



Freeze to defrost! Negating the asset form



Geraldine Juárez

Artist, Sweden

Frozen Assets is the name of a fresco painted over concrete by Mexican muralist Diego Rivera during last century's Great Depression. Commissioned by the Museum of Modern Art in New York, the mural is divided into three sections: the composite begins with a top panel depicting a fictional skyline of Manhattan, formed by colossal buildings belonging to, back then, burgeoning financial institutions. The image transitions into the middle section, inside a temporary shelter where a large group of workers sleep on the floor, a cop guarding them. The base of the middle section is the ceiling of a basement. The bottom section is a security vault where three wealthy individuals are waiting behind a metal gate, presumably to deposit their valuable assets in a safe.

Blogs and popular art history sources note that the artwork was named by a journalist, but bearing in mind that Rivera – like many Mexican artists of his generation – was an avowed Marxist, committed communist, and member of the Trade Union of Technical Workers, Painters and Sculptors, the artwork immediately suggests a visual representation of “all fixed, fast-frozen relations...” described in the *Communist Manifesto*. It is also an image of dead labour, hardened in the concrete panel, literally mediating the accumulation of wealth in the form of real estate and securities at the top and bottom of the composition. Formally and conceptually, the horizon of the fresco – the line dividing the earth from the sky – is labour.

Most likely, the subject of Rivera's fresco wasn't the practice of *asset freezing*, but around the time he painted it, the aftermath of the stock market crash did culminate in the Bank Holiday of 1933, when Roosevelt ordered a halt to all banking and financial activity for a week, effectively freezing the circulation of all types of assets.

Asset freezing is now normal practice. From PayPal freezing small amounts of funds at their discretion, to courts issuing freezing orders targeting oligarchs' wealth, to nation states freezing the assets of other state and non-state actors, the significance of asset freezing can't be understated in the context of a global economy hyper-integrated with financial markets and dominated by the logic of assets and their management (Adkins et al., 2020).

Corresponding author:

Geraldine Juárez

Email: geraldine@juarez.se. <https://doi.org/10.2218/finsoc.8101>

Freezing assets is a common way of referring to an extreme type of economic sanction capable of, temporarily, obstructing the flow, liquidation, and dissipation of financial and economic resources, in the form of assets, owned and controlled by states, individuals, or members of specific groups. Requiring issuance by a court, this kind of injunction aims to prevent any movement of riches before and during legal proceedings. The economic practice of asset freezing can be traced back to 1917, when the US Congress created the Trading With The Enemy Act (TWEA). As Mavash Alerassool (1993) explains, the TWEA was originally meant to control financial flows during wartime. However, the act was modified by Roosevelt in 1933 to use during peacetime too, and in particular, to handle the domestic banking crisis produced by the market crash of 1929. TWEA was subsequently used to freeze the transfer of German assets, as well as all transactions from Denmark and Norway, after the countries were occupied by the Nazis during the Second World War.

With further modifications, TWEA was used again in the 1950s to block the transfer of Asian assets during the Korean War and to impose the ongoing embargo against Cuba. In 1979, US President Carter used the International Emergency Economic Powers Act to freeze Iran's assets inside and outside the United States. The blocked assets were used as leverage to negotiate during the hostage crisis of 1979. In the 1980s, Ronald Reagan refroze Iranian assets. In 1990, the USA, Great Britain, and France froze billions of Kuwait's assets after Iraq invaded the country. Sanctions targeting the trade of Iraqi oil were issued in addition to asset freezing. Due to the devastating effects on civic populations of states targeted with freezing, like in the case of Iran, as well as problems of compatibility with legal codes in Europe, the UN issued resolutions aiming to align the freezing of assets with human rights (Godinho, 2010). Consequently, since the 2000s, the sanction started to be used against individuals and members of groups, specifically in relation to the unilateral actions taken against Al-Qaeda and the Taliban.

