

Vermeir & Heiremans
Present

AN

Initial Public Exhibition
with Symposium and Publication

of

A MODEST PROPOSAL
(in a Black Box)

AT

Pump House Gallery

in

London



(Artist) PHG is bordering an Opportunity Area, a huge regeneration zone, setting out a vision for a minimum of 16.000 new homes, 25.000 jobs, a cultural quarter and green spaces. It boasts Battersea Power Station as one of the most significant real estate developments in the world and supports a tall buildings strategy¹, which is already making its name as mini-Manhattan or Dubai on Thames.² This will set in motion a pilgrimage of art and architecture lovers, and tourists in general, a wave which Pump House Gallery could ride.

Battersea Power Station_Artist impressions (courtesy BPS Land Company Limited)
Booth map, 1892-1897 (courtesy London School of Economics)
Infotainment video_Excerpt script (courtesy the artists)

¹ <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/opportunity-areas/opportunity-areas/vauxhall-nine-elms>

² <https://www.theguardian.com/business/2015/feb/14/battersea-nine-elms-property-development-housing>

INTRODUCTION

In his book 'The Long Twentieth Century'³ Giovanni Arrighi describes recurring cycles of development in the history of capitalism. His analysis suggests how since the Renaissance falling rates of profit have triggered shifts from the initial cycle of trade and production to a secondary cycle of financialization.⁴ In this secondary cycle, instead of investing surplus capital in more trade and production, most of it is invested in ways in which capital can reproduce itself – through financial intermediation and speculation –, as well as in real estate and art, or other luxury goods!

Of course not all art enjoys the attention and investments of surplus capital. Value is created for the upper layers of the art market, the so-called blue-chip-art, but it is a regime of free labor and (self)-exploitation in the art world, or what Gregory Sholette has labeled its (*invisible*) *dark matter*,⁵ that keeps the cultural sector going.

In their most recent work Vermeir & Heiremans are investigating the possibilities for repurposing a number of financial tools that are currently being developed for contemporary art assets. The artists formulate A MODEST PROPOSAL⁶ (In a Black Box)⁷ in opposition to the current dynamic in this niche of the financial markets. Since in none of these financial constructions there seems to be any impetus to include other parties but the investor's, the artists see an urgency to look into new financial products that are inclusive, meaning that directly benefit f.e. the artist/producer, not only the investor/rentier.

The artists' proposal will investigate how current modes of financialization can be redirected towards a more equitable model.⁸ A MODEST PROPOSAL (in a Black Box) will be about developing a model that can assist museum administrators in maximizing a return on investment. To that extent it considers the financialization of public art collections and/or museum real estate and/or symbolic capital.⁹

After formulating their intuitive ideas on this, Vermeir & Heiremans started investigating in which direction an 'inclusive' financial model should actually be oriented. At that point unresolved issues of taxation and governing kept sparking discussions: should the return on investment (ROI) on public art collections or museum real estate be reinvested in the institutions for art and its producers, in line with the museum's goals and tasks? Or should a parliamentary debate attribute these resources, making them available for healthcare, education or even military expenses etc.

It became inevitable that A MODEST PROPOSAL would generate some challenging questions on critical practices, and on art's place, including that of the museum, in society at large, questions that might allow to map out some of the concerns on financialization as a key notion in the quest for a more sustainable society.

³ Giovanni Arrighi, *The Long Twentieth Century* (London – New York, Verso, 2010).

⁴ Financialization describes an economic process by which exchange is facilitated through the intermediation of financial instruments. Financialization may permit real goods, services, and risks to be readily exchangeable for currency, and thus make it easier for people to rationalize their assets and income flows. (<https://en.wikipedia.org/wiki/Financialization>) & Financialization is an increase in the size and importance of a country's financial sector relative to its overall economy. (<http://www.investopedia.com/terms/f/financialization.asp>)

⁵ Gregory Sholette, *Dark Matter* (London, Pluto Press UK, 2009).

⁶ The title tributes the satirical essay *A Modest Proposal* written and published anonymously by Jonathan Swift in 1729. https://en.wikipedia.org/wiki/A_Modest_Proposal

⁷ Black Box (in finance) is a reference to any complex investment strategy or model. In general, a black box involves a computer using complicated formulas to achieve returns in the desired way. Because an investor may not understand the model (and may not be able to do so), a black box can lead to unforeseen problems. Algorithmic trading is also called black box trading. A computerized trading system that institutional investors use to make large transactions in securities while affecting their prices as little as possible. Algorithmic trading uses complicated mathematical formulas to identify the ideal times to buy and sell securities in large batches.

