“ART IS MONEY-SEXY”: THE CORPORATIZATION OF CONTEMPORARY ART

by

Ellen Gorman
A Dissertation
Submitted to the
Graduate Faculty
of
George Mason University
in Partial Fulfillment of
The Requirements for the Degree
of
Doctor of Philosophy
Cultural Studies

Committee:

David Kaufmann
Director

Dena Copenman
Program Director

Ellen Todd
Dean, College of Humanities
and Social Sciences

Date: April 26, 2012

Spring Semester 2012
George Mason University
Fairfax, VA
“ART IS MONEY-SEXY”: THE CORPORATIZATION OF CONTEMPORARY ART

by

Ellen Gorman
A Dissertation
Submitted to the
Graduate Faculty
of
George Mason University
in Partial Fulfillment of
The Requirements for the Degree
of
Doctor of Philosophy
Cultural Studies

Committee:

___________________________________________  Director

___________________________________________

___________________________________________

___________________________________________  Program Director

___________________________________________  Dean, College of Humanities
and Social Sciences

Date:  ___________________________  Spring Semester 2012
George Mason University
Fairfax, VA
“Art is Money-Sexy”: The Corporatization of Contemporary Art

A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy at George Mason University

By

Ellen Gorman
Master of Arts
George Mason University, 2001
Bachelor of Arts
University of Virginia, 1981

Director: David Kaufmann, Professor
Department of English

Spring Semester 2012
George Mason University
Fairfax, VA
DEDICATION

This dissertation is dedicated to my father, who shares this with me; to my lovely and astute mother, who gave me the importance of words; and, to my dazzling daughters Jillian and Charlotte, who enable me to go forward.
ACKNOWLEDGEMENTS

I am indebted to David Kaufmann, my professor and guide in all kinds of intellectual inquiry. His generosity, wit and forbearance over the years have been incalculable. "The power of philosophy floats through my head, Light like a feather, Heavy as Lead."

Ellen Todd has been a gentle counselor and incisive scholarly presence throughout. Among other things she helped me to understand and approach art history, which allowed this dissertation to morph into what it is today. Her keen questioning and willingness to talk things through quite literally kept me on track.

The first teacher to introduce me to Cultural Studies, Dina Copelman has remained a constant advisor and friend through the years – I am very grateful.

My friend and colleague Elaine Cardenas has been my sounding board, confidante and great advocate—she remained steadfastly convinced I would finish and contribute something, which means more than I can say.

My friends and fellow students Tracy McLoone, Wendy Burns-Ardolino, Joanne Clarke-Dillman, Lynne Constantine, Pablo Castagno, Katy Razzano and Ludy Grandas are precious keepsakes of being in the Cultural Studies Program in GMU. All of them helped me to concentrate my thought and my work in general and inspired me.

And to Neil, who has always asked when and not if – thank you for the rest.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>vi</td>
</tr>
<tr>
<td>Preface</td>
<td>1</td>
</tr>
<tr>
<td>Introduction</td>
<td>23</td>
</tr>
<tr>
<td>1. Survey of the Art Market from the early 1950s to 2011</td>
<td>60</td>
</tr>
<tr>
<td>2. Dealers: Mary Boone and Larry Gagosian</td>
<td>97</td>
</tr>
<tr>
<td>3. Artist: Damien Hirst</td>
<td>147</td>
</tr>
<tr>
<td>5. Auction House: Phillips de Pury &amp; Company</td>
<td>233</td>
</tr>
<tr>
<td>6. Sales/Market Analysis</td>
<td>253</td>
</tr>
<tr>
<td>Conclusion</td>
<td>286</td>
</tr>
<tr>
<td>Works Cited</td>
<td>297</td>
</tr>
</tbody>
</table>
ABSTRACT

“ART IS MONEY-SEXY!”: THE CORPORATIZATION OF CONTEMPORARY ART

Ellen Gorman, Ph.D.

George Mason University, 2012

Dissertation Director: Dr. David Kaufmann

Thomas Hoving’s description in the title of the function of contemporary art in the Sixties in New York is emblematic of the shift in its valuation in the last sixty years. In the dissertation, the author focuses on this shift and interrogates the ways in which works of art have been completely transformed into commodities by corporatized entities that see them as useful only in terms of exchange value. The author argues that the neoliberal financialization of various sectors of society and commodities, including the art market, has resulted in a current state in which works of contemporary art, such as a Hirst dot painting, now exist as money capital alone. Contemporary art has been demystified in order to take on its role in the market and in this way exchange value has completely overtaken use value. Individual chapters zero in on actors in the art world, including the artist, dealer, collector, and auction house, in addition to various market indices and analysis, art world discourse and criticism, and a brief survey of the history of the art market from the 1950s to the present juncture.
Art is Fun Again

“I bought a few things I wanted and I didn’t buy a few other things,” said Mr. Berggruen of his day at the convention center. “It’s like a supermarket. There’s a lot there.”

--- Nicholas Berggruen, Miami Basel 2010

“It was dope,” Mr. Davis said of his day at Miami Basel. “I bought a few things.”

--- Brandon Davis, Oil and Media Heir, Miami Basel 2010

Art Basel Miami 2010 opened with a particularly surreal event – a reading from a newly printed book about the contemporary art world to the contemporary art world at the deluxe W South Beach Hotel. Comedian/actor/art collector Steve Martin read a chapter of his book *The Object of Beauty* describing a dinner at Mr. Chow during Miami Basel before heading off to dinner at the same venue with his audience. His use of in-house terminology and references to common topics of discussion among members of this rarified world was much appreciated by those present, including collectors Peter Brant, Nicholas Berggruen, Steve Cohen and Abby Rosen, artist Julian Schnabel, über dealer Larry Gagosian, and Russian socialite/entrepreneur Dasha Zukhova. The question of “whether art enriches or de-riches us” hung in the air amidst a general giddiness about the ability of fine art to hold its value (Heyman). According to Marshall Heyman, “Art Basel
was fun again this year: Hosts went all out – with live music and other attractions – to separate themselves from the competition. Some even tried something new, with the words ‘Everybody has a Damien Hirst’ uttered” (Johansmeyer). Despite dire economic forecasts and a national unemployment rate approaching 10%, art is still a viable commodity and a reason for celebration for a certain group, who like Berggruen and Davis freely used the word “things” to symbolize the artworks they purchased.

As a result of new technologies and the increased globalization of the art world, new media and ventures for selling the works have sprung up with increasing urgency. The inaugural edition of the VIP Art Fair went online officially on January 22, 2011, an unprecedented venture supported by artists and dealers alike. According to Jonathan Jones, the VIP (for “View in Private”) Fair allows people to be “online fair flâneurs” with simulated art fair experiences via a two-tier access system offering either free access to the works in virtual halls and booths, or, for a fee, more typical fair social interactions such as online chats with dealers, access into online private rooms and VIP lounges. A buyer can be there without being there. Dealers and galleries such as White Cube, Gagosian, and Sadie Coles HQ have put their names behind VIP, and there are already a large number of works valued at more than $1 million to be offered to customers. “With this comprehensive digital mimicry of the art fair experience, does VIP pose a threat to what has become the defining ritual and meeting place of 21st-century art?” asked the Guardian’s Jonathan Jones. The VIP Fair’s organizers intend for it to blossom into a kind of directory for the art market online while appealing to a younger, less knowledgeable audience, with perhaps less funds for traipsing around the world in person to various fairs
and biennales. And yet Jim Hedges of The Huffington Post covered ABMB before, during and after and prepared readers for the “giant pulsating orb known as Miami Basel, alluring a defenseless international audience of art lovers, collectors and artists to encircle its captivating glow” with a guide to the twenty satellite fairs that accompany it each year and an admonition to ignore the giant fair at their peril since “ABMB has created a hype, a pace, a fervor and a financial importance that cannot be challenged anywhere else” (“Can Online”). The fierce competition to lure potential buyers for contemporary art indicates the economic potential involved.

In fact, “Art is the most fabulous currency” according to Damien Hirst, recently proclaimed the “highest grossing living artist ever” in the online journal TheSolesku.com, on online web portal tracking market data from the United Kingdom. Art has literally become money. Unlike currency, however, artworks have a kind of affective, experiential quality that has been delineated in numerous theories of the aesthetic. None of the multiplicity of aesthetic theories denies that in a democratic, capitalist society rooted in the concepts of value and class, both are inextricably intertwined with the exchange and circulation of art. Even when art is produced to provoke, as a form of social expression or resistance, it becomes commodified in order to further the goals of the producer and is often consumed as a mean of self-representation. The market forms the taste for this kind of explicitly polemical art, thus a market-driven desire for a politicized construct such as cultural diversity is often reflected in the commercialization and commodification of cultural identity on a global scale. This appeal to taste is evident in the “Hope” image of Barack Obama, by Shepard Fairey, used during Obama’s campaign for the presidency in
2008 – a Warholian advertisement/image designed to both stir emotion and sell a product (Obama). Theodor Adorno’s claim of forty years ago still holds true: “It is self-evident that nothing concerning art is self-evident anymore, not its inner life, not its relation to the world, not even its right to exist” (*Aesthetic Theory* 1).

Contemporary dealers and investors such as Charles Saatchi and François Pinault have sought to become brands themselves, and in so doing helped to blur the lines between traditional roles in the art world: artist, dealer, investor, auctioneer, etc. The specialized art market of today has evolved from the personality-based practices of dealers Sydney Janis and Leo Castelli in the 1960s into dependence on indicators such as the Mei/Moses Index, corporate departments (at Citigroup and Deutsche Bank since the 1990s, for example) dedicated to advising high net worth clients on art as investment, and to essential information-gathering events such as biennials and art fairs. These determinates of the vibrancy of the market and potential for monetary gain are crucial to investors now in a way that they were not, or did not exist, in the mid-twentieth century. Souren Melikian proclaimed in the *New York Times* in February 2010 of the art market, after an auction of Impressionist and Modern Art at Sotheby’s, that:

> The art market is suddenly soaring to dizzying heights unmatched in the giddiest moments of the pre-recession days. Money is ready to flow as never before. But the ups and downs of the bidding pattern, not clearly connected with the intrinsic merit of the works being offered, indicate that the market remains haphazard, making reasonably accurate predictions virtually impossible. (“An Art Market”).
It is also significant to note that the buoyancy of the art market at this point in time seems to be encouraging to everyone involved, despite understandable setbacks in the last three years because of financial instability in American and global economies. According to Patrick Mathurin of the Financial Times in January 2012, “the art market defied the economic gloom to return 11 per cent to investors in 2011, outpacing stock market returns for a second consecutive year” and “the Mei Moses Index for fine art prices has beaten the S&P 500 in six of the last ten years” (“Gold”). Michael Moses, creator of the index, even claims that “Art prices are not correlated to sudden swings in stock markets but their prices tend to match changes in wealth creation and destruction. I’m not surprised by this growth as we are not seeing the wealth damage of 2008-2009” (qtd. in Madon). The resiliency of the market has been a frequent topic of fascination for years and especially given the recent and ongoing financial crises and calls for austerity in Europe and America, Blake Gopnik’s description of the art market in The Daily Beast as 2012 begins as “roaring” would pique anyone’s interest (“Why”). In “Why Is Art So Damned Expensive?” Gopnik quotes Swiss dealer Ernst Beyeler, a founder of Art Basel, on his marketing practices in this kind of market: “If I can’t sell something, I just double the price.” Gopnik also quotes dealer Arne Glimcher who weighs in on the value of blue-chip contemporary work: “I think very often the price paid for a work is the trophy itself. It’s, ‘You bought the $100 million Picasso?’” says Glimcher. Gopnik also notes that according to sociological theories of buying for high-end investors, what you buy is “less about the object than the cash you threw at it” (“Why”). The price is the factor, not the commodity itself. That the intrinsic artistic merit of the works does not always correlate
with their actual exchange value is readily apparent and may be responsible for the fluctuations in value of very contemporary work (such as that of Hirst, Jeff Koons, Maurizio Cattelan, Murakami and others). Or perhaps this is because “This is business, it ain’t art history” for those involved, according to Brett Gorvy of Christie’s Contemporary Art (Thompson 103).

“We in the auction business want to put our best foot forward, so when we get a good price, we make a big fuss about it,” said Elaine Stainton, the director of the painting department at the auction house Doyle New York. “When we have a disappointing sale, we keep our mouths shut.” Perhaps nothing in the art world is as mystifying to the layman as the often-abrupt changes in works’ values. The market’s overall ups and downs make sense. And it seems logical that works by old masters act like stable blue-chip stocks, while contemporary art functions like growth stocks: volatile but with a sudden capacity to crown genius and create fortune.

(Pogrebin/Flynn)

The issues posed by the response to contemporary, particularly Conceptual, art and the ways in which the art market reflects a kind of disconnect between artistic expression and investment in art have been the subject of examination for years in media and critical discourses. This disconnect is viciously satirized in Jonathan Parker’s 2009 film, *(Untitled)*, in which collector Porter Canby buys very recent works only to store them in the back closet of his Manhattan loft. When the gallerist who advises him asks him why he does this, Canby expresses disinterest in the work itself, and even contempt
for art as anything other than an investment. In considering which works to purchase, he mentions what he has learned from his interaction with the world of purchasing contemporary art thus far: “Art doesn’t look as good when it’s gone down in value.” Parker claims that in researching the contemporary art world for the screenplay, he “noticed a striking difference in the motivations of the collectors (social connections and investment) and the artists who created the works (loftier artistic goals)” (Mosby). Ben Lewis, in his BBC documentary, *The Great Contemporary Art Bubble* of 2009, claims that the value of any contemporary work is determined much as it is in a housing market, in relation to other commodities of similar worth on the market and supported by a sphere of determined dealers, auctioneers and collectors who manage to keep the market vibrant and fluid without restriction, regulatory or otherwise.

Economist Don Thompson maintains that buyers of contemporary art are primarily insecure about understanding the works themselves and thus end up buying quickly, with reliance on specialists, so that “the way the purchase decision for contemporary art is made is not just about art, but about minimizing that insecurity” (9). Major collectors Laurence Graff and Brant admit this in a recent interview with Bettina Von Hase of the *Financial Times*. Graff, a diamond tycoon, says, “In my case, collecting is not so much improvement of the brand but my self-esteem” (“The Fine Art”). Works of contemporary art, then, seem to exist on the same level as other luxury consumer goods that indicate taste and inclusion in a specific niche of consumer consumption. They are often imbued with aesthetic cues connected to art or design signifiers (Louis Vuitton bags designed by Marc Jacobs and artists Takashi Murakami, Richard Prince and Stephen
Sprouse, for example). The size of the work and the reputation of the artist and the
gallery are often the sole determining factors in the decision to buy, as in Steven A.
Cohen’s purchase of Hirst’s *The Physical Impossibility of Death in the Mind of Someone
Living* in 2004. It was actually the second version Hirst made, due to the deterioration of
the first one, commissioned by Saatchi. Cohen stored the old one in an airplane hangar in
England, funded a newer version by Hirst and ultimately sent it out for display at the
Rumors that Cohen used the exhibition at the Met to increase the value of the work for
resale abounded and his ability to trade asset classes for investment is legendary. When
*The Physical Impossibility* goes to resale, it will be for much more than $12 million.

In addition, the rise of the living artist as cult figure, branded persona, art director
and entrepreneur has also had an impact on consideration of the importance of the
aesthetic value of the work itself. In recent years, a branded artist of high-end
contemporary art could sell work often with no relation to its quality or merit in art
historical or critical terms. British artist Tracey Emin effectually branded herself (and
thus work) after making a number of appearances seemingly drunk and morose on
various British television shows in the late Nineties. Though Emin had been represented
by the eminent White Cube Gallery in London since 1994 and her work, *Everyone I Ever
Slept With: 1963 – 1995*, was well-regarded by a number of critics and other artists, it
was not until her Channel 4 appearance a couple of years later that she began to be
known to the people outside London art world and became, effectually, a public figure.
Emin subsequently posed nude for Beck’s Beer advertisements and alongside a Bombay
Gin bottle in another print advertisement. Neither ad included her name, trading on her notoriety in Britain. At the 2007 Venice Biennale, Emin produced a series of small drawings, purportedly finishing sixty in five hours. Within days the Museum of Modern Art in New York put a reserve on thirty of the drawings. It is as though the personal aura of the artist has taken over from the Benjaminian aura of the work itself in determining the exchange value of art works. This conflation of artist and artwork mirrors the kind of objectification under capitalism, in a consumer society, identified by Herbert Marcuse in which humans become extensions of the commodities that they create, thus making commodities extensions of their minds and bodies. It becomes possible, then, to see the artist as the work itself and thus the value of the work is inhered in the person/the artist so much that in an article by Emin on her most recent exhibit, “Love is What You Want” at the Hayward Gallery in London, she details the changes in her body and her emotions almost to the exclusion of describing her work in the show.

Jeff Koons, who has worked with a number of brands and corporations such as Jim Beam and Nike, sees the role of the contemporary fine artist this way:

I believe in advertisement and media completely. My art and my personal life are based in it. I think that the art world would probably be a tremendous reservoir for everybody involved in advertising… I love the gallery, the arena of representation. It’s a commercial world, and morality is based generally around economics, and that’s taking place in the art gallery. (qtd. in Ottmann)
Recent discourse on the subject of the corporatization and privatization of contemporary art provides a healthy array of opinions about an ongoing shift in market valuation. Chin-tao Wu, in her interrogation of corporate practices and their potential for widespread political and social influence, asserts that the accumulation of corporate cultural capital by buying, selling and supporting fine art “makes economic sense” and thus this form of capital is seamlessly converted into economic capital (9). The deliberate corporate integration into the contemporary art world as well as the privatization of art purchasing and display beginning in the 1960s in the United States, has had a significant effect on the perception of the use value of the artwork itself in traditional terms as aesthetically pleasurable, didactic, humanistic, phenomenological or representative of any kind of Kantian sublime in which the work exists in an “inaccessible field” of pure subjectivity (Kant 63). The function of art – once described by Marcuse as the only thing which helps us fight reification – is now primarily the impetus behind an unusually free zone of economic exchange. Art critic Brian Appel argues that:

Purchasing contemporary art bestows culture and taste onto a growing class of rich who need to differentiate themselves from the merely rich. Spectacular star-architect designed museums and galleries compete for this newly emerging enthusiast and collector who has become more and more sophisticated and more and more willing to commit to increasingly paraded, lavishly produced artworks. The restriction of production has also given way to the availability of acquiring a work in edition so that a collector can own a remarkable object that perhaps The Museum of
Modern Art also owns further generating its value and importance in the contemporary market. Art is also about access to the most coveted V.I.P lounges, condominiums, and office towers that increasingly are attracting the fashionable and powerful with the perception of added value by placing top-tiered art works in a popular investment vehicle.

