

Editorial

# Arts Special Issue “The Contemporary Art Market”

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When setting out to organize this Special Issue of *Arts*, I began with the goal to survey the emerging field of art market studies but also to expand the notion of the market to include alternatives, such as art collectives and festivals, that challenge the dominance of the market as the pre-eminent arbiter of cultural value. The papers that are collected in this issue provide a kaleidoscopic view of the art market today and way it manifests transnational culture, society and politics. As artists have devised ways of transgressing boundaries to generate the most engaging work, scholars aiming to account for the market for and exhibitions of their work are expanding their purview when it comes to decoding and generating meaning from today’s contemporary art sphere.

Art Market Studies remains a nascent field and while studies of dealers, collectors and philanthropy have long been an arena of Art History, the domain has opened up a lot in recent years as the result of sociological, anthropological and economic studies into cultural producers, venues and markets. The field is now an interdisciplinary one which draws on new technological tools to track auction results, collecting patterns and market niches. Multiple annual reports of the scale and scope of the art market are produced, collating data not just from public auctions but from private dealers as well. In the 21st century, the expansion of the contemporary art market is one of the dominant trends, as it now commands the largest sector of the global art market in terms of the value of transactions. Further, new mechanisms such as the art fair, and even the proliferation of international biennials of contemporary art, have served to make the contemporary art market more visible and available to a broader public around the world. In my previous book, *Art and the Global Economy* (Zarobell 2017), I attempted to sort out the myriad complexities of these multiple domains of visual art and its market so I will not reprise these efforts here, but I welcomed the opportunity to assemble a special issue on the contemporary art market from a variety of peers. The complexity that emerges from the issues raised in these papers, and their overlapping considerations, provides a more diverse and complete image of the contemporary art market today than any single author could ever produce.

The variety of proposals received was astonishing and I am happy to be able to present sixteen authored papers and an interview as part of this issue featuring research on most of the regions of the globe from scholars around the world. The papers have been published in *Arts* over the past year and the goal of this retrospective essay is to draw together the themes introduced and provide an image of the broader contours of this issue. There has been a concerted effort here to introduce new voices, including scholars who have just received, or have yet to receive, their PhDs. This is balanced by a number of major scholars in the field of art market studies who have made original contributions to this volume. While this issue does not represent the complexity of work in this field in its entirety, it presents a variety of perspectives that allow readers to discover many of the various strands of contemporary art market studies. There are lacunae, of course—Africa is not represented here and there is only one paper devoted the Latin American market—but the goal of having a more global conversation about contemporary art, as well as locating emergent dynamics of the art market in the Global South, has been one of the ambitions of this issue and many authors have traced these developments here.



**Citation:** Zarobell, John. 2021. *Arts* Special Issue “The Contemporary Art Market”. *Arts* 10: 43. <https://doi.org/10.3390/arts10030043>

Received: 25 June 2021  
Accepted: 25 June 2021  
Published: 30 June 2021

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A couple of papers serve to situate some of the larger theoretical issues around the art market today, especially around the question of agency and the notion of freedom, whether of the artist or the market itself. Stefana Baia Curioni, Matra Equi Pierazzini and Laura Forti have contributed a mixed method study of the Basel Art Fair and major art museums that yields findings that point to exactly how the economic and cultural dimensions of the art world intersect. Their analysis suggests that the art fair and its market does not drive the decisions of global cultural institutions but may in fact respond to them. The broader perspective of their study opens up important new ground for considering the way a structure as complex as the contemporary art system assigns cultural and economic value to certain participants while expressing a form of agency on its own. In their model, the art market is but one manifestation of the dynamic art system and therefore art market studies play a role in a broader inquiry into the production and dissemination of contemporary art. As they write, “The art system’s agency, unfolding as a *mediating practice* enforced by specific institutional frameworks, exceeds the traditional economic definition of markets and paves the way for extending the very concept and function of markets beyond their agency centered on dealing and the efficient allocation of resources”.

