

# ***NFT Popularity – Digital Artwork and Baudrillard's Theory of Consumption Alienation***

**Hongtao Ma<sup>1,a,\*</sup>**

<sup>1</sup>*Beijing International Study University, Nanli Community, Dingfu Town, Chaoyang District,  
Beijing Municipality, PRC*

*a. felix1022\_ma@foxmail.com*

*\*corresponding author*

**Abstract:** With the popularity of 2021 NFT digital art, some concepts that people pay little attention to are gradually coming into people's view. In the transaction process of digital artworks, the introduction of blockchain technology, the application of Non-Fungible Token (NFT) and other technologies or concepts gradually make it possible to sell a large number of digital products with cultural symbol characteristics. Therefore, the post-modernity era, which is composed of simulacra and new technologies, cultures and social forms, has arrived, as the French scholar Jean Baudrillard said. NFT art formally marks the end of the modern era dominated by production, industrial capitalism. This paper will explore the relationship between consumption alienation and the popularity of digital art through the perspective of consumption alienation put forward by Baudrillard

**Keywords:** Digital Art, Consumer Alienation, Consumerism, NFT

## **1. Introduction**

In the further development of capitalism, commodity consumption began to break away from the economic society whose essence is to meet demand. Western Marxist scholars put forward some related arguments such as "consumption alienation". Among them, Jean Baudrillard and other scholars' consumption alienation argument is the most famous. Western Marxist scholars further pointed out that social consumption demand began to be divided into "consumption to meet demand" and "consumption to meet desire". In order to further pursue profits, capital will produce more and better materials for people of different levels to choose from. This is also in line with people's desires [1]. With the development of information technology, in recent years, the society has begun to realize some transactions on digital artwork. These digital art works are traded in the form of copyright transactions and can continue to resell for a profit. This means that the capital can begin to generate increasing capital returns.

Therefore, it also means that the profit model of commodity trading is beginning to develop into a sustainable capital return model. That is the repeated purchase of copyright. Because copyright is not a one-off transaction like real life goods, such transactions can be repeated over a short period of time. The profit method of copyright began to focus on letting consumers pursue some digital goods characterized by cultural symbols. Like NFTs, which stands for Non Fungible Token, is a unit of data stored on the blockchain that can be used to prove that a digital asset is unique and therefore not interchangeable, while providing NFT with a unique digital certificate of ownership [2]. Every NFT

transaction involves the purchase of royalties, and every purchase of royalties will continue to generate royalties for the original creator in every subsequent transaction. At the same time, due to the transaction nature of NFT having similar characteristics with artwork, each transaction will be accompanied by the rise of the transaction price. This is exactly what capitalism is trying to change and establish at this stage: a continuous profit from the sale of an almost endless digital assets.

After reading related literature, we find that the popularity of NFT digital artworks is just the embodiment of capitalism's further deepening in the field of consumption alienation, which is described by Baudrillard's symbolic political economy theory. Therefore, this paper decides to further explore the relationship between the emergence of NFT digital artwork and modern consumption through the theory of consumption alienation.

## 2. Theory of consumption alienation

First of all, western Marxist scholars have already defined consumption alienation. Mainly from the perspective of human nature, they reveal that in contemporary capitalist society, the scope of alienation of human beings has shifted from the production field to the consumption field. They believe that consumption was originally a means to meet people's needs, but in the era of highly developed modern technology and abundant materials, consumption has been given other meanings. That is, consumption alienation makes people take consumption itself as the purpose, instead of pursuing excessive demand and possession of nature. In this way, consumption deviates from what people really need and gradually evolves into morbid consumption behavior.

Therefore, some scholars divide consumption into consumption to meet needs and consumption to meet desires, and on this basis, define consumption alienation. They believe that the so-called "consumption alienation" means that people take desire rather than basic survival needs as the starting point of consumption, which leads to the loss of people's dominant position and rational spirit in human consumption activities, and makes the essence of people's alienation become a materialized state of people on consumer goods. This insatiable and never-ending desire for consumption is consumption alienation. In fact, this definition presupposes a key standard: demand is a basic requirements rooted in human nature, which is limited. Reasonable consumption should meet people's needs, and make people realize their nature. Desires are infinite and can never be satisfied. Consumption alienation is denied because it not only fails to meet people's needs, but also distorted people into desires [3].