⁸ Equity is the concept or idea of fairness in economics, particularly in regard to taxation or welfare economics. Home equity is the market value of a homeowner's unencumbered interest in their real property, that is, the difference between the home's market value and the outstanding balance of all liens on the property. If the resulting number is zero or negative, the owner doesn't have any equity in the property. If, however, it is a positive number, that is the amount of equity the owner has in the property. [https://en.wikipedia.org/wiki/Equity_\(economics\)](https://en.wikipedia.org/wiki/Equity_(economics))

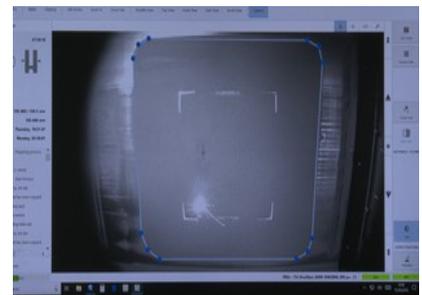
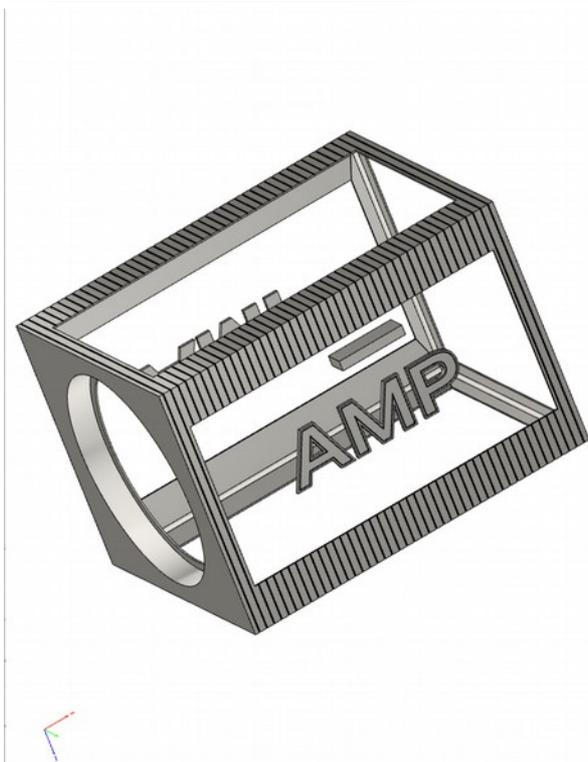
⁹ A Modest Proposal builds on a work by Robert Morris, 'Money' (1969-1973). Morris proposed the Whitney museum to acquire 100.000 \$ by obtaining a loan using its real estate and art collection as collateral. The museum was to invest the money in the stock market for the duration of the show and eventually the profit would have been divided between the artist and the museum. 'Money' (1969-1973) is one of the first instances of 'financialization' of art and buildings, although the proposal was never accepted in its original form.

AN INITIAL EXHIBITION

A MODEST PROPOSAL (in a Black Box) will have an inaugural presentation in Pump House Gallery, London (3 October – 16 December 2018). The London presentation will focus specifically on the financialization of the gallery real estate to help create a more equitable future for the benefit of the art community. The gallery will function as a case study to measure potential impact of the proposal.

The exhibition presents an infotainment video that will introduce the key ideas of the financial model. The sound of the video emanates into the three floor gallery as a soundscape, which will be steered by the live-performance of Art House Index (AHI-), a financial index the artists have designed in 2015. AHI- measures the symbolic capital Vermeir & Heiremans have accrued through their practice, taking as a general reference the flows of real estate and art markets, and in particular the projected value of their house in Brussels, which in their practice the artists have defined as an artwork.

The video will be contextualized by a display of archival deeds, prints and maps on the 19th century origins of Battersea Park, when a shift in land use and land value generated a true Victorian speculative moment. The financial model itself is kept in a *Black Box*, a 3D-printed titanium mesh structure that envelops a USB-stick containing the files of the model, which will be presented as a levitating device in an exhibition vitrine.



Infotainment video_Video stills (courtesy the artists)

Black Box_design & tests_3D-print in titanium - in development (courtesy Melotte, Zonhoven)



*A Victorian pump house in Illustrated London News, 1867 (courtesy Wandsworth Heritage Service)
The Pump House Gallery, 2018 (courtesy the artists)*

