

# Transactional Art as a Form of Interactive Art

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## Abstract

Interactive media, especially the internet, are often used in an economic context where interactions are actually transactions. We focus on artists who *apply* economic principles and coin those works as “transactional arts”. We will introduce a few historic (non-media) examples and then show that many accomplished new media works actually have transactional features. The characteristics of the internet economy seem to facilitate this kind of art form.

In the field of transactional arts, buying and selling are means of self-expression, marketplaces are created as a forms of art, mesh-ups may resemble online businesses, commissioning and division of labor becomes a constituent of the artwork, personal finances as well as the financial markets are artistically reflected.

Most importantly, in transactional arts incentives become artistic material and artists facilitate or participate in all sorts of deal-making. Unlike many purely interactive artworks, transactional art explicitly appeals to the rationality of the participants and often seeks some sort of agreement - in other words - some sort of deal. The notion of value as the entity to be exchanged often becomes the central issue and various forms of capital coexist or are converted into each other. The setting of the transactions may vary as well; some take place within the art world others involve the commercial domain.

Transactional artists create not only aesthetic value but often also economic capital. They therefore tend to fulfill success criteria of both disciplines involved – here art and business.

*Keywords: Interactive Art, Transactional Art, Aesthetics of New Media*

## The Transactional Component

A basic form of interaction may be defined as a kind of cybernetic loop in which two agents (machine or systems) reciprocally listen, speak and think. As an analogy, a simple transaction may be viewed as a circuit, in which two agents exchange some sort of value.

In the artistic context the transactions may involve the artist, the audience, but possibly also subcontractors or contingent market-participants. The notion of value as the entity to be exchanged often becomes the central issue of the artwork. The settings of the transactions may vary: some may take place within the art world, others involve the commercial domain and some artists even create their own marketplaces. In this sense transactional arts stand in the tradition of art-forms taking place in the social sphere.

The notion of interactivity has also been reflected in the field of aesthetics, especially in the context of interactive art. Nicolas Bourriaud (2002, p 112) introduces the concept of relational aesthetics as a “set of artistic practices which take as their theoretical and practical point of departure the whole of human relations and their social context, rather than an independent and private space.” Similarly, Jean-Luc Boissier (2002, online) considers relations and relationships as the genuine determinants of interactive art.

In economic terms a transaction is defined as an agreement between a buyer and a seller to exchange an asset for payment or as an economic flow that reflects the creation, transformation, exchange, transfer or elimination of economic value. Interestingly, both, Boissier and Bourriaud include all sorts of social interactions but do not refer explicitly to transactions, though outside of the art context probably one of the dominant forms of social interaction.

## Duchamp as an Early Transactionalist

Marcel Duchamp may be considered as an early “transactionalist”. In 1919 Duchamp paid his dentist, Daniel Tzanck, a passionate art collector, with a hand drawn enlarged facsimile cheque as compensation for services rendered and as a piece of art at the same time (Judovic,1998). In 1924 he issued 30 “Monte Carlo Bonds” over 500 Francs each, and apparently raised funds from his friends in order to play Roulette at the Monte Carlo Casino promising 20% p.a. interest redeemable in three years. However, his gambling strategy did not beat the odds, but he didn’t lose either and paid only once 10% interest, one year later. In purely financial terms, the purchase of the bond may appear as a loss, but considering the deal as the acquisition of an original Duchamp artifact (that even earned a 10 % return) it may be construed as a great buy.

As with his ready-mades, the accomplished artist Marcel Duchamp creates value by an act of declaration - here in the form of an amicable deal (leading to a contract as an artistically designed and signed bond certificate) with his audience, i.e. collectors. Interaction becomes transaction manifested as a financial instrument, issued and authorized by a self-empowered artist who actually benefited financially.

### Disinterestedness, Value and Conversions of Capital

Artworks with a transactional component tend to challenge a fundamental western aesthetic conception demanding art to be entirely separated from the economic sphere. So was Duchamp repeatedly accused of lacking detachment from material concerns, though he appeared to be mainly interested in the speculative and provocative aspects of his works.

