

OXFORD

cosmopolitan canvases

the globalization of markets for contemporary art



EDITED BY
OLAV VELTHUIS & STEFANO BAIA CURIONI

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1

Making Markets Global

Olav Velthuis and Stefano Baia Curioni

1.1 Introduction

Since the 1980s, markets for contemporary art and the contemporary art system more generally have been characterized by a wave of transformation of impressive scale and scope, initiating processes whose origins, effects, and implications still need to be fully described, analyzed, and interpreted.¹ Concentrated in art capitals such as New York, Paris, and London, these markets used to be by and large confined to Northern America and Europe. In many other regions across the globe visual art made by living artists was commodified, but art markets were relatively insignificant in quantitative terms and functioned in an informal, almost fully local, and hardly professionalized manner. Except maybe for some anthropologists interested in local cultures, the outside world was hardly aware of them. Moreover, the art that was traded in these regions was likely to be decorative art, what is pejoratively referred to as “primitive art” or the fruit of traditional craftsmanship (Belting 2009). In communist countries such as China or the former Soviet Union the commercial trade in art was hardly considered legal until the late 1980s. In short, “contemporary art”—which in this volume denotes a privileged type of art made in the present, which is heavily institutionalized and which

¹ The chapters in this volume were presented at the mini-conference Globalization of Markets for Contemporary Art, which took place at the Amsterdam Institute for Social Science Research of the University of Amsterdam in October 2013. Financial support of the Royal Netherlands Academy of Arts and Sciences, the program group Political Sociology, and the program group Institutions, Inequalities and Life courses of the University of Amsterdam is gratefully acknowledged. This book is part of the research project Globalization of High Culture, which is financed by a VIDI-grant of the Netherlands Organisation for Scientific Research (NWO). An earlier version of this introduction was presented at the Culture Club of the Department of Sociology and Anthropology at the University of Amsterdam. Thanks to its participants and to Svetlana Kharchenkova and Nataliya Komarova in particular for helpful comments.

circulates in a specific organizational framework of contemporary art museums, biennials, art centers, art galleries, and the like, and which is made sense of by means of a specific art critical discourse constructed around terms like innovation, originality, transgression, and critique—was mostly foreign to these countries (Belting et al. 2013; Heinich 1998).

Over the last thirty years, this situation has changed radically. The notion of contemporary art has diffused globally, and so have, at least to some extent, the infrastructures and discourses which constitute its modern habitat. Markets for contemporary art have emerged in regions where they previously did not exist, and have transformed in regions where they did. The total amount of fine art and antiques sold worldwide has exploded, not only in Europe and the United States, but also in the rest of the world. According to an annual report published by The European Fine Art Foundation (TEFAF), one of the world's main trade fairs for fine arts, the art market grew 575 percent between 1991 and 2012. The 2014 edition of the report estimates that the market for fine art and antiques now amounts to 47.4 billion euros. Postwar and contemporary art accounts for 46 percent of this figure. With aggregate sales estimated at 11.5 billion euros, China today is the second largest market for art and antiques in the world, after the United States (McAndrew 2014).

Signs of globalization are many at first sight. Auction houses report an influx of buyers from outside of Europe and the United States at their New York and London auctions of modern and contemporary art—according to the auctioneers, collectors frequently new to the market, from dozens of countries, now participate. Of the six bidders on Francis Bacon's triptych *Three Studies of Lucian Freud*, which set the highest auction price ever in the fall of 2013 when it sold for \$142.4 million at Christie's in New York, at least two were Asian.² Prestigious art dealers such as the New York-based Gagosian Gallery and Pace Gallery, or the London-based White Cube, have in recent years opened offices in cities such as Hong Kong, Beijing, and in São Paulo among others (Chong 2011). Art auction data vendor Artprice.com reports moreover that in the auction season 2012–13, the top twenty-five bestselling contemporary artists worldwide listed eleven Chinese artists (Artprice 2013). And although no emerging art market comes close to China in terms of market size, anecdotal evidence suggests that growth rates in India, Mexico, Turkey, and Brazil for instance, have also been spectacular during at least parts of the first decade of the new millennium. Africa, which until recently was the only continent to remain by and large off the radar of the global art market, seems to have been absorbed as well. An annual fair devoted to contemporary

² "Expanding Buyer Base Drives Record Year at Christie's with Art Sales of £4.5 billion (\$7.1 billion), Up 16%." *Christie's Press Release*, January 22, 2014, <http://www.christies.com/presscenter/pdf/2014/RELEASE_CHRISTIES FIGURES_2013_EN.pdf> last accessed February 2014.

African art (called 1:54) has been established in London, while a growing number of established European and American galleries now represent African artists.