At present, the research of alienation theory mainly focuses on Marx and the famous French scholar Jean Baudrillard. The former mainly focuses on the theory of labor alienation based on the theory of value, while the latter, as a modern man, prefers the concentrated embodiment of alienation theory in the field of consumption. This paper is biased towards Baudrillard's concept of alienation, which focuses on the field of consumption. At the same time, baudrillard's theoretical analysis of the simulacra almost foresees the future symbolized consumer society. In the present studies, scholars mainly focus on Marx's criticism of the process of labor alienation, which I think is desirable, but Marx's alienation theory is mainly based on the exchange value of labor [4]. The relevant NFT artwork mentioned in this paper is, to some extent, part of the product of labor, but it is ultimately a product that gets rid of labor. Because NFT is finally formed through related technologies. Blockchain technology, for example, is just the simplest encryption technology. At present, many NFT sales platforms directly design some specific pictures as NFT through the computer program, and charge a certain fee. The labor in this process, at most, is the labor consumed at the beginning of program design, and then it is no longer necessary to work. That is to say, compared with traditional labor value, most of the products consumed by human beings now come from the automatic production process of intelligent machinery and equipment. Therefore, this is the reason why Marx's theory of alienation focusing on production has been challenged, because in modern production, human beings

have entered into an indefinable link of production and consumption. But what Versveen[5] mentioned in his article is that alienation should be a special feature of the whole capitalist society, which I can't agree with anymore. In his view, alienation should be interpreted as a special feature of capitalist societies. After all, it is only in the era of material surplus that capitalism needs to open up new channels to continue to expand production and consumption after entering the period of material abundance. The construction of the Marxist theory of alienation allows us to provide a way of explaining the powerlessness, detachment and isolation of the individual in a way that refocuses a critical understanding of capitalism for a more democratic, equitable and ecologically sustainable society.

Therefore, Marx's theory of labor exploitation leading to exchange value is not applicable here. There are certain historical limitations. We will analyze the generation and sales of NFT digital artworks through Jean Baudrillard's consumption alienation and his most famous simulacra theory.

### 3. Digital artwork and consumption alienation

Based on the trend of social consumption alienation, how to continuously create a demand that exceeds the basic demand has become a new problem in modern capital society. Rather than the blockchain-based economy represented by the non fungible token (NFT), it implements a way to connect virtual symbols to the real economy. In this way, modern consumption creation has opened up a new world of consumption with unlimited reproduction of cultural symbols.

Therefore, if we want to discuss the popular phenomenon of NFT digital art in political economy with Baudrillard's theory, we must start from his theoretical basis.

First of all, the process of social consumption alienation has been going on until today just as Baudrillard clearly stated: "To become the object of consumption, objects must become symbols" [6], which is the core direction of consumption alienation in this paper, namely symbolized consumption. The digital content of NFT art consumption is actually the real cultural content reflected by the objective reality, such as NBA TOP SHOT. It's a video of NBA highlights. This wonderful lens itself can be watched free of charge on YouTube, but in order to create further capital return, capitalism gives it ownership in digital art by using blockchain technology. So as to attract the infinite enthusiasm to the game of basketball, go and pay for such a process of "the lack of labor value" digital ownership. This is the place where commodity consumption began to become such symbols.

With the further development of the symbol, it can be consumed as a replica of the cultural symbol, such as a star imitating the shooting action of a famous athlete, or the pursuit of things that are popular on the Internet. The symbols here, such as the action of shooting, are popular all over the Internet, and themselves are codes based symbols on the Internet. The imitation and pursuit of celebrities on such symbols is a copy of the cultural symbols represented by themselves on the previous cultural symbols.

This is a "symbol + symbol" pattern. Because celebrities themselves consumed their own cultural symbols, and most of the contents they imitated was the new cultural symbols that were popular on the Internet at that time. Consumption, a simple and fashionable cultural phenomenon, is an infinite repetition of a cultural phenomenon. This is the "Simulacra", which is Baudrillard's most famous theory. His thoughts and theories in this part mainly set up a coordinate system to observe and understand postmodernism culture from the perspective of historical sequence.

In addition, Baudrillard proposed "The Three Orders of Simulacra" [7]. These three analogical sequences are in line with the sudden change of the law of value, and they have been making progress since the Renaissance. This focuses on the third stage mentioned, which is defined as Simulacra:

Simulacra is the dominant model in the current era, which is dominated by code.

Baudrillard also absorbed the post-structuralist ideas of Foucault and others, giving a new interpretation to traditional concepts such as “exchange-value” and “use-value”. So as to carry out the research on symbol exchange. In his theory, the internal conceptual framework is as follows [7]:

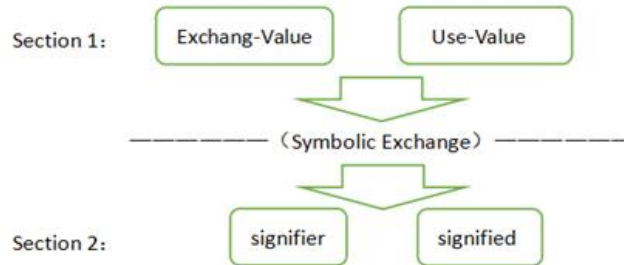


Figure 1 : Conceptual change framework.

