

Working the machine: Deconstructing the value generating mechanism for contemporary art.

Introduction

New York art critic Jerry Saltz has a rule of thumb: “85% of contemporary art is bad” (Thompson 2008: 7). Faced with this kind of prejudice and lacking the aura of worthiness that age gives Old Masters, contemporary artists must somehow validate their work to reassure potential consumers of their credibility in the present and their sustainability for the future. Symbolic and financial validation for those few contemporary artists that manage to achieve success relies on the efficient workings of the *art machine*: the framework of the established art market is illustrated here as an interlocking mechanism made up of seven stages or *cogs* which ideally should work in unison to best generate both symbolic and financial value for art in a co-branding initiative that is indispensable for success.

This paper deconstructs this complex system of affiliation to assess how each participant aims not only to benefit from the market, but also to contribute to the creation of value and reputation within the wider spectrum of the contemporary art scene. This collaborative approach to the creation of value within the art market is further supported by the overlapping nature of many art professionals and institutions. Inspection of the *art machine* as a comprehensive and interconnected network will be of practical use for art schools, researchers and especially for upcoming artists to show what career path they should aim to follow in order to be successful in today’s competitive market place.

Literature Review

Economists and art theoreticians have variously identified the key component parts of an art network (Becker, 1982; Stallabrass, 2004; Thompson 2008; Thornton 2009; Robertson 2005; Robertson and Chong 2008; Velthuis 2005) though none of these studies have acknowledged the importance of the entire interactive organism to reveal how these different components may effectively collaborate with one another to ensure the validation of contemporary art. Reactive to their uncertain economic climates, the art-specific contextual “artworlds”, as defined by Danto in 1964, spring up and die organically as conditions fluctuate. Subsequently, Becker’s (1982) own sociological approach to “art worlds”, or, in Thornton’s terminology (2009), “insiders”, include: creative artists, curators, dealers, galleries, critics and theoreticians, auction houses, commercial art fairs and non-commercial international arts events such as Biennials and Triennials, collectors and investors (individual and corporate) and their advisors, together with museums.

Robertson (2005a: 29) plotted the progress of the unknown and yet un-validated artist from art school to stardom, passing through about half a dozen levels including: curator shows, arts fairs, galleries, regional and national shows, international biennales and art fairs, branded museums and national galleries (Appendix I). Robertson further stratifies these levels of validation into three distinct tiers: gamma, beta and alpha. Artists who achieve gamma exposure remain stagnant, receiving only local coverage and selling to local audiences at regional art fairs and low level galleries. However, at

the other end of the spectrum, alpha artists benefit from global dissemination and financial success due to the seal of approval bestowed upon their work from the most prestigious art institutions in the world. Similarly, the arts consultancy firm of Morris Hargreaves McIntyre (in Chong, 2010: 197-198) created an art “Eco-System” flow scheme made up of 12 key relationships from art school to public art museum (Appendix II).

These schemes provide a starting point for any serious understanding of the mechanisms involved in the commercialisation and validation of contemporary art. Instead of visualising the key components of either scheme, be it Robertson’s diagram or Morris Hargreaves McIntyre’s list of participants, as separate and unrelated, the visual representation of the *art machine* expands on and explores the contribution made to the cultural and economic validation of an artist and his work by a wide variety of interlocking and at times overlapping components. Starting with the creative artist’s education and training at art school, this structure follows his work’s acceptance at dealer and gallery primary market level, validated by critical exposure; market penetration via art fairs, auction houses, collector participation and international arts events which lead the star artist to museum acceptance, the pinnacle of symbolic success.

Methodology

An extensive field of literature is analysed and key theoretical aspects are drawn together cohesively to support the theory that an *art machine* exists to process and legitimise contemporary art for success. Although existing literature on the subject remains dominated by the market leaders in the contemporary art world, primarily the American and European art markets; this paper clearly illustrates an international framework of the value-generating process for contemporary art. Since each art market is socially, culturally and even historically contextual, *cogs* within this framework may vary in size, importance and even positioning within local *art machines*, allowing for further research into the dynamics of emerging art markets vis-à-vis the global leaders.

Findings - Deconstructing the machine

Stage I: Educating artists: art schools.