The result of these qualitative and quantitative changes is an increasing complexity, interconnectedness, stratification, and differentiation of contemporary art markets. Our understanding of them is still in its early stages. Empirical research in the field of globalization of high arts is still scarce, partly due to the lack of systematic data. Focusing on different geographical regions and market segments, as well as different institutions and organizations within the art market, the chapters in this volume study first of all the infrastructures that enabled the emergence of a global market or promise to do so in the future (Part I); second, they investigate the extent to which markets for contemporary art are indeed global if measured by cross-border flows of works of art and artists (Part II); and third, they look at the impact of globalization on the configuration, organizational dynamics, and lived experience of actors within local art markets (Part III). In doing so, the chapters recognize the coexistence of various ecologies of contemporary art production and exchange and sketch the presence of resilient or innovative networks of actors and organizations who function as gatekeepers at different geographic and institutional levels.

The book takes a multidisciplinary approach, and includes studies by economists, anthropologists, historians, and sociologists. While we are convinced that this approach makes for a richer, multifaceted perspective on the topic at hand, the usual risks of disagreement on sound methodologies, misunderstanding of one another's theoretical frameworks, and conceptual confusion apply. Regarding the latter, this pertains as well to one of the central concepts of the volume—globalization—which is without doubt one of the most polysemic, contested, and contentious terms in contemporary social science (cf. Harris 2011; Held and McGrew 2003). Indeed, the chapters do not use a single, shared definition of globalization. Instead, we alternate between three different understandings of globalization of contemporary art markets: (1) the emergence of markets for contemporary art across the globe and the development of institutional frameworks and organizational infrastructures which enable these markets to function; (2) the cross-border sale of contemporary art, for instance at a commercial gallery who sells the work of a foreign artist to a local collector, or the work of a local artist to a foreign collector; (3) the integration of local markets for contemporary art into a single, unified, interconnected global market or a transnational field of contemporary art, which to a large degree has a shared institutional and organizational set-up (Kuipers 2011). As we will see throughout the book, the processes implied by these three understandings of globalization do not necessarily coincide, a point to which we will come back at the end of this introduction.

What the chapters have in common is that they interrogate and scrutinize the celebratory discourse which embraces the notion of a globalized art market uncritically, and which is endorsed by a curious amalgam of artists, auctioneers, art market pundits, curators, art journalists, and market researchers. In some strands of the humanities, this discourse is embraced as well. These strands write about the “deterritorialization” of art, emphasize the spread of art biennials around the world, and argue that the art world has become more inclusive (cf. Bydler 2004; Belting and Buddensieg 2009; Belting et al. 2013). Or as the German art historian Hans Belting puts it in the catalog of the first of a series of exhibitions at the ZKM Museum of Contemporary Art in Karlsruhe on the topic of globalization and contemporary art: “new art today is global” (Belting 2009: 40).

Within this celebratory discourse, metaphors like the “global village” and “global community” are frequently used. The discourse focuses on the declining power of gatekeepers in Europe and the United States in consecrating contemporary art and claims that the “continuity of the Eurocentric view on art” is being challenged (Belting 2009: 39). In interviews, art dealers talk likewise about the way the Internet has transformed their trade, making deals with collectors hitherto unknown possible and facilitating contacts with artists in distant regions. They tell numerous anecdotes to illustrate how borderless the art market has become, such as the one about a piece by a Japanese artist they represented in Berlin, which they transported to an international art fair in Miami, where it was bought by a collector from Puerto Rico, who had it shipped to his vacation apartment in Paris (cf. Velthuis 2013).

One may even call this celebratory notion of a global art market a sign of ideological prejudice, which does not so much *describe* as *prescribe* how artists, auction houses, galleries, or collectors have to think and behave. Indeed, the British weekly *The Economist* noted that “local artist” has become a synonym for insignificant artist and “national” damns with faint praise. “International” is now a selling point in itself.³ Conversely, art dealers or collectors focusing on local artists are looked down upon as parochial.

In order to interrogate and, at times, criticize this discourse, we will dissect it into six interrelated assumptions, some related to the causes of the art market’s globalization, others to its consequences. Either implicitly or explicitly, either collectively or individually, these six assumptions are recurrently made by the abovementioned curious clique of globalization’s cheerleaders: (1) the globalization of art markets is a new phenomenon which (2) reflects economic globalization; (3) it is a linear, teleological process which (4) leads to a convergence in the way contemporary art is traded across the world, which sets in

³ “Global Frameworks,” June 24, 2010, <<http://www.economist.com/node/16423340>> last accessed January 2014.

motion (5) intensive cross-border flows of art and brings about (6) a redistribution of symbolic power from Europe and the United States to other regions of the world. Note that some of these assumptions are not specific to art markets, or, for that matter, to cultural globalization. They can also be retrieved and have indeed been fiercely contested in what David Held and Anthony McGrew call “the great globalization debate” (Held and McGrew 2003). Explaining how individual chapters address them, in the remainder of this introduction each of these six assumptions will be discussed in more detail. In some cases, an assumption will be straightforwardly refuted by the research presented in this book; in other cases, the verdict turns out to be mixed. The introduction closes with a brief discussion of the main contributions of the book to current social scientific literature on art markets and cultural globalization.

