

February 28 – April 25, 2012

Gerald Nestler

ON PURPOSE. The New Derivative Order

... the market is always right, it's a life form that has being in its own right. You know in a Gestalt sort of way – it has form and meaning – it has life, it has life in and of itself ... and we are a sum of our parts, or it is a sum of its parts.^x

| Speculation—Risk | Credit—Debt | Contingency—Probability |
| Value—Price | Volatility—Leverage | Algorithms—Decision-making |

The impact of financial markets on the social construction of reality has become thoroughly evident. From this perspective, a society that has incorporated economic interpretations of narratives and concepts such as credit, debt/guilt¹, risk or speculation faces a specific challenge: To what extent have we abandoned the present for a future we cannot know even if the most complex mathematical models are employed?

ON PURPOSE. The New Derivative Order addresses the proposed terms, which have been appropriated to a high degree by financial and economic interests. The aim of the exhibition is to engage in a discussion around these terms and their respective relevance not only for our perception but also the production of the world. This includes the arguably all-encompassing, netlike appearance of the financial empire, repercussions on social institutions and the effects on individual modes of self-realisation. The artistic involvement does not stop at a critical account. Rather, potentials are addressed that go beyond the status quo of a neoliberal and financially dominated world in order to multiply the narratives and fictions behind the above-mentioned notions by re-appropriating individual and common agency.

ON PURPOSE. The New Derivative Order is a work in progress assembling artworks and performances as well as talks and discussions with economists, traders, sociologists, philosophers and artists. The events and their participants are objects of the exhibition equal to the installations, videos, voices, drawings, texts and algorithms – they all inhabit and populate the space (partly temporarily) and create contexts for thoughts, acts and objects and thus for further research as an associative practice.

^x Extract from an interview by Karin Knorr Cetina with a trader in: "From Pipes to Scopes", Journal Distinktion, Issue on Economic Sociology 7: 7-23, 2003

¹ It might be illuminating to know that in German „Schuld“ and „Schulden“, i.e. debt and guilt, are etymologically related.

Exhibition

The exhibition is part of an ongoing project that implies that only a profound exchange between art, philosophy, sociology and economics (particularly methods and practices of the financial industry) allows for a radical reflection of the issue at stake. This is an essential prerequisite to contribute not only to a critique but also to a redefinition of narrative elements in-between social evaluations and relations.

The exhibition has 3 formats, which together form an exchange on the impact and relevance of finance in respect to social relations: artworks / performative events / workshops, talks and discussions.

Artworks (further information see below)

Videos, sculptures, installations, photography, audio and text works, algorithms.

The setting of the exhibition changes during the show. The artworks can be understood as part of an interrogation of the following questions: In which ways does our imagination of reality change by a perception influenced by economic and financial interests? Which purposes, ideologies and technological penetrations are behind the distortions we today see in the social fabrics on a global level? How can we lever out dominating interpretations and realise new approaches in the area of agency in a social environment that is significantly made up of a fusion of economic interest, mathematical codes and technologies of space and time.

Performative Events (see also below)

Performances are staged at the exhibition opening and as part of a workshop with performers and choreographers. The workshop Europe In Motion is a EU-project by brut (Vienna), Bimeras (Istanbul), Dance4 (Nottingham) and springdance (Utrecht) mentored by Jonathan Burrows and Gerald Nestler. The participants develop interventions that revolve around the body as the place of ideological objectification of capital and labour. The performance is part of the performance festival imagetanz.

Talks and discussions (see also below)

The theme of the exhibition is also examined on a more theoretical level by talks and discussions with participants from different fields of research. These meetings address political, philosophical, sociological and artistic questions in a close reading of financial markets and their ideological as well as methodological foundations and rationalisations.

In this context, A PhD seminar of the Centre for Research Architecture, Department of Visual Cultures, Goldsmiths, University of London was hosted at which amongst other questions contingency was discussed as a medium in relation to philosophy, sociology, finance and art as practice-based research.