(“Contemporary Art”)

Having no mass market, contemporary art exists “in a zone of purposeless free play” as well as a somewhat discrete speculative market, providing a number of financial benefits for those willing to enter into it as investors for either public or private financial gain, according to art historian and curator Julian Stallabrass in *Art Incorporated* (9). Stallabrass asserts that art prices and the volume of art sales tend to match the stock markets closely, and “it is no accident that the world’s major financial centres are also the principal centres for the sale of art” (12). Stallabrass makes compelling, historically-situated claims about the context for the manipulation of this new kind of currency:

The global events of 1989 and after – the reunification of Germany, the fragmentation of the Soviet Union, the rise of global trade agreements, the consolidation of trading blocs, and the transformation of China into a partially capitalist economy – changed the character of the art world profoundly. (14)

I propose to interrogate the way in which contemporary art is valued on the market today. This dissertation focuses on the contemporary art world and the ways in which works of art have been completely transformed into commodities by corporatized
entities that see them as useful only in terms of exchange value. When previously collectors purchased art for various reasons, including appreciation and accumulation of cultural capital, collectors of contemporary art now fit a corporate model and art is purchased as an investment and for branding purposes. I will argue that the exchange value of contemporary art has eclipsed its use value as aesthetic, ideological, didactic, or social critique. This eclipse has fundamentally altered the market for contemporary art.

My research questions are: *Has the consumption of contemporary art fundamentally changed, given the primacy of exchange value in today’s market? What does this tell us about the political economy of the circulation and exchange of contemporary art and the ways in which it benefits the market in a democratic capitalist society?* My questions are framed by the Frankfurt School’s theories of use value and in particular Adorno’s description of the logic of commodification, which takes over the world of art. Of fundamental importance to my project is Adorno’s depiction of the dialectical relationship between culture and economics.

I do not argue for or against the aesthetic here, but about the ways in which the obvious lacuna of attention to the place of the aesthetic in current marketplace valuations reveals certain things about how it is exchanged and circulated. This dissertation and the questions I pose in it are particularly relevant to the fields of Cultural Studies, Art History, Sociology and Economics, and current economic, political and art critical discourses about the market for contemporary art. It is, however, specifically a Cultural Studies dissertation because I am making an argument about the way in which power relations work in the art world and trying to come up with new knowledge about the
interrelationships between producers and consumers and how they abstract use value in this particular context. I think it has efficacy in terms of considerations of the function of art in political economy, as well, and the social differences and struggles revealed by the changes I will discuss in the corporatization of contemporary art. No one disciplinary field or methodology can fully address the questions I pose or substantiate my initial argument, and the full complexity of these issues.

I would also like to provide a new, perhaps even innovative approach to my research questions and object of study, to enrich the current discourse – scholarly and otherwise – on the current art market and the abstractions of value of the artworks in it. Various scholars, historians, critics and buyers have critiqued and made claims about the way the art world has changed, how it works now and why, but I can find no other work which approaches the situation from the perspective I am interested in, and which I find so compelling to interrogate: the role of the aesthetic in determining exchange value. If, as Metropolitan Museum curator Thomas Hoving merrily suggested, “Art is money-sexy,” then that may be its current use and exchange value.

Methodology

The branding of the contemporary artist and buyer/collector, the psychology of material culture and buying practices, the randomness of the current art market, a market-driven formation of taste in cultural productions – all of these have been taken into context and considered in the dissertation in order to provide a backdrop for the questions I pose. And all require a specific methodological approach – my claims are based on textual and statistical analysis, with some ethnography. All in-person and e-mail
interviews have been conducted in accordance with GMU Human Subject Review Board regulations and recommendations for protocol #7276. Interviews with art historian and critic Julian Stallabrass of the Courtauld Institute of Art, dealers Richard Polsky and Barry Chukerman, and art market advisor Brian Appel were integral to my understanding of the way the art market has changed in the last sixty years and how it works now.

In addition, I visited the research libraries of the Hirshhorn Museum and the National Gallery of Art in Washington, D.C. and the Museum of Modern Art, the Metropolitan Art Museum and the Brooklyn Museum in New York City in order to find articles, invitations, exhibition catalogues and other relevant materials not available elsewhere. I attended an auction of contemporary art at Phillips de Pury & Company in Manhattan and numerous galleries in New York, Philadelphia and San Francisco to enrich my interpretations of how the art market functions and how it looks and feels.

Statistical analysis of the market included looking at past and current prices on various art indices to not only examine the exchange and consumption of contemporary art in recent years, but also to understand to some extent what tools are available to buyers and how they use them. I received daily e-mails and notifications about art market prices and changes after expressing interest in the art market and signing up for several online venues for investment. This allowed me to track the changes in the market, auction prices in general and some artists’ prices in particular for over a year, and helped me to see the way in which these online sites articulate the commodities for exchange, which also became part of my textual analysis.
Analyzing the art world discourse, and all other relevant discourses, constitutes the largest part of my research and was the most incisive method I could imagine for attempting to answer my questions. My initial impression, that the language surrounding the artworks and the actors in the art market was the most telling and important factor in the market itself, has been validated. The rise in importance of art news, the importance of social interaction and events, and the expansion of new media that allows for rapid-fire notification of the vagaries of the art world all involve language and an analysis of it.

In the dissertation I delineated chapters in terms of segments of the art world and market I found particularly incisive (artist, dealer, auction house, collectors, market sales entities). I did not, however, pay special attention to museums or art fairs and biennials in discrete chapters. It became apparent that it would be important to narrow my attention to the places and people involved in explicit ways in the exchange and circulation of the kind of contemporary art and the sales of which have been the subject of so much discourse and fascination with regard to the changes in the art market and art valuation. This does not mean, however, that all factors and institutions, however explicitly connected or not to the sale of contemporary art, are not integral to the way the market functions and to the valuation of art in general.

Theory

The primary theoretical foundations for the dissertation include what I consider crucial critical approaches to imagining a way to address the questions I pose. Immanuel Kant’s Critique of Judgment and his evaluation of subjectivity and objectivity and the tension between them in considering the consumption of works of art are important to my
claim that something inheres in the work of art which has been lost in the notion of art as currency at this point in time. In addition, I contend that Adorno’s concept of the aesthetic, existing as both autonomous (that which produces *Erschütterung*, the shudder which reveals our subjectivity) and non-autonomous (always a commodity) at once is an incisive way of theorizing how the aesthetic could be considered in critiques of cultural objects, because it allows for a notion of subjectivity which is very different than that which critics of the notion of a role for aesthetics find objectionable. If there is, as Adorno claims, a “double character” to art then it is possible to examine the cultural effects of commodification in Cultural Studies critique only if the aesthetic is included in the field of analysis, since it allows for a consideration of consumption as well as questions about the production and exchange value of cultural commodities. It also allows us to subvert the accepted notion of the intersection of power relations with constitutive subjectivity (210). In sum, Adorno’s work singularly informs my decision to decipher what has been lost in the current valuation of works of art.

In addition, Wolfgang Haug’s articulations in *Critique of Commodity Aesthetics* relate directly to the contradictory character of most contemporary art investment/purchasing. Haug’s concern with the impact of commodity production on the sphere of culture informs my work here specifically in understanding the way the current art market functions. His work is influenced by principles from *Capital* and discussion of need and value and Freudian analytic psychology, and refers directly to critiques from the Frankfurt School (Adorno in particular) on the relationship between human desire/need and commodity production. Haug claims that his theorizations are “a contribution to the
social analysis of the fate of sensuality and the development of needs within capitalism” and that it is a critique “in so far as it represents the mode of functioning of its object domain alongside its conditions of possible existence, its contradictory character and its historical development” (5). It seems beneficial to keep this in mind in evaluating the contemporary art world as a kind of object domain with a distinctly contradictory character.

Raymond Williams in *Culture and Society* suggests a schema for the study of culture in the context of its relationships with class, industry, democracy, and art, which is also elemental to my understanding of the fullness of how this project needs to be approached. And sociologist Pierre Bourdieu’s concept of the *habitus* and his attempts to chart taste – as a way of getting around the issue of aesthetics, which he asserts is “the area par excellence of the denial of the social” – underline my discussions of the character of the art investor and how consumption works in the contemporary art world (*Distinction* 11). For Bourdieu, consciousness is a political concept and thus his theories of cultural capital are in fact rejections of theories of the aesthetic, and allow for a rationale of the ways in which I conceptualize of the art world as a social field as well as a profit-generating one.

The means of valuation given the corporatization of contemporary art has changed drastically in the last sixty years, so much so that art could possibly be the best investment available. As Sarah Thornton notes in *Seven Days in the Art World*, “Even in a recession, art has investment value. Who would have thought that a drawing by Willem
De Kooning would be a safer asset than shares in Lehman Brothers? By autumn 2008, this would clearly be the case” (xvi).

Does this shift towards exchange value indicate doom for the New York art world? Some are hopeful, especially art critic Jerry Saltz:

Those who now say that New York is finished because the market is ruining everything need to get a grip. Several times in the past 40 years, New York artists faced oblivion. More bad art may be being made and sold now than ever before but each artist has to deal with what the market means to him or her in the privacy of his or her own studio. Enough artists are doing that, and are still making great art. They’ll still be doing so 40 years from now. (“The New York Canon”)

“Contemporary Art Defies the Market”

But has the market ruined everything and what would that mean for artists, the work itself, the buyers and dealers of contemporary art? How would that align with or support various theories of commodity exchange and use value? And is Saltz guilty of holding on to now irrelevant positions about the quality of art and who produces it, and their connection to the market value for contemporary art? I posit that this kind of art has lost a certain kind of value, particularly aesthetic and ideological, and has in the process then been demystified by the global market for goods, including the art market. Thus, in the dissertation I try to explain how works of contemporary art being bought and sold in the art market became and are now are commodities for exchange like other commodities. The Warhol Rorschach of 1984 does not signify to or affect the buyer but
represents only the monetary value at that time and in the future, given the sale of other like Warhols. Phillip Hoffman, CEO of Fine Art Fund, an investment group that handles artworks, claims that “The world’s rich are putting their money into art” purely as an investment and it could be that simple (Maneker, “Today”). Investing in contemporary art can be risky and speculative but it is also the best bet right now in terms of potential profit in a market in which real estate, gold and other assets are increasingly less attractive, and safe. In fact, contemporary art seems to hold a position of real power at this juncture. In his musings on the art market, Gopnik goes even further than giving reasons for why contemporary art is so expensive. He claims it defies economics, which is an astonishing statement. Is it the only commodity that does this or has it become just very convenient as an investment? Art as a convenience is not something Kant considered in his Critique. My attempt here is to not only answer the research questions but to consider the implications for this shift to exchange value on the general field of capital. Bourdieu suggests in Forms of Capital, “If economics deals only with practices that have narrowly economic interest as their principle and only with goods that are directly and immediately convertible into money (which makes them quantifiable), then the universe of bourgeois production and exchange becomes an exception” (283). I would go further and suggest that it may be interesting to pursue the idea that this universe may no longer be an exception. It now exists as economic capital, capital-as-money; its exchange is oriented toward the maximization of profit and is therefore self-interested. French critic Paul Ardenne claims that not only has economics subsumed art but that it has become its content as well: “The major concern of the epoch – the economy – is to
today’s art what the nude, the landscape, or the myth of the new were in their time to neoclassicism, impressionism, and the avant-garde: both a motivator of creativity and a theme to the taste of the moment” (qtd. in Appel “Two Stories”). Throughout my research I have found similar claims about a merger between economy and culture and the value systems inhered in each and how everything seems to be changing. The art world is described as an industrialized market and many critics of this shift delight in using market terms to describe the way art is bought and sold (auctions houses are described as trading floors, for example). Julian Stallabrass, who decries the work of art morphing into a branded commodity, claims “it is this market system that pervades also the entire process of value creation from production to marketing to adoption of contemporary art. It influences the careers of artists, the prices for their artwork and even the language of art. In the last four decades the market for contemporary art has undergone a fundamental overhaul from a closed circle of aficionados to an industrialized market” (“Free Trade”).

Stallabrass’s declaration coheres to recent work on the function of capital in general and the state of the global economy since 2007, and the crises of capitalism that precipitated current desperate recessionary conditions. In an April 2010 lecture on “The Crises of Capitalism” at RSAnimate in London, anthropologist David Harvey suggested that the internal conflicts of capital accumulation result from fundamental shifts, like the current rupture in the global economy. Harvey went on to argue that the excessive power of capital has been a major agent in the current crisis (as opposed to the excessive power of labor which precipitated the crisis in the late 1970s) and thus it is exigent that the
character of capital be readdressed. Harvey, quoting Engels on the housing question, claimed that the bourgeoisie does not solve the inevitable crises of capitalism, it just moves money around. In other words, its money is put elsewhere (out of housing, stocks, etc.). As Harvey noted, per Marx in the *Grundrisse*, capital cannot abide limits and will find a place, or way, in which to reside. In his latest book, *The Enigma of Capital*, Harvey asserts about the period after the rise of neoliberalism and its adherents, “Liquid money capital could more easily roam the world looking for locations where the rate of return was highest. The rich bid up all manner of asset values” including the art market (20). Given Harvey’s formulations, it makes sense to ask the question: what better place for money right now than the unregulated and volatile but fiercely profitable market for contemporary art?

John Bellamy Foster and Fred Magdoff, in their explication of the current global crisis and deliberate tracking of neoliberalism as the hegemonic economic ideology which led to this point of rupture, discuss the financialization of various sectors of society, and commodities, and to the risks inherent in a system “increasingly geared to the circulation of money capital alone” (133). The art market is just such a sector and works of contemporary art, such as a Hirst dot painting, now exist as money capital alone. Their call, in 2008, for a “more humane order” and a return to the “real economy” seems ruled out given the worsening crisis and proliferation of investment in asset values, resulting in part in the subsequent health of the art market (13). In the fullness of the discourse around the art market, the startling statistics about profit margins and the successes of dealers like Gagosian, auction houses and all marketplaces for contemporary art...
art, it becomes apparent that no one really knows what is going on and what will happen to the art market as it is. This is unsettling but also a reason for the fascination with the art market. A December 2011 e-mail from Art Market Insight headlines a more than two hundred percent increase in the art market in 2011, as calculated by Artprice, “the world leader in Art market information.” The e-mail is entitled “Contemporary art defies the market,” echoing Gopnik, and the site claims that “Overall, in 2011 the global art market offered an extraordinary level of resistance to the general context of crisis, and we can already declare that it was indeed the best year the art market has ever known” (“Contemporary Art Market 2010”). It hastens to add that the rapid growth of the market in China has had a major impact on this success. Harvey’s description of the increased speculation in asset values and the surging consumer culture in “Neoliberalism with Chinese characteristics” includes characterizing the global economic power of China as an unintended consequence of the neoliberal turn (Brief 121). It also makes the dominance of China in the art market currently almost preordained.

As James Panero claims:

The best explanation of the art market may be that it is inexplicable, which is one reason its alchemy continues to fascinate and capture headlines. In no other market do we lavish wealth on such useless and arbitrary things. Advanced systems of trade that are usually the facilitators of market intelligence – international public auctions and historical price indexes – only offer a false sense of comprehension while further distorting art’s valuation. (“The Art Market”)
“Art is mute when money talks.”

--- Artist Patrick Mimran

Art critics, cultural producers and media observers of the art world have much to say about the contemporary art market – they seem both transfixed and frustrated by what art critic Ben Lewis calls “the great contemporary art bubble” in his documentary of the same name. The role of criticism has changed fundamentally, along with the shifts in the art market and the art world, and it is no longer the preserve of art historians, artists and intellectuals. In addition, the focus of art criticism itself has changed in the last sixty years in the United States and it is possible to see a kind of paradigm shift from judgmental to interpretive. Criticism around Minimalism, for example, often centered around the question of objecthood in one form or another, and basic philosophical questions about the criteria by which art can and should be judged, not the craft or meaning of the work itself. I see this shift towards a focus on the reception of the work as an important parallel to the increased commodification of art, in that investors look to cultural experts for ways not to decode but to determine a work’s value with relation to the market, disregarding any questions of judgment. As a result, it no longer seems to matter to the market whether or not the work is inherently complex, expertly crafted or well considered, but only what its ostensible meaning for art experts might lend to its
symbolic value for exchange. Art criticism has become less powerful and directive as investors look to dealers and art market indicators such as auction sales instead. The advent of the Internet and faster news cycles also make it hard for critics to have the same powerful voice – “The result is that criticism itself is uninformed because it hasn’t had time to think,” according to art historian and critic Brian Sewell (“Modern Art Criticism”). Sewell notes the fact that critics are often ignored by galleries, refusing to provide them information about exhibitions as they once did, and it is clear that art blogs and online magazines such as Art Review and The Art Newspaper are able to provide the immediacy that busy consumers seek. The days of waiting for a Clement Greenberg or Hilton Kramer to pronounce judgment are long past.

Ironically it was Greenberg who wrote an essay for the Sunday New York Times Magazine in 1961 entitled “The Jackson Pollock Market Soars,” which Brian Appel, Katy Siegal and Paul Mattick all claim “kick started” the transformation of the artist from avant-garde obscurity to celebrity (Appel, “Contemporary Art”). It is the contention of Siegel and Mattick that this article was also the watershed moment when the burgeoning organizational systems surrounding the art world propelled the United States, specifically New York, into the epicenter of the global art world. For Stallabrass, Greenberg also looms large in a historical sense but has been replaced by a “plural, forward-looking postmodernism, through which we can glimpse possible utopian futures” (Art Incorporated 3).

In looking at the discourse concerning this futuristic quality to contemporary art sales, and the heady descriptions of everything revolving around the circulation of
contemporary art, it is clear that fine art is no longer considered the province of the very wealthy or a specific cultural elite. A kind of democratizing, almost emancipatory tone is evident in the discourse of the new art venues. Who needs critical validation of what art to buy from academic writers when you can visit *Saatchi Online* (“Show Your Art to the World”) and buy art from artists sponsored by Clear Channel? Prudent investors look to awards and prizes, like the annual Turner Prize at Tate Britain in London, or go to Art/Basel/Miami Beach, where savvy buyers can visit “exhibition sectors” and pick up a Murakami acrylic for a moderate $1.5 million without having to go through a dealer. The exuberant pricing of the early part of the millennium seems to have settled into a consistency at this point, “with all eyes on Miami” and other crucial indicators according to Gareth Harris in the *Financial Times* in November 2009. These social venues continued to flourish even after the fall of 2008, rebounding more quickly than galleries and auction houses. Dealer Iwan Wirth, in 2009, saw a buyer’s market rapidly turning into a seller’s market and a reinstilled confidence on the part of buyers, noting that “the liquidity is surprising to everyone” (Douglas, “Conversation with Iwan Wirth”). The whirlwind of buying is neither the time nor place for traditional art critics to provide reviews or pass judgment on the work – it is no longer a requisite component of sales.