Ronit Milano’s consideration of the art market similarly considers the relationship of galleries to museums, employing the idea of economic freedom to elaborate the dynamics of asymmetric information that results. She aims to “argue that an art market conducted according to the principles of a free economy paradoxically constricts its economic freedom by enhancing inequality within the art world”. Rather than pursue a critique of the mixing of the economic and cultural domains, Milano instead details the way that the relations between galleries and museums are conditioned through the prism of freedom, understood in the sense of neoliberal economics, as opposed to the freedom implied through artistic agency. The author’s articulation of the art market would seem to undermine the significance of agency in the cultural sphere. Therefore, it serves as a counterpoint to the model advanced by Baia Curioni, Equi Pierazzini and Forte. These two reconsiderations of the market overlap more than they cancel each other out, and together they provide terms and analytic processes that help to overcome some of the more stable dichotomies that have emerged in the field of art market studies to date, including what Olav Velthuis (2005) has called a “hostile worlds” view, an apparent animosity between artistic production and commercial interests, as represented by dealers, pricing and art fairs.

Agency is in fact is a theme taken up by several authors in this volume in relation to a variety of practices relevant to the art market. The presence of so many considerations agency here suggests that one of the challenges in making sense of the art market is attempting to determine who is guiding it. Anita Archer’s contribution examines the agency of auction houses in framing categories to promote emergent market sectors. Building on Khaire and Wadhvani’s (2010) groundbreaking study of the category of Indian contemporary art, the author demonstrates how other new auction categories minted in commercial centers in the Global South have been promoted by multinational auction houses to consolidate regional art categories in a transnational market. According to the author, these strategies have worked “to develop and underpin value propositions . . . but with cooperative activity restricted in each case to certain sectors of the art world ecosystem, local influences dominate and relative values prevail”. The tension that she discovers between a global market and local actors in her focused analysis is also present in other articulations of agency here.

Another aspect of agency in the art market is provided by Jeremie Molho in relation to art world hub cities, Singapore and Hong Kong, both of which have sought to position themselves as Asia’s art market center, albeit through different strategies. Though recent political developments in Hong Kong have perhaps changed the patterns that Molho traces, he points to the agency of cities to frame their identities in the context of global flows of capital and information. He concludes by noting that the two strategies embodied by his case studies (market-driven and state-driven) are not exhaustive and more research on other regions is called for. While such urban developments have worked to de-center

global culture, they have not overturned existing hierarchies or promoted horizontal flows but have instead promoted “the emergence of a multipolar art market system”.

An inquiry into the agency of artists in the market structure is the basis for Olga Sooudi’s contribution to this issue, focusing on alternative art spaces led by artists in contemporary Mumbai. Her multi-sited ethnography of several artist-run spaces reveals artists’ strategies to exercise agency over the public presentation of their work in relation to a market-based gallery system. What she discovers is that artists put a high value on social bonds and connections and these alternative spaces not only draw local, and global, audiences but they provide a means for artists to develop their careers outside of a model of production for a global market system. These temporary spaces, often in flux, provide artists with a sense of agency and social connections but they do not exist apart from art market structures, she concludes. In fact, many of the practices of professionalization that she witnesses in these spaces, do prepare individual artists to operate in a market context.

Moving from alternative art spaces in India to galleries in Brazil, Amanda Brandellero examines galleries in São Paulo and Rio de Janeiro in order to understand how they shape an incipient art market that was emerging in Brazil during the 2010’s. Finding few overall resources for the consolidation of art market practices, her study demonstrates how “the experience of a weak legitimating institutional field does not exclusively hinder market consolidation practices, but actually inspires and motivates art dealers to step into this vacuum and attribute to themselves a wider variety of functions within the market”. Such a proposition underlines the theme of agency in the market again although in this case, the role of dealers to support their artists pushes them to develop innovative models to promote their work.

A longtime commentator on and analyst of art market rankings, Alain Quemin, presents a ranking of galleries participating in Art Basel 2019 in his contribution to this issue. His ranking of 247 galleries, based on the sales on their top ten artists, leads him to evaluate national comparisons and conclude that the certain cities and countries predominate in the art market today. The study demonstrates, in his words, “the very strong weight of the territorial factor, be it national borders or metropolises in a given country, even at a time when the so-called globalization is supposed to have diminished its impact”. In other words, he concludes that the art market is a normative construction in which the consolidation of economic and reputational dynamics points to the significance of traditional art world centers despite transnational cultural flows and the expansion of the geography of the art world.

