance would create opportunities for an inversion of agency, allowing peoples' expression to finance post-capitalist futures.

It may be possible to remake the protocols of the medium known as money by reconfiguring the notion of interest. Transforming interest from a quantified fee paid to a bank in exchange for liquidity, to a qualified expression of trust and solidarity offered to a peer restores quality to interest and makes it an interest in someone and something. This is a key part of our thinking at ECSA. Horizontal, peer2peer issuance of credit, could convert interest as a function of capital to shared interest—qualitative mutual stakeholding. Rather than paying a privileged issuer for liquidity as we do today (credit card, mortgage, etc.), *we could co-issue to one another* and create scalable peer2peer economic networks. Such expressive wagers on one another, currently vested in poems, posted on social media, or held as political positions, are already, that is, in actuality, social derivatives on generalised volatility—strategies of survival in a precarious world. These social derivatives may one day provide not just meaningful social returns but meaningful economic returns to anyone and everyone. If expressive economic design that creates value for discursive (affective) communities and semiotic networks comes to be as widely deployed and practiced as social mediation, and becomes even more diverse than the current ecology of social media itself, then anti-capitalist, anti-racist, pro-people sensibilities and the peer2peer networks they create will not be, as they often appear to be now, doomed to fuelling the economic logic of a status quo capitalism in which communication media are deterritorialised factories composed of fixed capital. In order that people may fully benefit from the world-making, poetic power of their own subjective and corporeal activities, we require a form of *economic media that allows the qualitative values of expression to persist in forms of mutually agreed upon credit and debt—as qualified values.* Through denomination of network vitality by means of occasional co-issuance of tokens among a network of peers, it is possible to qualify value while also creating fungible quantitative values backed by the network and available for those who create value in terms recognised by their peers.

The emergence of design choices made by media participants regarding the ways in which semiotic tokens that are also economic tokens function, points towards a programmable economy composed of options. The too fast version, imposed by this short essay format, says that denominations of value could be horizontally issued, locally qualified, communally embraced, and therefore non-extractive. It points to the capacity to value things in terms of their social value rather than in terms of capitalist profits and to move economy in accord with social values. And it suggests that the revolution will, at least at first, come not by the abolition of money but by seizing the possibility to democratically reconfigure economic media. New forms of agency will effectively be manifest as the co-creation of scripts for culture and economy: programmable spaces of interaction, communication and creation in socio-semiotic exchanges. This amounts to the collective authorship of futures based upon socially agreed upon values: contingent claims. This sociality, the source of all value, could be self-validating and self-sustaining if it were not constantly stripped by capital. However, it is currently only narrowly understood in the dominant crypto world as 'transactions', or as governable by smart-contracts, and when imagined on the cultural front, is thought of as affective and semiotic, reproductive and life-sustaining, but rarely as economic. However, as materialist feminism has already shown, the presumed separation between culture and economy is in most sectors today already anachronistic, outmoded, analytically incorrect and dangerous; cat pictures, domestic labour, and even activism make money for capitalists. Thus, progressive political aspiration must face a reckoning with the financial side of its wagers—and the sooner the better. This sensibility on the left is growing and leading to many experiments in sustainable sociality—sustainable values and practices created in poetry, in commons, in play, in decolonisation and prison abolition movements, in cooperatives. It is this history of remaking economy for *social* purposes, with roots in Marxism, socialism, feminism, decolonisation, (diasporic) kinship relations, fugitivity and other non-, ante- and anti-capitalist practices of credit and debt, that in large part drives the crypto-imaginary, even if unconsciously—it is liberation struggle that constitutes its progressive dimensions. If we seize the political moment before revolutionary dreams are again converted into production scripts for capitalist extraction and profit (or libertarian sovereign individualism), we might soon see *money-like* tokens that are *at once semiotic and economic*, issued among peers and designed for specific, *qualitative* endeavours that have social values distinct from and indeed antithetical to profit. Their value depends upon a communitarian trust backed by social or-

distinct from and indeed antithetical to profit. Their value depends upon a communitarian trust backed by social organisation, not upon the police. These programs and scripts, written collectively in *economic media*, will be composable, copiable, modifiable and mixable, and will deploy capabilities that allow for those of us who today have at our disposal only communicative relations running on capitalist media, to very soon issue one another credit, meaning liquidity based on our own values and the futures we write together, while also allowing us to co-create organisations, develop new forms of valuable goods, and restructure our modes of interaction and of creating values. Token economies, large and small, will in effect be *network derivatives*, indices whose exchange value is tied to the underlying vitality of each specific and purposeful network. They will be ways of opening spreads between aspirational social relation and existing ones. Communities will themselves author these derivatives—forms of collective risk management designed to manage the volatility imposed by a still-existing capitalism that for a while at least will oblige us to keep one foot in its operating system. These new networks, however, will be dedicated to the production of alternative values—qualified, embedded values with persistent qualities in contrast to the fully de-qualified and thus fully quantified and deracinated value that is profit under capitalist hierarchy. Tokens will be currencies denominated by qualitative values shared by and practiced by a network of participants. If the United States can denominate and guarantee the dollar, so too might a horizontal organisation dedicated to animal shelters, elder care, environmental cleanup, or communal healthcare denominate and guarantee its token while, indeed *by*, creating its own forms of recognition and enfranchisement. If many such cooperatives interoperate the result would be a cooperative of cooperatives.