Does transactional art automatically violate the principle of the autonomy of art? If art today can reflect any subject and strategy of any context in society, then why not the economic transactions which ubiquitously surround us?

Pierre Bourdieu (1945) referred to various concepts of value as “forms of capital”. He differentiated between economic (financial), social (concerning relationships) and cultural (referring to knowledge) forms of capital. Later, symbolic capital (social status) was added. We will observe that in transactional artworks various forms of capital are simultaneously created and potentially converted into each other. These “conversions” lack, of course, a clearly defined conversion rate. Instead, they may remind us of Freud’s (1960) understanding of humor as a kind of joyful play with the ambivalence of words leading to a surprising revelation of a double meaning in a joke.

### Examples of Transactional Arts

#### Denial of Profits – Economies of Dissipation

In many cases where a transaction happens between artist and audience, the artist deliberately wastes or destroys a potential gain. Thereby he apparently contradicts the central premise of modern economics assuming a “rational agent” pursuing maximal profit (this assumption has extensively been questioned within the economic discourse). These works may be interpreted in the context of an economy of dissipation in the sense of Georges Bataille (1946), who states, that the accursed share is an excessive and non-recuperable part of any economy, to be spent in either in the arts or non-procreative sexuality in order to prevent catastrophic outpourings in war.

In 1958 Yves Klein sold void space in Paris for gold, which he threw afterwards into the river Seine. Fifty years later Zoe Sheehan Saldana breeds plants as an online performance and gives them away at the end of the project. In the 70ties happenings provided all sorts of amenities to the audience. In the light of today’s “attention economy” where perception is valued in the currency of “eye-balls”, these kinds of deals may appear less one-sided.

Internet culture and economy are highly influenced by the idea of the give-away: free software, the open source-movement, Wikipedia and most Web 2.0 characteristics rely on an economy in which sharing and giving are expected as a default attitude. If one may want to refer to these interactions as transactions which are often driven by idealistic motivations, then the payments seem to be based on primary non-monetary

rewards. Of course, the idea of a free sample as a vehicle leading to further transactions is a well established sales strategy widely applied in the digital economy.

### Bridging Various Arenas of Exchange

Creating counter-economies which are more or less entrenched with the real world is a strategy only few artists have the resources to do. The Dutch artist group Atelier van Lieshout designed for their utopian state-like territory in Rotterdam a currency called AvLs, which are convertible at an exchange rate of 1:1 into beer.

Entrenched with the outside world are also many economies which emerged around virtual worlds and multi user online games economies. For example, here not only players and virtual artifacts can be traded, but also the off shoring of labor intense activities to low wage countries is facilitated.

### Accounting – Financial Diaries

Artists like Danica Phelps reflect their personal life in the form of a diary on daily transactions. The transactions stand for “emotional exchanges” in analogy to an accounting book keeping record of the in and out flows of cash.

Burak Arıkan discloses in the online project *MyPocket* his personal financial records to the world in order to predict his future spending. After a predicted transaction happens, its receipt is marked with a green stamp, which shows the probability of the prediction.

### Value Creation through Labor

*Karl Heinz Jeron* in his piece *Will Work for Food* creates small robots, which are sent to the audience in exchange for food sent to the artist. The robots can be “rented” for food and have the ability to draw and whistle. Since the robots are not the consumers of the food therefore the installation seems to subsidize the artist himself. The recipient provides food and the artist sends him a robot in return, which performs an audio visual artwork, an aesthetic product, which can be kept.

### Mimicry of Organizational Structures and Financing Models

Many artists especially media artists have actually applied business practices. The art groups Etoy and RTMark not only mimic the organizational structure, appearance and rhetoric of multinational corporations, they also issue stocks and/or mutual funds in order to allow the audience to support their activities. Interesting enough, these groups use capitalistic financing techniques in order to realize critical artworks with an anti-capitalistic flair. The transactions involved may be seen as some sort of commissioning or sponsoring which has become part of the artwork itself.