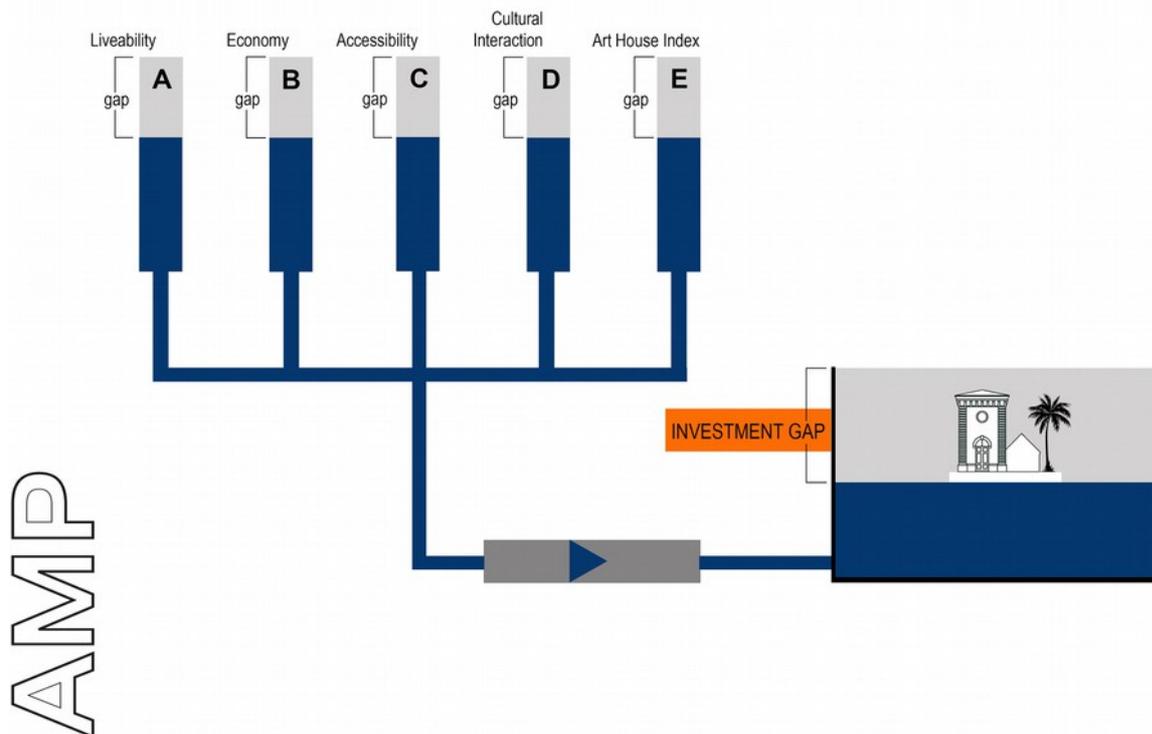
Pump House Gallery is located in Battersea Park, in a former Victorian industrial pump house that was used both for the irrigation of the park, and for its lakes and fountains. The gallery does not have an art collection, but since Wandsworth, the local council, owns the building, and because of the current property developments in the area, the artists have chosen to work on the financialization of the gallery real estate. In that way A MODEST PROPOSAL is potentially not only able to monetize real estate equity, at the same time it shows how Pump House Gallery can be true to its original design as a *pump house*, leveraging all rising values that surround it, to become a power house for the benefit of the whole art community.

(Artist) What fortunate circumstances will pump up the equity value of Pump House Gallery real estate, today and in the future, and what can we do ourselves?

(Voice Over) London ranks consistently at the top of global cities, according to a couple of indices like Global Power City Index, The Alpha Cities Index, Global Financial Centres Index, Colliers Cities of Influence Index, PWC's Cities of Opportunity Index, Ey's Attractiveness Survey, A.T. Kearney Foreign Direct Investment Confidence Index and the Soft Power 30 Index. Global comprehensive power is evaluated based on a.o. the following criteria that represent a city's strength: Livability, Economy, Accessibility and Cultural Interaction.

(Artist) Let's zoom in on these functions, imagining all criteria as small pumps that function as communicating vessels with Pump House Gallery. We'll see if the flows of water in the pumps will help to close the current investment gap...

Infotainment video_ Excerpt script (courtesy the artists)



Infotainment video_Powerpoint presentation (courtesy the artists)

The area around Battersea Park is testimony to a reversal of fate. Today with the development of Battersea Power Station, instead of a Dickensian area of slums, the area has become the location of luxury properties and starchitecture. Apart from the former Power Station itself being transformed into a luxury mall and Apple's London headquarters, the surrounding apartments will be designed by Frank Gehry and Foster + Partners.¹⁰

The Power Station, an Art Deco masterpiece and Grade II* listed building harnessed and delivered energy to the residents of London from the 1930ies until its closure in 1983. Since then numerous redevelopment plans were drawn up from successive site owners which all fell through, but in 2012 it was bought for 400 million pounds and redeveloped by an international Malaysian consortium. In 2018 a Malaysian sovereign wealth fund and sovereign pension fund, provided extra capital for the development and acquired the Power Station for 1,6 billion pounds. It was the biggest ever UK property deal.¹¹

The development of Battersea Power Station is one telling example of what David Harvey calls the 'wall of money' or surplus capital switching from production and trade into real estate investment, as a spatio-temporal fix. In this case capital is not parked in ordinary homes - although as a consequence their prices will also rise -, but is invested by a transnational elite in the super-prime residential real estate of London as a safe deposit box.¹² To make developments like Battersea Power Station possible developers count on private-public partnerships, so-called PPP's,¹³ in this case in the form of Tax Increment Financing.¹⁴



Battersea Power Station_ Construction site (courtesy the artists)

¹⁰ See: <https://www.theguardian.com/artanddesign/2014/apr/07/architect-frank-gehry-buildings-england-london-battersea>. Accessed 15/04/17.