Iain Robertson, on the other hand, explores how and whether an emerging art market in China might be able to generate local alternatives to the global art market in the form of neo-traditionalist practices, both artistic and sociocultural. Drawing on the historical examples of the Shanghai and Lignan Schools, the author provides an interpretation of a national context that elaborates new perspectives on the contemporary art market. The valorization of tradition provides a model “for the circumstantial adaptation of tradition today . . . The modifications are, in the three examples that I have given, devoid of ideology, dismissive of foreign invention and intervention, and commercially motivated”. For Robertson, tradition provides a counter-term to explore a means for another art market to flourish in China despite the universal claims of the cosmopolitan market for contemporary Chinese art. The cohabitation of these markets, and the historical precursors the author introduces, entails a reconsideration of the singularity of the art market model and focuses attention on regional particularities. This is distinct from Molho’s assertion of a multi-nodal global art market, but both analyses point to the relation of local and global dynamics in the contemporary art market.

Léa Saint-Raymond similarly employs a historical study to explore art market dynamics between the cultural center of Paris and the regional capital of Bordeaux. Here intra-national territorial distinctions are shown to be of great significance and efforts to construct an art market for the city of Bordeaux in the end reinforce the dominance of the Parisian market in the first half of the 20th century. While the group that organized this fair

was composed of local artists, the invitation extended to Parisian artists and their dealers resulted in local artists being over-shadowed, and the exhibition in fact undermined the market for modern art that these *bordelaise* artists hoped to foster. The author developed highly-sophisticated research techniques in this examination, including a network map of artists and collectors in Bordeaux between 1928 and 1949 but she concludes that attempts at decentralization of the art market “ended in semi-failure”. This study is highly relevant to the geographic and cultural dynamics that Quemin and Robertson examine.

A similar effort to generate an art market in contemporary Portugal by Adelaide Duarte reflects similar center-periphery dynamics. Her two-pronged analysis of the Lisbon art market focuses on the processes of building international recognition for Portuguese artists by their local gallerists and the parallel move by private collectors to boost the art scene and the reputations of artists in Lisbon through their philanthropy, specifically making their collections available to the public. She concludes that while private initiatives have made a significant impact, what is missing is a legitimation mechanism provided through the public sphere, in terms of both infrastructural capacity and cultural policy that would shore up these efforts and lay the groundwork for lasting market success. In this way, the author points to the significance of national cultural policy within the art market framework, a topic that Molho’s contribution highlights as well.

Three emerging scholars featured in this issue focus their research on the Global South and the intersection of specific cultural contexts with global norms. Leili Sreberny-Mohammadi looks at the emergent market category of Iranian art, which dovetails with Archer’s investigation but provides greater specificity by tracing the way Christie’s conducted auctions in Dubai from 2006–2016. Her detailed research suggests that “the art market is not a singular, totalizing terrain but rather a space where different hierarchies of values collide” between local participants and global norms. However, auction houses sort these categories and transpose them onto one another through national categories that reinforce existing geopolitical structures. Her research ultimately demonstrates that the idea of “global” is itself a category constructed by the auction house, which “provides a blueprint, a pattern of recognizable artistic taste and trends that can be emulated again” in the market context.

Ahmad Raffiei Vardanjani also looks at contemporary Iranian art in the global market, but he focuses on dealers who are negotiating geopolitical and economic divisions resulting from the US economic sanctions imposed on Iran in his study of the period between 2009 and 2019. According to the author, “the study indicates how the propensity of galleries for a digitally networked economy is becoming a solution to reduce the impacts of the sanctions in order for the galleries to maintain their clientele of international collectors and dealers”. For the reader, tracing the movement from how a category such as Iranian art is manufactured by auction houses in Sreberny-Mohammadi’s work to the way dealers of Iranian art must transform their business model to respond to geopolitical developments, provides another perspective on how a cultural category can be formed and then become politicized, with economic consequences. Raffiei Vardanjani provides an example of how markets respond to historical developments and innovate mechanisms to suit limitations of circumstance. The implication though is that these new technologies will allow the market for Iranian art to function in a different way in a transnational space.

Linli Li’s research examines art funds that have popped up in China in the past ten years as a means of making sense of changes in the art market there and, also, to consider innovations in the market structure. Her research notes a formidable difference in global art markets—while art funds have been longstanding but recently abandoned in Europe and the US, they have made recent gains in the red-hot art market of China in the 21st century. What her study of Chinese art funds demonstrates is that market factors are primarily determined by state policy. While art funds in China were initially strengthened by regulations in 2009–2010, they were severely constrained by new banking rules in 2013 that prevented banks from selling art funds. While art funds at first contributed to the

take-off of the Chinese art market capitalization, in the end this instrument generated undesirable externalities that forced the state to step in and control market activity.