### Distribution - Shops, Buying and Selling as Artistic Expression

In transactional arts buying and selling may become means of artistic expression. Christine Hill has chosen the form of a shop for her installation “Volksboutique” in which she initially sold objects. During her “Ebayaday” performance curated artists could sell their work.

The creation of social capital and a way to overcome certain mechanisms of social exclusion provides the Spanish art group “Mejor Vida”. All sorts of subversive goods and services, “items for a better life”, can be ordered through this online shop: fake subway tickets, student ID cards stamps “as well as printable barcode stickers supposed to lower prices”.

So called “auction artists” (Atkins, online) use existing market platforms such as Ebay for highly conceptual artworks to auction off e.g. their time and availability (Carey Peppermint), private data (Jeff Gates), or their “body, with minor imperfections” (Michael Daines). Often artists experience no demand for these offers at all. Suggesting potential transactions becomes the artwork, even if these transactions actually never happen.

### Online Customization, Commissioning and Mash-ups as Value Chains

The economic principle of division of labor has become the artistic attitude for artists like Andy Warhol, Jeff Koons and Mark Kostabi who outsource parts of the creative production. In media art it online commissioning may be viewed as an extension to this trend.

*A.Koblin* initiated with the project *The Sheep Market* a collection of 1000 sheep created by workers on an online work platform. Each worker was paid 0.02 US\$ to “draw a sheep facing left”. The artist then offered these drawings as “lickable stamps” for 20\$ each to be ordered via the website. In *Ten Thousand Cents* he and *T. Kawashima* let the online workforce create a digital representation of a \$100 bill. Thousands of individuals painted a small part of the bill without knowledge of the overall task.

Related to his auction art are *Carey Peppermint's* online commissioning activities, where he allows the EBay audience to conceptualize an artwork. In the tradition of conceptual art he will then execute these tasks and document them. IP rights are shared between him and the commissioner.

The art-group *We Make Money and Not Art* uses Google ads to generate revenue from the hits on their website. For the digital activism project *Google Will Eat It Self* the group *Uebermorgen* designed a value chain as a closed circuit of transactions: they first generated profits by manipulating the Google ad-sense program and used these funds to buy stocks of Google.

Another way of a business mesh-up and a new way of reflecting Intellectual Property licensing and the re-use of creative products is work by *Philippe Parreno*. He acquired the rights (for 500 Franc) of a digital Japanese manga character called *Annelee* from an animation company, revamps the design and then allows other artists to use it for their work, i.e. create artworks with it.

#### Facilitating the Exchange of Values - The Market as an Meta Art

A. Galloway states that today's internet protocols are “synonymous with possibility” and that the internet facilitates the economic form of market places. Media art has always been the creation, design, structuring and control of possibility spaces (the set of choices offered by non-linear media) and artists have attempted to continuously expand these. One transactional artistic strategy is the creation of market places itself. The artist may not participate in any transaction, but merely provide the platform for potential transactions.

Without an explicitly artistic intention *Robin Hanson* created *Idea Futures* a market platform to bet on opinions. He considered this online market a potential tool for collective decision making and won the Prix Ars Electronica Price 1995 for this work.

The art foundation *Mediamatic* hosts a matchmaking service facilitating, e.g. encounters with *Russian Brides*. This marketplace is meant as a contribution to the discourse around foreign workers in the Netherlands and a critical reflection of the respective immigration policies.

*Christin Lahr* initiates a market for the exchange of personal data as a critical work on privacy issues in the internet. With *SellBack* she allows the audience to evaluate their privacy data and then offer these data on her market platform.

The project *Open-Clothes.com* envisions a platform for all transactions and interactions around the design and distribution of customizable clothes and won also an Ars Electronica distinction award for communities in 2004.

For these artistic online markets the principles of web 2.0 internet economy seem to apply. As the ideal media to match niche demand and niche supply (according Chris Anderson's (2006) Long Tail assumption) these markets become niche products themselves, often defying their lack of liquidity. Collages of transactional modules may be meshed-up in this art form, similarly to the value chains of online businesses.

An actually functioning real time market running over years have the art group *Derivart* installed in the centre of Barcelona. They founded the *Bar Bolsa*, a pub in which the prices for alcoholic drinks fluctuate according to demand.