Californian conceptual artist John Baldessari jokes that artists should adopt a military-style uniform to show their rank by portraying their achievements or status on their sleeves, like stripes (Thornton, 2009). The first of these ranks would have to be the art school, which acts as the foundation for most artists’ careers as illustrated in Robertson’s route to stardom (2005a). Even with an innate creative talent, the upcoming artist must acquire the technical expertise that allows him to create at a professional level, not to mention the initial validation that attending an art school confers. Upcoming artists feel that this first step into the legitimisation process is an important one, since “a good art school provides a sense of being somewhere that matters with an audience that matters” (Thornton, 2009: 72).

Stage II: Penetrating the market - art dealers and galleries

Talented and now trained, the graduate artist makes his debut on the primary market, where his work is sold for the first time, be it at a graduate show or initial representation by a local gallery. A first-time sale can be achieved by the artist selling

directly to an individual, business or institution. Ideally, the artist finds representation from a gallery or dealer, who will exhibit, promote and sell artwork on his behalf in return for a commission or a percentage of the sale price with or without a contractual relationship. Dealers and gallerists are, importantly, tastemakers: proactive, not reactive, where “merely offering the public what it wants is an abdication of responsibility ... [they] should be in the business of helping to shape taste” (Chong, 2010: 19). They combine the qualities of scholar, aesthete, connoisseur, publicist, diplomat and organisational leader, together with the “skills of persuasion and articulation” (Chong, 2010: 11). Dealers and gallery owners stand as cultural “gatekeepers” (Becker, 1982; Velthuis, 2005; Schroeder, 2006), who open the portals of the opaque art world to a more general public: “The gallery owner therefore assumes the part of interpreter and mediator in the process of turning art into a product” (Meyer and Even, 1998: 271; see also Chong, 2005). As an essentially profit making enterprise, the commercial gallery needs further symbolic validation from perhaps less financially oriented gatekeepers within the *art machine*: the word of the art critics.

Stage III: The power of words - art critics.

Since the artist’s creativity is not readily understood by the viewer, audience compliance must be molded by the “fluent, florid artspeak” of qualified members of the *art machine*, such as curators and critics (Gill, 2009), who establish meaning and marketability of the artist’s output. Unburdened by the commercial commitments of a gallery, independent art critics are free to “equate desirability with originality or vision” (Thompson, 2008: 229), making and breaking reputations, acquiring friends and enemies along the way.

Stage IV: A return to the market - auction houses.

With the auction house, an artwork already validated at lower levels of the *art machine* reaches the secondary market (Heilbrun and Gray, 2001; see also Robertson, 2005a). Auction house reputation as a guarantee of quality, the known identity and provenance of the work, auctioneer expertise in the psychology of buying (Thompson, 2008; Thornton, 2009) and as intermediary between consignor and ultimate consumer, together with the ostensible transparency of the auction procedure (as boasted by Goodwin, 2008), target high sales prices to guarantee consumer satisfaction according to the “Veblen” effect (Thompson, 2008; Chong, 2010). A duopoly of auction houses, Christie’s and Sotheby’s, originally London-based, now rank globally among the most esteemed art sales venues, conferring upon the art they sell the benefit of their own reputations within the branded and branding *art machine*. Many artworks are consigned following operation of the four Ds – death, divorce, debt and discretion, where discretion implies redecoration, collection renewal or investment profit (Thompson, 2008; Goodwin, 2008; Horowitz, 2011). Despite the apparent transparency of the auction house, where pre-sale estimates and reserves are published in advanced (Carrano, 1999; Velthuis, 2005; Goodwin, 2008; Chong, 2010), eager art collectors may remain bewildered by the sheer speed and mysterious price escalations during the auction itself. Ideally, the bidder’s potential post-purchase regret (Thompson, 2008) that he has irrationally overspent at Christie’s or Sotheby’s is mitigated by the comfort factor of these institutions’ worth within the validating *art machine*.

Stage V: Consuming art – collectors.

The serious art collector fulfils a dual function within the *art machine*: not only does his insatiable demand for contemporary fuel the market in financial terms, but his own prestige of power, or branded image, can increase the symbolic value of the artwork by adding it to his collection, or even by his merely expressing interest in acquiring it (Thompson, 2008). In order to be able to endorse art's value by acquiring it, a collector should be able to choose his art wisely, that is, have *good taste*, or if he has more money than taste, he should be able to choose his arts advisors (dealers, gallerists, auction house representatives, financial advisors) wisely. Only the most successful collectors and collections make the headlines: "High prices command media headlines" (Thornton, 2009: xv). The more humdrum may also be successful to some extent, but will not make headlines, since they stick to conformity for safety's sake, herding together, following trends rather than making them, or, in Hughes' picturesque metaphor, moving in great schools like bluefish (Hughes, 1984; see also Becker, 1982). Bluefish may attract sharks in the water, the less ethical arts professionals, keen to part the collector from his money by playing on his ignorance, cultural snobbery, acquisitiveness or inclination to financial speculation (Becker, 1982). A timid collector may prefer to avoid the shark-infested water of the galleries, dealerships and auction houses in favour of the less aggressively profit-driven art fair or international arts event.