¹¹ <https://www.telegraph.co.uk/business/2018/01/18/malaysian-fund-buys-major-stake-battersea-power-station-uks/>

¹² Rodrigo Fernandez, Annelore Hofman and Manuel B. Aalbers, "London and New York as a safe deposit box for the transnational wealth elite" in: *Environment and Planning A* (2016), 48 (12).

¹³ Private-public partnerships between a government agency and private-sector company can be used to finance, build and operate projects, such as public transportation networks, parks and convention centers. Financing a project through a public-private partnership can allow a project to be completed sooner or make it a possibility in the first place. <https://www.investopedia.com/terms/p/public-private-partnerships.asp>

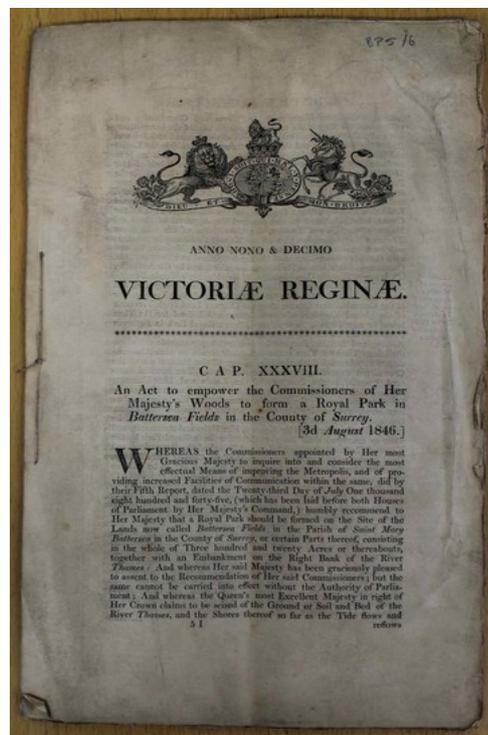
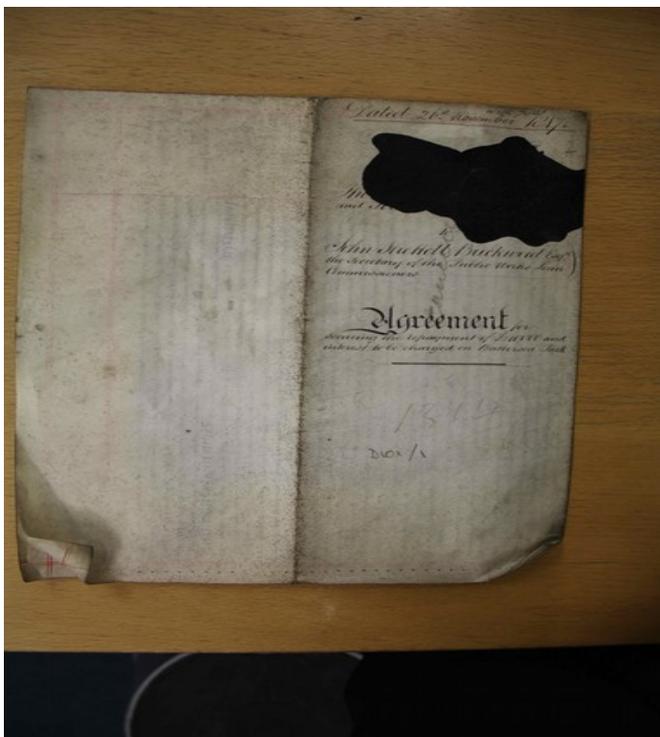
¹⁴ TIF is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects. The borrowing capacity is established by committing all normal yearly future real estate tax increases from every parcel in the TIF district (for 20–25 years, or more) along with the anticipated new tax revenue eventually coming from the project or projects themselves. Capturing the full tax increment and directing it to repay the development bonds ignores the fact that the incremental increase in property value likely requires an increase in the provision of public services, which will now have to be funded from elsewhere (often from subsidies from less economically thriving areas). This speculation on public budgets does not need public agreement. https://en.wikipedia.org/wiki/Tax_increment_financing