1.2 Globalization of Art Markets is not New

The first assumption that is frequently found within dominant understandings of a global art market is that it is a new phenomenon; the symbolic starting date that is frequently mentioned is 1989, the year when the Berlin Wall fell and the irreversible crumbling of the Soviet Union was initiated, but also the year of the Paris Biennial exhibition *Les magiciens de la terre* at the Centre Pompidou and Parc de la Villette. This exhibition has widely been seen as a path-breaking and visionary attempt to transform the “Western” art system into a global inclusive system.⁴ Curator Jean-Hubert Martin selected fifty artists from “marginal” regions such as Africa, Asia, and Latin America, alongside fifty artists from the “center.” By doing so, Martin sought to correct an art world in which “one hundred percent of exhibitions” ignore “80 percent of the earth.”

The fall of the Berlin wall, and the end of communism which it symbolized, allowed for commercial art markets to develop in countries where they previously had not been. It moreover enabled various forms of cultural exchange between artists of these countries, who had for a long time been by and large cut off from artistic developments in the non-communist world. These political and cultural events of 1989 supposedly set the globalization of contemporary art in motion. Indeed, one of the exhibitions on globalization at the ZKM Museum of Contemporary Art in Karlsruhe was tellingly called *The Global Contemporary: Art Worlds After 1989* (cf. Belting et al. 2013).

⁴ The exhibition materials and catalogue texts are available through: <<http://magiciensdelaterre.fr/home.php>> last accessed May 2014.

Instead of seeing the globalization of contemporary art markets as a new phenomenon, we argue that it has to be recognized as a permanent feature of the historical sedimentation of art production, distribution, and consumption (Guerzoni 2011; Miegroet and De Marchi 2006). Art has been sold across borders and artists have lived nomadic lives from at least the Renaissance onwards, not only looking for new sources of artistic inspiration but also for new markets to sell their paintings. The leading centers of artistic production in Renaissance Italy were frequented by “agents of princes and courts, international merchants, passing aristocrats, diplomats, or high-level prelates who usually purchased large quantities of merchandise at a given moment” (Guerzoni 2011: 133). The art auctions of sixteenth-century Antwerp and seventeenth-century Amsterdam had, to some extent, an international scope. One of the leading art dealers of the nineteenth-century art market, Goupil & Cie, was headquartered in Paris but had branches in among others The Hague, New York, Vienna, Berlin, and Australia (Rewald 1973 [1986]), not unlike contemporary powerhouses such as Gagosian or David Zwirner who have gallery spaces all over the world (Chong 2011). Before the communist revolution of 1917, wealthy Russian citizens like Ivan Morozov and Sergei Shchukin were avid collectors of modern French art of their day, buying paintings by Monet, Gauguin, and Degas (see e.g. Kostenevich 1990). Moreover, the present-day cosmopolitan collectors who make their wealth in one part of the world but spend it on contemporary art in another part seem to be reincarnations of nineteenth-century figures like J. P. Morgan or Henry Frick, who bought works by Italian Renaissance painters, Dutch old masters, and French impressionists in large quantities.

These cross-border flows were not limited to Europe and the United States. In the late nineteenth and early twentieth centuries, artists like van Gogh were inspired by Japanese prints, Picasso by “primitive” African art, and Gauguin by the art of Polynesia. In the twentieth century, cities like New York or Paris served as magnets for artists from various regions of the world, not limited to “the West” (Crane 1987; Guilbaut 1983). The cultural anthropologist Thomas Fillitz has pointed at the wide range of historical connections—both colonial and postcolonial—between African artists and their Western counterparts (Fillitz 2009). More recently, the extraordinary boom in the market for impressionist art of the 1980s resulted partially from the influx of Japanese art collectors and speculators (Watson 1992).

If these historical antecedents of the global art market are recognized at all, they are usually seen as a form of pre-history, cut off from the trajectories of current global markets, and can therefore be safely ignored. Instead, some chapters in this book claim that for a better understanding of our own market era, going back in time further than “1989” is necessary. For instance, Filip Vermeulen shows how modern Indian artists around whom the contemporary

art market evolved in New Delhi and Mumbai, started their careers in the 1940s and 1950s, heavily influenced by European modernist art. Some of them the so-called Progressive Artists' Group, who are now among the country's most coveted artists, received their education at British art schools in India and were exposed to modernism during their extensive travels in Europe. As Mukti Khaire and Daniel Wadhwani put it, the progressive painter's style "developed at the intersection of traditional Indian visual themes and international artistic influences and dealt with the visual challenges of expressing 20th-century Indian culture and identity and its liminal place in the modern world" (Khaire and Wadhwani 2010: 1290).