Mostly located outside of North America and Western Europe, the list of countries that have been subject to asset freezing is long, and while the technicalities and legalese quickly become overwhelming, it is important to recognize a couple of details. For example, the practice of asset freezing requires, first and foremost, an extremely cold and legal force that can only be applied by governments. The shift in the scale of asset freezing from national to individual or group owned assets is also relevant, as it correlates with the neoliberal acceleration of the historical process of global integration of national economies with financial markets. This transformation of finance maps onto the declining power of labour vis-à-vis capital and the rise of the asset form as a means of organizing the social sphere (Adkins et al., 2020: 162), a change that increasingly turns every aspect of life into an investment opportunity and risk.

The majority of things, the things all around us, commodities, are made by workers' labour. Assets are not made with labour, they are synthetic: a stand-in for things produced by labour, but not things themselves. Just like money, the commodity, and even labour, assets too are abstractions that live rent-free in our minds. But unlike money, we can't pay rent with assets. Rentiers like their rent very liquid.

Like currency, assets are minted, but in balance sheets rather than mints. To mint an asset is simply to add a new entry in a balance sheet or ledger referencing the value of something that can be controlled, traded, and capitalized as a revenue stream under the logic of capital investment (Birch and Muniesa, 2020). Such value – which is nothing more than the price of things – operates in specific temporalities. Commodities melt into cash in the present.

Assets behave more like ice cubes; they are oriented toward the future and require longer periods of time in order to become slushy or completely liquid. Assets chase the future; money – the most liquid asset – realizes it, albeit often only to invest in more financial slush.

Sometimes this slush is harder and its value stems from an imagined capacity to shape the future: the *next ideas*, the *here-to-stay* narratives, the inevitable futures that turn public into private and treat every aspect of social life and the environment as sources of profit. Venture capital loves hard slush. Sometimes the slush is softer. Here value is accrued via conventional speculation, retail trading, and risk management, guessing and predicting price fluctuations in order to attain higher and faster returns from traditional financial products like securities (from stocks to crypto), real estate, and the general collection of assets, liabilities, debt, and derivative investment networks (Grünberg, 2023). Soft slush is the plaything of asset managers.

But assets are a particular abstraction that concentrate power and ownership via methods that are much more solid than slushy. Cold capital needs to be shielded in the present from the risks posed by speculative activities needed to appreciate their future price and maximise liquidity. In short, assets need to be made safe. Whether using chilly metal locks, temperature controlled vaults, cold crypto-wallets, or fertility freezers, assets need to be secured, protected, and insured, swaddled in contracts and soaked in laws in order to stand the test of financial time.

How can we undo this, the cold reign of the asset economy? And what would we call this undoing? The history of radical economic thought is suffused with negative terms that announce a reversal of this kind: pushing back against the rule of markets (*de-commodification*), for undoing the private management of public resources (*de-privatization*), for rolling back the influence of the financial sector, (*de-financialization*); and so on. *De-assetization* joins these propositions to make a case against the logic of assets and endless capitalization.

In ever more integrated global economies, where individuals, governments, and corporations are compelled to behave like, or hire, asset managers with access to fantastic financial technologies capable of shaping social reality, the asset form turns out to be the perfect bearer of value, a slippery and ineffable form that can easily be speculated upon, moved across borders, away from the prying eyes of financial authorities and the social demands for wealth redistribution. However, the vast amount of wealth currently accumulated in the form of soft assets also makes this type of capital especially vulnerable to freezing injunctions and organized political action. This is good news, a chance for sketching the political horizon of de-assetization.

Both as a protest against housing shortages and the Russian invasion of Ukraine, in October 2022, a group of squatters occupied an empty mansion under renovation located at Vossiusstraat 16 in central Amsterdam. The property in question was acquired in 2019 through an offshore company registered in the Virgin Islands by Arkady Volozj, the billionaire owner of the Russian news aggregator Yandex, which is registered in The Netherlands for tax purposes. Volozj, in fact subject to individual asset freezing sanctions in the EU, went to court to challenge the occupation. Apparently the mansion was being illegally renovated and split up into different units for future rentals. The squatters won the case and since last year, the

property has been used as a social centre (Squat.net, 2002). Volozj plans to challenge the verdict.

