

THINK-TANK

Education, population, poverty, tax...getting views on topics like those in Jersey isn't the difficult part – but have you ever noticed how many people sound eminently credible when talking about them, even though they may actually be basing their views on conjecture, false facts and blind guesswork?

There is a real danger in making the 'facts' fit the opinion, rather than the other way around – which is exactly the point at which someone with an eye on the latest buzzwords will smugly insert the phrase 'post-truth' into the conversation, imagining its actually helpful.

So, we've asked the Jersey Policy Forum to add some robust material to those crucial local debates – the point is not to provoke agreement or acquiescence; it is to provide reliable material on which others can build their views.

By Gailina Liew, Executive Director, Jersey Policy Forum

NFTs – Digital gold for creators and collectors?

Have you heard of NFTs? You're in good company if you haven't but it might pique your interest to know that people are buying up these things at what seems to be huge valuations. Some observers are even claiming that it's a new way for creators to be recognized and rewarded for their creativity, predicting that a new era in support for creators and collectibles is dawning. How valuable are they?

Christie's agreed to auction off an NFT titled **Everydays: The First 5,000 Days** - a collage of digital images created by American artist Beeple (graphic designer Mike Winkelmann) - at one of their auctions a couple of months ago. With 80 seconds left and the bid at USD25 million by Justin Sun (founder of the cryptocurrency platform Tron), Vignesh Sundaresan (Indian cryptocurrency entrepreneur) started to bid against Sun and raised the price by \$2 million, \$8 million and then \$15 million. With 8 seconds left, Sundaresan posted his final bid at \$60.25 million and Sun was trying to counter at \$70 million but the bidding system had a glitch and wouldn't accept his bid and Sundaresan won the auction (paying almost \$70 million in the end with fees). So, what did he buy?



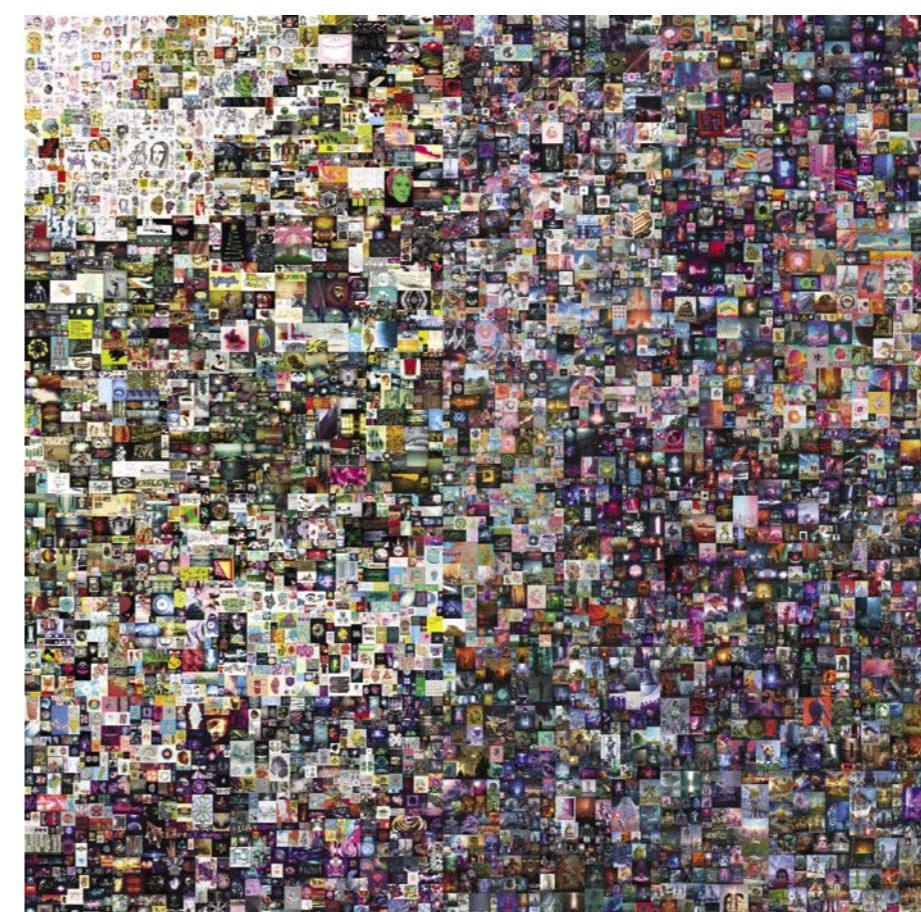
 Christie's®
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.@beeple 's 'The First 5000 Days', the 1st purely digital NFT based artwork offered by a major auction house has sold for \$69,346,250, positioning him among the top three most valuable living artists. Major Thanks to @beeple + @makersplaceco. More details to be released shortly