(Lawyer) PUMP C: Accessibility

Like Chelsea Bridge before it, the extension of the Northern Line subway into the Opportunity Area will be the necessary infrastructure work that will raise the value of the surrounding building ground sufficiently to render the whole scheme financially viable. But this will happen only when the right kind of businesses move in and the right kind of people consume, work and live in the area. To win the confidence of the global investment community the different authorities guarantee the extra revenue stream of local taxes its urban fabric will generate for the next 25 years... meaning the infrastructure will be paid for by the prosperity of the future.¹⁵

Infotainment video_ Excerpt script



***Chelsea Bridge, Illustrated London News, 1858 (courtesy Wandsworth Heritage Service)
Deed & Act on the formation of Battersea Park (courtesy Wandsworth Heritage Service)***

¹⁵ Inspired by Francesco Findeisen, Financing urban infrastructure in London after the financial crisis. In: Britain for sale? Ed. Mike Raco, The Smith Institute, 2016.



*James Pennethorne's initial park proposal 1846 (courtesy Wandsworth Heritage Service)
Robert Westall, Battersea Fields, 1848 (courtesy London Metropolitan Archives)*

A documentary display on the origins of Battersea Park in the exhibition shows that the future site of the park was known as Battersea Fields, rural land used as market gardens. In the 1840ies the area started to show clear signs of a 'take-off'. Battersea was rapidly growing into a suburb, reflecting the fluidity of the local land market.

Many thousands of speculative builders, mainly individuals, were involved in developing housing in Battersea, generally without any overall plan, with minimal intervention from authority, and with the financial support of another army of individuals. The suddenness with which this tide of bricks and mortar swept across Battersea, was aptly depicted by George Cruickshank's cartoon *London Going Out Of Town or The march of bricks & mortar!*.

In 1844, Thomas Cubitt,¹⁶ a speculative builder known for the many historic streets and squares in London he laid out, proposed the development of Battersea Fields as a park, preventing Battersea to disappear under a wave of houses. Cubitt also envisioned that the park should be formed in connection with the construction of a bridge over the Thames. Only this additional infrastructure work would raise the value of the building ground around the park sufficiently to render the whole scheme financially viable. In 1846 an Act of Parliament was passed which authorised the formation of a Royal Park. Having to deal with landowner claims and heavy speculation, it took until 1858 for the park to be officially opened, together with Chelsea Bridge (at that time Victoria Bridge).¹⁷

Vermeir & Heiremans will exhibit a 'cabinet' with historical maps and additional documents on real estate transactions in the area. These documents give an insight in London as a growing city and in how land use evolved from late 18th to late 19th century. Specifically for Battersea a number of mid-19th century deeds, land auction catalogues, news paper clippings, etc.. will illustrate how the idea of a Royal Park had an impact on speculative land and real estate values.

¹⁶ Thomas Cubitt (1788-1855)

¹⁷ See: <https://historicengland.org.uk/listing/the-list/list-entry/1000283>. Accessed 15/04/17.