This case offers an opportunity to spot some of the elements that may be integral to the de-assetization of economic resources today. While the complexity and risk used by asset managers to control investments and achieve colossal returns suggest that a process of de-assetization is something impossible to imagine, Vossiusstraat 16 provides a backdrop for the basic proposition that any financial asset that can be frozen by a court is *already* a frozen resource. With this I mean that the capacity of an economic resource for returning a revenue stream in the future depends precisely on freezing – stopping, blocking, or suspending – its resourcefulness and social utility in the present. As suggested by Birch and Muniesa (2020), the value of assets derives from their specificity, hence, real estate can be understood as frozen residential housing, just soft ice in the shape of a house awaiting liquidation.

Freezing as a legal practice, creates a pause, a temporal break that deactivates the untouchable flow of financial capital, it freezes the channels that make possible the realization of speculative value and further capitalization. Freezing assets is a promising strategy for de-assetization because it affects the asset form in a tangible way, for “as long as capital remains frozen in the form of the finished product, it cannot be active as capital, it is *negated* capital” (Marx, 1993: 470, emphasis added). De-assetization negates the asset form. Taking de-assetization seriously means applying heat to the notion that everything in the world can and should be frozen in order to release more liquid flows of cash. Defrosting social life means freezing more assets, with or without the help of the state. As Esther Leslie (2016: 21) puts it in her microscopic exploration of ice, crystals, and capitalism: maybe societies will one day get the phases of matter they deserve.

In his reflections on time and money, Samuel Weber (2015) suggests that financial speculation can be understood as *form de-presentation*, and specifically, following Benjamin’s remarks on allegory, as a negative form of representation. The asset, like the allegory, is a negative form in the sense that “it means precisely the non-existence of what it presents” (Benjamin, 1998: 233). Assets are the ice sculptures of social life. Consequently, de-assetization is a double negation, a tautology: the negation of a negative form.

Today, Rivera’s *Frozen Assets* could be read as an allegory of asset manager capitalism. The buildings, perhaps, are the headquarters of BlackRock or Vanguard; the exhausted workers at the centre, delivery workers from Gorillas or Deliveroo; at the bottom, the lobby of a freeport storing artworks in Switzerland. The three sections of the fresco might therefore be understood as the shelves of a freezer: after congealing these allegorical assets, the door was left open for them to melt. Freeze to defrost.

References

- Adkins, L., Cooper, M. and Konings, M. (2020) *The Asset Economy: Property Ownership and the New Logic of Inequality*. Cambridge: Polity.
- Alerassool, M. (1993) *Freezing Assets: The USA and the Most Effective Economic Sanction*. London: MacMillan Press.
- Benjamin, W. (1998) *The Origin of German Drama*. New York: Verso.
- Birch, K. and Muniesa, F. (eds.) (2020) *Assetization: Turning Things into Assets in Technoscientific Capitalism*. Cambridge, MA: MIT Press.

- Godinho, J. (2010) When worlds collide: Enforcing United Nations Security Council asset freezes in the EU legal order. *European Law Journal*, 16(1): 67-93.
- Grünberg, M. (2023) Get rich or die trying: Betting on the future. *UMBAU*, Issue 2. Available at: <<https://umbau.hfg-karlsruhe.de/posts/get-rich-or-die-trying-betting-on-the-future>> Accessed 22 January 2023.
- Leslie, E. (2016) *Liquid Crystals: The Science and Art of a Fluid Form*. London: Reaktion Books.
- Marx, K. (1993) *Grundrisse: Foundations of the Critique of Political Economy*. New York: Penguin Classics.
- Squat.net (2002) Amsterdam: Update Vossiusstraat 16 squat. *Squat.net*, 23 November. Available at: <<https://en.squat.net/tag/vossiusstraat-16/>>. Accessed 30 January 2023.
- Weber, S. (2015) Money is time: Thoughts on credit and crisis. In: Gil, I.C. and da Silva, H.G. (eds.) *The Cultural Life of Money*. Berlin: De Gruyter, 23-46.