



“A new market where creatives can sell their artwork directly to the world seems to be just around the corner; how can Global South artists leverage this opportunity to transcend local markets with their talent?”

-Megan BALLESTY

Image Source: During the World Conference on Creative Economy (WCCE) in Bali, October 5-7, 2022. Display of clothing by Bali-based 'Superlative Secret Society' (creators of NFT collectibles, superlative art gallery and designers). Image by courtesy of WCCE, 2022. All rights reserved ©.



Megan BALLESTY
Center for the Implementation
of Public Policies for Equity
and Growth (CIPPEC)
and Red Sur
Argentina

NFTs: The state of the arts?

A cryptoartist is born

In early 2021, a young Colombian artist known as Fira¹ decided to register on a popular non-fungible token (NFT) marketplace and mint (or convert into digital assets to be stored on the blockchain) three of her most recent pieces of artwork. In less than 24 hours, she sold them for cryptocurrencies worth \$1,500. By the end of the year, her sales and prices had multiplied, and the local media appointed her as one of the first Latin American cryptoartists. A new market where creatives can sell their artwork directly to the world seems to be just around the corner; how can artists from the Global South leverage this opportunity to transcend local markets with their creative talent?

As little as five years ago, Fira's feat would not have been possible, as NFTs were at an embryonic stage, and cryptoart markets had not yet been invented. Digital art as we know it

flourished mostly as non-marketable, given the difficulties involved in registering and enforcing property rights.

This changed with the appearance of NFTs. Their non-fungibility can be understood in opposition to the fungibility of their close relatives, cryptocurrencies, or the more distant analog ones, commodities. Just like one bitcoin is equal to another bitcoin, with NFTs it is the opposite way around: each token is unique and cannot be exchanged for an equivalent good other than currency. When creating an NFT linked to a piece of art, it becomes traceable and subject to rules that marketplaces can automatically enforce through smart contracts,² such as paying royalties to creators each time their work is sold.

This is great news for artists, who historically have afforded high entry barriers and dealt with plenty of intermediation to reach the markets for art. Moreover, NFTs are not incompatible with more familiar uses of digital art: creators can still publish their work on the internet or social media, and users can still share it (hopefully crediting authors). What changes is that the NFT represents the item in a permanent record and univocally links it to its history of owners. This proof of ownership is all it seems to take to create the conditions for buyers and sellers to become interested in possible exchanges. It is this type of blockchain-based innovation that has allowed Fira to display her vibrant art collection in a virtual gallery,³ where any holder of a compatible virtual wallet can make an offer to purchase her work.

NFTs could level the playing field for Global South creatives because it “only” takes a piece of artwork, a phone, and a digital wallet to become a cryptoartist candidate. Just like online-based labor platforms have opened the door to some workers to global service markets, this could be the opportunity for artists to find their way toward better working conditions regardless of where they live.

NFT: Not so Fast Though

Nevertheless, it is too soon to consider cryptoart as a potential career path. First, there are many technical aspects to be addressed, including the implementation of mechanisms to avoid the current prevalence of plagiarism. Second, so far, this has been quite a speculative market. To understand why, it is important to note that purchasing an NFT does not equal buying products the old-fashioned way; what is sold is a certified digital copy of the physical or digital art piece in question. Although the NFT owner’s right to resell their token is secured, the underlying item does not change ownership. Nor do its intellectual property rights, which can still be traded by the artist in the physical world independently of the NFT.

This means that buyers’ intentions when purchasing cryptoart can hardly be interpreted as a taste for contemplating or displaying the artwork in question. While there can be a genuine interest in collecting these tokens or supporting a

specific artist, the recent hype of NFTs has attracted many buyers simply seeking to sell them at a profit. Such behavior may expose unsuspecting artists to the severe volatility of cryptocurrency markets –, difficulties in pricing their goods, and unstable income. A development that may justify an authentic increase in the future demand for NFTs is the advent of the metaverse.⁴ This could evolve into digital spaces where NFTs can actually be employed, displayed, and socialized. In this case, a more sustained demand for NFTs could emerge. However, it is too early to say if things will go in this direction.

A third question to reflect on is who is best placed to monetize their work in the cryptoart market. Offering artwork as NFTs will be as simple as making a publication on social media, but just like for Instagram and TikTok influencers, the key challenge in a world overloaded with stimuli will be to meaningfully engage an audience. People and brands with large numbers of loyal followers are benefiting from placing all kinds of NFTs for sale. A divide between creative talent and social influence can create incentives for intermediaries to appear, which, in turn, calls for institutional mechanisms that protect artists’ interests by design.

Global South creatives can become cryptoartists, but in this fast-paced transformation, they need to stay alert and proactive. To succeed, they must match their artistic talent with digital and financial skills and acquire the necessary competencies to manage a global community of potential clients. Support from governments to boost their countries’

artistic profile internationally could increase their chances. Further enabling conditions include access to modern digital equipment, connectivity, training, and forward-looking and adaptive regulatory frameworks. These are only some of the essentials needed for artists to be able to take the leap into the uncertain oceans of new crypto markets and future metaverses.

References

1. She can be found as @soyfira on YouTube, Twitter, Instagram, and Open-Sea.
2. Smart contracts are programs that run in the blockchain that can automatically execute functions in order to enforce predefined rules. See more on [Ethereum](#).
3. See [link](#).
4. The metaverse is a work-in-progress concept used to describe virtual spaces that share attributes with the real world such as being 3-dimensional, persistent in time, and allowing people to develop an identity to “exist” on such space. See more on [Time](#).