Some critics are clearly feeling the loss of relevance and power, the ability to frame the discourse about works of art and, thus, to drive valuation as well. Septugenarian Australian critic Robert Hughes rejects the new art economy and has lashed out at various artists and dealers he perceives as villains. In particular, he has repeatedly issued contemptuous comments about Hirst and the way he has branded
himself and played an integral role in driving his own prices upwards. According to Hughes, Hirst’s works are “absurd” and “tacky commodities” and his commercial pieces with large price tags reveal that “art as spectacle loses its meaning (qtd. in Vallen). His ad hominem attacks seem almost desperate: Hughes claims it is “a little miracle” Hirst’s 35ft statue Virgin Mother could be worth £5 million and yet be made by someone “with so little facility” (Irvine “Damien Hirst’s Art”). It is possible that for many collectors or investors, given the economic value of Hirst’s oeuvre in general, these kinds of assertions seem irrelevant. Criticism as derisive judgment has always attracted attention to the work and sometimes positively in terms of pricing (Warhol and Koons are examples) but as criticism has moved away from that approach, into an even more journalistic mode, it is not surprising that the work of more current art critics reveals a different tone and focus.

In “Total Eclipse of the Art: The Rise of Art News and the Crisis of Art Criticism” in January, 2011, ArtNet editor and critic Ben Davis is less bitter and more reflective about the changes in technology and the market and the effects on art criticism as a profession:

Art criticism is in eclipse. If you had to name the major development in art discourse during the 2000s, it would undoubtedly be the ascent of “art news,” which has definitely replaced art criticism at the center of discussion. There’s been an enormous proliferation of writing about the art scene. A simple logic governs this proliferation of “art news”: Readers care a lot more about reporting on the art world than they do about reviews of art. By whatever metric you use – Web traffic, reader feedback, or just
percentage of the collective brain taken up – people are more inflamed by the latest institutional scandal or art-related celebrity sighting than they are by quaint, old-fashioned discussions of what, exactly, makes an artwork good. The galleries are more packed than ever at the same time that writing about art seems strangely directionless. As in a solar eclipse, the halo around art grows ever brighter and more distinct, even as the light source itself vanishes from view. (“Total Eclipse of the Art”)

Davis goes on to argue that serious art criticism, which he defines as theory-based, came out of a specific context in the post-World War II expansion of a university system which not only produced an audience capable of and interested in art theory, but also artists who articulated themselves and their work in that way as well (Donald Judd, Cindy Sherman are examples). The problem with this approach to art criticism is that when the market for the work expanded in the Eighties, it became more interesting for some to read about sales than about abstract notions of the work’s semiotic content. The “taste-making center” had shifted and *Artforum* and *October* critics and their iterations based on aesthetic considerations were increasingly marginalized. Richard Polsky mentioned his surprise at seeing the Takashi Murakami booth for Louis Vuitton in the parking lot of Miami Basel and his double surprise at realizing that he was surprised. This kind of promotion-via-art was more newsworthy for most people, Polsky realized, than the work of Murakami itself. Davis sees an irony in this: “a kind of dialectical response to theories of aesthetics that don’t have that much to say about art’s context, you get
reporting on art’s context that doesn't have that much to say about aesthetics” (“Total Eclipse”).

Critic Jill Connor rebuts Davis’s claim about an eclipse as a “diatribe” bemoaning the state of art criticism today and asserts “contrary to Davis’ assumption, art criticism continues to proliferate but still takes time to write” (“What Eclipse?”). She accuses Davis of being more of an art news writer than critic with his foot solidly in the world of art blogging and journalism, which necessarily lacks the formal rigor of traditional art criticism. Connor is in the minority, however. Ben Eltham, in various pieces on the art world in Cultural Policy Blog, dismisses any idea of a proliferation of criticism now: “And there’s the rub, of course. Art news is more relevant than art criticism in the year 2011, because almost no one reads or takes art criticism seriously. What matters in the art world nowadays is the money, in the way that what matters in publishing and in Hollywood are best-sellers and blockbusters.”

Laurie Fendrich, a painter and professor of fine arts, who also blogs for the Chronicle of Higher Education, takes a speculative view of the role of art criticism currently: “The joke in the art world nowadays is that the function of today’s art critic is to be on panels about the crisis in art criticism” (“Brainstorm”). In her post about a recent panel conducted by the American section of the 2011 annual meeting of the International Association of Art Critics, she notes that everyone agreed that whether or not there is a crisis is a good question, but it is not all that exigent. They agreed that print venues for art criticism are no longer available and that many more people, lacking the traditional expertise in the field, are writing about art and artists online (including blogs,
Facebook, Twitter, and other individual sites). The sheer number of voices “bleating out iterations of ‘art criticism’ have opened up the art world. At the same time, they’ve weakened the chance for any consensus to form around what constitutes good art, as well as diminished the possibility for particular critics writing in such publications as The New York Times or The New Yorker to convey authoritative opinions about art” (Fendrich “Brainstorm”). The panel members also concurred on the new reality that art critics are no longer taste-makers in part because critics today eschew making judgments, but also because people no longer want to be told what to like or why. The rapidly changing art scene/world/market seems to have lost the desire or need for critical enunciations on art. Fendrich accuses one source in particular: “With powerful billionaire mega-collectors now driving the art market, which is now considered the final arbiter of quality, and those collectors caring not the least bit what some puny-voiced art critic has to say about the matter, a lot of art criticism has evolved into nothing but fancy description.” Thus, for Fendrich, what chance does serious art criticism, theoretically-based or not, have today?

Charlie Finch of ArtNet states a similar view, in more practical terms: “the average successful artist nowadays is a product producer for the art fair stalls” (“Against”). The galleries and their artists together are forced into product development and cost competition, driven by “the excess cash of the very rich” which results in a literal art factory system (“Against”). It is possible to see art writing’s role in this system as analogous to blurbs for a book being published – to sanction the work with some kind of critical value only in so much as it helps sell the product. The tastemakers are the buyers themselves, as well as art market experts who can advise them on prices. Art
*Knows* critic Tom Flynn is more provocative, likening art to sex as global commodities on a roll. Flynn claims that in over twenty years of writing about works of fine art:

> I never really considered its sterling value a relevant benchmark or endorsement of the real significance of the work. Either it was superb quality or it wasn't. Either it was art historically interesting or it wasn't. Either it was beautiful and intriguing or it wasn't. Either it was of enormous rarity or it wasn't. What it fetched at auction never materially affected those considerations. For me, those aspects of the work were always safely partitioned off from its exchange value. (“Art and Sex”)

What changed all this, Flynn claims, is that more people became interested in the art market, capable of investing in it, and captivated not by the art but by the lure of a good return on the investment in art. He cites an example of how he saw this play out in life: working on a side project for an organization creating a sculpture park, helping them to promote sculpture as an art form and build education initiatives around it, he realized that none of what he had been hired to do was really of value to the organization: “it quickly dawned on me that its founders weren't interested in such matters. Fuck aesthetics. How much more money we can make?” (Flynn). Flynn consciously excoriates the art market as “a diamond-encrusted cash register operated by hedge fund managers” and implicates everyone: collectors who would be dealers, auction houses, museum curators, and artists. His wrath is especially directed at the latter, whose treasonous complicity with the rest of the market allows them the possibility of becoming as rich as their collectors (it is not a surprise that the one artist he names here is Hirst).
A consensus is apparent among a majority of voices summing up the function of art criticism: artists now make what the market wants, and no one writes critically about the market anymore because art writing now is about making solid endorsements to continue the demand. “After all, if you believe the new locust-class of investors and speculators now driving the market, art is only another commodity, like pork bellies, caviar, or vodka. Or sex” (Flynn). Dave Hickey, a critic and academic, sees art criticism today as less than critical, and driven in terms of consumption:

They want touting. In twenty years we’ve gone from a totally academicized art world to a totally commercialized art world, and in neither case is criticism a function. We’re all supposed to be positive about art. Nobody plays defense! I mean, my job, to a certain extent, is to be in the net. My job is to mow stuff down. (Heti, “Dave”)

His work does often seem a bit like cheerleading, akin to Saltz’s comments and Close’s attitude on a Rockefeller University panel. Their voices are positive about art itself but basically elide the issue of what role art criticism plays, or still plays, in the valuation of works of contemporary art. Their approach is simple: if we just love art enough, the market does not matter. It may also be because the issue of the market has become somewhat tendentious for them. In various panels and interviews, when art critics speak to the art market, the responses seem reflexive. The state of the market is a subject that is always addressed, and many seem understandably weary of talking about it. And yet, the art scene (which sometimes bridges the implied lacuna between art and commerce in art writing) is always very much a part of reviews. Attention is paid to the
people and events around the exhibit, the artist and his or her habits or reputation, and sales prices of the work, all of which operate as a kind of validation for the reader, as if just discussing the work and evaluating it would bore.

**Challenging Art**

Amy Newman, in her analysis of the first twelve years of *Artforum, Challenging Art*, reveals some of the differences in art criticism between the Sixties and early Seventies in the US, and surprisingly some similarities. Newman describes the moment when *Artforum* came about as a time when art criticism was “improvisatory and before ideologies hardened,” when “people in their twenties could innocently commit themselves to an idealistic experiment” (Newman 3). The increased accessibility made possible through technological advances, especially the Internet, seems to have made criticism once again a space where people improvise impressions and opine about work unfettered by the constraints of being required to have academic or journalistic credibility in the field. A major difference, however, is the motivation of the self-professed art critics in blogs and journals now – Newman describes the art world players in the early Sixties as “very nearly obsessed with theoretical self-definition” to the point where “aesthetic and philosophic positions were taken and held passionately” (3). It is possible today to still see that approach in Ben Davis of *ArtInfo* and Julian Stallabrass, for example, but they are few and far between (and they are also attached to academia and political activism in explicit and formative ways).

The crucial difference in art criticism today and fifty years ago is revealed in Newman’s disquisition on the legacy of *Artforum*: “Artforum’s advocacy was consistent
in one important respect. Art should provide an exclusively aesthetic experience and was to be thought about and appreciated in an ahistorical, asocial way” (Newman 429). To not consider or even allude to the cultural, political and individual conditions of the production of contemporary art was *Artforum’s* early *modus operandi*, but it would be not only anathema now but unsellable, bizarre even. Is this the influence of price inflation (boom or bubbles) in contemporary art? Clearly that factor is not the reason entirely, but the shift in critical response reflects several important changes related to the market and the audience’s desire for information, or news, because it has become more sophisticated about the art world, including not only the players in it (“the scene”) but also the way it is being dealt and sold.

As Newman notes, the cerebral quality to much of the art criticism in the mid to late twentieth century reflected Michael Fried’s assertion that the “issue of value or quality or level is explicitly, nakedly, and excruciatingly central)” and this was seductive (431). European dealer Jan van der Marck recalls the passion with which he consumed every issue of *Artforum* – it represented power for him and let him in on a very small circle of people who were the voices of the art world, the value-generators. Chuck Close defines it as “the Knicks of that era” (432). John Coplans says the editors and writers of *Artforum* initially were “a pretty lusty gang intellectually” brave enough to enter what Robert Rosenblum calls the “holy territory” of art (433). It was collective, aspirational, and often mirrored the machismo, the “crazy passion and violence” of the Abstract Expressionists and then Minimalists they covered (434). Art criticism was sexy then, before the museums, dealers, auction houses and collectors turned off the “switch
moment” (443). Brian O’Doherty (Patrick Ireland) sums it up: “A review in Artforum sold things. If you had a picture in Artforum, then it sold. A review, a positive review in Artforum – the collectors were reading it – made reputations. That’s power” (453).

Clearly the transmutation of the political economy of selling art has affected the discourse and vice versa. Jerry Saltz, in an effort to finalize his rebuttal against the panelists he faced in the 2009 debate (when he tried to argue the art market was more ethical than the stock market), provided a telling coda days later in his web essay in The Art Newspaper entitled, “The art market is more moral than the stock market.” A poll that was taken of the audience at the debate before and after revealed that Saltz’s side had lost – the audience was firmly convinced that the art market is less ethical. Saltz blames it on the conservatism of the organizer, Intelligence Squared, and the audience, but also blames himself for “existing happily in what I consider a parallel art world.” He found his opponents smug and “monstrously cynical” about the market, a cynicism which “essentially broke faith with art, believed in the hype of the past few years, was nihilistic and hollowed out.” For Saltz, the market cannot strip away the joy and beauty found in art works, things not found in the stock market. Saltz loses credibility, as he did on the panel when he insists that the art world is “benign” and that those in the art world who seem to be trading assets and fixing prices do not have the respect of the art world because “Money doesn’t earn respect. If you’re in art for the money, you’re not really in it at all.” He quotes Brice Marden on the fact that art is not suffering from inflated prices, the market is suffering – “they don’t have anything to do with each other” (Saltz). Donald Judd made a similar comment in 1984: “There’s no real way to glorify business just as
it’s hard to glorify eating and sleeping. Business doesn’t deserve the power or prestige surrounding it. Business is only business” (Flash Art). Saltz, Marden, Judd and others have something at stake – the line has to be clearly demarcated between business and art. But despite their stances, the art market insinuates itself into the space between.

“The theory of relativity certainly applies to art; just as gravity distorts space, an important collector distorts aesthetics.”

--- An Object of Beauty

It seems easier to bear this reality in fiction. And comedian and art collector Steve Martin’s novel, An Object of Beauty, which came out late in 2010, provides an interesting fictional counterpoint to the current mode of criticism. The story focuses on a young woman making enormous profits in the contemporary art market of the boom years before 2008, and Martin tries to capture the vibe of money flowing in and out of galleries and art fairs and auctions while making no judgment about any of it. Elizabeth Day, in her review in The Guardian, claims that:

There is a moment in Steve Martin’s new novel when his ambitious protagonist, the up-and-coming gallerist Lacey Yeager, eyes up an Andy Warhol picture entitled Flowers. To Yeager, the image seems “deprived of all its energy, squeezed of its juice… here was something that exerted no effort at all”. But Yeager, a woman with a flashing dollar sign for a heart, buys it anyway after doing a quick check of Warhol's auction prices and coming to the conclusion that, even if she does not find the picture beautiful, the profit will be attractive enough to compensate. (Day, “An Object of Beauty”).
Martin presents the avarice and excitement endemic in the art world of today with a kind of deadpan tone. He seems to assume that by now his heroine is a mere trope of what all readers will assume is the fall of the art world and the financial markets simultaneously. He conflates the two often in the book, and Lacey Yeager seems markedly similar to descriptions of Mary Boone during the Eighties and certainly Parker Posey’s portrayal of Boone in Schnabel’s *Basquiat*. Martin’s satirical take on the contemporary art world borders on the farcical, and though I wondered whether or not he would have some polemical purpose in it, or lamentation about the loss of beauty in contemporary art perhaps, his depiction is affectionate. It is no wonder that he was asked to read a selection at Art Basel Miami Beach – he makes the contemporary art world seem exciting, libidinous and almost old fashioned in terms of the American entrepreneurial spirit:

She got off the path at 26th Street and slowed to a walk as she gazed into the buildings that had stacks of gallery names listed outside. Lacey could imagine her name headlining a storefront, Yeager Gallery, or perhaps Parrish Gallery, a pseudonym in honor of her first introduction to art.

Parrish had a nice sound to it, she thought. (Martin 191).

His narrator, a writer with ARTNews, has a kind of Nick Carraway-like yearning for Lacey but general disdain for the art world around her, and with short, choppy chapters and very blasé diction and tone, the book does nothing much for or against the art world but signify that it is worthy as a background for Martin’s forays into fiction. His brief pieces for the *New Yorker* are more impressive and witty, which may indicate that
his subject bores him. The non-fiction books focusing on the market for contemporary art are more engaging and purposeful.

“a spectacle where the dollar value of the work has virtually slaughtered its other meanings”
--- Sarah Thornton on the contemporary art auction

One of the few non-fiction books on the same topic, Sarah Thornton’s *Seven Days in the Art World* of 2008, presents a frank, often unsettling account of the motivations behind the art market. Much like Sophy Burnham in *Art Crowd*, on the Sixties and Seventies in the New York art world, Thornton divides her chapters up into discrete sections of the market, seven for each day of the week: The Auction, The Crit, The Fair, The Prize, The Magazine, The Studio Visit and The Biennale. She has the requisite knowledge of and inside access to much, and extracts much from her many interviews and visits to various venues. The frankness of the people she speaks to is provocative and Thornton often quotes insiders skeptical of their own existence: Rhonda Lieberman, contributing editor at *Artforum*, claims that:

in the art world a critic is an exalted salesperson. When you are writing a feature, no matter what you write, you are contributing to a super glossy brochure, and when you whip up a review, you’re little more than a glorified press agent. I can’t not notice the market. Within *Artforum’s* sleek upmarket exterior is this endless blowing of windbags who lift and separate art from the marketplace through a strategic use of theory. We are supposed to commune with their self-contained emporium of fine ideas
and transcend the fact that certain things are supervaluable to shopping fetishists. (Thornton 166)

Andrew Decker of Artnet is cognizant of Thornton’s task in the book: “She refuses the lure of being an authority. Her material is quicksilver and she’s wise enough to know it” and a large number of reviewers hailed the book upon its release as the key to the art world, demystifying it without being overly judgmental or didactic. More than a few mention that she “does well to resist the temptation to draw any glib, overarching conclusions” which enables her to allow “the reader to make his or her own connections” and conclusions, per Peter Apsden in the Financial Times. Thornton is interested in the “deeper structures and dynamics” of the art world, which gives the book an underlying depth – the multiplicity of interviews and asides and descriptions (the Rubells’ mansion in Miami, the ringtone of collector David Teiger, the white Vans and t-shirt of Takashi Murakami while working in his studio in Japan) makes it difficult to remember her goal at times (Thornton xi). Thornton was trained as an art historian and sociologist, and the book resembles much of her writing for publications like The New Yorker and The Economist, in which she positions herself as an insider but outsider at the same time. It is a tricky position and like Martin, it is hard to think of her as outside the compelling and cliquish world she describes if only because she knows so much about it and has the kind of access which allows her to write about it in such a way. The list of interviews in the back of the book goes on, single-spaced, for three pages and her tone in the book suggests that she did not want to be kept out of the circle because of Seven Days. Thornton is, in
fact, so imbricated in the art world itself that any critique from her is already absorbed into this particular marketplace.

Though she treads lightly around the issue of the market herself, there are so many quotes like Lieberman’s that it is clear Thornton has distaste for the effect price fluctuations of contemporary art have had on the art world. On leaving Christie’s after an auction in New York:

As I walk through the revolving doors into the cold New York air, the celebratory expression “making a killing” and Burge’s gladiatorial metaphor of the “coliseum waiting for thumbs” come to mind. Even if the people here tonight were initially lured into the auction room by a love of art, they find themselves participating in a spectacle where the dollar value of the work has virtually slaughtered its other meanings. (Thornton 39)

Unlike Anthony Haden-Guest in his True Colors: The Real Life of the Art World of 1998 or Laura de Coppet and Alan Jones in The Art Dealers: The Powers Behind the Scene Tell How the Art World Really Works of 1984, Thornton is not trying to provide a historical perspective of the art world since the market became so dominant, nor does she concentrate on any of the work itself. Hilton Kramer’s The Triumph of Modernism: The Art World, 1985 – 2005 of 2006 is a selection of his critical pieces. Thornton has no interest in this approach. Despite the fact that all these texts feature the term “art world” in their titles, only Thornton’s gets close to the idea of looking at the people involved, and unlike Burnham, who is fundamentally giving her opinion about the state of affairs,
especially with regard to museums, Thornton wants to unveil the art world as it is, in a photojournalistic kind of way.

