Fake goods

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The early 2020s commonplace that everything seems a bit unreal is a material truth. Not only our shoes and handbags, but our makeup, phone chargers, glassware, and medications; our oven mitts and bike helmets and airplane parts; the components in our intravenous drip machines and defibrillators, the brakes of our high-speed trains – all may be counterfeit. Counterfeit goods are generally substandard ones that infringe intellectual property rights. The iconic examples are fake Louis Vuitton handbags and Nike Air Jordan sneakers, but fakes can now be found across the whole spectrum of retail and wholesale consumption (Suthivarakom, 2020). Advances in logistics are generating more counterfeits. The burgeoning volume of containerized shipping is increasing the trade in fakes, since the greater surveillance that would detect them would also slow down the flow of legitimate goods. Beginning around 2018, the rise in online shopping, small parcel delivery, and social media shopping multiplied the sales of counterfeits on platforms such as Amazon, Alibaba, Instagram, and TikTok, ushering in a new era of indiscernible copycats of non-luxury products. Pandemic lockdowns exacerbated the problem, creating demand for counterfeit semiconductors and personal protective equipment. Logistics – typically understood to move existing products – creates markets for new, criminal ones. The desire for speed and convenience has given us a counterfeit world of goods. The glib twentieth-century notion of phoniness in The Graduate’s ironic advice to Benjamin Braddock (“there’s a great future in plastics”) has taken a darker turn. Now even the plastic is not really plastic.

A much-hyped new technology for managing supply chains could help stem the deluge of counterfeit products. Blockchain is a decentralized documentary technology made up of blocks of coded information that are linked together into an immutable chain. Around 2018, commercial firms got excited about it because by linking each block of code to a leg of a good’s journey, it could authenticate supply chains, streamlining flow and eliminating the trade in fakes – as well as other expensive forms of loss and friction. Each stakeholder in the process could verify the provenance of parts and ingredients as they pass through subcontractors; gray market trading would end; and consumers could feel confident about the origins and integrity of products. Early examples included Carrefour’s ‘transparent’ chicken, sold with a QR code verifying where and how it was bred, and its diet of grain, French soy, and no antibiotics; in China, QR codes used in Lianmo Technology’s GoGoChicken project opened a
page detailing the chicken’s life, including its weight, the number of steps it took, and its photograph. If, after getting to know the chicken, you still wished to eat it, you could do so without anxiety over microbes, hormones, and maltreatment. By telling accurate supply chain stories of legit goods, blockchain for trade could enhance the flow of legitimate goods through our lives. In its imagined world, no good could move without being verified; hence any shipped good would be real.

The Blockchain dream reminds us that logistics is an imperfect performative art. The twenty-first-century logistics textbook formula outlines “the seven rights” of supply chain management: to deliver “the right product to the right place at the right time to the right customer in the right condition at the right price and in the right quantity” (Seven rights of logistics, 2000: 371). Since delivery effects trade as an economic and legal exchange, the fulfillment of the seven rights transforms goods and merchandise into possessions. But this is not enough: it all must be convincingly documented. Letters of credit, invoices, bills of lading, sea waybills, paper money: as described by Mary Poovey in Genres of the Credit Economy (2008), eighteenth-century economic forms fostered doubt in their users, who in turn developed novel reading skills to authenticate the documentation. The uncertainty of long-distance trade gave birth to credit. Katharina Pistor (2019: 197) characterizes bills of exchange as substitutes for gold and silver coins that were risky to transport long distances; Fernand Braudel (1983: 385) observes how credit multiplied trade by an enormous factor. While the fictive dimension of credit and speculation became a social, psychological, and epistemic mainstay of world trade, it was balanced conceptually by the mundane, secured movement of mute, material, ‘real’ goods. If the medium of the exchange was ever in doubt, at least the goods had a grip on reality. As Martijn Konings (2021: 73) has argued, the paradigmatic critique of finance charges speculation with disembedding markets from their environments in unsustainable ways. The idea of speculation and credit untethered from ‘real’ goods – with the implication that material goods are more real than immaterial ones – thus undergirds financial economy, the legal code of capital, and the commonplace impression of logistics as the movement of stuff around the world in container ships. While the documentation could misrepresent it, the cargo generally speaks for itself. The financial imagination thus requires a structuring outside, logistics: the moving material of goods across the globe.