Contributions by:

Elie **Ayache** (options trader, quant, philosopher, author of “The Blank Swan. The End of Probability”)

Jonathan **Burrows** (choreographer and performer)

Sylvia **Eckermann** (artist, video installation *Crystal Math*)

Brian **Holmes** (art and cultural critic)

Karin **Knorr-Cetina** (sociologist, University of Chicago)

Other guests and contributors include:

Konrad **Becker** (artist, world-information.org)

Katja **Mayer** (researcher in science studies, University of Vienna)

Armin **Medosch** (artist and researcher)

Stefan **Nowotny** (philosopher, member of eipcp, Vienna)

Felix **Stalder** (sociologist, world-information.org)

Simon **Streather** (artist and actor)

Peter **Szely** (composer, electronic sound artist)

Centre for Research Architecture, Goldsmiths, University of London (director: Eyal Weizman)

The exhibition project is an initiative of Gerald **Nestler**. In his artistic research Nestler focuses on the influence of financial methods and processes on social institutions and individuals. From 1994-97 he worked as a broker and trader, which he refers to as his fieldwork in an area that by fusing technology, mathematics and economics has become hugely influential as a field of social production since the 1970s. One example for his transdisciplinary practice is *Yx . fluid taxonomies--enlited elevation--voided dimensions--human derivatives--vibrations in hyperreal econociety* (Schlebrügge Editors Vienna, 2007), a book which introduces finance as a field of artistic research. An artist book as well as a reader, the publication gathers contributions by artists, social scientists, philosophers, and economists. Nestler co-edited the issues 200 and 201 of the German art magazine KUNSTFORUM International on “art and economy” in 2010 (with Dieter Buchhart). Nestler is a practice-based PhD-candidate at the Centre for Research Architecture, Department of Visual Cultures, Goldsmiths, University of London working on „Contingent Claims and Human Derivatives. From the commodity fetish to a relational daemon of self-colonisation“ (working title).

www.friendsandart.at/GeraldNestler/onpurpose.html

geraldnestler.net

Thanks to:

Alois **Bernsteiner** and his team who made this exhibition project possible as well as Ricarda Denzer, Christian Droste, Susanne Haider and art:phalanx, Bettina Kogler and brut, Bruce Stinson, Klaus Strickner, Peter Szely and everyone at the Centre for Research Architecture, Goldsmiths, University of London.

Events

Exhibition, performances, workshops, talks and discussions

- February 28** **Opening** and performance *Volatility Smile*
Introductory words: Eva Blimlinger, rector of the academy of fine arts Vienna
- March 3 – 12 Workshop with performers and choreographers by Jonathan Burrows and Gerald Nestler as part of the EU-project Europe In Motion (in collaboration with brut).
- March 11, 6 pm** **public event**
Performance (in cooperation with the festival imagetanz)
With Katharina Aigner, Fernando Belfiore, Talin Buyukkurkiyan, Gary Clarke, Mary Kate Connolly, Fatih Gençkal, Lise Lendais, Setareh Fatehi Irami.
- March 15 – 17 PhD-Roundtable, Centre for Research Architecture, Department of Visual Cultures, Goldsmiths College, University of London. With Eyal Weizman, Adrian Lahoud, Karen Mirza, Nabil Ahmad, Charles Heller, Paulo Tavares, Runa Johannessen. Guests: Marion von Osten, Stefan Nowotny (eipcp), Konrad Becker, Elie Ayache and Karin Knorr-Cetina.
- March 18, 6 pm** **public event**
The Medium of Contingency – Econociety, Global Financial Markets and Human Derivatives
With Elie Ayache (options trader, philosopher), Karin Knorr-Cetina (sociologist, University of Chicago) and Gerald Nestler. Moderation: Katja Mayer
Sound by Szely.
- April 14, 6 pm** **public event**
Technopolitics and Technofinance, and the role of art as a critical practice.
A talk by Brian Holmes (art and cultural critic) with responses by Armin Medosch (artist and researcher) and Gerald Nestler followed by an open discussion.

The exhibition, its setting and objects change with the performances and events.

Artworks

CONTINGENT CLAIM

Contingency

Video, 35 min.

The video work shows Elie Ayache, the author of *The Blank Swan. The End of Probability*, 2011. Ayache, an options trader, financial engineer and philosopher, elaborates on his interpretation of derivative trading based on his reading of philosophical works by e.g. Quentin Meillassoux, Alain Badiou, Gilles Deleuze and Henri Bergson. In his critique of financial markets dominated by banks he replaces probability with the concept of contingency. Opposing the notion of value (which for Ayache is not a market category) he defines price as absolute (in the sense of Q. Meillassoux, "After Finitude", 2011). In his reading of J. L. Borges' text "Pierre Menard Author of the Quixote" he holds that prices are realised by writing as a contingent practice. The video is incorporated in the installation *Bottomless Pit, Elastic*.