Likewise, in Chapter 10 Amanda Brandellero shows how an elaborate support structure for modern art was created in postwar Brazil, when various modern art museums were founded in Rio de Janeiro and São Paulo. The country, which is now heralded in the media as one of the rising stars of the global market firmament, has had a lively art scene for good parts of the twentieth century. In 1951, the São Paulo Biennial, after Venice the world's second oldest biennial, was established there. By the end of the 1950s dozens of galleries were already operating in São Paulo and Rio de Janeiro, often established by Italian, German, or Romanian immigrants who had fled Europe during the Second World War. Competing with auction houses, these galleries not only sold to middle class Paulista clients, many of them of Jewish descent, but also to foreign buyers (cf. Durand 1989).

In short, instead of representing the globalization of art markets as a recent, new era in the market, it is safer to speak about waves of globalization. Although the current wave—which is characterized among others by the (re)emergence of art markets outside of Europe and the United States, and by attempts to integrate these markets into what may be called a single global market—is particularly strong, this book recognizes that it has been preceded by earlier waves. That is all the more important since history matters. The contemporary situation cannot be fully understood without considering its continuities with the legacies left by other waves of ancient and modern globalization of art markets.

1.3 Globalization of Art Markets Does not Just Reflect Economic Globalization

A second assumption in current accounts of the globalization of contemporary art markets is that it results from or mechanically reflects economic globalization. The prolonged high economic growth in previously peripheral or semi-peripheral parts of the world economy such as Brazil, Russia, India, and China (alluded to as the BRIC countries, an acronym invented by Jim

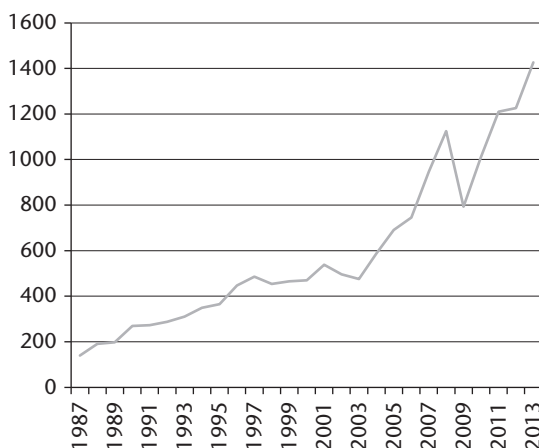


Figure 1.1. Number of billionaires worldwide

Source: Data obtained from *Forbes* <<http://www.forbes.com/billionaires/>>

O'Neill, an economist at Goldman Sachs, in 2001), the entrepreneurial possibilities which economic liberalization offered, the end of the debt crisis in Latin American in the 1990s, and, around the same time, the privatization of government property which, in countries like Russia, was executed in a wild, uncontrolled fashion, resulted in rapidly growing middle classes and a new elite of super-rich citizens. According to *Forbes*, the number of billionaires in the world has increased from 140 in 1987 to 1,426 in 2013 (see Figure 1.1). In order to explain the current boom of the global market, commentators usually do no more than invoke such numbers. As Anders Petterson of art market analysis firm ArtTactic assesses the health of the global art market: "It doesn't feel like there are any dramatic clouds on the horizon. I just look at the *Forbes* list of 2013 where you have more than 1,400 billionaires."⁵

It is the mechanistic nature of the relationship between economic and cultural globalization which this book questions. It shows that new wealth may be necessary for contemporary art markets to emerge and develop, but it surely is not sufficient. To begin with, we need to account for the ways in which this new wealth is (or is not!) channeled to contemporary art. This book does so in three ways. First of all, it shows how new, aspiring elites who are characterized by instable identities and status anxiety, have developed a taste for art. As Olga Kanzaki Sooudi formulates it in her ethnographic account of the Mumbai contemporary art world in Chapter 12, "the dramatic

⁵ Cited in Paul Casciato, "Bacon, Warhol Sales to Test Health of Global Art Market," *Reuters* October 15, 2013 <<http://www.reuters.com/article/2013/10/15/us-art-market-sales-idUSBRE99E0MQ20131015>> last accessed May 2014.

diversification of available commodities, along with a burgeoning middle class with increased disposable income, ushered in an era of status consciousness enacted through aspirational and conspicuous consumption.” Alongside other luxury goods such as branded commodities, expensive wines, and resort holidays, they have singled out art, and contemporary art in particular, in order to construct new, often cosmopolitan, identities. It allows these new economic elites, in a double process first analyzed by Georg Simmel in his classic essay on fashion (Simmel 1957 [1904]), to construct identities which differentiate themselves from the lower social strata that they were, often not more than some years or a single decade ago, part of; at the same time, art consumption enables them to confirm their membership of a new class of upwardly mobile compatriots, or even broader, of a new, global, cosmopolitan elite which engages in similar conspicuous consumption patterns as they do. In short, collecting contemporary art has become one of the key “passion investments” of a rapidly expanding group of “high-net-worth individuals,” to put it in terms of consultancy firm Cap Gemini in its annual *World Wealth Reports*. It is now part of a cosmopolitan lifestyle embraced by a new economic and urban elite, and is characteristic of societies where economic inequality is sharply on the rise (cf. Fraser 2011; Goetzmann et al. 2010).