Yet when we arrive at complex globalized supply chains, delivery and documentation grow so complicated that logistics becomes even more performative. Joining production to distribution, it brings the good into being by moving its component parts into combination. Take automaker BMW, which has 12,000 suppliers in 70 countries. The crankshaft alone travels from France to England for finishing, to Germany to be joined to the engine, and then back to England to be fitted into the car. Chasing millions of supply chain variables, BMW has consulted quantum computing firms to keep up with them. The scale, speed, and complexity of such operations are head-spinning. But as anyone whose luggage or parcels have been lost knows, even vastly simpler deliveries go awry. Blockchain and quantum computing can make supply chains transparent and agile in part by identifying component deliveries that don’t meet all seven rights. By eliminating uncertainty from mobile assembly, BMW seeks to control the supply chain, avoiding scandals such as the 2016 revelation that Indian children were laboring in debt bondage to mine the mica used for their cars’ shimmery paint. The same control would eliminate counterfeit components. In this fantasy of perfect traceability, the car comes into being through the documentation of its moving manufacture and cannot differ from its Blockchain documentation. And yet the vast multiplication of journeys required for the good’s emergence reintroduces doubt into the hitherto stable production phase. Conditions on
the ground could always differ from what transit purports to verify. Moreover, private, permissioned blockchains are not transparent and accessible to the public. Since the blockchain requires intensive computing to check, tampering could remain unseen. The shutdown of Maersk’s blockchain solution for global trade, TradeLens, by the end of the first quarter of 2023 reveals the fantasy’s inability to establish the new trustless paradigm of data-sharing (Lopez, 2022). A suspicious aura of unreality will continue to dog goods made in transit. What remains certain and predictable is the credit and speculation undergirding mobile assembly, since BMW and other major firms never lack for investment and credit. The material good becomes the unreal figure, while airy speculation assumes greater predictability. All that is solid melts into air, but all that is air comes back to the ground.

The confusion attending this transposition and its consequent *reductio ad absurdum* can be seen in the high-profile application of Blockchain technology known as the NFT. NFTs are the nonfungible tokens linked to digital art for which investors and collectors have been paying eye-popping prices. As with blockchain for supply chain management, the NFT is still grounded by a nonfungible block of code on a chain, but it now corresponds to an exchangeable, copiable file. If you buy an NFT, then in the words of Matt Hall, a co-founder of the platform Crypto Punks, you only own “something on the blockchain – you own a record that you own it. You own the right to sell it in the future” (Upson, 2021). This conceptual fuzziness has not deterred the many speculators buying NFTs on platforms such as OpenSea. Nor has it compromised Blockchain’s status as the new global standard of authenticity in supply chain security. The NFT is tasked with telling its own supply chain story, but it fails. Did a purchase happen or not? What, if anything, has moved from place to place or changed hands? Such bewilderment construes NFTs as a scam, another species of fake goods. Like the counterfeit, the NFT attempts to surmount the binary at the heart of trade, between the material good and its textual, virtual, fictional guarantee. In this new logistical paradigm, material goods are now the locus of speculation.

Of course, the biggest and best example of this transposition is the other Blockchain-based form, crypto. Its perplexing status as currency, commodity, security, intangible asset, and property (depending on who you ask), has led financial traditionalists to dismiss it as another fake good. Though designed to be transparent and traceable, its apparent lack of grounding in ‘real’ institutions, property, and practices of transfer has tagged it as a dangerous scam. Crypto is another instance of a decadent tech fantasy, but it emerges from a world that the financial imagination has created, a world in which everything could be verified, but nothing ever is.

**References**