The raconteurs in her book are describing the here and now and she seems anxious to capture the moment. It is odd that despite her academic training, she makes no attempt to: think about the work’s connection to the change in modes of valuation; frame the scene she describes historically; or, make claims based on the information gathered in her ethnographic research. The fact that it is not an academic book, however, may be why it sold so well and garnered so much visibility after being published. Thornton claims in her “Afternote” that she hopes the book is relatively free of the kinds of “rhetorical gestures” found in much academic work and serious art criticism, as though the scene she is describing would suffer from the gestures or perhaps because it does not merit them (257). The reception of the book is understandable - people involved in or interested in being involved in the art scene would want to delve into the snapshots of various sectors and people in it and her prose is deliberately accessible. Thornton is careful to distinguish, too, between the art world and the art market. She claims, “if the art world shared one principle, it would probably be that nothing is more important than the art itself. Some people really believe this; others know it’s de rigueur” (xiii). From her tone in the book, she seems to fit into the latter category, and it is when she is describing the social aspects of the symbolic economy of art that she is most animated and engaging. Her description of the context around the awarding of the Turner Prize in 2006 is almost giddy and reads like an article in The New Yorker (an impression I had before I read that the magazine had published an abridged version of “The Prize” chapter before
publication of the book). She is squeamish about delving into the issue of inflated pricing in the postwar and contemporary art markets and the actual exchange process itself: explaining that most of the major auctioneers are not American, she adds that “they bring a measure of European urbanity to a series of crude transactions” (30). Seven Days in the Art World will have a lasting effect in shaping an understanding of how the art world works at this point in time. Her refusal to really weigh in on the function of criticism, collecting, artistic practices, the prize system and the prevalence of fairs and markets may disallow it from more rigorous attempts at interrogating the implications of everything the art world implies on a global economic and historic scale.

“Who put the ‘Con’ in Contemporary Art?”
--- Ben Lewis, The Evening Standard

Four film critiques of the contemporary art market appeared in 2009 and all speak directly to the issue of a loss of intrinsic or affective value in contemporary art. The common motif in all of them is contempt for the forces or people who would appropriate art and see it as pure commodity. The documentaries, The Great Contemporary Art Bubble and Mona Lisa’s Curse, and the fictional films Untitled and Boogie Woogie, focus on the New York and London art worlds and no one escapes indictment as players in a ruthless, pretentious and ultimately powerful milieu of wealth and greed. Collectively these films present an art world and art market as debauched as the Wall Street depicted by Hollywood and in recent documentaries, such as Charles Ferguson’s interrogation of the late 2000’s American economic meltdown, Inside Job.

One documentary seems to have a polemical purpose. Billed as “the film the art world doesn’t want you to see,” Ben Lewis’s 2009 BBC Four documentary series heralds
the end of the contemporary art boom (which he defines as between 2003 and 2008).

“Lewis’s discoveries lead him to play his own part in the bursting of the contemporary art bubble,” according to art critic and blogger Nic Forrest, and throughout the series the art market and the rocketing prices for contemporary art during the five year period are relentlessly mocked and derided for harming that which is sacred, the art itself (Artmarketblog). As he proceeds, Lewis seems to will the market bubble into bursting and becoming extinct. He glorifies in his role as art world whistleblower, repeatedly citing the fact he was the only journalist barred by Damien Hirst from the artist’s self-directed, solo auction at Sotheby’s in 2008. Unfortunately for Lewis, the market seems to have rebounded in 2009 and is still bubbling along. His hostility towards the way the art market functions, particularly the people who participate in it - including Hirst, Brant, Saatchi and others - is palpable as Lewis strives to prove his contention, in a 2007 article for the Evening Standard, “Who Put the ‘Con’ in Contemporary Art?” that the market for contemporary art is full of “cynicism, absurdity, and greed.” He is explicit about his view of the way the market functions and why, in the article and then the documentary: “Of course, the art world’s always been like this. The difference is that in the old days the market was so small that these manipulations were a way of protecting talented and impoverished artists from the cruelties of capitalism, but now, in a billion dollar market, they are tools to turn a narrow clique of artists and dealers into multi-millionaires” (Lewis, “Who Put the ‘Con’”).

What is confusing and problematic is that while Lewis is clearly prescient about the crash of the art market in 2008 (though as part of the larger economic market, it might
not have been that hard to predict), he is also relentlessly negative about the art itself: “the value of the art market will move in stops and starts inexorably downwards. That will…leave us, rather fortuitously, with the correct adjective to describe most of the art that’s been shown and sold over the last decade – temporary” (Lewis).

He begins the film by ominously listing the dramatic shift in pricing for contemporary art and then breaks away to jump into a Gwiz electric car, modified by German artist Tobias Rehberger with abstract shapes and bright colors to resemble a piece of contemporary abstract art, and drives around interviewing and commiserating with various art world figures about the craziness of current pricing. It seems that a foundational premise of the film is that art itself is losing out in all the speculating and price fixing he reveals, but the fact that he does not value the art either casts a different light on his attitude in the documentary. In an interview with Lani Asher of ArtPractical.com, he claims:

My film had hardly any art criticism. It was an economic analysis of the art market. In a way that was my art-critical point – that most of the art in my film did not merit being assessed within the framework of art criticism, and should only be considered as products in a market. (Asher, Interview)

His first major work, a BBC series on contemporary art entitled Art Safari, focuses to a lesser degree on what Asher calls “the cynical romance between capitalism and the art world” and this is obviously his focus (Asher). In The Great Contemporary Bubble, he talks to Rosen, the Mugrabis and Josh Baer, who created the Baer Faxt Art
Industry Newsletter, among others, and they all seem a bit bewildered by Lewis’s eccentric demeanor and way of speaking (not to mention the car), but also his denigration of the works they show him in their collections. In terms of quality, the documentary suffers from Lewis’s obsession with revealing murky truths in the art scene. He is often repetitive in his claims, and his accusations about collusion and the lack of regulation in the art market are nothing new and thus seem lacking in the kind of provocative substance he hopes to provide throughout the film. Lewis consistently claims that since the art market affects the public domain, it should become both transparent and regulated and he knows this will not happen.

His mantra is that during the five-year period between 2003 and 2008 in the global art market the prices were obscene. Billionaires had turned it into a game that only they could play. Its rules were a mystery and much of the art was mass-produced, competitive and commercial. He seems stymied when Rehberger responds to a question from Lewis about inflated prices, and the artist speaks genuinely, expressing his feeling that “the danger is more how people speculate with art; it is a misuse, art is not made for that” (Lewis). He travels to New York to interview Aby Rosen and Alberto Mugrabi, and as they show him around Rosen’s Lever House, where they work together, Lewis mocks much of the art displayed on the walls. Openly disdaining a Tracey Emin work, he claims that neon art is the “cheese sandwich” of contemporary art and Rosen just stares at him (which is understandable, given the fact that Lewis’s claim implies that the work of Dan Flavin, Bruce Nauman, James Turrell and others is generic and unsophisticated). Lewis’s
hostility seems real but also an effective tool and Tim Teeman of The Sunday Times admires Lewis’s bravado:

It is clear that Ben Lewis annoys a lot of people. Lewis asks difficult, valuable questions quite at odds with the secretive politesse of the world of contemporary art. . . . His investigation casts important light on the practices in the art world that in the wider business community would probably be, if not illegal, then at least more stringently regulated. (“Great Art Bubble Update”)

“Hard, Cold Money”

In the BBC Four documentary, Mona Lisa’s Curse, critic Hughes as narrator is no more sympathetic than Lewis and just as strident about his point. Claiming that the “entanglement of big money with art has become a curse on how art is made, controlled, and above all – in the way that it’s experienced,” Hughes starts by sympathizing with Rauschenberg’s outrage at the Scull auction and establishes his disgust with collectors like the Sculls as well as Sotheby’s and others involved in making “hard, cold money” (Hughes 10:18:73). This was the epochal moment, Hughes claims, when the imperialism of the market began and everything in the art world went from “aesthetics to money” (12:10:67). The cultural function of higher and higher prices for contemporary art was “to strike you blind” (11:12:63). Hughes continues self-referentially, revisiting past critical triumphs and the moment he himself became a fixture on the art scene. His respect and fondness for artists is clear (especially Rauschenberg and James Rosenquist), and he quotes Gramsci while trying to make the point that the art world is displaying the
“morbid symptoms” of a society in decline (14:11:21). It is obvious that for Hughes it is pure pleasure to compare Leonardo da Vinci with Damien Hirst and demonstrate that Hirst’s role in this “giant shift in the art world” is all about money. Hirst has suffered from the curse, which da Vinci began innocently enough when his painting became the focus of an exhibition at the Metropolitan Museum of Art in New York in 1962, and for Hughes the much-publicized exhibit uncovered the seamy side of profiteers fixated on the art market and the growing philistinism within the world of art collectors. Like Lewis, Hughes rails on about the lack of regulation and the “growing army of advisors” abetting the massive sales of contemporary art. The *nouveau riche* atmosphere of the current art world clearly disgusts Hughes, and he seems genuinely shocked that visitors to the Met who saw the Mona Lisa said they had come so they could say they had seen it, not because it was a powerful work of art: “the painting made the leap from artwork to icon of mass consumption” (Hughes, Part II). Like Lewis, Hughes repeats himself continually on his point and is gleeful when disdaining certain artists or works he feels play into the rules of consumerism, such as the globally branded Warhol and Hirst. He is mournful, however, when he asserts that at the age of 70, he belongs to the “last generation that could spend time in a museum without ever once thinking about what the art might cost” (Hughes). He seems supercilious in his discussions of and with museum curators and dealers, and is especially horrified by art advisors and speculators – the whole scene is like “ants crawling around a jam jar” (Hughes, Part 10). Moreover, he seems to frighten Alberto Mugrabi in an interview with the collector, and gets more of an admission from him than Lewis did from Alberto’s father, Jose. On their history of collecting Warhol,
Prince, Hirst and others, Alberto claims: “We support these artists by promoting them, by buying them at auction, by buying them privately - you could say it’s a way of controlling it” (Hughes, Part 10). Hughes seems happy that his worst fears are realized. He traps Mugrabi by asking him why he thinks Prince’s work is so valuable and Mugrabi cannot summon the words to describe why or how it affects him. He is clearly more comfortable talking about the economic value of the work he buys and sells.

Hughes cannot begin to entertain the idea that Hirst’s *For the Love of God* speaks to or mirrors the decadence of the current culture in democratic capitalist nations – it has no critical function whatsoever for him. Contemporary art in general no longer has a function for Hughes and does not even have the option: “For me, the cultural artifact of the last 50 years has been the domination of the art market. Far more striking than any individual painting or sculpture. It has changed art’s relationship to the world and is drowning its sense of purpose” (Hughes, Part 11).

It is easy to find Hughes’s approach reductive in the documentary – it requires no effort to see the nuances in the consumption of contemporary art and the changes which made the art market so different are presented as overwhelmingly negative. But Hughes makes several good points, amidst the bombast. Paul Bond commended Hughes for his frankness in the film and found it “devastating in demonstrating the way in which the major galleries have gone along with the frenzied racketeering of the art market” (Bond, WSWS). The documentary drew much opprobrium from various art world figures as well as outside observers who find Hughes’s elitist tone insulting. Germaine Greer decided to defend Hirst and insult Hughes at the same time in a response to the series in *The*
Guardian “Bob, Dear, Damien Hirst is just one of the many artists you don’t get.” She argues that Hirst’s primary artistic statement is banality – his marketing of his work is a creative act in an of itself: “he shouts at Hirst's calf with the golden hooves - auctioned for £9.2m – but does not realise it is Hirst who has put that idea into his head. Instead he asserts that there is no resonance in Hirst's work. Bob…the Sotheby's auction was the work” (Greer, “Germaine Greer’s Note”).

Despite Greer’s point about Hughes’s seemingly deliberate misunderstanding of Hirst, Hughes’s concern that the market pressures on artists from Warhol to Schnabel to Hirst forces them to put out inferior work is a cardinal issue. In fact, if both Lewis and Hughes were less condescending, eccentric and single-minded in their efforts to eviscerate the current art market and its players, their warnings about the injurious effects of price inflation and market factors on artistic practice would be more cogent, and thus consequential. As it is, the tendency to conflate elitist rhetoric and the desire to champion intrinsic value, or the importance of content, in contemporary art is easy to indulge in with both documentaries. Saltz’ point about the conservatism of the audience at the panel debate is interesting – he sets himself up as oppositional (not conservative) but he is the one arguing for free market conditions in the art market (whether or not he thinks it is benign is beside the point).

“Art doesn’t look as good when it’s gone down in value.”

--- Porter Canby, Untitled

Much of the critical discourse around the issue of art and the market reveals not only clashing ideologies but assumptions as well. The films, like the novel, are better at navigating the difficult terrain of art and money, or at least more well crafted, than the
documentaries. In Jonathan Parker’s and Catherine DiNapoli’s parody, *Untitled*, caricatures of the art world players – four artists, a dealer, a collector, a corporate art advisor – are sketched in gentle lines, with regard for the difficulty of the basic, theoretical questions at the heart of the story about what art is and who creates it. The title is apt, referring at once to the tendency of modern and contemporary art to require the criteria necessary to make meaning from it as well as the deliberate and frustrating opacity of it for many people. Parker and DiNapoli have clearly fashioned their characters after certain figures on the art scene and rely on the audience to recognize them: the ambitious young gallerist, Madeleine Grey, is Mary Boone, clicking her designer heels through her Chelsea gallery and indulging her penchant for poaching clients. She is shown employing the infamous Boone tactic of refusing her clients certain works they covet just to ramp up their desire and thus the selling price – when her collector, Porter Canby, wants to buy a piece during the opening reception for an exhibit, he tells the artist, Ray Barko, he has “a perfect spot for that” and both artist and gallerist are clearly appalled. Barko tells Canby he does not make art for a spot and when Canby appeals to Madeleine for the work, he assures her:

    PORTER CANBY: I’ve run the numbers and I think his work is undervalued. How long would I have to hold it?

    MADELEINE GREY: I didn’t say it was available.

    PORTER: It’s not for sale?

    MADELEINE: You can’t just walk into an important gallery and expect to purchase a work.
PORTER: Even if I expect to pay full price?

MADELEINE: That’s profane. What’s important for me is to place this
work in the hands of a collector who is buying for all the right reasons.

CANBY: I have a certain percentage in stocks and real estate and I want to
diversify.

MADELEINE: My collectors buy art because they fall in love with it.

Later she invites him to visit Barko’s studio and tells him that by collecting it,
“you’re not just writing a check, you’re writing the history of Western civilization.”
Canby seems to take all this in stride, as the negotiating tactic it is, but it has the effect of
making him more determined to buy Barko’s work despite admitting to various other
characters that he finds it revolting. The Boone comparison is literal: there is a pointed
scene showing Madeleine sitting among guests at a dinner at her gallery after the show
which almost exactly replicates a picture of Boone in the infamous 1982 article dubbing
her “The New Queen of the Art Scene” in *New York Magazine* showing Boone from the
same perspective at a table in her gallery, with Salle, Schnabel, Bleckner and others
surrounding her.

The artist, Ray Barko, is a combination of Maurizio Cattelan and Damien Hirst
with an Australian accent (Vinnie Jones). He directs the production of his work without
actually touching it, drinks debauchedly and utilizes dead and maimed animals as his
subjects. Like Hirst, he veers between making pronouncements about the integrity of art
and dismissing criticisms about his working too hard at self-branding, instead of making
decent art, as jealousy. The protagonist, Adrian Jacobs, is an emotionless, avant-garde
musician whose compositions are dissonant and atonal with no commercial value. He is fond of proclaiming his disdain for most contemporary art and popular music, announcing that “harmony is a capitalist plot to sell pianos.” Adrian’s brother, Josh, is his opposite; Josh paints generic, abstract watercolors which sell by the thousands to a corporate buyer, facilitated by Grey who uses her backroom to make her real profits. A telling scene highlights the apartment of the collector, Canby, and the vast storage space he uses in which to house his investments until he resells them. The works in his apartment and in Grey’s were obviously chosen to portray kitschy, conceptual works of contemporary art which would seem bizarre in conjunction with one another, in a dining room or bathroom. The Gilbert and George prints, Gabriel Orozco and Maurizio Cattelan sculptures and Gerhard Richter video installation playing in the background all provide a kind of disturbingly wacky environment for the young woman Canby has invited to dinner. On her way to the bathroom, she accidentally rounds a corner too tightly and runs into a Donald Judd stack piece, knocking one of the shelves off. One possible interpretation of this scene is that this work is not meant to be lived with, and may even point to arguments much like Hughes’s assault on Pop and Conceptual art – contemporary art has no content and is made for a market which does not require it. In Madeleine’s Tribeca loft, a Christopher Wool-like piece which says “No You Shut Up” and a Takashi Murakami Flower Ball above her bed seem to mock Adrian, her lover for most of the film. He remains thoroughly disgusted by all the contemporary visual art pieces as well as the work of Barko and another artist in the film, Monroe, whose installations involve leaving small, descriptive Post-It notes and tacks in various places
on gallery walls. The brothers are positioned as existing in a binary of a real artist and a commercial artist that neither one seems to escape, but Josh wants to. He craves acceptance and presses Madeleine for a show at her gallery, thus breaking the backroom/front room model, and Madeleine does not even consider it.

Madeleine Grey is the central figure around which most of the action revolves and she is the only one who seems to wrestle between believing in art’s aesthetic and redemptive qualities and seeing it as purely a commodity to be moved in and out of her gallery. When Canby asks her at the dinner party what the difference is between art and entertainment, she declares that “entertainment never posed a problem it couldn’t solve” and there is a slight pregnant pause after she says it, while everyone at the table tries to figure out what she means. It seems clear to me that Parker and DiNapoli have a very discrete audience in mind for the film. Adrian the avant-garde and cultural elitist is the walking embodiment of Adorno’s “On Popular Music” (he plays a Schoenberg piece in the film at one point) and Madeleine is every Sarah Lawrence art history major (she wears a Sarah Lawrence sweatshirt at one point) who read poststructuralist theory and started out at the front desk of a New York gallery hoping to one day run a gallery of her own.