The second way in which this book contributes to understanding how global wealth has been channeled to art, is by showing how new economic elites have recognized art as a potential investment opportunity. The question regarding the extent to which art constitutes a good investment, offering possibilities for diversification and higher returns than a traditional portfolio of stocks and bonds, has been disputed for at least two decades, both in academia and in the market itself (see Goetzmann et al. 2010; Mei and Moses 2002 for overviews). Although to date there has been no consensus, there is evidence that the interest in art from new middle classes is driven to some extent by investment motives. In Brazil, China, and India, among others, investment funds focusing on art have been established. Like in European and American art markets this happened predominantly during boom years, when art prices were steadily rising (Velthuis and Coslor 2012). When the art market in these countries slowed down or, in India, crashed in the aftermath of the financial crisis of 2008, many of these art investment funds had to fold. Speculative interest in Chinese contemporary art has been further fueled in a niche of the art market populated by art exchanges, dozens of which were established between 2009 and 2012. At these exchanges, with names such as Shanghai Cultural Assets and Equity Exchange, shares in a work of art could be bought and sold, akin to shares in companies traded on the stock market. As a result of, among others, government measures to curtail

speculative investment more generally, many of these exchanges turned out to be short lived.⁶

In Chapter 7, Roman Kräussl identifies modern and contemporary art produced in the Middle East as the latest region of interest to art investors. Istanbul has recently developed into a global capital for contemporary art, with a number of private museums, a biennial with a strong reputation, and a lively art scene. Moreover, demand for contemporary art has been strong in Turkey, which hosts almost as many billionaires as France and Japan combined. Kräussl studies the extent to which the investment interest of wealthy Turkish buyers in art has, over the period 2000–12, paid off. Constructing an index which consists of 3,544 works made by 663 artists, he finds that the annual return on Middle Eastern art was 13.9 percent. In other words, adjusting for various characteristics of a work of art (such as the size of the work or the medium in which it was made), the auction price of an average work of Middle Eastern art increased 13.9 percent per year over the period 2000–12.

A third and final way in which this book corrects the mechanical way in which economic prosperity is supposed to drive cultural globalization, is by focusing on the cultural infrastructures which have been developed in many countries. These infrastructures have enabled new wealth to be channeled to art. Auction houses are one key part of them. They have made persistent efforts to cultivate the interest of the new middle classes and to create markets for modern and contemporary art produced outside of Europe and the United States, for example by developing separate market categories and sales for modern and contemporary art from Latin America, Asia, Russia, or India (Khaire and Wadhwani 2010). In doing so, the world's two main auction houses, Sotheby's and Christie's, have evolved into huge and integrated dealing systems with hundreds of employees scattered over a large number of international art capitals.

Another organization which has been crucial in channeling new middle class wealth to contemporary art is the art fair. While fairs used to be few, and far from important until the 1990s, they are now seen as the art market's main events. More than 250 art fairs take place worldwide annually. At these fairs, on average more than 150 galleries participate to show and sell modern and contemporary art (Baia Curioni 2012). They are venues where international galleries meet their collectors, often from distant regions. Moreover, as Vermeulen shows, fairs are important cultural events for local art worlds, with tens of thousands of visitors, side shows of contemporary art in public venues, series of talks and debates by well-known curators, collectors, intellectuals, and artists who are flown in from all over the world, book

⁶ See e.g. <<http://www.centerpieceadvisory.com/archives/326>> and <<http://leapleapleap.com/2011/12/art-equity-trading-a-new-ponzi-scheme/>> last accessed May 2014.

launches, and, for the art scene's inner circle, a full agenda of parties and after-parties. They have, in short, developed into one of the nuclei of the new upper middle classes' leisure life.

1.4 Globalization of Art Markets is Not a Teleological Process

A third, related assumption in the dominant discourse on globalization of art markets which is questioned in this book, is that it is a linear, irreversible, teleological process. In this process, which is propelled by the economic engine described above, national borders would become less important and cross-border flows of art and artists would continuously grow. Analogous to Francis Fukuyama's erstwhile popular thesis in his bestseller *The End of History and the Last Man* (Fukuyama 1992) that all nation states are on a path toward democracy-cum-free-markets, all countries would become increasingly enchanted by the idea of contemporary art and would without hesitation adopt its concomitant cultural and economic infrastructures. As the British cultural entrepreneur and China specialist Philip Dodd summarizes the received wisdom when it comes to the demand side of the market: "Typically, people from recently emerged economic regions start by buying their own art, often 19th century; they then move to local contemporary art, and then on to international contemporary" (cited in Ciotti 2012: 637). To which art critic Vincent Bevins writing about the Brazilian art market adds: "once the rich move into more 'sophisticated' consumption patterns—art collecting, for example—they don't usually go back."⁷

The chapters in this book show that reality is more complex, however. The timing and trajectories which emerging countries have experienced in developing their own markets for contemporary art diverge widely. Moreover, the different degrees to which other regions of the world have developed an interest in these markets, raises questions. For instance, why has Brazil, of all Latin American countries, been successful, developing its art market even in times of financial crisis, and penetrating global gatekeeping structures such as the world's most prestigious fair Art Basel at a relatively early point in time? Why has Japan, the world's third biggest economy, remained by and large off the map of global contemporary art? Why has the market for modern and contemporary art developed much more rapidly in China than in India, and why have Chinese contemporary artists been much more successful internationally than their Indian counterparts? Why did Russia have its moment in the spotlight of the global market early on, in the late 1980s and early

⁷ Vincent Bevins, "Market Forces: Where is Brazil's Economy Going?" *Art Review*, September 2013, <http://artreview.com/features/september_feature_market_forces/> last accessed May 2014.