Stage VI: Window shopping - art fairs and international art events.

The art fair is a more comfortable and less stressful environment for the consumer than the auction house or even the potentially intimidating art gallery or dealership; galleries exhibit at art fairs to capture a wider public but lose some of their aura of distinction in the crowded, shopping mall experience (Thompson, 2008), especially of the lower level art fair. To avoid stagnation at Robertson's (2005a) gamma level of dissemination, exhibiting merely at local galleries, fairs and museums, the entrepreneurial artist must behave like a multinational corporation and actively exhibit widely across the globe. International art events, often organised every two or three years (Biennials, Triennials), offer the star-bound artist unbeatable exposure and symbolic validation within the art world: "artists as "brand managers" (Schroeder, 2005) aim to participate in high profile Biennales such as the Venice Biennale in order to legitimise their work and gain symbolic power (Swartz, 1997). Simply attending such an event is often regarded within the industry as conferring a 'seal of approval' on an artist's work" (Rodner, Omar and Thomson, 2011: 324). Generally hosted by a city that also gains in cultural value as its art fair grows in fame, international art events are an offshoot of the goliath world fairs that promoted nations' trade to an international public.

Stage VII: Exiting the market - museum or mausoleum?

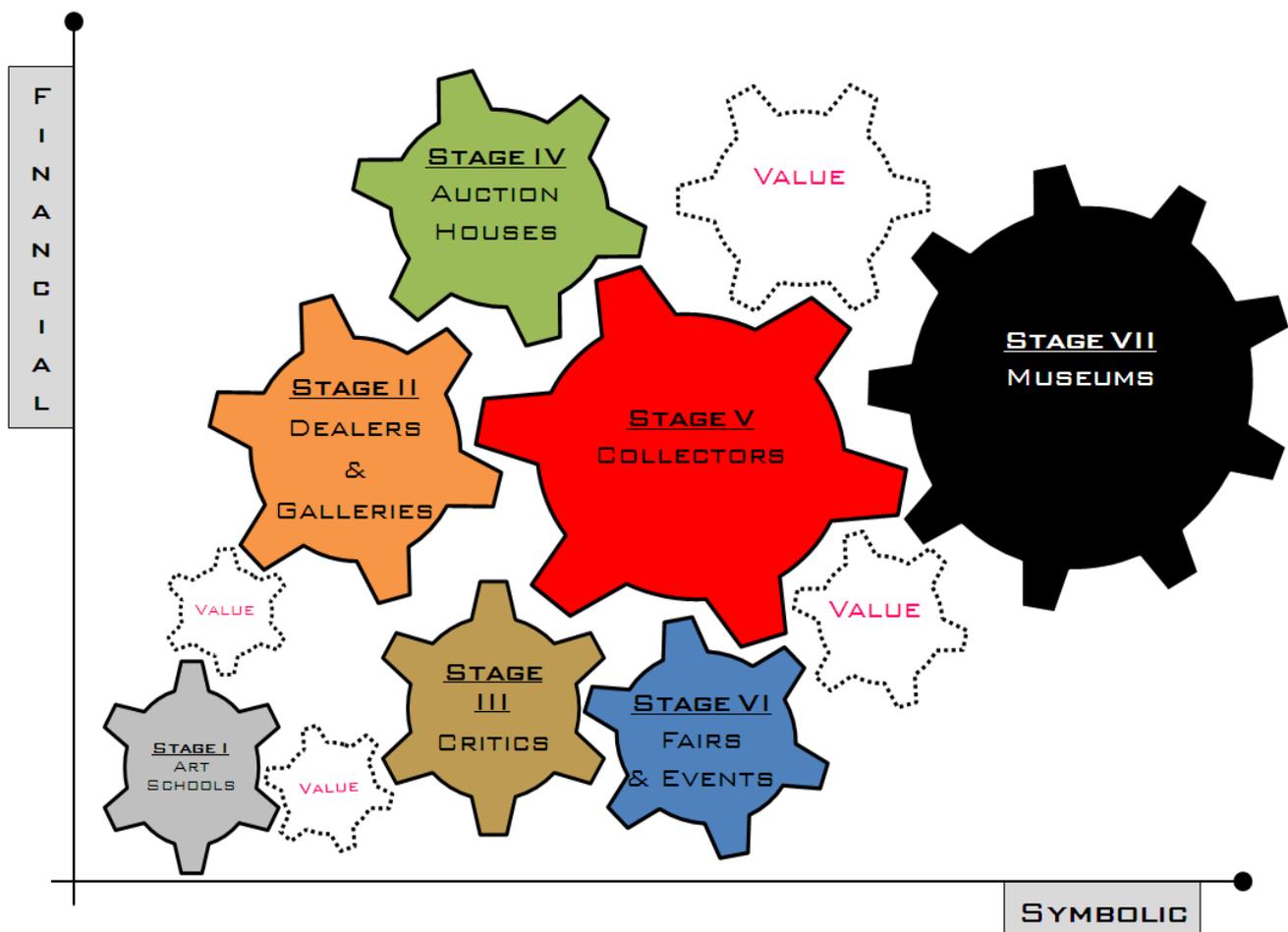
For Robertson (2005a), acceptance into an international art event such as Venice or Documenta is the ultimate seal of approval within the market, alongside induction into a major art museum. Robertson dates the birth of a "new system of value" for art with the emergence of the Museum of Modern Art in New York (1929) when museum curators and aestheticians collaborated in the process of "rubber-stamping" the art market by collecting and exhibiting works of already commercial artists (2011: 7). Nevertheless, once museum-displayed, most artwork moves no further and, subsequently, exits the market. Museum status freezes the dynamic evolution of the particular work on display, which will generally no longer change hands and grow in