Finally, there is also a group of authors considering the dynamics of one of the least visible aspects of the art world, the freeport. These storage facilities, spaces beyond the reach of regulatory scrutiny for art works and collectibles, have begun to receive attention of journalists who have addressed the offshore network these warehouses represent. Freeports operate like Swiss Bank accounts but for hard assets; there the wealthy can stash their treasures tax-free. Considering freeports provides another view on the globalization of the art world because here it is possible to trace the development of a new means to follow the capital investments that have transformed the art market in recent decades. The Panama Papers and other leaks have provided new information on this previously hidden aspect of the art world and new economic mechanisms come to light in this group of papers—some of these are at the macro level and provide a sense of how the art market is part of a larger redistribution of capital in the 21st century, others proliferate on the micro level to support the art market that exists.

The most visible spokesman for the freeport is Yves Bouvier, whose family company Natural LeCoultre facilitated the construction of freeports in Luxembourg and Singapore and previously ran the freeport at Geneva. An interview with M. Bouvier is one of the highlights of this volume, not only because Bouvier is himself a major player in the global art market but also because he points to the demands of contemporary collectors that in many ways drive the proliferation of the industry and sub-industries, such as logistics and storage, that support it.

In his contribution, Samuel Weeks takes readers inside the Luxembourg Freeport, entering this formidable sanctuary on a winter's day. The secrecy and incredible demonstration of security serves as a means for an exploration of the relationship of this freeport to the other economic development plans that the Grand Duchy has introduced to make Luxembourg a more visible conduit of low-tax or tax-free financial services. The author points out that this development emerged from a moment of crisis—the 2008 financial one, but also the fact that new international banking laws to prevent money laundering would upset the traditional secrecy jurisdictions (such as Luxembourg and Switzerland) and that new innovations had to be introduced to remake the finance and luxury goods sector. The visit does not shed light on any salacious details but instead he captures the procedures that result in the production of an offshore storage facility, despite Weeks having no means of evaluating whatever might be hiding behind those closed doors. In the end, his inquiry connects the art market to the flows of transnational capital.

Eric Post and Felipe Calvao make a theoretically-rich contribution to the literature on freeports, arguing that they are not marginal to the art market, or international finance for that matter, but deeply imbricated in the function of the art market and the logic of finance capital. Using the concept of offshore to reconsider the nature of freeports as holders of surplus capital value, these authors consider the luxury goods market and its structural supports. They conclude: "Free ports materialize the intertwined dynamics of art as capital in offshore capitalism as nodes of social and political relations". While many would consider the art fair or the auction as the site where the symbolism of art shifts from a cultural to an economic register, Post and Calvao provide a strong argument that to examine the freeport is to ascertain the means that art is transformed into an asset class.

My own contribution to this volume provides more ballast to the examination of freeports and considers how they might be contributing to the development of the art market, enhancing the opportunities for speculation through traditional and novel financial mechanisms. Like Weeks, and Post and Calvao, I understand these spaces as intentionally generated by states for their own interests in a capital market characterized by enormous wealth inequalities, but the question that emerges is: How do these new resources for value storage change the dynamics and the culture of art and its market. Considering new investment vehicles including art funds, derivatives and blockchain technology allows me to speculate on the way the value generated indirectly through freeports might allow their

cultural capital to be cashed in for re-investment, generating capital above and beyond that which accrues to the art object itself.

Writing about the contemporary art market introduces challenges that are common to any scholar trying to create an analysis of a structure in constant flux. The actors, processes and dynamics will continually be reinvented and the larger and more geographically diverse the market is, the more complex the problem will be. While this issue cannot hope to represent the complexity of countless interrelated circuits that one might call the contemporary art market, the authors in this volume have originated and developed various methods for considering and analyzing this dynamic series of effects that result from the simple act of buying and selling art. The complexity and diversity of the field reflects the incipient dynamics of a market that can no longer be considered traditional or static but has matured to integrate with a variety of cultural and economic forces. My greatest hope is that this will inspire more conversations, debates and research about the nature of the market for art in the 21st century.

**Conflicts of Interest:** The author declares no conflict of interest.

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