I have screened the film for various classes of art students and some find it hysterically funny and engaging, while others are befuddled and bored. Those who are more aware of the contemporary art world and the discourses around it say they think it is a well-crafted satire of all aspects of the relatively still small sphere that comprises the art world in New York. To others it seems to be as remote as a film about the war in
Afghanistan. In other words, the film reveals a world which seems to be exactly what we think it would be – full of beautiful, highly-educated and sometimes wealthy people who prefer the exclusivity of their milieu. With the exception of Madeleine, they are interested in the profit and power that the art and being around it gives them and they seem to be playing the proscribed roles any good parody or satire demands. None of the issues in the world of *Untitled* seem either very real or pressing to an outsider uninterested in it or unable to decode all the semiotic clues to find the humor in it. It is at once absurd and expected. The only artwork ever really focused on in the film is Adrian’s composition at the end of the film, which is more traditional and therefore marketable than those before it. Other than that, the works shown have no context around them to provide interest or access, and thus they end up existing only as the commodities Canby is so interested in buying. Like Alberto Mugrabi in his interview with Hughes, he cannot really explain why he wants them except that he knows that they are good investments. The art world depicted in *Untitled*, presented as deliberately wacky at times, is eerily on point and Parker and DiNapoli claim they did an enormous amount of research for the screenplay, visiting galleries and talking to collectors about the culture around it. The dialogue they came up with for a typical collector explaining collecting to “The Clarinet” in Adrian’s band is revealing:

CANBY: Collecting is about expressing yourself. Making creative decisions, like selecting and purchasing.

THE CLARINET: Like shopping?

CANBY: Yeah, but ... shopping within the entire context of art history.
The film got a low audience approval rating on the film criticism site *Rotten Tomatoes* and NPR critic Ian Buckwalter found it difficult to watch: “Writer-director Jonathan Parker sets us up for a 90-minute debate on aesthetics and artistic integrity, and that's a tedious exercise in any medium” (RT). At the red carpet premiere for the film, Parker claimed to an interviewer that “the money in contemporary art was a definitely a factor” in his decision to make the film, and he recounted an experience which shaped his understanding of the typical collectors. While looking for works for his own collection, at galleries and auction houses in New York, he says he could see the difference between his relationship with paintings and the way wealthy investors saw them:

I could stand in front of a Rothko, for instance, and really feel a kind of religious experience. But the funny thing is people who are buying, especially really expensive work, their motivations are totally different. You start to see the same kinds of people over and over again. A typical couple might be in their 50s or 60s. The woman is very enthusiastically looking at things and usually they are being guided around by a young person who works for the auction house and whose advice you overhear, and it sounds suspect. The man obviously became wealthy in business and is proud to be able to pay for this expenditure, but not personally that interested himself. (RadarOnline)

*Untitled* portrays the collector or investor in art as less in control than any of the other players in the game, and the art itself as fairly ridiculous and inconsequential – given these conditions, it is not hard to see how little possibility
that leaves for any intrinsic value for the art itself. The art world is a comedy of little manners and nothing else.

*Boogie Woogie*, based on the novel by Danny Moynihan about the New York contemporary art world, features a couple eerily similar to Parker’s description. Bob and Jean Macclestone are clients of Art Spindle, a conniving London art dealer who passes out dictums every few minutes: “Art should not be allowed to stagnate; there’s a price for everything.” Curated by Damien Hirst, the film was directed by Duncan Ward, and takes place in London because the producers needed to cut costs and New York was too expensive. Moynihan is well integrated in the art world – his parents were New York painters, he attended the Slade School of Art and became a dealer in London in the Eighties and then in New York. He is friendly with Gagosian and Jopling, and especially Hirst, with whom he roomed during his art school years. The character of Spindle is supposed to be a composite of Gagosian and Jopling (the accent and the spectacles respectively), and Elaine, the lesbian performance artist/filmmaker channels comparisons to Tracey Emin for a number of reviewers. Moynihan is circumspect about the inspiration for the Macclestones, and seems weary of thinking about the art scene. In an interview with Nick Curtis he is dismissive of the art world: “‘There is so much art around,’ he sighs. ‘In a way it was more exciting when it was an elitist activity. Damien's extraordinary diamond skull said it all, that art has become about desire and decoration’” (Curtis, *Scotsman*).

The tone of this film is snide and unforgiving, unlike *Untitled*, and there are no likable or even redeemable characters – it focuses on narcissistic relationships which
employ art – its making, dealing and collecting – as a kind of hedonistic environment in which to indulge themselves, or possibly to hurt one another. During the scene in which Emille (Charlotte Rampling in a cameo) counsels her daughter, Jean (Gillian Anderson) about what to ask for in the divorce, she tells Jean to reconsider her plan to take the house in Aspen instead of the art in it because “art is exceeding property prices two to one” (Ward). The depiction of the separation of assets when Jean and Bob decide to separate is telling in terms of how they each view the works as commodities:

    Emille and Jean having drinks in a posh London restaurant:

    EMILLE: How about the Smith in the garden?

    JEAN: That’s his.

    EMILLE: The Kelly?

    JEAN: That’s mine.

Cut to Bob Macclestone and his lawyer discussing the divorce negotiations.

    LAWYER: The Flavin, the Brancusi…

    BOB: She wants the Brancusi? She hates the Brancusi, she didn’t want me to buy it. She even hangs her coat above it, why the hell would she want the Brancusi?

    JEAN: It’s worth a fortune. I had Art look into it, he thinks Bob’s completely underpriced it.

    EMILLE: That’s my girl.

    LAWYER: Warhol? The Beuys, the Hockney in the hallway…”
EMILLE: Magritte?
JEAN: That’s his.
EMILLE: Never liked that one anyway.
JEAN: No.
LAWYER: The Struth photographs in the first floor bathroom…
BOB: Good god.
EMILLE: Giacometti?
JEAN: That’s his.
EMILLE: Oh, pity.
JEAN: But I get the Lucas, and the Judd stack piece in the hall.
LAWYER: The Katz cutouts on the stairs, the Mapplethorpe photographs on the landing…the Bacon in the living room, the Emin, the Currin, the Landy and the Jew in the library.
JEAN: I get the Hirst, the Boucher and the Barney suite…shall we go in?
EMILLE: Yeah, I’m famished.

The major plotline is an attempt by Spindle to convince the wife of an elderly collector to part with their Mondrian, the first in a series of Boogie Woogies, which had been sold to the collector by the artist himself for $500. Spindle, in his attempts to swindle the wealthy couple (his name is one of several desperate attempts to inject humor in the film), is aggressive and swooning in his attempt to get the painting. His assistant Beth (a doppelgänger of Marley Shelton, who plays Madeleine Grey in Untitled) is just as ruthless in her scheme to own her own gallery, and the artist involved with both is
pressed to keep producing work to be sold. *Boogie Woogie* is basically an amalgam of all the crass generalizations about art world players - from Boone to Hirst to Gagosian to the Sculls – and it is a seamy but also alluring existence, according to Moynihan and Ward. It says much about Hirst that he is involved in it. The fact that many of the characters profess to love the art works is presented as amusing and they all seem shallow in their appreciation - in an initial scene the Macclestones stop to gawk at and swoon over a Hirst spin painting prominently displayed in Spindle’s office. In a literal evocation of Parker’s typical collecting couple, Jean says “It’s so alive!” to which Bob Macclestone replies, “It’s fantastic! How much?” Spindle tells them it is on reserve to another couple and the Macclestones are sufficiently envious. The envy carries through to several purchases the couple makes in the next few minutes from an exhibit of Hirst’s *Biopsy* series in Spindle’s gallery.

When Moynihan’s novel came out in the late Nineties, Charles Saatchi called it “a painfully accurate portrait of the art world” and in an interview with *ArtInfo.com*, director Ward describes everyone in the film as typical art world figures: “It’s kind of an alpha movie, where everyone’s trying to get up this greasy pole, and they have to lower their morality to do so” (Slenske, “A Q&A with Boogie Woogie Director”). Directed at primarily an insider audience, Ward knew that audiences in New York and London would pick up on various art world tropes and enjoys their recognition, claiming, “that titillation was easy to achieve” (Slenske). “The art world is an eccentric extension of an excessively wealthy branch of society. You can’t be in the art world unless you’ve got
money to spend that you don’t need for other things. It’s a playground for the rich and a playground for the artists. Morality is just a matter of taste” (Slenske).

“We are turning from being a wholesale secondhand shop into something that is effectively retail.”
--- Christopher Burge, chief auctioneer at Christie’s

Morality seems clearly absent in the art world, which is significant given that it is a word used, or invoked, by a number of people in describing the activities that go on within it. Saltz purposefully used the word as a substitute for “ethical” in his article, “The art market is more moral than the stock market” and both Lewis and Hughes, in their documentaries, use the word “moral” as a kind of badge with which to inform viewers that they are somehow outside of the immoral activities. It is as though, in all four films, in Martin’s and Thornton’s books, as well as in some current criticism, that morality and art are somehow intertwined as active agents against the swindlers and charlatans (dealers, artists, investment advisors and auctioneers alike) who attempt to co-opt their world. There is an allegorical quality to the discourse here and an assumption that only certain people are complicit in the increasing commodification of art and the soaring prices of the last thirty years and they are dangerous, and have destroyed something. The idea that the exchange value of works of art has usurped any other value is both taken for granted but also rejected as impossible. Moynihan’s lament that art is only about desire and decoration today implies directly that it was once about more. This obviates the subjective nature of appreciating and collecting art, or even of becoming a participant in the art world. It is also seems like a jeremiad against the perceived and false democratization evident in the increased number of buyers who can track sales and visit
art fairs, instead of the more “elitist” model Moynihan harks back to when a limited
number of buyers depended on dealers, art historians, critics and museum curators to
guide their purchases. The commodity fetishism which has taken hold in the art world,
and which Hughes, Lewis, Parker, Moynihan and others portray with varying amounts of
contempt, would seem to have been a logical next step after seminal moments like the
Scull sale, and thus the discourse around the art world is often guilty of wanting to
reverse the fact that art works are part of a market economy in which its value is made
fungible, and the moral, aesthetic, ideological or other value intrinsic in the works are
relevant only as signifiers of value. The former CEO of Citibank Walter Wriston bluntly
states (in terms of the art market), “Capital goes where it's wanted, and stays where it's
well treated” (McMahon, “Road”). Thus the mobility of investment capital in the current
economy makes the efforts of the Mugrabi family seem foreseeable.

Since scarcity was no longer a component in the equation in the Eighties, the
production and exchange of works has to be viewed differently. Christopher Burge, chief
auctioneer at Christie’s, refers to the increase in production: “We are turning from being
a wholesale secondhand shop into something that is effectively retail” (Thornton 6). In
addition, the radical increase in the circulation and exchange of contemporary works also
affects the political economy of the art market – the mystification of value in works of art
sets it apart from other commodities in advantageous ways for investors but only
functions to increase the fetishization rather than imbue the works themselves with any
quantifiable aesthetic or other kind of non-economic value. The impossibility of ascribing
objective value derived from subjective experience of an artwork makes it even more
imperative for the actors in the art world to act as if they are not doing what they are –
trading commodities with no regard for their use value. Per Haug, desire is what makes
people want to buy and a market that can increase desire, through circulation and
exchange, will succeed to the point where “art is money-sexy.” Much of the discourse
around the art world, seemingly negative and accusatory or not, plays into this desire.

“What’s driving the art boom? One simple explanation is that people would rather have art than money. But I have
another theory – call it “blind faith.” People now believe that works of art are liquid. The only thing that held art
back from joining stocks and real estate as “investment vehicles” was its liquidity (or rather, the absence of same).
Today, with the apparent ease of buying and selling at auction, and the fact that almost everything seems to sell –
even property that passes is purchased after the sale – people now believe their money is safely invested. They
view their art collection as a legitimate asset on equal footing with their other assets.”

--- Dealer Richard Polsky
“Today’s art world has also grown into a sprawling web of organizations, no longer manageable by a conversation among the initiated (as it was 25 years ago, when almost all exhibitions were reviewed and everyone who mattered could see them in a weekend). It is now governed instead by the universally acceptable and seductive logic of business – tie-ins, buy-ins, cross-promotions, and joint operating agreements. Managers are replacing aestheticians at the helm. The stakes are too high and the environment too complex for it to be otherwise. And with such shifts in the sociology of leadership comes a willingness to experiment with methods that once were thought to be inconsistent with art.”

--- András Szántó, 2000

An investment in art is a very different thing in 2011 than it was in the mid-twentieth century. Obvious technological advances and other more nuanced changes have made the art market largely unrecognizable to some art world insiders who remember the purchase of fine art as a radically different process. Nearly every recent critique of the art market references the way that technology has altered its dimensions. Buyers now experience the ability to: see art for purchase online and in video, thus obviating the need for travel to galleries; finalize transactions in an instant; scrutinize a plethora of databases that indicate everything from auction sales records to art investment preferences; and, consult with art investment advisors and experts who bear little or no relation to the traditional dealer, art critic or art historian.
Another issue always invoked, however, is palpable contempt for the art being produced – dealer David Naumann claims that most contemporary art is a “fraud” echoing sculptor Sir Anthony Caro’s claim that the “stupid outrageous values” reached for some contemporary work has become “more important than the work itself” (Johnson “Contemporary Art is a Fraud”). They join voices with a number of art world critics who claim that market insiders can put a price on contemporary work, such as Damien Hirst’s, but no value because it has none. There are suggestions that greed and lack of regulation in the art market results in fraud, price fixing, and chandelier bidding and that the art now reflects these criminal and shady practices. Critic Louisa Buck makes the point that the art market for contemporary art is not fraudulent, but merely speculative, and that a rejection of contemporary art has always been an elitist mantra. But for critic Robert Hughes, “the price of a work of art has now become its function… it has redefined the art whose new job it is to sit on the wall and become more expensive” (The Mona Lisa Curse). He argues that fine art has become a dictator of taste, but when art is so tightly tied to the market, something is lost, its meaning is left behind. For Hughes, Caro and others, the art business is now about business only – contemporary art no longer matters, nor should it.

Hirst differentiates himself by claiming, “art is about life, the art market is about money,” a move many artists make while also being deeply imbricated in the marketing of themselves and their work. But the art market is now and has always been about a network of people who are invested in the work that is produced, promoted, sold, collected and consumed (The Economist “Hands Up”). Its network has magnified
tremendously and the changes seem logical to some. Adam Lindemann, in *Collecting Contemporary Art*, claims that purchasing art is no longer an indulgence and thus it makes sense to listen to art fund managers who recommend their investors “put up to ten percent of their assets into this new asset class” (6). There is no better way to secure investments and potentially a place in art history than to talk to experts. This has always been the case, but in today’s market the potential buyer is privy to a market replete with advice, strategy, and funding from the business sector and for a self-directed buyer there are a number of art market monitors and indices online which give the most recent sales figures for major artists and rank works in terms of each other, much like the real estate database, Zillow. Fifty years ago this would have been the job of a dealer. In the Sixties in New York, Leo Castelli collected clients bewitched by his Manichean abilities to understand their needs. Curator Robert Storr remembers him: “It wasn’t money that interested him but power. He was a dealer, like a dealer in luxury goods, who guaranteed his clients quality and cachet…Leo had both European manners and American *chutzpah*: a potent and original formula (Cohen-Solal 363). Today no seductive or clever dealer can convince a buyer that an artist’s market is thriving when he or she can see the figures and talk to art investment experts, and the artwork itself often is overlooked. London dealer Stuart Shave sums up the difference: “a good buy seems to be a little less about looking than it is about listening” and about getting a new work before the artist’s market accelerates (Lindemann 116).

“They’re so invested, they’re like the casino, not the gambler.”

--- Dealer Francis Naumann
The contemporary art scene of 2011 vastly differs from the social milieu of art insiders in mid-twentieth century New York. And yet, claims that there has been a kind of democratization given the technological changes and the spectacle of art markets, fairs, biennials, celebrity auctions and corporatized museum exhibitions is an illusion - these gatherings are not so much about the art itself as about the gathering itself and its social implications. As a comparison: when Peggy Guggenheim opened an exhibition at her gallery in 1943 for Jackson Pollock, only a small number of interested people attended. When the Hirst show opened at the Gagosian Gallery in 2006, it was jam-packed throughout the 13,000 foot space and a number of critics complained about not being able to see the works. Artists still behave badly - Pollock famously urinated in Guggenheim’s fireplace, and Hirst often made a habit of exposing himself in public. But Pollock never branded himself in the way Hirst has done, and the role of the artist in the exchange of art has increased not because the work has taken on more importance in aesthetic or ideological terms, but because the persona of the artist has risen in importance. The model of an artist living while sales rise dramatically for his or her work is fairly new and Hirst is a seminal example of the continually fluctuating and interdependent relationship between production and consumption for contemporary artists. The surfeit of books and websites giving marketing and financial advice to artists is only partial evidence of this.

The art market has always been aberrant in terms of general market practices and constraints, however the vast growth of prices and complexity in the global art market has made the lack of regulation even more of a weakness, and a problem, today. Over the years there have been changes in laws overseeing the sales practices of galleries, dealers...
and auction houses as a result of complaints from artists and dealers, allegations of fraud, collusion and price fixing at auction houses, the increased transparency of the market via technological advances and the increased public nature of sales in the secondary market. New York galleries in the Eighties were reprimanded by the state for withholding price lists and Sotheby’s Alfred Taubman was convicted of and spent time in jail for price fixing in 2002. But nothing significant has changed the way that the art market manages itself, freely, i.e., no parallel Securities Exchange Commission has been established to oversee it. Many art world insiders claim to desire such oversight, but also fear it – in a profusion of panel discussions and interviews interested parties wrestle over the implications of regulation. When I interviewed dealer Richard Polsky, he made a special point of mentioning his desire for the need for some kind of regulation, some “due diligence” in the way galleries and dealers operated within the market (Polsky interview). Polsky feels that because of the money involved in the contemporary art market, egregious misuse of the unwritten agreements between dealers and collectors is becoming more and more of an issue (Polsky interview). But he is less than sanguine about the potential for such purview given the unresponsiveness of many art market actors to attempts to control market practices. He remembers the way that many galleries disregarded, even ignored, warnings about listing prices openly and managing wait lists and is convinced that state and federal agencies are less than eager to increment real changes.

Ironically, it has been artists who have had a more stringent effect on regulation in the market, especially with regard to the issue of resales, a relatively new concept when it
first arose in the late Sixties and early Seventies. In 1973 Robert Rauschenberg decided to protest against allowing collectors to benefit single-handedly from resales when he realized that collector Robert Scull had made $85,000, at the 1973 Sotheby’s Parke Bernet auction of part of the Scull’s collection, for a work Scull had paid Rauschenberg $900 for fifteen years earlier. Scull had declined to give Rauschenberg any share of the proceeds and the artist immediately objected, yelling at Scull at a party after the auction, "I've been working my tail off just for you to make that profit" (Panero, “The Art Market Explained”). Rauschenberg, Robert Ryman and others began agitating for a law that would give artists a royalty upon the resale of their work, arguing that musicians, writers and performers are entitled to royalties and visual artists should be as well. Such a law had already existed since 1920 in France (known as the *droit de suite* or "follow up right") and in several other European countries. Their efforts eventually resulted in the California Resale Royalty Act in 1977 (Tomkins, *Post* 270). Resale continues to be a thorny issue but written agreements have made it harder to ignore the artist. New York dealer Andrea Rosen claims that the changes regarding them have been helpful for collectors as well:

> I actually think the resale agreements have created a much healthier market around reselling work. I feel like it’s a much more open dialogue. There was a big part about collecting that was unspoken. Collectors didn’t know the rules, collectors were being – for lack of a better word – fucked over in terms of their reputation because they didn’t know the rules.