provenance and interaction with different collections. Pessimistic commentators equate museum induction with death for the artwork (Ramos, 2007), where museums are “graveyards above the ground” (Harrison and Wood, 2006: 971). When not government supported, major museums need audiences to provide funds. New audiences require new exhibits, so museums must renew their collections, purchasing “oh-my-god” art (Thompson, 2008: 238) at multi-million prices that are ratcheted up by a new generation of wealthy art enthusiasts. Few museums can afford to keep pace with the global market’s new wealth (Heilbrun and Gray, 2001). A museum unvisited is a dead museum and their exhibits no more than fossils, so museums with a view to present profitability and future survival may stage witty, attractive shows, where possible supported by a stimulatingly modern architectural setting.

Working the machine

The above stages or *cogs* testify to the existence of a complex network of agents which, when synchronised correctly, can validate an artist and his work for success. Despite the fluid and uncertain nature of the art market, where trends and tastes are reinterpreted over time, these *cogs* suggest an orderly and interdependent structure of cooperative (if not competitive) legitimation, which can lead the ambitious contemporary artist from anonymous youth to established celebrity.

Illustrated below, the *art machine* is presented here as an interlocking and interdependent mechanism of validation for contemporary art:

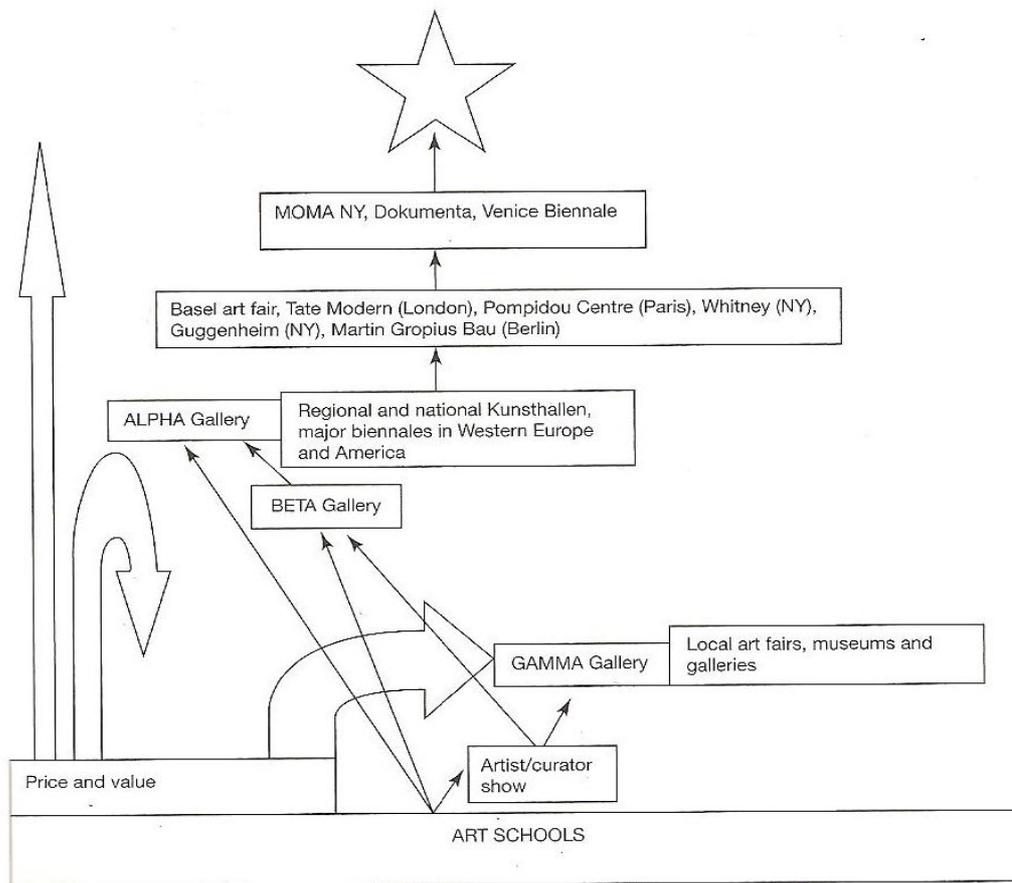


As the contemporary artist maneuvers his way through the various stages within this mechanism, his reputation (symbolic worth) and the price he may demand for his work (financial worth) increase in added value as he progresses along the two axes. With little or no value associated to neither his work nor his name, the artist commences his journey into the art world at stage I – the art school, where an innate creative talent is moulded and contextualised by art educators. Once trained, the artist seeks recognition from a wider audience by having his work interpreted by critics (stage III) and made commercially available by galleries or dealers (stage II), each of which act as key components in the validation process and broader dissemination of the artist and his work. Subsequently, auction houses (stage IV) add significant monetary value to the work sold on the secondary market; whilst at the same time conferring their own reputation and seal of approval upon the artist himself. Similarly, stage VI (art fairs and events) appears to be two-fold in the overall