When consumption enters the stage of symbol exchange, the exchange value and use value originally belonging to the concept of consumer goods have changed from the practical value that can be pointed to to the symbol. Therefore, based on the above views, the "signifier value", that is, the part used for basic human needs, is almost absent in NFT works of art. The "real" content pointed to by the symbolic form is empty, so the exchange of symbols is only the internal exchange of symbols and cannot interact with the real content in society. On the other hand, there is a similar mutation of labor and production processes, in which all the ultimate production content disappears, and production can only function as a code or code of one symbol. Both the content produced and the blockchain technology used by NFT digital art to grant ownership are just a series of numerical codes. This is the kind of code that people consume in this kind of consumption. At the same time, such code could in theory be copied and pasted indefinitely. Money and symbols, needs and items of production, labour itself became suspended. On the one hand, it is the end of NFT art "symbol real reference". On the other hand, it is the "real end of production authenticity" of NFT art. This has to do with the nature of NFT itself. Therefore, in order to explain that NFT art is a kind of digital art that lacks "authenticity" and is based on symbols, we should judge from the process of forming value of NFT art.

According to relevant academic researches, NFT has the following characteristics.

1. Decentralization. Decentralization refers to the use of blockchain storage technology to enable artists and collectors to conduct point-to-point transactions without being limited to intermediaries or third-party distribution.

2. Scarcity. The identification of NFT artworks is unique, and these data are tamper proof and protected. Although each work is independent, all data in a blockchain are linked. Once one of the data is modified, all works will be involved and changed. This ensures the collection value of each NFT art, making it naturally scarce and recognizable. We can trace the real and reliable trading behavior information so as to prevent the occurrence of bad behaviors such as selling fake goods and embezzlement, and maintain the stability of the art market.

3. **Droit de suite.** The right of droit de suite means that artists have the right to share benefits in every sale or auction of works of art, so as to protect their creative enthusiasm. This system is difficult to operate in the real world. However, because of the uniqueness of NFT works of art, clear ownership and the fight against counterfeits, the right of recovery is applied to all NFT works of art, and artists can get benefits every time they transfer works of art.

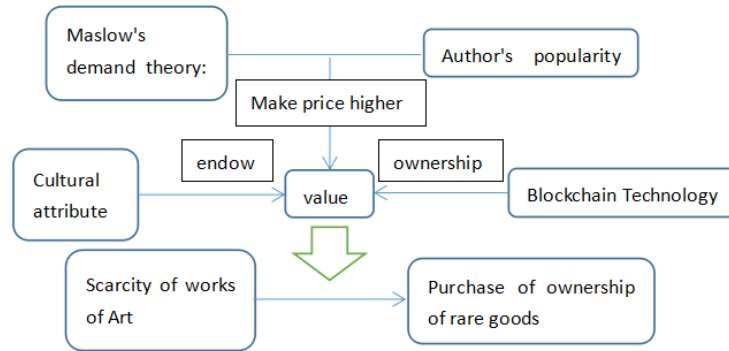


Figure 2 : The structure of the NFT's value.

It is for these reasons that NFT digital art can be sold like traditional art. The Figure 2 shows the analysis of the formation of NFT value.

Therefore, from the above-mentioned structure, NFT digital art has realized the technical value giving, and we can see that this value giving is realized through artificial technology and follow-up systems such as blockchain, and almost all of these are separated from labor value. This is the embodiment of NFT art as "the real end of production authenticity".

There needs to be a supplementary explanation for such digital art. That is, if it is just a simple cultural symbol, then why are there many high-priced NFT digital art auctions? If it is really just the simple spamming of symbols, then how can digital artworks with no real value be sold at high prices?

There are two sources for an effective commodity to obtain its exchange value: scarcity and the amount of labor required to acquire the commodity... The value of some goods is determined by their scarcity [8]. Here, Ricardo defined scarcity as a universal attribute of general commodities, and as a special commodity, the significance of scarcity in auction becomes more prominent. The achievement of NFT is the ability to make a series of digital products created by computers scarce through a large-scale intelligent protocols process. Then, the platform can publish smart contracts and record these contracts in the whole blockchain. Blockchain is a ledger of sorts, recorded on hundreds or thousands of computers. Every computer is a node. Moreover, each node will record the activities of painting creation, trading and so on. And each recorded block is connected to the block formed by the next transaction. This blockchain technology ensures that all content can not be completely tampered with. Tampering with smart protocols on hundreds or thousands of computer hosts is impractical. Therefore, when a digital product is born, people will no longer worry about its uniqueness, because its independence and originality are guaranteed with the support of blockchain. Finally, the value of NFT is often closely related to the popularity of the author. Jack Dorsey, the founder of Twitter, sold his first tweet for \$2.9m NFT, and THE DJ Justin Blau, auctioned off "the world's first tokenised album" for \$11.6m. Christie's now holds the record for the most expensive NFT sale ever, with "Everydays: The First 5,000 Days". A 5,000-piece puzzle of digital art by the digital artist Mike Winkelmann, also known as Beeple, sold for \$69 million, making it the third-most expensive work of art by a living artist sold at auction, more than the auction of Gerhard Richter, as well as most auctions of works by famous old artists [9].