(Lindemann 110)
Pricing has always been a crucial part of the exchange of art and increased transparency and other changes have fundamentally altered the way that pricing is determined, and by whom. Olav Velthuis, in discussing the economic sociology of the contemporary art market, argues that price setting is not just an economic but also a signifying act: despite their impersonal, businesslike connotations, actors in markets manage to express a range of cognitive and cultural meanings through prices (6). This has always been the case, but the power has shifted in terms of the actors. Dealers and critics, who once had an enormous impact on the exchange value of artworks by determining symbolic pricing, have seen their role in value making challenged. Diversifying a portfolio may be a reason to invest in art, but it is important to know that the market considers it of value in the long term and so the art consultant or advisor and the public information have become the key players in the field at the moment, especially in terms of predicting the future of the contemporary artist and his or her work given the alacrity with which artists enter the market now. As artist and consultant Diego Cortez asserts, “The period of collecting all kinds of historical things is over. Everything has been bought up or is in museums or not for sale. Everything is too expensive unless it’s very new – Contemporary” (Lindemann 128).

“I went to see Leonard Lauder and I told him, ‘Do you want to buy Three Flags for a million dollars? He said, ‘No living artist, not even Picasso, ever sold a work for that price.’ I said, ‘You should have it at the Whitney, it belongs at the Whitney, it is quintessentially American.’ In two days, we raised a million dollars.”

--- Arne Glimcher

68
The art being exchanged and the players in the art market are so changed as to be unrecognizable from historical accounts of the art world, but they can be traced from the early Fifties forward by a few seminal moments. In 1950 the gallery was consecrated as a locus for artists, art lovers and others to find each other and a way to see what was being made, and eventually to make a profit, and certain gallerists and galleries are particularly responsible for the alteration of the art market. In 1973 the Scull auction signified that art had became an investment – never before had such contemporary work been resold in public and realized such a profit for one collector. Investing instead of collecting became more and more alluring to a growing pool of potential buyers, due to changes in the stock market and the global economy, an increase in the number of college-educated consumers and the media fixation on the art scene in part. In 1974 the British Rail Pension Fund was the first large institutional investor to become involved in the art market and its success made large-scale investments in art a valid praxis. Faced with a limited number of investments and poor economic conditions in the early 1970s, the idea of purchasing art and collectibles was put forward as a strategy to invigorate the ailing fund. The fund began buying art and antiques in 1974 in partnership with Sotheby’s. The goal was to match or beat inflation – since the property market had collapsed, and there were no index linked securities and no options of commodities, hedge funds or international bonds and the strategy quickly proved a success at matching the inflation rate. British Rail’s investment of only 2% of its overall funds made a large impact on the art market, earning it the nickname “one of Europe’s greatest art patrons since the Medici” and its influence on institutional investors resulted in the growth of the
community around art investment, such as art market research and advisors (Barker, “British Rail Pension Fund”). The opacity of the market attracted entrepreneurial interests and resulted in services providing aggregated price data from sales and additional art market information via online subscription services, such as ArtNet and Art Market Research. In 1980 the Whitney Museum purchased Jasper Johns’ *Three Flags* for $1,000,000 and a precedent was set for contemporary art sales. These are only a few of the historical markers pointing to an art market that has been changing with the times and with overall market forces, but also remaining remarkably free of the constrictions imposed on other kinds of business investment. It is fascinating in terms of its promiscuousness towards capitalist tendencies and seeming resistance to them at once. I attempt to survey the six decades from 1950 to 2011 with regard specifically to the people and events that best indicate the evolution of the art market during that period in the following pages. This is by no means the kind of exhaustive overview needed in order to fully evaluate and understand the complex and often opaque forces in the art market, but I hope to preface the following chapters in the dissertation with an overall view of the context in ways that will make my argument about the way that exchange value has trumped any other kind of value for contemporary art more cogent.

“New York is sharp metal. At its best it’s a diamond giving a thousand reflections…The various artistic groups are not at each other’s throats, as they are in Paris…there are no clear-cut boundaries: all the artists know and see one another. That doesn’t mean there’s not competition, only that it’s not vicious. Take your place; there’s room for everyone on this round earth and we are all at the top.”

--- Belgian critic Michael Seuphor, 1950
The development of galleries and a gallery system with regard to contemporary art illustrates many of the axiomatic changes in the art market since the 1950s. A gallery in Chelsea in 2011 denotes a purpose and tenor much different from the galleries in the post WWII era, reflecting the shift from the primacy of use value to exchange value in contemporary art sales. Today exchange is explicit in a way that would have seemed antithetical in the Fifties, when it was not always the only focus in a gallery setting. Art was collected, cushioned by a context of elitism and intellectualism, the combination of which meant that it was a small sphere. Holland Cotter set the stage for looking back at the start of the changes in the New York art world with his description in the New York Times of the end of 1950 when the Tibor de Nagy Gallery opened on 53rd Street near Third Avenue in Manhattan:

To the casual passer-by the undertaking couldn’t have looked auspicious. The gallery was in a dumpy tenement several blocks from the glamorous art hub of 57th Street and Fifth Avenue. Most of its artists were young unknowns. Most eccentrically, the owners, de Nagy and Myers, seemed as interested in new poetry as they were in new art, and were producing a line of books combining the two. As odd as the package was, it worked. Almost instantly, in the still-small New York art world, Tibor de Nagy’s openings were a smart place to be, and its artists and writers – Larry Rivers, Grace Hartigan, and Frank O’Hara – were figures to spot around town. The gallery had arrived. And a scene it was: amorous, rivalrous and incestuous, at once an avant-garde and – much like the New York art
world at present – an avant-garde in reverse. Remember the context. This was the high moment of Abstract Expressionism, with its image of the heroic artist battling his way alone toward some existential sublime.

(Cotter, “When Art Dallied With Poetry”)

Sales at that point were sporadic and private on both the primary and secondary markets and artists were very often active agents in the role of the exhibiting their work. An influential syndicate of artists, with a few dealers such as Castelli and his wife Ileana and Charles Egan – The Club - formed in New York in 1949 and presented throughout the Fifties an outlet for Abstract and Expressionist painters “to define themselves in endless discussions, using models handed down from old Europe” as well as to “remedy their isolation and stake their claim in an inhospitable culture” according to Annie Cohen-Solal in Leo and his Circle (204). Beginning at 39 East Eighth Street, The Club met regularly and the “downtown artists” included Franz Kline, Willem de Kooning, Ad Reinhardt and Robert Rauschenberg among others. Ileana Sonnabend later described the feeling of isolation shared by artists at this point who had virtually no audience but themselves. Regular Friday evening meetings of The Club began to include speakers and a growing group including members of the New York intelligentsia such as Hannah Arendt and critics Clement Greenberg and Harold Rosenberg. New films were shown and John Cage or Morton Feldman played new compositions and debates and discussions raged until everyone was drunk. Cohen-Solal recounts numerous descriptions of despair for members confronting what they saw as a hostility to art in America at the time, and subsequently feeling challenged to establish identities “in a society with strong
puritanical impulses and dominated by the philistine values of money and power” (207). The Club eventually opened up to other members, press about the group made it more widely known, and a new location provided space for exhibitions of the artists’ work. A collective show in May 1951 at 60 East Ninth Street revealed a changed art scene, in which so many people came that “a jam of taxis” and people in evening dress swarmed the space (213). Artist Ludwig Sander remembers “Really it was amazing the number of people that came to that. It gave us enthusiasm about ourselves, I think. It did us more good in our own eyes than it did in any other way. I think there was only one thing sold” (214). The New York press took note, and Castelli, who had helped to finance and arrange the show, was sanctioned as a dealer. He had had a number of successes with dealing privately but had not yet decided officially to go into business but Castelli was by then a major figure in the New York art world – his European accent and demeanor was appealing to American collectors who still considered Europe the bastion of fine art despite the advent of Jackson Pollock and other much-touted American artists. Ultimately Castelli went into business as a dealer not only because of his regard for artists, who he considered heroes, or by a desire to be a major force in American art and art history which he would go on to champion, but for purely practical reasons: “I decided it was finally time to open a gallery because of the very banal fact that I had to make a living…I had to become serious about it if I wanted to go on paying my rent and my grocery bills” (218). By the time The Club broke into splinters in 1955 because of infighting, the gallery system in New York was formed as a profit-making enterprise.
Throughout the Fifties and into the Sixties in New York sales on the primary market were mysterious. The insular art world circulated rumors of prices but it was only through auction that any kind of gauge of pricing and sales could be gleaned. Sotheby’s launched an American division in 1955, purchased Parke-Bernet in 1964, then the largest American auction house, and its operation in New York began to take precedence over any other. Its high-profile sales in London of various private collections had increased interest both for the auction house and its clients in Impressionist and Modern Art and that reputation continued in New York. When the Goldschmidt Collection was auctioned in an evening sale in October 1958, the audience, in black tie, watched as the entire collection was sold in twenty minutes and immediately stood on their chairs and cheered. The overall profit for Sotheby’s of £781,000 made headlines and since Christie’s did not come to New York until 1977, Sotheby’s managed to reign supreme and dictate terms without major competition. As the Sixties began, according to fellow dealer Arne Glimcher, Castelli saw the gallery as a locus for the art world and an intellectual salon but he was more of a liaison and public relations person for his artists than concerned with art history. Glimcher dubbed Castelli “the first celebrity art dealer” for his prowess in attracting the cognoscenti and the world of high finance to his galleries (Cohen-Solal 361). Castelli’s mentoring of future gallerists such as Mary Boone and Larry Gagosian allowed him as well to stage high profile shows and maintain relevance as he grew older and made him incremental in the growth of the gallery system in New York. The model Castelli set is crucial to the shift in the art market in many ways and its repercussions are clearly evident in the way the art world and market function today. His protégé Gagosian,
in fact, is now considered the most powerful dealer in the world, and he sees his expansion as an extension of Castelli’s vision and business acumen.

“The Cool School”

An interesting parallel was happening in Los Angeles in the Sixties, which would ultimately serve to bridge the lacuna between the New York and West Coast art markets and stimulate growth through the United States. Walter Hopps and Ed Keinholz established the Ferus Gallery in 1957 in Pasadena in East Los Angeles in a city they considered a cultural backwater. Keinholz soon dropped out of the management and Hopps was joined by Irving Blum, a New Yorker interested in art. The gallery quickly became the nexus for West Coast artists like Ed Ruscha, Keinholz, Robert Irwin, Craig Kauffman and Billy Al Bengston, all of whom had a distinctly different aesthetic to the Abstract Expressionists in New York. Ferus was perceived by many of the artists as a forum for competition as well as a way to represent a typically Californian lifestyle and ethos. A conspicuous practice at Ferus was the “Finish Fetish” using materials associated with cars and surfboards, bright almost neon colors, and hard, shiny sculptural pieces. Ferus established a virile and engaging West Coast art scene and for a few years, the American art world “enjoyed an East Coast/West Coast rivalry worthy of Biggie and Tupac” (Rosenberg, “Ferus”).

The Ferus scene started out fairly relaxed and mildly countercultural. Even its hardest-working members put in serious surfing time. After all, why worry about shows and sales if there was no market? In line with this laid-back affect, everyone made a big thing of not caring about what was going
on with art in Manhattan, though in fact, many Los Angeles artists in the ’50s were fixated on Abstract Expressionism. Some of the Ferus artists were too, but what distinguished them was that they managed to work that style out of their systems and come up with something new. (Roderick, “Ferus Gallery”)

*Artforum* had just started publishing and operated on the floor above the Ferus. Until the early Sixties, everyone in the southern California art world knew each other and works were sold primarily to local collectors. After Hopps left to steer the Pasadena County Art Museum in 1962, Blum decided to look outwards and to expand the horizons of Ferus. Having made frequent trips to New York to see what was being produced and shown there, Blum was aware of the nascent Pop Art movement and met Andy Warhol through his friends Ivan Karp and Henry Geldzahler. After being invited to see Warhol’s new soup can paintings, he decided to show them in their entirety at Ferus. After a rocky start of showing those and shows of the work of other East Coast artists including Roy Lichtenstein, Frank Stella and Joseph Cornell, the gallery became considered transcoastal and Blum had made important inroads in establishing a connection between once distinct artistic milieux.

The development of Ferus reveals comparisons between the shift from artistic isolation to celebration of the artist and increased social and media interest happening in both Los Angeles and New York. Blum’s claim, in a recent exhibition catalogue of a Ferus retrospective – “I think my greatest achievement was cementing the sense of family the artists had back then” – speaks to the purpose and definition of the gallery in the late
Fifties. Its purpose seems to have been largely ideological and it was defined by the artists it represented. Blum glumly admits to selling sparingly throughout his years there, perhaps because the “gallery was built on an art-historical fault line – Postmodern yet pre-Postmodernist” (Ferus catalogue). But Blum was shrewd at marketing the gallery and its so-called “studs” as the iconic surfers they actually were and eventually the group became known as “The Cool School,” an obvious contrast to Warhol and the less overtly macho East Coasters (Ferus). The actor Dennis Hopper took striking black-and-white photographs of each artist for the exhibition programs and every Ferus opening was a “scene.” Blum began to try melding the contemporary art world with Hollywood and invited stars and industry executives to attend frequent happenings at the gallery, which is one of the first examples of the now typical cocktail of people from various worlds converging to not only see the works but themselves, and differs from the more typical gathering of literati in New York galleries. Ferus made very few sales in its nine years. Only a few of the Warhol soup cans sold at $100 each, and Blum, in a move of astonishing prescience, bought them back and then bought the set from Warhol for $1,000. Decades later, in 1996, he partially sold and donated them to the Museum of Modern Art in New York for $15 million. But the allure and romantic West Coast iconicity of the Ferus scene allowed for sales down the line, once the now-healthy Los Angeles art market fully developed – the value of cool is abstract but real.

Eventually, the collegiality of the West Coast artists represented by Ferus was fractured by the influx of not only other artists but also a non-art crowd attracted to the bling of the work (Craig Kauffman’s brilliantly-colored, vacuum-formed plastic pieces
are nothing less than blingy) and the stars Blum attracted to it. A Gagosian opening in Los Angeles today, set within the context of a much more established and complex art world, is basically the same mix as the last show at the Ferus in 1966. A Radiant Features documentary on the group of artists at Ferus, The Cool School, reveals a camaraderie and competitiveness among the artists much like that in The Club in New York, and the same disillusionment when sales begin to fracture their allegiances – recognition and steady income refusing to coexist with fraternal collectivity and despair.

The political economy of the market for contemporary art, and the art world surrounding it, was changing with alacrity. As Sophy Burnham points out:

In 1961 there were around 450 dealers of all sorts in New York City. By 1970 there were about 1,000. Never in the history of the United States had there been such a demand for pictures. The schlock art stores were doing good business…the department stores opened art galleries. (Burnham 31)

Increasingly in the Sixties fashion magazines like Harper’s Bazaar featured artists like Warhol, Donald Judd and Sol Le Witt in their pages in a virtual melding of various media and art forms. As James Meyer points out, in his seminal interrogation of the polemics of the Sixties and the Minimalist movement, Minimalism, it was becoming fashionable to collect contemporary art given “the rapid, dialectical mechanism of publicity and commodification propelling the New York art world” (Meyer 25). Attempts to resist being subsumed in the glare of attention were futile; Meyer notes that Donald Judd looks clenched and uncomfortable in his shots for Vogue. But T. J. Clark, in Farewell to an Idea, argues persuasively that the “productive anxiety” of artists that their
creative utterance should circumvent decorative purpose is a “utopic dream” and thus allows for an understanding of what happened to the valuation process of contemporary art at this point (Clark 407). Spasmodically, the contemporary art being produced at that point worked both for and against the decorative urge. Pop Art’s celebration of consumerist tendencies and loud aesthetic complimented the “accelerated consumer culture” of the Sixties in America. And despite the difficult abstraction and avant-garde studies of space and objecthood in Minimalism, its forms became reinvented as interior and product design, which still prevails as a defining taste signifier. Every aspect of the art world tried to keep up with the changes. Thomas Hoving started his tenure as Director at the Metropolitan Museum of Art in 1967 with every intention of including the museum in the new art scene, declaring, “These are revolutionary times. The social order is in flux and we must be relevant to it. The question is not whether but exactly how we’re going to get into the swim” (Burnham 168). Kynaston McShine curated an exhibit at the Jewish Museum in April 1966 dubbed the “key show of the 1960s” by sculptor Mark di Suvero and Hilton Kramer of the New York Times announced, “A new aesthetic era is upon us” (Meyer 13). “Primary Structures: Younger American and British Sculpture” was mobbed at its opening. “Television crews and paparazzi” were there for the “zowy fashion extravaganza” of the crowd pressing to get in (13). Pop and Minimalism had ushered in a new era when the conflux of the Vietnam War, capitalist expansion via new modes of production and distribution, social upheaval and emphasis on innovation created the background for a fixation on trends and how to show them off.

“Acquisition is involvement”

--- Bob Scull, 1974
A particularly fierce new trend, the upgrading of products by association with “advanced culture” in fashion and design, opened up the market for collectors like Bob and Edith Scull and Ivan Kraushar who articulated different motivations than collectors in past decades. The work they amassed was initially for representation, to be shown off and thus to help validate their upward mobility in a stratified American society. Taxicab entrepreneur Bob Scull declares, in the 1974 documentary about the Sculls, *America’s Pop Collector: Robert C. Scull – Contemporary Art at Auction*, by John Schott and E.J. Vaughn, that, “Acquisition is involvement, and in art – it’s probably the most exciting kind of involvement” (Vallen). His statement appalled many at the time. Barbara Rose excoriated the Scull’s motivations in a *New York Magazine* article entitled “Profit Without Honor” and they were so déclassé as to be ridiculed by much of the established art world. Warhol was understandably delighted, then, when Edith Scull begged him to do a portrait of her. Bourdieu’s assertion that “taste classifies” seemed a driving force for people like the Sculls, who were more investors than collectors in the end and their consumption of the art they bought had little to do with aesthetic or ideological value but more with use value. Eventually, even that became less important when they decided to put much of it up for auction. The connection of contemporary art to other modes of creative impulse, such as design, became so apparent in the Sixties that collectors could not have helped to notice its impact on the value of their holdings.