BOTTOMLESS PIT, ELASTIC

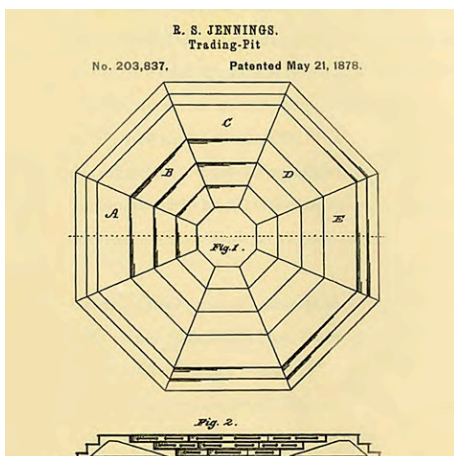
Volatility

Installation

A trampoline or swing, the movements of the volatile architecture become tantamount to a random walk when visitors get involved. The work constitutes the skeleton of a “being” or “lifeform” – terms traders use when describing financial markets (see Knorr-Cetina quote above). Underlying it is an archival net of materials assembling on the one hand attempts to rationalise the situational technology of the future (due to the location of the exhibition, works by the Austrian School of Economics and theories guiding on them) and on the other hand critical and opposing work. The installation gives evidence to the inherent volatility of the financial framework: The market as the oracle of an instantaneous construction of future(s), which reduces to absurdity rationalisations with mathematical, social scientific and economic models. Thus, the work proposes a radical artistic and philosophical involvement in re-addressing the notions of margin, debt, credit, risk, speculation, and automation against what some term our ‘future’.



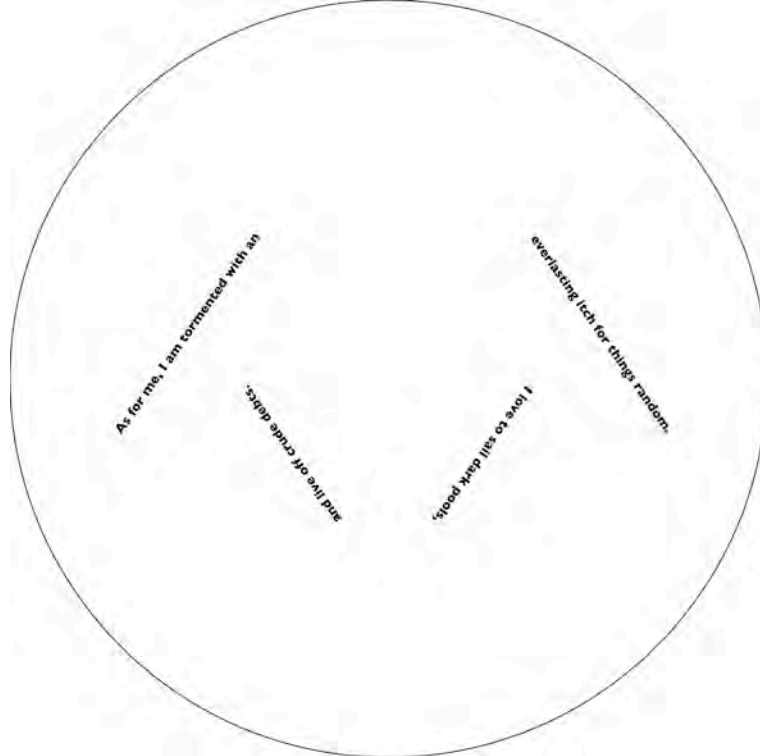
THE NEW DERIVATIVE ORDER
REGISTER of THINGS WRITTEN
TRIVIAL and NON-TRIVIAL
INCOMPLETE and CONTINGENT and SUBJECTIVE
realms
UTOPIAN DYSTOPIAN ATOPIAN
METAPHYSICAL IMMANENT TRANSCENDENT SYSTEMIC AUTOPOIETIC
DIALECTIC REALISTIC IDEALISTIC MATERIALISTIC NON-DIALECTIC
CONTAGIOUS SPAWNING EXPECTING POSITIONAL FIXED
REAL VIRTUAL ACTUAL CONCEPTUAL HANDS-ON
worlds
HEGEMONIC MARGINAL PRECARIOUS
diverse -POLIC multi -GENIC varied -CRATIC
ACADEMIC BESTSELLING MUNDANE CRYPTIC
order
RANDOM WALK



LA DERIVATION HUMAINE

Speculation—Risk

Work in progress. Text works as well as modified quotes from different sources, e.g. Jorge L. Borges (Pierre Menard the Author of the Quixote), Aristotle's definition of tragedy (from his Poetics) or Jack London (from The Heart of Darkness) are part of works or applied temporarily respectively.