LONDON going out of Town. — or — The March of Bricks & mortar! —

Designed, etched & Published by George Cruikshank. — November, 1829 —

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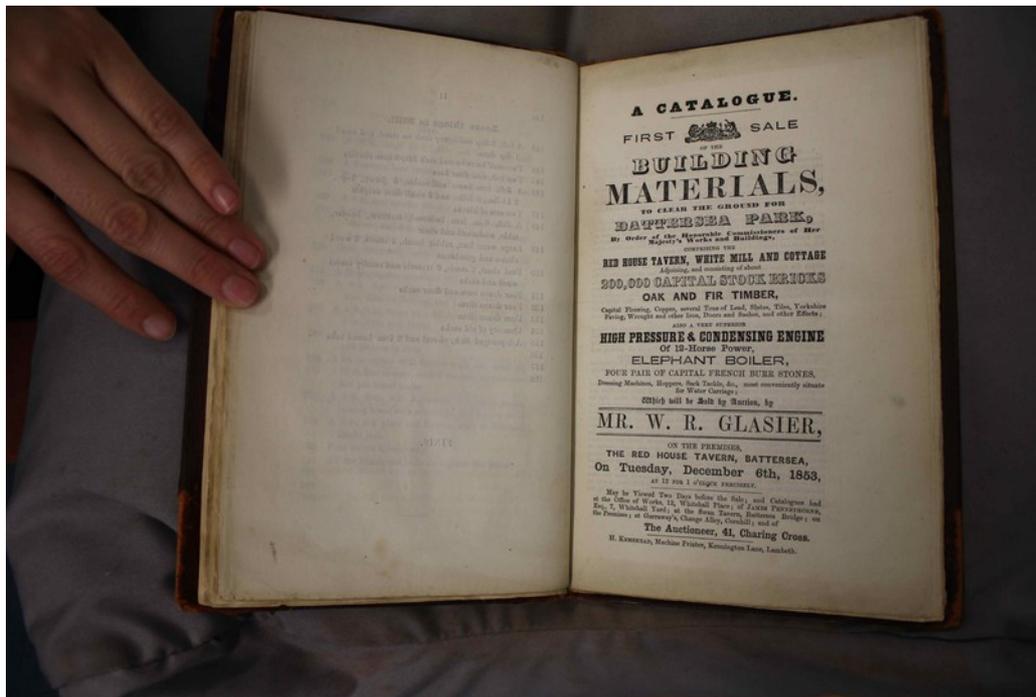
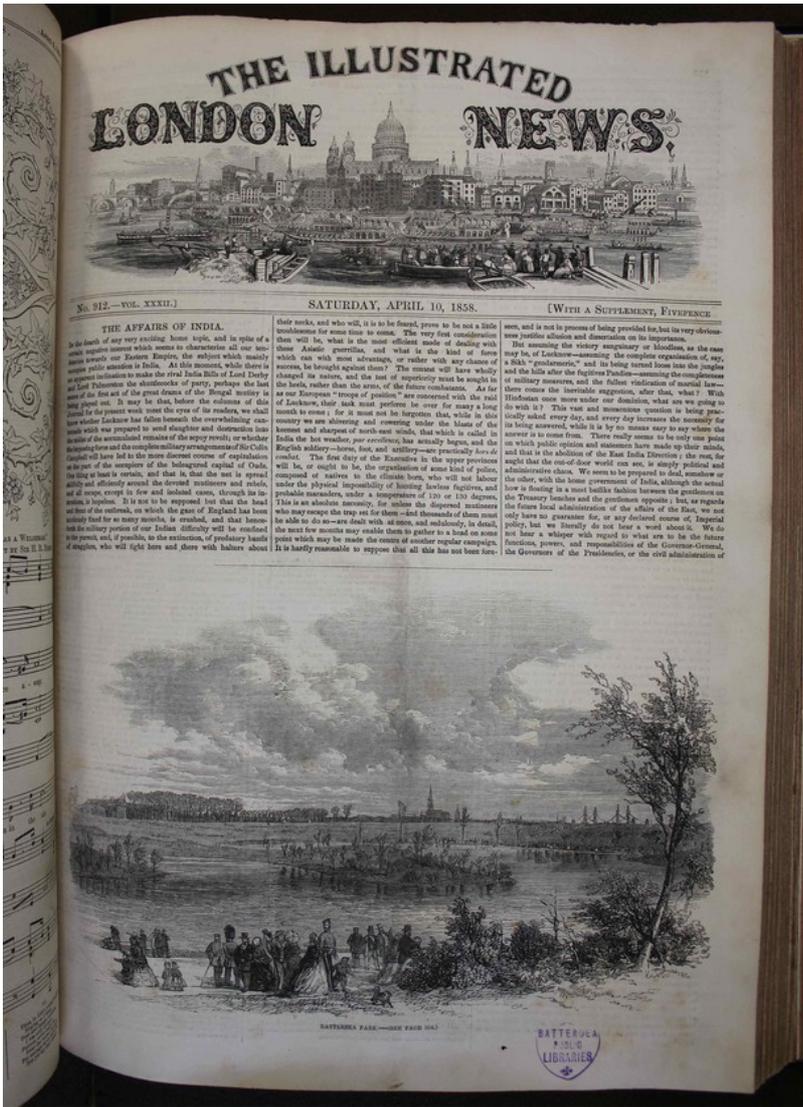


London Going Out of Town or The march of bricks & mortar!

In 1829, the great English illustrator George Cruikshank published a remarkable etching in his second collection of *Scraps and Sketches*. Entitled “London Going out of Town, or the March of Bricks and Mortar,” the image portrays the expansion of nineteenth-century London as an invasion of the countryside by building tools, construction materials, and even entire tenement blocks that have magically come to life. Cruikshank was conveying the same anxiety over the speed and scale of early British urbanization that others were expressing in prose. In fact, the words of one of his contemporaries could have served as a caption for the image. “The rage for building,” lamented the observer, “fills every pleasant outlet with bricks, mortar, rubbish and...”

Designed, etched & published by George Cruikshank
1829
Etching
25.9 x 36.2 cm
Courtesy of The Lewis Walpole Library, Yale University.