The longer game, and indeed the historico-political one, is that future cryptoeconomic designs, will become peer2peer, will clear through networks of peers, will not require the eco-unfriendly energetics of current blockchain, and will enable us to express our social and ethical values in ways that persist into what is in today's financial terms understood as value-creation. Over time, these cooperative endeavours will, or might, hollow out capitalism from within, opening a spread by offering better, more convivial, alternatives for users (producers) of economy than does capitalism. This qualification of value by means of a reconfiguration of interest from a quantitative liquidity premium paid for fiat currency to a qualified, committed concern for the wellbeing of peers would emerge in stark contrast to what we have today, where qualitative values that lie closer to the deeper meanings and aspirations of individual and collective life, are abstracted and converted into their opposite by the monetising value-creation subroutines absorbed as capital by social media giants. We might together engineer a world where our debts are to one another in communities of our own design rather than to our exploiters.

Generally, monetary media capture and simultaneously liquidate the qualities and sociality of all commodity production. A forward looking economic medium capable of abstraction without extraction would create openings in the current economy—what I am referring to as spreads—to allow people to devote our abilities and resources ('labour time' and 'equity') to realise current aspects of the out-of-reach dreams of prior socialist, communist, anarchist, communal, decolonising, diasporic, fugitive and refugee movements, all of which understood in one way or another that their cultural realisation entailed risk and required a remaking of economy and sociality in accord with their own needs if their programs for survival and perhaps happiness were to be sustainable. We want the opportunity to meaningfully apportion more of our lives on wagers for justice, liberation and making kin. Possibly it is only with having passed through the unspeakable and irredeemable violence of history leading up to the current computational racial capital that has all but cannibalised society, and also with the technical arrival of the possibility of cryptographically secure, verifiable methods of account, that the integrity of the social fabric can be collectively redesigned and democratically guaranteed in ways capable of overcoming capitalist violence. As I finish this essay, coronavirus (COVID-19) has just begun its planetary devastation and its horrifying intensification of the generalisation of precarity as a form of the systemic risk imposed by racial capitalism. What if it is finally possible to collectively create an opt-in crypto economy that is also a way to both mutually provision liquidity and opt out of capitalism? It would be neither easy nor-conflict free, and embracing an economic planning of, for and by semio-cultural actions raises myriad non-trivial issues about the downside of this proposition in every domain of collective experience. I would not want to pretend that an even more granular computation of sociality does not itself create huge and dangerous issues. But if done mindfully, by valuing what a coalescent anti-capitalist (and therefore necessarily feminist, anti-racist, non-normative, decolonial) 'we' collectively cares about—for example, love, climate, community, care, health, food security, inequality, history, well-being—, a new economy based upon sustainable socialities and climate welfare will feel better and be better. Our politics are inexorably local and planetary; today we require a communicative medium that allows us to shape sign, value signal, and network in accord with our still-surviving values and communitarian aspirations so that things that are currently 'intangible' or 'externalities', and thus regularly rendered as waste by capital, can be valued by those of us who value them. We require a medium by which kinship is re-established and re-invented, participants are dis-alienated, and the recognition of another's value by their emerging community also provisions them with the means to life: economic liquidity not dependent upon the precarity of the poor. And we require an economic medium that in enabling us to grant liquidity horizontally (peer2peer or fren2fren), will, in creating a network of peers, also enable us to wager on, while working for, the ultimate and wholesale liquidation of capitalist exploitation itself. [3]

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Notes

[1] See Beller, 'Cinema'. See also Beller, *The Cinematic Mode*.

[2] Technological innovations are always social before they are technical. The world needs something and techniques, codified as technologies, rise to the occasion. Though proprietary logic and its cult of genius often assign an invention to a name, we may legitimately ask who is really the creator of a given technology. Who, or what set of forces, invented photography, for example or, going further back writing and money? It is in such a broader socio-historical context, beyond individual geniuses and other local appropriations that I would like to consider cryptocurrency.

[3] With full acknowledgment to ECSA (Economic Space Agency) and to ECSA think-tankers Akseli Virtanen, Jorge Lopez, Dick Bryan, Benjamin Lee, Robert Meister, Fabian Bruder, Pekko Koshinkan, Erik Bordeleau and Joel Mason—all of whom have critically contributed to the creation of ideas expressed here and without whom this paper would not

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