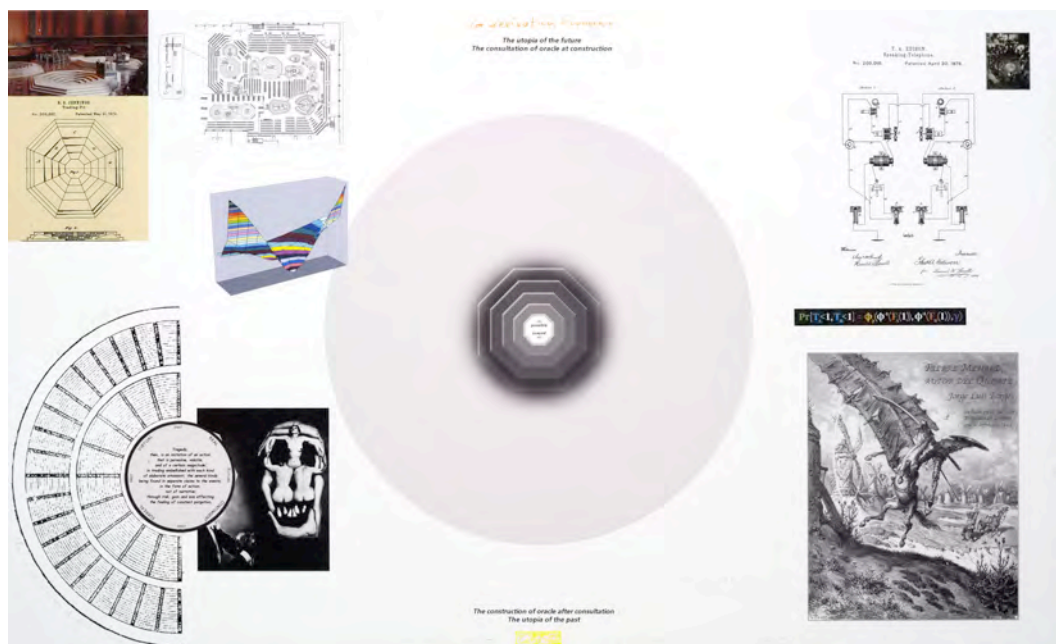


IN THE EYE OF THE STORM THE FUTURE RESTS

Decision-making

Assemblage, drawing

Based on the architectural design of the trading floor that precedes architectural modernity (patent by Ruben Jennings, 1878) the work maps its relations to contemporaneous developments in communication technology on the one hand and historic precursors such as the Greek theatre (initially a place of oracle) on the other hand. The work produces a panorama that traces divinatory practices from the construction of the oracle after consultation in ancient Greece to the construction of the oracle during consultation as dissolution of the present into an ideology of future(s) – the characteristic method of today's scopic and global theatre of finance.



I'VE NEVER SEEN ANYTHING LIKE THIS

Algorithm

Audio recording

Financial algorithms (the name goes back to the 9th century Arabic scholar Al-Chwarizmi) are not only applied to transact complex processes but increasingly also to outsource decision-making. Currently operating at a speed of approx. 30 milliseconds they transcend the human threshold of perceptibility. The Flash Crash on May 6, 2010 (named after a term used for high-frequency trading) was called a “watershed event” by LSE-sociologist of finance Daniel Beunza since the date marked the first instance that algorithms triggered a collapse of prices. An audio recording of the incident from the S&P trading floor in Chicago elucidates this event at which human actors were ‘expelled’ for a period of time from market activity by automated trading schemes. Latest investigations into the matter oppose the SEC report and instead proclaim that wilfully initiated predatory trading algorithms have triggered the collapse (<http://www.zerohedge.com/news/skynet-wars-how-nasdaq-algo-destroyed-bats>).