Castelli, Ivan Karp, Virginia Dwan, Sidney Janis, Betty Parsons and André Emmerich were only a few of the gallerists in the Sixties who vied for buyers and artists who had become increasingly competitive with each other. It soon became routine for
artists to switch back and forth. And yet the gallery scene for contemporary art remained relatively small and fixed until the Seventies and early Eighties, when SoHo and the East Village became the new hubs for an increasingly growing and trendy art scene. As the Sixties ended, Castelli was showing Bruce Nauman’s “non-art” in an attempt to diversify, the Bykert Gallery was showing Chuck Close, Brice Marden and Dorothea Rockburne, and Paula Cooper was the first to move to SoHo with an exhibit for the Student Mobilization Committee to End the War in Vietnam, with works by Carl Andre and Robert Ryman and Sol LeWitt’s first line drawing. Vito Acconci’s performance and conceptual art paved the way in confronting the art market with the difficulty of how to sell pieces like those he was producing. Castelli, his ex-wife Ileana Sonnabend and other gallerists decided to move to SoHo as well in 1969 and the shift to a new era in the gallery scene in New York allowed for another trend, or shift, in the art market – younger, newer artists gained attention and validation with a velocity like never before.

Artist-run galleries allowing younger artists to show their work evolved and multiplied as the Seventies began and changed the market by allowing artists without much exhibit experience to be seen by a larger sphere. 112 Greene Street was founded in 1970 in order to provide space for art exhibition as well as performance. Even though it closed in 1978, 112 Greene sparked interest in and validation of the concept of showing only contemporary work in a gallery. There was an explicit attempt to involve a number of contemporary artists in one space, it featured performance art and music such as concerts by Philip Glass, and founders Gordon Matta-Clark and Jeffrey Lew created a groundbreaking non-commercial exhibition space that made no restrictions on its artists
and their creations. “It was an exhilarating place where many artists had their first show, exhibiting their formative work, and where sculpture, painting, video, and conceptual art were taking new directions” (Salomon Contemporary). But not a space for sales, and by 1974, “art-market activity had slowed…the Sixties collectors had stopped buying” remembers gallerist Holly Solomon (Cotter).

“The Market Would Provide Meaning”

The Scull auction proved very divisive in the art world but had changed the terms of the market dramatically – the market value, determined in the secondary market of the auction house – was a public record of value “with horrid visibility” and Cotter remembers the mid-Seventies as a rebound from the start of the decade, a fairly healthy period:

The artwork might have been wan, but the art world had never been healthier. There were now 5,000 museums of varying stripes. Colleges were employing 15,000 full-time teachers of art and art history. The teachers required something to teach, the curators to curate. Beyond this, the art world itself had grown. It was no longer so much a means to purely social advancement. The contemporary rich collector, as one might expect in these interesting times, prefers to keep a low profile. So the art world machinery was still in neutral but was ready to go. “Modernism had collapsed,” says the artist Joseph Kosuth. “The market would provide meaning.” (Cotter)
In 1975 the Marianne Goodman Gallery started showing non-American artists in a somewhat radical move seen by some as a rejection of the ultra-Americanism of the art world in New York for the previous two decades – it had the effect of obliterating “America’s isolationist hegemony” and ushering in a more global approach to the market (Saltz). The rise in prominence of European artists like Joseph Beuys, Gerhard Richter and Anselm Kiefer provided an outlet for galleries and dealers to attract European customers living in the United States and there was a sense of inclusion, which made conditions ripe for entrepreneurial possibilities including the brand of the artist. Saltz facetiously describes the changes in the early Eighties: “Julian Schnabel shows plate paintings at Mary Boone Gallery, makes everyone crazy with his ambition, self-centered pronouncements, high prices, sell-out shows, waiting lists and magazine coverage. The first time oil paint is smelled in New York galleries in years” (“New York Canon”).

Egos and dollar signs crowded out art’s more enduring values.

--- Marlena Donohue, The Christian Science Monitor

When Jasper Johns’s Three Flags sold for $1,000,000 to the Whitney Museum in 1980, the perception was that the once discrete world of art had been officially vandalized. “The feeling that money is sniffing around art cannot be denied. Art and money are about to have a fling” (Saltz, New York Canon). And as the Eighties began, the growth in the art market was staggering: between 1983 and 1985 in New York, more than one hundred galleries opened in the East Village alone and gallery sales in 1984 were over $1 billion. Average prices for a single work rose by 40% and by the end of the decade some private collectors had seen their works appreciate by 700%. The art industry
at this point was approaching $50 billion in profits annually. Changes in the American economy made a real impact at this point: alterations in taxes on capital gains favoring the accumulation of assets; the weakness of the dollar; and a proliferation in younger professionals with little background in art history but looking to art as a commodified investment. While their interest was investment, not aesthetics or patronage for worthy artists, these collectors almost single-handedly made the visual arts a real American cultural force by virtue of their economic investment. In addition, the increase in the celebrity-artist trend started by Warhol and his Factory and continued by Schnabel, Basquiat and others complexified the role of the artist and drew significant attention. Artists, who marketed themselves, courted the media shrewdly and hustled dealers for better and better representation became as interesting as their work to media and art world chroniclers. Peter Nagy remembered it years later:

Sometimes it seems as though a majority of my generation, having grown up in the fertile 60s, pursued careers in the creative arts, and the New York art world simply couldn’t accommodate this glut of brash, snot-nosed artists eager to exhibit their goods, and consequently burst at the seams. Second, the boom market enabled a generation of artist-entrepreneurs not only to start their own galleries but to keep their doors open and flourish.

(Artforum 10/99)

In addition, corporate sponsorship and the continued attempt by museums to become more solvent by expanding marketing efforts, with product placement in gift shops and catalogues and by staging galas and other social events in their august spaces,
attracted even more public and media interest. A real estate boom in Manhattan resulted in an influx of corporations establishing urban bases in which they successively opened free galleries of works collected by their art advisors (such as Jeffrey Deitch at Citibank) as well as public art shows. The art world became invigorated, affiliated and much more populated, in a way unthinkable in the now seemingly sleepy mid-Fifties. Equitable Bank sponsored galleries curated by the Whitney Museum and other corporate sponsors, and the lines between once distinct corporate and artistic entities blurred easily. The Metropolitan added a wing for contemporary art in the late Eighties and the influence of the East Village art explosion caused MoMA and the Brooklyn Museum to expand into more diverse installations, including video, multi-media and street art. Liza Kirwin, in her evocation of the East Village scene, described the influence of the media and the changes in New York:

In the ’80s, the popular press seized on the East Village scene as a “different bohemia.” Magazines like People, Vogue, Life, GQ, Esquire, New York, and Newsweek, as well as American and European newspapers, celebrated that “neo-frontier” as a place where one could find the country's trendiest art and buy it at bargain-basement prices. Bemused journalists reported on the “phenomenon” – how a dangerous, drug-infested slum had suddenly become “the chic spot” for Armaniclad collectors. The media were themselves part of the story. “Art-magazine writers and television crews are prowling everywhere,” observed Douglas C. McGill for the New York Times (September 14, 1984), “and not a few
artists are loitering on street corners hoping to be interviewed.” Like a tornado, with the Fun Gallery at the bottom of the funnel, the press spun stories that were not simply about the scene, but to a certain extent constituted it. (Kirwin, “East Side Story”)

Other art world domains were changing and adjusting to the economy as well. Art auctions became public during the 1980s, and drew the same kind of media attention museums and galleries had been attracting as a result. Collectors were starting to bid on works at auction themselves, without a dealer as go-between, and the purchase of contemporary art at auction was a marker for newer buyers in a way that it had never been to earlier buyers or collectors – the corporations and museums were into gratuitous display and so were the newer buyers. A growing sociability among the arrivistes made auctions splashy and worthy of attention in media outlets that had previously never considered them interesting. Sotheby’s and Christie’s, the major competitors at this point in New York, competed for art and buyers with aggressive marketing. At one point, Christie’s even advertised a sale of works from the performer Liberace’s estate in the National Enquirer magazine. Christie's chairman John Floyd boasted, "There is practically nothing that we wouldn't have a market for. There is nothing which is faintly artistic which we wouldn't sell" (Saltz, “Buy and Sell”). Prices soared, attention increased, and as older work began to dwindle in accessibility, contemporary art became the product available for purchase. The stock market crash of 1987 did not seem to affect the market for art and stratospheric prices, helped along by dealers like Mary Boone whose practice of refusing to sell to buyers eager to purchase only made them more
eager. Banks and auction houses, to facilitate purchases for their clients, began to offer loans and other kinds of financing possibilities such as giving price guarantees. Art funds, in which a cooperative of buyers invest in order to realize profit from assets they never own or display in their homes, sprang up. The purchasing decisions are based solely on market performance. Global investment in the American art market had an obvious effect. In 1989 Americans purchased only one-quarter of the $204 million of contemporary art sold at U.S. auctions (Saltz).

“perceived parity between art and consumer culture”

--- Alison Pearlman (10)

Reverence for the art itself seems to suffer in much of the discourse, with less respectful tones evinced than for those attached to the more demiurgic Abstract Expressionist, Pop and Minimalist works. In fact, Calvin Tomkins argues in Post-to-Neo that it was the critical discourse which was more interesting in the Eighties:

Was contemporary art in the Eighties really any good? Did all this high profile, extremely lucrative activity have anything to do with aesthetic quality, or did it reflect mainly the Native American penchant for hype, faddism, and general-purpose humbug? The question was rarely asked out loud. It tended to emerge though, in the argument that dominated critical discourse in the Eighties—the argument over postmodernism....some of the more recent developments in art here strike me as frivolous indeed, and almost certain to vanish in the cloud of their own pretentiousness.

(Tomkins 233)
The vigorous fluidity of art world fortunes in the Eighties basically separated the wheat from the chaff and by 1987, many articles in the media then indicate gallery closings and the predominance of only a select few people, mostly Neo-expressionists such as Schnabel, Ross Bleckner, David Salle, street artists like Keith Haring and Jean-Michel Basquiat, and celebrity-gallerist Boone, despite the fact that Grace Glueck’s intimation in the New York Times about Eric Fischl and Brice Marden defecting caused alarm as a sign of impending doom. Andy Warhol’s death in 1987 was another marker signaling the end of one phase and the beginning of another. But art market profits continued to increase throughout the decade, sometimes dramatically, and auction houses courted the younger collectors eager to invest in a Basquiat or Schnabel (Warhol’s domination of the market was yet to come). There was a surge in media attention, and particularly the financial media, on rising prices and the significant investments being made in contemporary art. Typical articles include: “Portrait of the Artist of a Money Man,” Forbes, 1982; “Plenty of Money for Big Spenders Only,” ARTNews, 1984; “Sold! The Art Auction Boom,” Newsweek, April 1988; “The Billion Dollar Picture,” Art in America, 1989; and, “Art Goes to Wall Street,” Esquire, 1989. A lusty stock market created an increasing pool of buyers for art as investment and the commodification of art could no longer be challenged.

Business was seemingly the focus instead of art. Thomas Krens, appointed Director of the Guggenheim Museum in 1988, embarked on a quest to re-conceptualize the museum and “turn the sleepy, disorganized Guggenheim into a world brand” by selling part of the collection, investing in real estate and establishing new outposts around
the world. The globalization of the Guggenheim is a literal example of the shift in the art market of the Eighties to a more international, financially driven sphere in all aspects. Museums like the Guggenheim were also benefiting from a new practice in markets as well. Since the Seventies it had been clear that fewer collectors actually wanted to retain their works for donation to museums, and increasingly, in the next decade, fewer buyers wanted to display or retain their purchases for longer periods of time. “As values became disposable and consumables more abundant,” buyers turned to dealers to help them profit and Castelli and others quickly realized how to maneuver with the Art Dealers Association to inflate values and ensure a tax refund for buyers as part of the deal (Cohen-Solal 371). Changes in the U.S. tax code raising the exemption for donating art made it increasingly profitable for collectors (now really investors) to buy and then donate for a quick profit. No challenges were made to this practice and into the Nineties it was one option for investors to pursue which kept the dealer still an integral part of the deal. In Privatising Culture, Chin-tao Wu tracked the privatizing of cultural entities in Britain and then the United States, which began in the Eighties amid Thatcher, Reagan and an increasing turn towards the free market sensibility. This corporatization of the cultural arena has continued and is a significant event in the shift of value in art away from aesthetic, ideological or any other kind of perceived utility. The rise of the auction houses in the Eighties and into the next two decades is proof of the increasing dominance of exchange value for contemporary art.

As the Nineties began and rules for auction sales changed, the profits to be realized in that realm were the more seductive. So was some of the art, literally. Jeff
Koons’s *Made In Heaven* series, exhibited at the Sonnabend Gallery in 1991, titillated audiences with depictions of Koons and his Italian wife, la Cicciolina, nude in various sexual positions. As Koons admitted, “I’ve always tried to exploit myself to the fullest” and even though critics and many art world insiders upbraided him, Koons resurfaced as a major figure in terms of sales, and became one of the highest grossing artists of the next two decades. The shift in focus towards newer art stars like Koons, Matthew Barney and John Currin parallels the economic downturns following the stock market’s collapse in 1989 and recessionary conditions through 1993, and many galleries in New York were forced to close, auction sales went down and another art scene began to take shape. The Armory Show, a new art fair installed at the Gramercy Park Hotel with thirty-two galleries marked the beginning of the prevalence of art festivalism.

But Damien Hirst’s meteoric rise in the Nineties is perhaps one of the biggest stories. Hirst was part of the Young British Artists (YBAs) coming to prominence in the late Eighties and early Nineties and defining cutting-edge contemporary art. He surged ahead of his cohort and began to have large solo exhibitions in 1991, winning the Turner Prize in 1995 and eventually becoming the highest-grossing living artist ever by the mid 2000s. His talent for self-branding and ability to raise his own prices (elaborated on in the next chapter) set an audacious model for contemporary artists and seemed to obviate the need for the dealer-artist model altogether.

Anthony Haden-Guest found most of the artwork in the Nineties tied to the marketplace, and uncomfortable: “Confessional and Victim art flourished, but this was a mode in which the avant-garde, far from leading the way, was hastening after Phil
Donahue and Oprah Winfrey and writers like William Styron, dwelling on his depression” (Haden-Guest 310). His descriptions of the mechanical disembowelment of artist Bob Flanagan in a video in 1995 and the solicitations for “flesh donors” by artist China Adams for a performance on cannibalism on the UCLA campus in 1993, among other examples, are indeed hard to consume in several paragraphs and it is not the conceptual nature of the work but more the prurient, mass market nature, like that of Koons’s film and photographs, which was offensive.

The Nineties were just as full of surprises and ambiguities in the art market – terms like “slump,” “doldrums” and “quiet” were used to describe it at various points then, but investors were buying and art investment funds and advising firms were multiplying. By 1998 dealer David Nash claimed, "The market is extremely strong. There's a lot of money around, most of it in the hands of Americans and Europeans --with Americans clearly dominant” (Businessweek.com) The concept of a mega-dealer became reality when Arne Glimcher joined with the Wildenstein Gallery, and opened a Los Angeles gallery on the same day as Gagosian, who had rapidly grown his business.

Record-breaking prices, such as the sale of Constantin Brancusi’s Golden Bird for $12 million, reaffirmed the notion that an investment in art was solid. By 2000, “millennium fever” had taken hold and prices began to leap up, causing considerable alarm in art world quarters. András Szántó announced in the American Prospect at the beginning of the decade:

What we're deep into now is a panic about the collusion of art and money.

The press is on the case (after ignoring it for years). Breathless stories
about the Brooklyn Museum's cozy relations with a long and glamorous list of art patrons and art dealers were quickly followed by news about the Guggenheim Museum's dealings with the clothing designer Giorgio Armani. (He is donating $15 million, according to reports, and getting a major retrospective of his work.) And rest assured there will be more such revelations--where the press looks, the press finds--each ringing anew the alarm: The moneylenders have entered the temple.” (Szántó, *American Prospect*, 2000)

“Keep the Economy Pumped”

By the millennium, government-funded support for nonprofit cultural sectors decreased, federal arts funding dropped and corporate funding fell as well. These changes did not, however, have an effect on the sale of contemporary art. Global markets for art in China, India, and Russia made the once Eurocentric art market less hermetic. Directly after 9/11, the contemporary art market vaulted into an almost inestimable terrain. Holland Cotter points out the disparities between the art world and reality:

By 2000 the economy was a few years on the rebound. Chelsea had happened. Sales were going great. Politics, viewed by the New York market as yesterday’s news, seemed distanced, or disguised or put on the shelf. The words “beauty” and “pleasure” were on insider lips. Painting was embraced like a monarch returned from exile – at last the uprising was over – and just in time to meet the retail demands of that most characteristically 2000s phenomena: the art fair. Then came
Sept. 11, 2001. Pundits spoke: The catastrophe marked a cultural watershed, the beginning of a new seriousness, and the death of irony. Everything, including art, would change. But art didn’t change. It stayed exactly the same. Washington told Americans to spend, keep the economy pumped, and the art industry did its patriotic duty. (Cotter “When Art Dallied”)

The 2000s are a continual source of fascination – books, articles and documentaries refer to the “bubble” and the “boom” with annoying redundancy. Sarah Thornton’s *Seven Days in the Art World* and economist Don Thompson’s *The $12 Million Shark* were high profile, big sellers. Art historian Julian Stallabrass’s *Art Incorporated* cast a damper on the enthrallment. Stallabrass, in writing “The Story of Contemporary Art” argues along Adornian terms that contemporary art’s seeming unpredictability is not as it appears and that it “bamboozles its viewers while being the willing slave of business and government” (Stallabrass 1). Certain critics of the deviations into art fairs and markets and a continued celebrity-driven art scene found the 2000s oppressive, such as this London dealer:

> Between you and me, everyone is so full of shit. The people are all running after each other. The chat is full of subterfuge and sleazy art world stories. It’s like a tableau vivant of pretentious greed. You walk in, and everyone’s so happy and “How are you?” and all they want to do is screw you. (Thornton 18)
Those who adhere to notion of the halcyon days of the art world, autonomous of market infiltration and hypocrisy, reveled in the idea of a crash in 2008, when Wall Street brought the world to a halt. But the Hirst auction, held on the same night Lehman Brothers declared bankruptcy, was wildly successful and many see the direction of the art market continuing, resurfacing, or shifting so as to allow for further prosperity.