## Reflecting the Meta-Business of Finance

Finance is considered the “brain of an economy” and as a service sector facilitates the allocation of capital and the mitigation of risks within a society (and/or the global economy). The mechanisms of risk and reward, investing and speculation have interested artists such as Duchamp, as we saw earlier. However, this field may not be extensively explored by artists.

Relying on his expertise as a non-professional stock trader, artist Michael Goldberg played the stock market for three weeks from a gallery generating charts and other forms of data visualization as output. He had built a form of “strategic interface” to the online market in the form of a tower. Goldberg had raised 50.000 AU\$ from befriended investors, traded without personal risk and closed with a 1000 AU\$ loss<sup>1</sup>.

## Creative Deal-Making

Though many transactional artworks seem to rely on some sort of agreement, not many artists address them openly. *Christin Lahr* instead, makes agreements and contracts the explicit subject of her works. In the German project *Nichts Zu Verschenken (Nothing to Give Away)* she offers the audience to sign a gift contract about “Nothing”. This contract can later be sold like any artwork and a profit can be made. If the audience does not sign, they also have “Nothing”, but they do not have the right to benefit from the appreciation in value – the artist claims.

## Conclusion - Principles of Transactional Arts

Many interactive art works make use of interactive media in a transactional way and transfer values. The artists take seldom profit and in case of financial gains they are often deliberately given away. This may be part of the aesthetic heritage to 18<sup>th</sup> century aesthetics and the requirement of the disinterestedness of the aesthetic judgment.

The transactions involve various forms of capital, e.g. cultural, social, economic and symbolic capital. The aesthetic success of a transactional artwork seems not to depend on a successful transaction. So, even in the cases of unanswered auction art offers and illiquid markets - one may argue in favor of transactional art – their aesthetic value as a form of cultural capital is not diminished.

Artists using interactive media design possibility spaces. Artists using transactional media work additionally with incentives. As governments steer the behavior of their citizens e.g. with tax incentives, artists now facilitate and/or execute transactions as part of their work. They craft deals and foster the exchange of values. Sometimes they design decision architectures where they may “nudge” participants into desired behaviors.

The social positioning of agents involved plays an important role in transactional art. Their actual negotiation power becomes a constituent of the artwork. Therefore transactional artworks are always “aspectual” and relative to the social positions of the agents involved. The characteristic of variability of interactive media and transactional media may haul this kind of art.

Artists reflect their negotiation power in various ways, often with an audacious gesture of self-empowerment. The artist often creatively circumvents the weaknesses of his social position and claims the possession or creation of fictitious values. As demonstrated by Duchamp non financial value were successfully exchanged for other forms of capital and generated, besides the artistic merits, financial profits for the artist.

Often transactional artists provide a meta-platform for others to post their offers and demands or even design incentive-structures. In this sense, transactional art leads often to meta-art works enabling creations by others in general and/or artists in particular.

Since many transactional artworks involve deal-making, an element of rationality is characteristic for the interactions taking place. Whoever the counterparty is, she has to accept the offer preceding the transaction.

Therefore transactional art involves a kind of agreement or contract which may be implicitly or explicitly stated. The core function of contracts is to organize the transfer of values; therefore it is not surprising that transactional artists actually reflect this kind of social agreement. The proposed deals have to appeal to the value systems and rationality of the participants, even if they come from different social contexts. This may be seen as a refreshing alternative to the proven artistic strategies of the dysfunctional and absurd.

As a highly interdisciplinary art form, transactional art offers insights in how disciplines may inform each other and how interdisciplinary works are actually judged by the contributions they make to *all* disciplines involved and to what extent they fulfill the success-criteria in the different domains, here the art and business world.

Many of the transactional artworks we saw spell out a radical critique of capitalistic principles. With the development of the internet as a transactional medium and its reflection by artists there may be future potential for more constructive explorations of social interactions in general and capitalism in particular. Transactional art may be highly demanding to its participants but - since always situated within the contexts of economic resources and spheres of power – could reward society with some valuable insights.

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