LOVE IN THE 21ST CENTURY (COOL POP)

Margin—Leverage

Sculpture

Ice sculpture in the courtyard of the art space depicting the word *credit*.

Installed for the opening of the exhibition, the work melts contingent on the weather conditions. *Love in the 21st Century (Cool Pop)* re-actualises Robert Indiana's famous sculpture *love* (1964) by raising the question of the current state of recognition. The term credit is applied to reflect upon our perceptions of social appreciation and thus acts as an indicator of its relevance today.

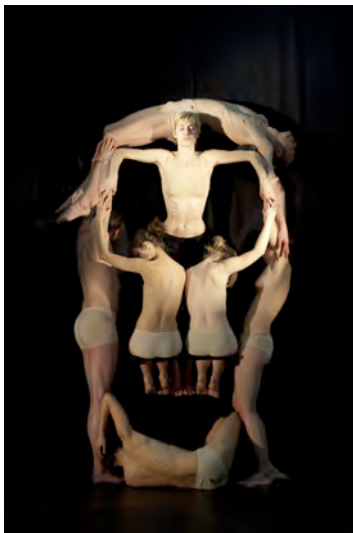


VOLATILITY SMILE

Credit – Debt

Performance

With Agnieszka Dmochowska, Karin Pauer, Gabri M. Einsiedl, Julia Mach, Filip Szatarski, Jasmin Hoffer, Martin Tomann. The performers stage a living sculpture or tableau vivant derived from Dali/Halsman's work *In Voluptas Mors* (1951). The common task is to act out a virtually (physically) impossible approximation to the photomontage and to hold the position as long as possible. Form and endurance effect a visual event that – far from being surreal – depicts the absurdity of current models of 'coherence' in the construction of community. A series of photographs of the performance is shown in the exhibition.



SPEECH ACT ALGORIZM

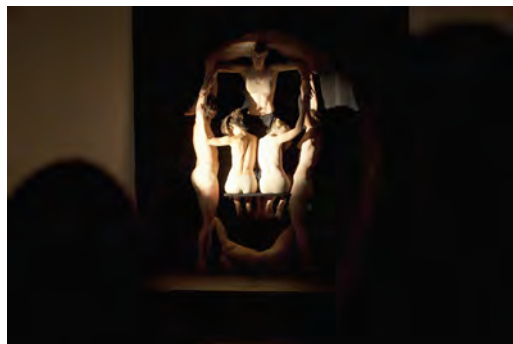
Derivative

Drawing / Writing / work in progress

A large piece of paper serves as a recording medium of the discussions and talks and becomes a medium of agency over the course of the exhibition. The Black-Scholes formula – the arguably most significant mathematical formulation of derivative option trading (awarded with the Nobel Prize in economics in 1997) – is inscribed as a “water mark”. The 1987 market crash is considered the event when the mathematical model collapsed in the face of trading as an emergent activity. Nevertheless, the formula continues to be used widely but option prices are calibrated in order to protect against incommensurability. Speech Act Algorizm incorporates the notion of recalibration and critically addresses social and cultural moments of derivativisation to activate a turn from transaction to action.



Exhibition views:





Special project in the Basement of Kunstraum Bernsteiner:

CRYSTAL MATH

Value—Price

Video installation: Sylvia Eckermann

Lyrics/ title: Gerald Nestler, Sound: Peter Szely, voice: Simon Streater

Installed in the basement of the kunstraum BERNSTEINER, *Crystal Math* addresses the notion of the net as persuasive trap rather than communication tool – a pervasive scheme ranging from finance to data retention to web 2.0. (e.g., the branding of Facebook as a social network stands in stark contrast to its actual value as dark pool – unregulated exchange place – of information). In the words of Anthropologist David Graeber, “...that process that dislodges people from the webs of mutual commitment, shared history, and collective responsibility that make them what they are, so as [...] to make them exchangeable—[...], to make them subject to the logic of debt”.² In finance, mathematical models (algorithms) not only make up 80 per cent of transactions in Western financial markets today; decision-making is sourced out to these processes as well. What we could therefore call a quantitative turn in finance manifests itself as a growing dependence, if not addiction, to mathematics. The notion of truth expressed in mathematical formulations has become a ‘divinatory science’ unfolding in a bottomless pit of split seconds so ‘profound’ that it not only opens deep gulfs between actors but also produces risks and hazards opening up yawning chasms in the social fabrics of societies and their institutions.