1990s, when European and American collectors were willing to pay record prices for Russian underground art (Solomon 1991), and why has it failed to remain in the spotlight ever since?

To understand these different trajectories, several more fine-grained and less mechanistic explanatory strategies are developed here. First of all, some of the contributions point at the institutional specificities which have blocked the smooth development of art markets. Both Brandellero and Vermeulen note that in the Brazilian and Indian art markets respectively, tax structures, import tariffs, and customs duties make foreign actors refrain from entering the market. In other words, some government interventions, instead of promoting local culture on the global stage (Crane 2002), may actually hinder their emergence, albeit unintentionally. To what extent such barriers turn out to be persistent depends, for example, on the ability of local actors to organize themselves. For instance, while Brazilian galleries have established a gallery association whose goals include professionalization of the sector, and who have lobbied intensively with the government to remove unfavorable tax structures and import/export barriers, Indian galleries have not succeeded in establishing an organizational framework which enables them to overcome dilemmas of collective action.

Second, power structures within local art worlds, where actors have vested interests which are threatened by globalization, may be a source of resistance. In his contribution on the Japanese art world, Adrian Favell argues that international curators never got a strong foothold in Japan (Chapter 11). This lack of access is crucial because curators usually facilitate the globalization of contemporary art: partially because they are able to physically connect different art worlds through their permanent travels (cf. Bydler 2004), and partially because an element of their work is to introduce and “mediate” art produced in one region to audiences in other regions (cf. Heinich 2012; Kuipers 2011). The reason that international curators did not gain good access to Japan is related to the structure of its art world. Favell characterizes this world as a “long standing, heavily institutionalized structure with a hierarchy of educational, museum, and public institutions. Careers, positions, and influence are intensely competitive and dominated by parochialism. (...) Modern art worlds in Japan were dense and highly developed in a way they were not yet elsewhere in Asia. Controlled within the competitive field of Japanese curators, they have collectively never let the foreign curators in.”

Third, some contributions focus on the role of institutional entrepreneurs (DiMaggio 1988), who have attempted to “make markets” where previously there were none, by cultivating taste, fostering ties to foreign art worlds, organizing recognition for “their” artists, and getting collectors interested. In Brandellero’s account of the Brazilian art market (Chapter 10), one of those entrepreneurs is the art dealer Marcântonio Vilaça, “a figure who has

achieved near-mythical status due to his visionary and relentless projection of artists abroad.” Until his death in 2000, he successfully created markets and developed careers for artists at his Camargo Vilaça Gallery in São Paulo. Some of them, such as Beatriz Milhazes, Ernesto Neto, or Adriana Varejao, are now among Brazil’s best-known contemporary artists.

Another example of such an institutional entrepreneur is Johnson Chang, a Hong Kong-based curator, collector, and art dealer, who was interested in the mainland Chinese art world from its inception in the 1980s onwards, and had excellent local and international networks which enabled him to “export” his exhibitions of Chinese contemporary art to Europe and the United States, among other places. Moreover, he successfully teamed up with Li Xianting, at the time China’s most influential art critic. As a contemporary Chinese reincarnation of what White and White called the dealer-critic model (White and White 1965), the couple would be instrumental in the development of global interest in Chinese contemporary art (Kharchenkova and Velthuis forthcoming).

1.5 Globalization of Art Markets Cannot Be Equated with the Diffusion of Western Blueprints

If the globalization of art markets is seen as a teleological process, its *telos* is frequently assumed to be an art market which is organized using European/American blueprints. This would be the only way in which art can be traded efficiently and legitimately. The key blueprint is the European/American gallery model, also alluded to as the aforementioned dealer-critic model (White and White 1965). This model was introduced in France in the second half of the nineteenth century. It stipulates that the art dealer represents and promotes the work of a limited group of artists, and tries to build and stabilize the market for their work by having museum directors, curators, critics, and other actors without a direct financial interest in the market consecrate the artist’s work. Together with the dealers, these actors operate as gatekeepers to the art market (Beckert and Rössel 2013). Once the artistic value thus gets established, the economic value of the work can start to rise.