validation process: art fairs satisfy an ever-growing demand for the commodified artwork; whilst art events, which are allegedly non-commercial in nature, add symbolic value to the work on display via the careful selection and judgment made by art critics and curators. Central to these four stages one finds the larger, unequivocally indispensable interlocking *cog* of stage V: the art collector. Arts consumption, in financial and symbolic terms, becomes a key driving force within the *art machine*, without which the entire mechanism would remain stagnant and paralysed, much like a poorly lubricated engine. The voracious appetite of the enthusiastic collector generates motion between the interconnecting *cogs*, which in turn creates value for the artists within the system. At the pinnacle of the value-creating process lies stage VII – the museum - where the ultimate seal of approval is bestowed upon the artwork and artist.

Conclusion

Unlike previous conceptualisations of the market, the *art machine* envisions an interdependent branding mechanism, whose different component parts necessitate the other in the successful and sustainable creation of symbolic and financial value for contemporary art. This paper portrays the essential structure and inner workings of a global *art machine*, which is currently dominated by American and European art markets and arts marketing literature. Further research may investigate whether or not local *art machines* in emerging markets mirror this cohesive, interlocking branding mechanism and how local and international taste-making *cogs* may cooperate in the value-generating process of marketing contemporary art and artists.

Appendix I



Progress of the artist from art school to stardom in “The international art market” (Robertson, 2005a, p.29) in Robertson (2005) (Ed.) Understanding international art markets and management.

Appendix II

Morris Hargreaves McIntyre's art "Eco-System" scheme as cited in Chong (2010: 197-198):

1. (Graduate) artists attract the recognition of peers;
2. Exhibition and representation by small gallery;
3. Critical attention;
4. Attracts attention of dealer;
5. Attracts private collector;
6. Dealer sales and art fair exposure enhance artist's reputation;
7. Dealer promotes critical attention via smaller gallery exposure;
8. Major gallery exposure;
9. Legitimization adds value, status and profit for dealer and artist;
10. Collector lends to public gallery/museum;
11. Collector's choice is endorsed by being invited to join gallery/museum boards;
12. Collector bequests collection to museum.

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