*George Cruikshank, London Going Out of Town or The march of bricks & mortar! 1829
(courtesy Walpole Collection, Yale University
Exhibition Label (in development design Salome Schmuki)*



The opening of Battersea Park announced in the Illustrated London News, 1858 (courtesy Wandsworth Heritage Service)
 Sir Thomas Cubitt, George Raphael Ward, mezzotint and line engraving, 1849 (courtesy National Portrait Gallery, London)
 Land Auction Catalogue The Red House Tavern, 1853 (courtesy Wandsworth Heritage Service)

SYMPOSIUM

A public symposium, organized by Vermeir & Heiremans in collaboration with Pump House Gallery, will take place on Saturday 27 October at the Royal College of Art (Battersea Site).

Opening the symposium Vermeir & Heiremans will introduce A Modest Proposal (in a Black Box). They will elaborate on the cycle of value their proposal can potentially create, using contemporary financial tools that can generate a true source of liquidity, originating from public art collections and museum real estate. A Modest Proposal might therefore benefit the creators and stakeholders of this value, the artists and art workers, but at the same time it raises one of AMP's core questions: can values created from public goods be claimed for the benefit of specific groups, or should a parliamentary debate redistribute the funds? And what if 'governing' means the development and promotion of certain types of financialisation that are beneficial for (foreign) elites and companies, but pose risks or are detrimental for the wider community?

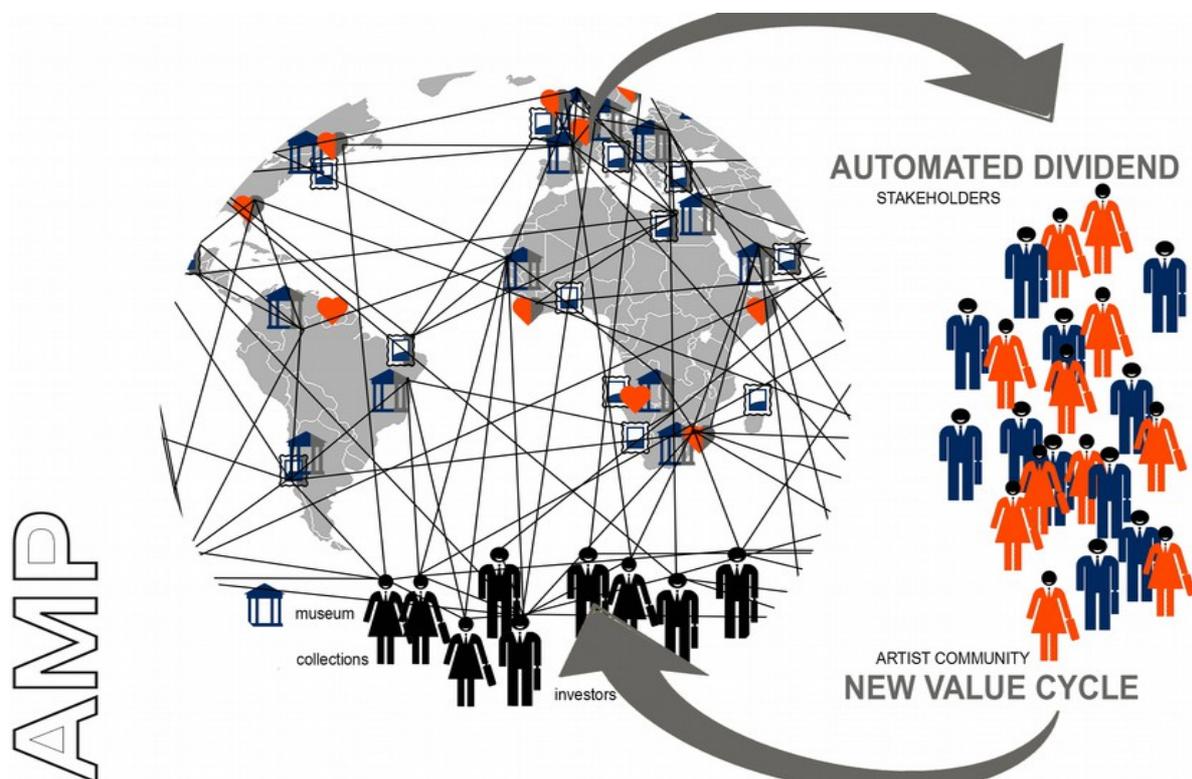
A Modest Proposal will be the starting point for debate related to the specific field of expertise of the invited speakers: urban geography, art, finance and law.

The morning session will focus on the relationship between art and finance, and the contemporary role of public museums and collections given an increased tendency to 'industrialise' driven by the global soft power race. The afternoon session will address the influence of financialization on urban processes, on governing and on daily life and pose the question if finance can be a useful a tool to create a more equitable society?

Each participant will speak for about +/-30min after which he will be joined by the moderator to go into a short Q&A with the audience, relating their talk and expertise to the specific questions of A Modest Proposal on governing, taxation, the use of finance to create more sustainable conditions for artists and art workers and a more equitable society in general.