Specifically for emerging art markets like China or India, the assumption of both local and foreign actors is that they will remain unstable, unprofessional, wild (Pollack 2010), or as they put it themselves “immature” as long as Western models and blueprints of art galleries, auction houses, museums, and other market organizations are not implemented. Once they are, the idea is that the

market will become more transparent, stable, and orderly, while trust in the value of contemporary art will be secured.⁸

The chapters in this book do not deny per se that Western models of conducting art business are diffused around the world. One obvious example of this diffusion is the gallery model, which has frequently been adopted from Europe and the United States: galleries in emerging art market countries such as Mexico, China, or Argentina tend to operate out of the symbolically loaded white cube spaces, which resemble those of New York, Berlin, or London. Just like their European and American counterparts, they are frequently located in what used to be industrial zones of the country's art capitals and which have now been converted into lively art districts; the galleries indeed represent and promote a relatively small group of artists and try to make a market for these artists (Velthuis 2005). Moreover, the model of the art fair, where between 100 and 300 galleries get together, showing a variety of art in a small booth during four or five days, has been widely adopted. More profoundly, the very notion of contemporary art itself has spread across the globe. As art critic Peter Weibel puts it: "To speak about art as contemporary art is already the effect of global transformations" (Weibel 2013: 25; Hest 2012: 24).

These diffusion processes either take a mimetic or a normative form: starting galleries or developers of art districts in emerging countries regularly claim that they were inspired by their counterparts in Europe and the United States, whose practices they imitated on a voluntary basis. Normative isomorphism occurs for instance when a prestigious international art fair such as Art Basel only admits galleries if they operate according to specific norms and standards, which are thus implicitly enforced upon them.

However, this book shows that the diffusion of "Western" market models is far from complete. Local actors have ample opportunities to "glocalize" these models by adjusting them to their own needs and contexts (Watson 1997; Nederveen-Pieterse 2002). For instance, in China the business model of Sotheby's and Christie's has been copied from the 1990s onwards, but it has been put to use in different ways: auctions can for instance be found on the primary market in China, to sell new works of art straight out of the artist's studio, which would be highly unusual and illegitimate in Europe and the United States (Pollack 2010; Velthuis 2011).

Moreover, the diffusion of global models does not mean that local organizations have been completely erased. As Svetlana Kharchenkova, Nataliya Komarova and Olav Velthuis argue in their contribution on the Russian and Chinese art market (Chapter 4), what they call Official Art Organizations

⁸ See e.g. Alexandre Errara, "Five Myths About Chinese Contemporary Art," *Forbes*, January 21, 2014 <<http://www.forbes.com/sites/alexandreerrera/2014/01/21/the-five-myths-about-chinese-contemporary-art/>> last accessed May 2014.

(OAOs) of the Soviet and Mao era have survived and continue to be influential. This persistent influence is partly due to the heavy historical institutionalization of these OAOs, their complementarity to wider organizational structures including the state apparatus from which the OAOs cannot be decoupled, and their resilience to adaptive pressures due to different forms of path dependency (Mahoney 2000). Indeed, Kharchenkova, Komarova, and Velthuis advocate a “varieties of capitalism” approach to art markets, which recognizes that local organizational systems are able to resist the adaptive pressures and convergence tendencies of globalization (Hall and Soskice 2001). Although the OAOs may be an extreme instance, more subtle varieties of the way art markets are organized can be retrieved across the globe.

A final qualification of the assumption that Western blueprints of art markets are diffused, is to point at counterflows of organizational patterns, where Europe and the United States are adopting rather than diffusing market infrastructures (cf. Crane 2002). For instance, Damien Hirst’s successful and widely discussed 2008 sale *Beautiful Inside My Head Forever*, in which he sold new works of art by auction and bypassed his dealers, could be seen as inspired by Chinese market practices (Velthuis 2011). Likewise, in Chapter 5 Mukti Khaire shows that Indian entrepreneurs were among the first to successfully use the Internet for auctioning modern art. They developed an innovative e-auction platform in order to redress a modern Indian art market, which “was largely unstructured, with limited if any pricing transparency, long stagnant periods, and difficulties in determining the authenticity of works, all issues recursively related to sporadic buying and selling of artworks and limited exposure in the global fine art market.”

1.6 Globalization of Art Markets Does not Result in a Global Ecumene

The fifth assumption within the prevailing globalization discourse which is interrogated in this volume is that cross-border flows of art sharply increase, and will come to dominate the market. As a result of these flows, a profound “mixing” of nationalities across art worlds would characterize the global art market (Quemin 2006), leading to what one may call a global ecumene of contemporary art (Hannerz 1992). In this ecumene, the market for an artist coming from the Middle East for example, may be globally dispersed: he may be represented by a gallery in Brazil, collected by art lovers in Europe, and sold at auctions in Hong Kong.