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At a technical level, NFT stands for "non-fungible token" and it is created on a blockchain (Ethereum seems to be the leader in this space) as a digital certificate of ownership of an asset. The asset has to be unique so that it can't be exchanged for an equivalent – that's what makes it "non-fungible" – picture Rodin's sculpture The Thinker, for example. Money as in bank notes and coins are fungible – if you have a £10 note, I can give you my £10 pound or two £5 pounds notes in exchange for your £10 note. If you run out of flour when baking your sourdough loaf, you can borrow some from your neighbor and then go to the market to get another bag for your neighbor – it's not exactly the same flour, but it's exchangeable.

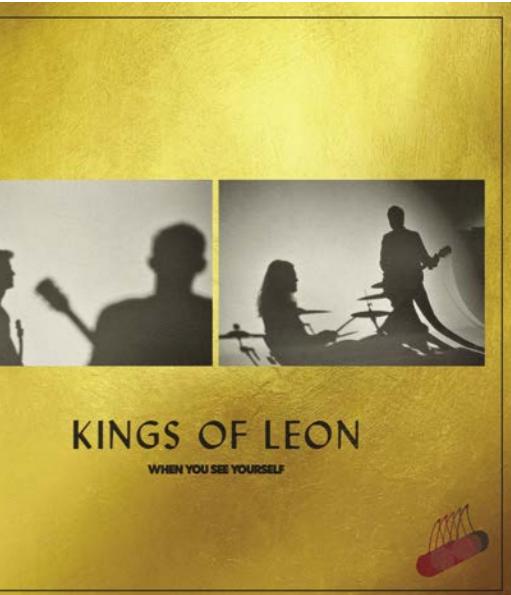


Everydays: The First 5000 Days by Beeple. Source: Christie's

Ownership normally means exclusive access – originals of The Thinker or the Mona Lisa painting can only be viewed where they are displayed. In the NFT world, images of the asset are often freely available to view on the internet so it's the token – the proof of ownership created on a blockchain - that is the unique and valuable bit.

Building a following is important to create value – Beeple had already sold 21 images he created on a digital marketplace called Nifty Gateway for \$3.5 million before his big sale at Christie's.

And NFTs are not just about digital art. Basketball fans have already spent \$230



 jack@jack

just setting up my twtrr

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million exchanging digital NBA Top Shot cards that capture classic moments – think of a painting with a limited number of authorized copies. A rare LeBron James card recently sold for \$200,000. The founder of Twitter, Jack Dorsey, sold a digital copy of his first published tweet for \$2.9 million. Grammy-winning Kings of Leon has released their latest album as an NFT.

The NFT world is evolving quickly, attracting new buyers and creators, igniting debates about art, and forcing traditional auction houses, galleries, and distributors to get up to speed on the technical aspects of creating a digital token on a blockchain and transferring it to the buyer's crypto wallet after the sale. Alex Rotter of Christie's says that it is building its own infrastructure for NFTs and thinks that "blockchains will be adopted by the regular art world".

What does Sundaresan think? He sees the impact of NFTs like the arrival of van Gogh in the world of painting and plans to create a museum of crypto art where people can examine each of the 5,000 graphic images of Everydays. "It's not just that I want to create a museum", he says. "It's that I want to create a museum like MoMA."