Therefore, these commodities can be sold at such a high price, that is, people buy the ownership of this scarce commodity. Because what celebrities has is a scarce product in itself. Therefore, in this mode, NFT's sales have the following characteristics.

4. Cultural attributes: Cultural attributes means that the design is endless, which means that digital works of art are endless

5. Application of blockchain technology: Due to the copyright purchase of blockchain technology itself, in every transaction, in addition to the buyer and seller, there will also be transaction fees and purchase fees of the copyright of the original author, which ensures the sustained return of capital.

6. The popularity of the author: The higher the author's popularity, the higher the value of the NFT digital art produced.

Combining points 1 and 2, we can see that the popularity and promotion of digital art is actually an attempt of capital to achieve long-term sustainable profits. What some Analysis want to point out is that the popularity of NFT in 2021 is actually a hype by capitalists. The buyer of "Everydays: The First 5000 Days", was not a collector, but a veteran coinster -- Metakovan, founder of NFT fund Metapurse. He released 10 million tokens under the slogan "make art collecting more democratic." After his win, the price of the tokens soared from \$0.36 to \$28. Metakovan, through related party transaction, not only gained gimmicks in this auction, but also made a lot of money after deducting auction payment fees [10]. So when people saw the huge market for digital art, they started joining NFT. Those who promote all this will continue to benefit from these activities. Marcuse combined the views of Marxism and Freudian psychoanalysis, and strongly criticized the capitalist society from the Angle of science and technology. He proposed a new term -- "false demand". "False demand" refers to the demand that is not actually needed in people's life, and may be imposed on people because of special social interests or the social mentality of comparing, vanity and showing off. Consumption was originally the creation of human beings and the crystallization of human wisdom, but now people living in it feel bound, which is the biggest impact of the current consumption alienation phenomenon.

#### 4. Conclusion

Based on Baudrillard's consumption alienation theory and Simulacra theory, this paper analyzes the popularity of NFT artwork and its consumption logic behind it, and thinks that the development trend of digital products like NFT just reflects the sustainable and never-ending consumption development trend in capitalist society. Such as NFT, the infinite non-production authenticity of cultural symbols is the embodiment of consumption alienation. Therefore, as Baudrillard predicted, society has entered an era of unlimited consumption of symbols, and in this era, we have fallen into an era of unlimited production and extremely alienated content as imagined by western capitalism. At this time, to revisit the concept of alienation of Marxism is to remind the public that we can not treat this alienation in isolation from the social order, and the fruits of our production activities are possessed by capital and transformed into abstract symbolic concepts that can be used arbitrarily. In other words, recognizing that capitalism is a kind of alienated social ruling mode enables us to criticize the emergence of some forms of social organization and the conflict between individuals and society. It does not generalize this criticism as a rejection of society itself. Therefore, the possibility of a non-alienated society it contains has been preserved. With the continuous understanding of later generations, it can finally break the current situation of consumption alienation.

#### References

- [1] Shu Ling. (2011). *Philosophical Considerations on the "Alienated Consumption Theory" of Ecological Marxism*.
- [2] Nadini, M, Alessandretti, L. , Giacinto, F. D. , Martino, M. , Aiello, L. M. , & Baronchelli, A. . (2021). *Mapping the nft revolution: market trends, trade networks and visual features*. *Papers*.

- [3] Bell, & Daniel. (1976). *Die Zukunft der westlichen Welt (The cultural contradictions of capitalism, dt.)*. Kultur und Technol. Fischer.
- [4] Marx, & Liu Pikun. (1979). *Manuscript of Economics and Philosophy in 1844*. People's Publishing House.
- [5] Versveen, E. (2021). *Capitalism and alienation: towards a marxist theory of alienation for the 21st century*. *European Journal of Social Theory*, 136843102110215.
- [6] Baudrillard, J. (1996). *The System of Objects*.
- [7] Baudriya Xia Ying. (2009). *Pour une Critique de l'economie politique du Signe*. Nanjing University Press.
- [8] Li Jiayu, & Zhou Jie. (2013). *Political Economy and Taxation: On the Principles of Political Economy and Taxation*. Huaxia Press.
- [9] Chalkias, K. (2021). *Crypto collectibles, museum funding and openglam: challenges, opportunities and the potential of non-fungible tokens (nfts)*. *Applied Sciences*, 11.
- [10] Wang Dan. (2021). *Hot NFT, Tuyere or bubble*. *Financial Expo (Fortune)*(10),85-86.