This volume questions this claim in a number of different ways. First of all, although exports have increased worldwide by 500 percent by value over the last twenty-five years and now amount to 18 billion euros, it should be noted

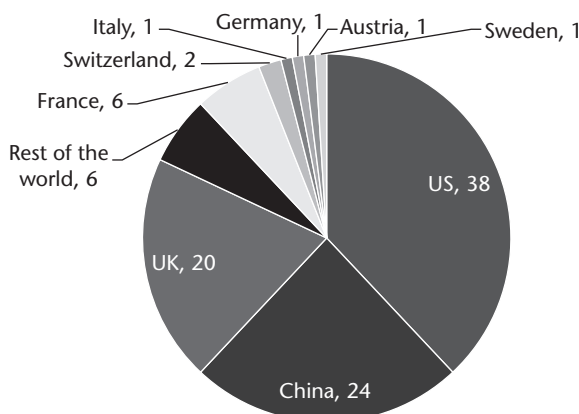


Figure 1.2. Global art market share (%) by value (2013)

Source: TEFAF Art Market Report 2014: 22 (McAndrew 2014)

that global art sales are dominated by three countries only: the UK, the US, and China. Together they account for no less than 82 percent of the total global market. Countries like India, Brazil, Russia, Turkey, Mexico, and many others, tellingly grouped as “rest of the world” in the TEFAF Report, together only account for 6 percent of global art sales (see Figure 1.2). Moreover, of all the world’s exports of art and antiques, 65 percent originate in the US and the UK. The reason is that the main art auctions continue to take place in New York and London, where the top segment of the art market is centered and where record prices are set (McAndrew 2014: 63). The report notes, by contrast, that for emerging markets, “reported flows of art and antiques remain relatively low” (McAndrew 2014: 72).

The few existing academic studies on cross-border flows of contemporary art, their makers, and intermediaries confirm this picture of a relatively global top segment concentrated in London, New York, and a few other centers on the one hand, and a host of local markets on the other. In particular, a home bias, i.e. a focus of organizations and individuals on local artists, is a recurrent feature in these studies. For instance, Alain Quemin finds that even the world’s most prestigious museums (e.g. Centre Pompidou, Tate Modern, and the Museum of Modern Art in New York) are more likely to exhibit the work of artists of their own country (France, the UK, and the US respectively) (Quemin 2006). Cultural economists Lasse Steiner, Bruno Frey, and Magnus Resch find a strong home bias in private art collections: 89 percent of South American art collections are composed of works made by South American artists. For Asian, North American, and European collections the figures are respectively 82, 76,

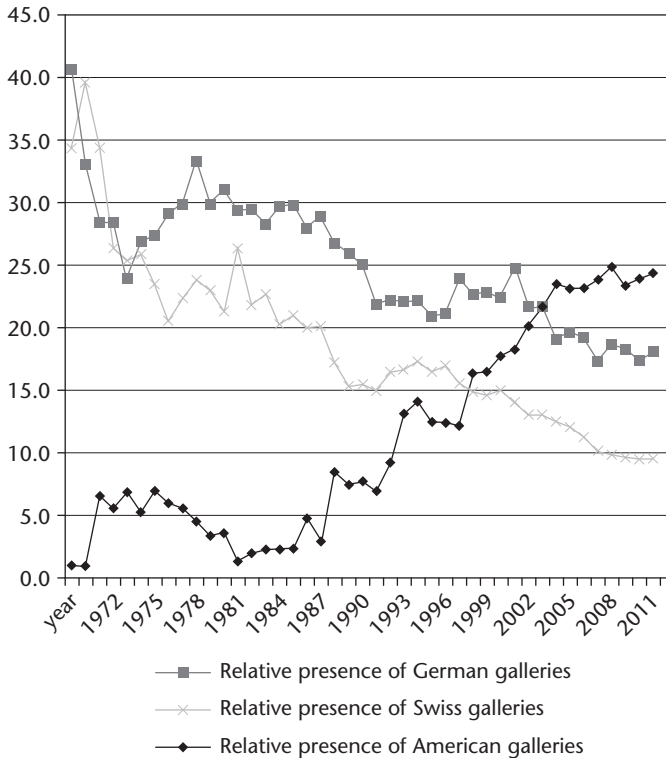


Figure 1.3. Share of galleries at Art Basel by nationality

Source: artfacts.net

and 43 percent. The authors attribute this in part to the continuing existence of strong export and import restrictions (Steiner et al. 2013).

Even at Art Basel, which is considered to be the market's most global fair, Swiss and German galleries have a very strong presence (more than a quarter of all galleries exhibiting in Basel are based in these two countries, see Figure 1.3). Historically, this bias of art fairs should not be surprising. Although they are now seen, together with biennials, as the global art organizations *pur sang*, the origins of the fair are rather different: local instead of global. The first art fair, Kunstmarkt Köln (1967), was launched by the German art dealers Rudolf Zwirner and Hein Stunke in an attempt to breathe life into the German art market, especially in the light of the booming American art scene (Mehring 2008). Seventeen other galleries participated in the first fair. All were German. Of all galleries at the first Art Basel events (the first took place in 1970), around two-thirds came from either Switzerland or Germany. Many of the less prestigious fairs in the world continue to attract predominantly local galleries (see also Halle and Tiso 2008).