Confirmed speakers at this point are: Vermeir & Heiremans, Annelore Hofman, Victoria Ivanova, Emily Rosamond, Caroline Knowles, Luke Mason.

The symposium will be moderated by Andrea Phillips, who is currently the BALTIC Professor at Northumbria University, Newcastle and the director of the BxNU research institute.



ARTIST PUBLICATION

The presentations and discussions at the symposium will be published in a limited edition artist publication. It will consist of a video script by the artists in which they elaborate on *A Modest Proposal*, including a number of graphic layouts that visualize the proposal. The script will also include a contract which they elaborated in collaboration with Luke Mason. There will also be texts contribution by the participating speakers.

The historical documents which Vermeir & Heiremans brought together for their documentary cabinet in the exhibition will illuminate the publication. Rather than have a historical contribution, Vermeir & Heiremans have opted for the inclusion of a number of photographs they made of documents they found in the Wandsworth Heritage Service and the London Metropolitan Archives. These documents will be described extensively in accompanying captions so as to make the historical case of Battersea Park.

Finally the publication will also include a fold-out with the overview of the three-year performance of Art House Index. The document will be annotated by Hampus Lindwall who will perform an improvisation on organ using the outprint as a score.

A Modest Proposal (in a Black Box)

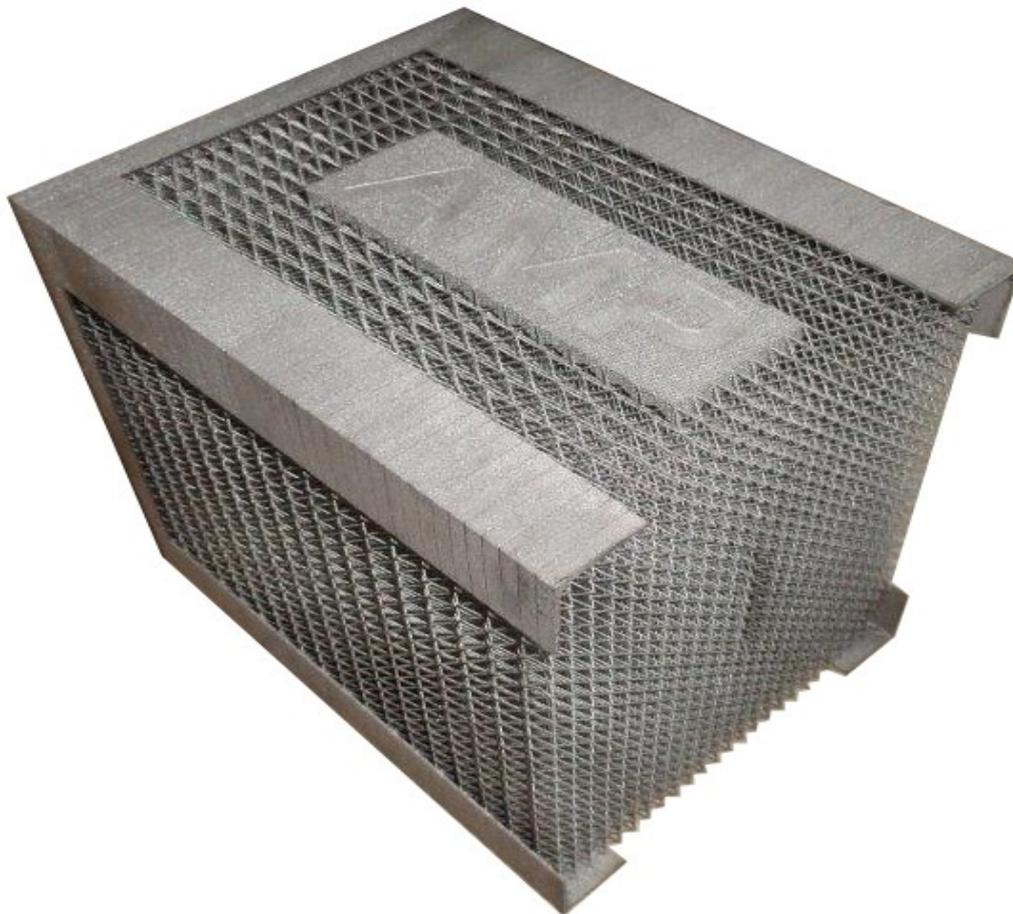
artist publication in an edition of 250 copies

soft cover

80 text pages (1 video script + 7 articles between 2500 – 3000 words)

8 double pages with photographs & captions

1 fold-out with AHI- graphics as a score for organ



Black Box_second test (courtesy Melotte, Zonhoven)