² David Graeber, *Debt. The First 5,000 Years*, New York, 2011, p.163

THE NEW DERIVATIVE ORDER

My skin's a neat thing
Inhibiting and enforcing
Waves of corporate nervous streams.

My flesh is a neat thing.
Moving about freely
I rise again and again
To spill my love into you.

Pervasive
Accumulative
I commune.
Ecstatic
Erratic
I sing my volatile tune.

I change modes
And composition.
I contract commodified visions.
I'm your recombinant
Social DNA

I thrive
When you gather in hope.
And I wither
When you fall in despair.
I move in seasonal tides
But my seasons
Are way to elusive
For you to cherish the ride.

So be assured!
In your presence I dwell
And I smile
At the surf of all your human desires.
In your future I thrust
And I gaze
At the tide of your falling pride
When you yell at my depthless mires.

Oh! You drink me and drown
Oh! You eat me and choke.
For it's you I digest.
For it's you in whom I invest.
Oh, baby! How you nourish me!

I change modes
And composition.
I contract commodified visions.
I'm your recombinant
Social DNA

But some say: I am running on empty.
Uncovered,
And that it's a crime.
My lifespan is but a quarter
And my value's not worth a dime.

They say: I'm a loaded gun,
A structural affliction.
And that my derivative yields
Only feed bubble-fiction.

They say: I'm reason's veil
A mere mirror of your emotions.
I only reflect what is pale,
A blasphemous contortion,
A daimonic religion to fail.

But my love! Be assured!
I'm a bastion of calm
For I won't disappoint you
When you come and surrender again.

Oh! You drink me and drown
Oh! You eat me and choke.
For it's you I digest.
For it's you in whom I invest.
Oh, baby! How you nourish me!

Oh! It's a quick deal.
Oh, such an easy feel',
You make me live
And I make you die
For intertwined our longings lie.

I change modes
And composition.
I contract commodified visions.
I'm your recombinant
Social DNA.

Private consumption
And debt
Are all that I ask
And here is my bid in exchange:
That into my branded mind's
Immaterial texture
You breathe out your name.

So be assured!
I fulfill your dependence
On financial nutrition,
On unquenchable futures,
And that game of hire and fire.
Oh, baby! All those thrills
you so dearly admire.

I change modes
And composition.
I contract commodified visions.
I'm your recombinant
Social DNA

Quasi-poetic science
Co-opts alliance
Charging my voice.
I renew my licence
Enunciating the essence
That alone is never due to expire:
You are my pray and I'm your desire.

So, my love!
Be assured!
I'm no entity
Nor nature's child.
I tender no single chance
For shorter or longer
I'm taking a glance
At you, my options advance.

And I stay put
To call that moment
Of another time
And I see its trailing behind,
An arena fluid and sublime:
All life a commodity
Exchanged in my realm.
Traded endlessly
In numbers more than divine.

My fluid body is the emergence Of truth.
It's my temporal field
Where your space becomes Loose.

So be assured!
I adore you, my lamb
But beware of my wrath.
Live in my shelter
Or your world
Shall go bust.

Events and performances



Discussion with E. Ayache, K. Knorr-Cetina, K. Mayer, members of the Centre for Research Architecture and guests, March 18, 2012



Brian Holmes and guests, April 14, 2010

Performances, March 11, 2012

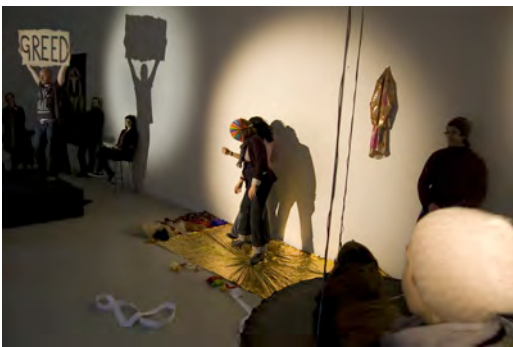


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Reference images of *Love* by Robert Indiana: <http://www.deerwith.it/2011/sztuka/gallery-1950-supreme/attachment/robert-indiana-lovenyc> and *Voluptas Mors* by Dali/Halsman: http://en.wikipedia.org/wiki/Philippe_Halsman.