Richard Polsky argued in 2007 that one reason the boom might be able to continue is the blurring in distinction between art world positions. Dealers no longer have to worry as much about helping build long-term collections of integrity and value, collectors used to allow only dealers to resell the works they wanted to get rid of, and adherence to these conventions kept the whole system tightly in place. But Polsky contends that increasingly clients hire him as a consultant, to help negotiate the best terms with an auction house, and that, without the need for privacy or some other circumstance, the client or collector can get more for it at auction. He says with chagrin that he would do the same. Another factor driving the art market early in the decade, Polsky maintains, was the idea that blue-chip art was still undervalued compared to other assets, such as prime real estate, and that as long as art seems undervalued the boom can last. Cotter offered another possible explanation of the seeming imperviousness of the art market to outside realities in 2010:

And after the recent economic scare the New York art world is scrambling back to business as usual, which means business before all else. This kind of cautious and conservative thinking made 2000s art at best a thing of only minor excitements, more often simply expendable, and beside the
point. In the real world the news of the decade was 9/11, two awful wars, staggering corporate greed and the election of an African-American president. In the art world a big event was Mr. Koons showing his sculptures at Versailles. In short, life passed by. (Cotter, “Depending”)

Discourse about the future of the art market after 2008 is cautiously speculative in general, but also cheery, even manic in some cases. The headlines in the business media sector about the continued success, or imperviousness, of the contemporary art market up to and including 2011 seem almost unbelievable given an otherwise relentless pessimism about the stock market, high unemployment rate, European market disasters, and the crumbling of the once solid American Dream. It parallels in some ways the description by Kirwin of the way that the media constituted the phenomenon of the East Village in the Eighties. Martin Sosnoff in Forbes in June 2011 equated “the art market with NASDAQ, particularly contemporary art. It’s less transparent and more Machiavellian than financial markets, because at the top of the buyers’ pyramid sit a couple of dozen players who sport the where-with-all to bid for iconic works” and in an art market forecast for 2011 in January, Stephen Wallis proclaimed, “This is an art market that’s definitely gotten its swagger back” (Wallis, “Departures”).

European curator Harald Szeemann’s concern that “globalization is the great enemy of art” seems to hang over the art market at the end of 2011- continuous stories about emerging markets and the expansion of galleries such as Gagosian’s – “the largest blue-chip franchise ever attempted in the industry” – pose questions about the future (Crow “Gagosian Effect”).
Szeemann posited in 2000, “Globalization is perfect if it brings more justice and equality to the world . . . but it doesn’t. Artists dream of using computer or digital means to have contact and to bring continents closer. But once you have the information, it’s up to you what to do with it. Globalization without roots is meaningless in art” (Strauss). An increasingly corporatized art within the context of struggling world economies has nothing but exchange value to offer up as its function in the next decade.
CHAPTER 2: MARY BOONE AND LARRY GAGOSIAN

This chapter signifies a historical progression in the dealing of art as well as formative shifts in the art market with relation to dealers, artists and buyers. In order to illuminate these changes, I characterize this and other chapters in terms of specific decades in order to understand how key actors shaped the market through their practices since 1950. Mary Boone is significant in any consideration of the changes in the contemporary art market and the increased significance of the dealer in the market, which began seriously in the 1980s in New York. Larry Gagosian, who started in the Eighties as well and benefitted from the same mentor as Boone in Leo Castelli, is now indisputably the preeminent dealer in the world. The way in which he developed what is now considered a global empire is both fascinating and problematic – the profile and role of galleries has swerved away from the trading on the value of dealing meaning to the value of dealing commodities. It is no longer about buying the painting but about buying a painting that will retain and increase in economic value.

Both Gagosian and Boone were in the vanguard in the rise of the dealer but also the blurring of boundaries between art market actors and the impact that has had on the market. I argue that Boone is key to the shifts in the market for her role in explicitly altering the range of a dealer and incorporating the practices of fixing prices and branding artists into running a contemporary art gallery. Gagosian, prominent in other chapters as a
major figure in auctions and other market figurations, moved past Boone and out of New York into a global sphere. And yet, his impact on the market, though enormous, is not as emblematic of the Eighties as Boone’s. The main thing they both share is a kind of unvarnished appetite for the sale and for doing what it takes to make artists, clients and the media capitulate in satisfying it. As of a result of the kind of changes both of them initiated, the gallery, and the role of the gallerist or dealer, are no longer about ascribing cultural capital and taste but about economic value and how to determine and develop it best.

“I had reservations about making art a business. But I got over it.”

--- Mary Boone

Dubbed the “Queen of the Art Scene” in 1982, Mary Boone is generally credited with – or blamed for – a significant contribution to the commercialization of contemporary art. More specifically, she represents business: encouraging artists to brand themselves and breaking established rules of dealing art. Currently operating two galleries in New York, Boone moved from her first galleries in SoHo, where she was anointed “the Queen of SoHo” to Fifth Avenue and 57th Street, which is, according to her website, the “long established crossroads of the art world.” The other Boone gallery is in Chelsea, perhaps the current crossroads of the New York art world, and it is these kinds of grandiose tag lines that have been affixed to Boone throughout her career in dealing art when “the artists she repped were so popular—and collectors so hungry for their pieces—that she was able to set up waiting lists for work and sell paintings before they’d even been painted” (Gawker). During the economic crash of the early Nineties,
she was “vilified for tackily hyping her artists in the media, turning them into commodities with stratospheric prices and waiting lists for their work” (Belcove “A New Boone”). Whether her input was positive or negative is subjective, but the art market of today reflects many of the changes she institutionalized from the beginning of her career onwards.

Essentially, the start of her work as a dealer was a very specific moment in time, one she describes fittingly in art historical terms:

You know Daniel-Henry Kahnweiler’s statement, that it’s great artists who make dealers great? He was referring to Picasso. You saw this happen with Jasper Johns and Leo Castelli. With Klaus (Kertess), it was Brice Marden. For me, it was Julian Schnabel and David Salle and maybe Jean-Michel Basquiat. In the Nineties, dealers put a totally opposite spin on that. They show artists who are already famous, like Brice or Jasper, in order to make themselves famous and attract people who ordinarily wouldn’t come in because of your name or eye. (Belcove)

Boone’s legacy, like her practices, is somewhat ambiguous - she is often positioned as the most dynamic dealer of her generation, an obsessive workaholic who made a practice of stealing artists from other dealers. But, along with her artists, Boone is understood as having re-energized painting – her signature artists produced heavily figurative canvases - and making neo-Expressionism the dominant aesthetic for a time, thus redirecting the gaze and breaking what she perceived as the stranglehold of Minimalist and Conceptual monopolies in the field. And like Hirst, Boone broke
paradigms of art world categories in ways that are advantageous for business and perhaps
for the art itself. As a very young, female gallerist she was a peer of many of the artists
she showed and made a point of working with other galleries and blurring the lines
between them (Castelli in particular), seizing on the value of advertising and working
with agencies (Saatchi in particular) to make sure her artists were properly circulated, as
well as playing with the rules of pricing in such a way that buying art became like
gambling – speculative and even feverish at times. Not unlike Joseph Duveen or Daniel-
Henry Kahnweiler in terms of innovativeness and allegiance to her artists, Boone has a
place in art history as a dealer, but her self-propelled rise to celebrity status sets her apart
from her forebears in significant ways. Her “champagne-under-pressure technique” gave
primacy to the commodity-exchange function of the art gallery (Haden-Guest “New
Queen”).

Boone learned how to deal art right out of school, with very little training or
preconceived notions of how it should be done, which in part explains the radical moves
she made from the start. While finishing an art history BFA at the Rhode Island School of
Design, Boone thought briefly about becoming an artist herself but realized her interest
was in the business side of art production. After deciding to continue with art history at
Hunter College, an instructor there, artist Lynda Benglis, helped her get a job with Klaus
Kertess, who owned a gallery at East 81st Street. The gallery represented an impressive
group of artists including Chuck Close, Brice Marden, Richard Tuttle and Dorothea
Rockburne. From the beginning, Boone was expected to sell as well as help manage the
gallery. At Bykert Boone was in baptism-by-fire conditions - as a nineteen-year-old
student she was asked by Kertess to finish a sale to Chase Manhattan Bank. Kertess seems to have known what he was doing: “Mary was ambitious, as she still is” adding that, while he had always encouraged his employees to build collector clienteles and earn sales commissions, “Mary was actually the first one to take me up on that” (Haden-Guest “New Queen”). Kertess decided to close the gallery in 1976 when he became unhappy managing the careers of his increasingly successful artists. This made little sense to Boone: “I thought, Wow, that’s when most people would buy more gallery space”(“A New Boone” Belcove). Unable to buy out Kertess from Bykert, Boone was also unable to hold onto Bykert’s star stable, including Close and Marden. But she decided to proceed, searching for artists who could fit together and help create the kind of artist-driven atmosphere she had witnessed at Bykert and wanted to replicate. Boone portrays the Seventies as a moment of resistance for artists, to the media glitz of Sixties movements such as Pop and Minimalism, hedonism and spectacles like the Factory, as well as to the 1973 Scull auction which many artists and dealers found appalling. Boone claims she wanted to see “artists challenge their own history” but makes clear that this desire was not so much an art historical one but a chance to right the wrongs she saw perpetuated in the market of the Seventies, such as when artists competed with themselves in besting their own prices. Boone believed in more outside competition and driving prices in a more calculated way. At that point prices were still fairly stable – Boone notes, “it was $15,000 at the time for a Rauschenberg or $20,000 for a Johns, which seems absurd by today’s standards” (30th). It was risky, she realized, to open a gallery showing anything other than what she had been trained to accept as valid contemporary art:
I had been raised in an atmosphere that was very anti-image. But what I
found was that the young abstract painters of the time were making work
that was derivative, whereas these young figurative artists like Julian and
David and Ross Bleckner were really making exciting work. So I had to
work against my prejudice, and I ended up with these figurative artists. I
was looking for something totally different. But they were the real thing.
(“New Queen”)

She worked her Rolodex of collectors from Bykert and subsisted on making deals
on the secondary market for a time. Building on increased backing from a consortium of
collectors, in exchange for first dibs on the best art she had to offer, Boone collected a
group of nine investors who put in money in exchange for buying art at cost. She quickly
moved into 420 West Broadway in 1977, underneath the galleries of Leo Castelli and
Ileana Sonnabend. Boone was on the main floor and she decided to take advantage of her
illustrious fellow tenants by leaving the door open, so that people waiting for the elevator
might come in to her gallery. Her approach to finding a new roster of artists seems just as
chancy - she claims to have found them “just kind of hanging out” at various art world
locales, including a restaurant called One University Place, where Schnabel was chef to
David Salle’s sous-chef. Her decision to represent Schnabel is evocative of the way that
she began to sell herself – under pressure. Schnabel approached her at the restaurant and
told her he knew she was opening a gallery and asked her to go to his studio and evaluate
his work, which she did:
I got about four hours. I got home and Julian was on the phone. The subtext of the conversation was, I’d better show him because he’s the next best thing to Rembrandt and if I didn’t, he was going to show with Holly Solomon. Which was probably the thing that drove me the most. I said fine. What do you say at a time like that? (“New Queen”)

She added Bleckner, an acquaintance from her Bykert days who introduced her to various artist friends including Fischl, Salle and Barbara Kruger, and all joined Boone. The first show was a group show including Schnabel and Richard Artschwager and it elicited little response but eventually, with the help of Castelli, Boone’s gallery became a nexus for a fundamentally new kind of art dealing. Castelli’s generosity and willingness to bend his own rules in order to work with her was crucial and Boone gives him full credit.

In January 1981 Boone asked Castelli if he would share his gallery space so that she could show Schnabel. According to Julie Belcove in her interview with Boone in 1988, this allowed Castelli to once again be in the vanguard of the art world in New York and, in addition, stage a monopoly on the gallery scene: “Boone could fully show off her catch (Schnabel) especially given her access to Castelli’s ‘unrivaled circuitry’ – Leo has a big backlog,’ another dealer explained. ‘He has people who want to buy work. He has people he owed favors to and people who owe him favors. He can select five or six key collectors from the ten or twenty in the world’” (“A New Boone”).

In the beginning of the Eighties, dealers and collectors a enjoyed an unwritten “concordat”: the dealer would give collectors favorable terms, pricing really good pieces
just below $10,000, while choosing only collectors with good ties to museums, to ensure that the work was going to be lent. Once that happened, the curator of the local museum or the person organizing the next Whitney Biennial, or even other collectors who saw the piece at a dinner party, might decide to buy and then the dealer would raise the prices. More collectors became interested, hoping to get a work before the prices rose too high and demand was no longer an issue. It was a game Boone played well. Within five years, a number of rising artists had signed with her and established stars like Brice Marden came as well – her roster was both new and impressive to established collectors. She was riding the line between outside and inside the gallery norm in New York at the time, and it was just fresh and hot enough to make everyone think something unique was happening. An April 1982 cover story in *New York Magazine* by Anthony Haden-Guest is evocative of the lightening speed with which Boone had established herself as a dealer, and in large part it validated her new position in the art world in New York. As the “New Queen of the Art Scene,” Haden-Guest portrayed Boone flirting with Castelli and dining out as the sole woman at a table of ambitious male painters. It was clearly a heady time for Boone and the art world in general, and it seems clear from articles like this one during the time that Boone saw herself as sanctioning a new generation of artists as well as positioning herself with collectors and buyers previously affixed solely to other, much more established dealers. Boone is dismissive of characterizing this period as only about the business:

Unfortunately, people talk about the Eighties in disparaging terms, like it’s the first time anyone ever discovered greed. But really, the Eighties were a
period of growth, energy, discovery, and invention. Art made some very interesting strides during that period of time. There are a number of artists like Barbara Kruger, Jenny Holzer, and Cindy Sherman who were doing more intellectually driven work than market-driven work. And it’s unfortunate that the whole decade got tarnished because of a small period of time when buying art became like buying lottery tickets. I think the important thing to consider is that it wasn’t the artist who became rich in the Eighties; it was the collector. (Haden-Guest “New Queen”)

Her perspective now seems somewhat revisionist given the discourse around the gallery at the time, and the fact that in current histories of the time she is often referred to as having been a “dragon lady,” the woman “who could sell a Hummer to Al Gore” (Belcove). Even Boone admits to having succumbed to the shift in the market and its implications during the first part of her career: “I think I lost my way…it was the Eighties. I got too involved with fame and fortune” (Belcove).

The glitziness of the art scene in New York in the Eighties was in part a response to massive growth. In 1970 there were 73 galleries listed in Art Now, and by the end of the decade there were nearly 450. It had become not only fashionable but also financially viable to run an art gallery. In 1989, writer Joan Juliet Buck visited Boone’s Upper East Side apartment, which she shared with her then husband, German art dealer Michael Werner. A little over ten years after starting her own business, Boone is photographed ensconced amidst Empire gilt wood chairs and Clarence House silks, as well as a vast
collection of shoes, a fetish, Buck notes, “associated with female despots” (Buck “Dealer’s Choice” 338).

Mary Boone lives in a space as clear and precise as the moves that have taken her to the top of the art business. As much was made of her large collection of shoes as her taste in art, her strong will, and her business sense in making such young artists as David Salle and Julian Schnabel prominent throughout the world. The high prices she demanded for their works and the high visibility of Boone herself combined to create a giddy notion of art as a somewhat flashy means of attaining success: an incorrect idea but one which prompted Steve Rubell to say, “Artists are the rock stars of the Eighties.” (Buck, “Dealer’s Choice” 338).

In the interview with Buck, Boone seems to want to shift the attention away from her lifestyle and focus on what makes her deal in contemporary art. She claims it is the vitality of seeing ideas evolve that engages her. She also claims that many people have asked her if being a woman stood in her way – she responds that she did not act like a woman, so no. But she adds that being short and young did inhibit her ability to be taken seriously at first. She is articulate about the way she runs her gallery and how that approach differs from the dealers of the past.

The gallery is really an information system. We have archives on every painting ever exhibited, complete with a reproductive history, a written history, as well as an exhibition history. That’s detail, librarian-like work. I think that the gallery’s function is that of being record keeper and
organizer, whereas twenty years ago a gallery’s function was merely to sell the work. Now the paintings sell themselves. I used to think there was a total of about fifty collectors. Now it feels as if there were five hundred. Time is so collapsed that it doesn’t allow for development the way it used to. Eighteen years ago, an artist would find a gallery and be in a group exhibit, and over the years get to know different dealers and maybe after five years would have a solo show. And then they would go to the gallery and stay there. Now you almost never see group shows. Today, artists are judged by their first shows. (Buck, “Dealer’s Choice” 341)

According to Boone, many of her first gallery shows were not even reviewed until four years after they had opened. But in 1982, success struck like a tidal wave. Her gallery and her artists were symptomatic of a tendency. “Suddenly artists were interesting to the mass media. There were stories on the artists, but not on their painting anymore. It was about them, their lifestyles” (341). This shift in attention attracted new money, Boone asserts, and “people who wanted to be culturally solvent, and they bought art. And what they did with it, of course, was sell it within five years. The newspapers encouraged this. The auction house fostered it” (342). At this point, for Boone, she could see that the average time for a painting to come back into circulation was five years, when previously it had been twenty. Boone seems surprised and even chagrined by the obvious effects her gallery and her approach to dealing have had on the market. For her, the most important thing a gallery can do is to “affect culture. Success is the most overrated thing that can happen to a person. It forced me to confront what it was I wanted. Everything that has
happened to me has been the result of other people. The artists, the collectors who supported the gallery. I’m not being humble; there’s nothing to be arrogant about” (343).

And in fact a number of her artists claim that she can be nurturing and even, in the case of Fischl, sustaining in terms of helping him through a serious downturn in the price of his work.

Boone’s relationship with Jean-Michel Basquiat is emblematic of her style as a dealer and their mutually rapid success in the Eighties. Basquiat’s success was the more meteoric, indicating “the breathtaking speed with which work by a new artist can become a cultural fixture” but Boone’s work with him indicates her acumen about how to sell someone so potentially unsellable, given his propensity for frequently destroying his own work. Examining Basquiat’s career and his relationship with Boone reveals a great deal about the competitiveness among dealers for artists at this point in time, dealers’ pricing and marketing techniques, their control of supply and demand and the resurgent importance of the European market. One practice Boone is most closely associated with is wait-listing, something Castelli honed to a fine art with collectors, according to most associates, but Boone took it to another level. Castelli played a game with collectors, whetting their appetites for a particular work until such time as he thought they were ready to pay a higher price. Boone increased demand for the work of her artists by pricing their work realistically and then refusing to sell. She demanded that buyers put their name on waiting lists and then pay up front for works that had not yet been produced. The hurried approach to art creation troubled a number of people but Boone saw her artists as producers, and if the buyers ended up not liking what they got after
being allowed to purchase a work, Boone advised them to flip it at auction. It is clear that in this scenario, the waitlist benefits only the dealer, and many buyers and not a few artists, such as Basquiat and Fischl, became disillusioned with Boone for pushing them. But Boone knew that by making buyers wait, the exchange value of the work increased. Unlike Castelli, she did not cultivate relationships with collectors in the same way, nor did she need to since there were so many more of them as the Eighties progressed. Everything was quicker, less discreet, and more like the trading on Wall Street than protracted games of seduction.

“Basquiat’s Boone”

Initially recognizable as white-hot street artist SAMO since 1976, Basquiat came to the Boone Gallery from Annina Nosei, who had literally taken him off the streets and given him space to work but not enough, for Basquiat, the space to become a more mature artist. Nosei, who had been in SoHo since 1980, invited Basquiat to join her gallery in September 1981 after extraordinary critical response to his work in a January 1981 show organized by artist and newly-anointed Basquiat agent, Diego Cortez. The show, "New York/New Wave" at P.S. 1, an alternative-space gallery in Queens, featured primarily graffiti artists, but Basquiat’s work stood out. A few prominent art world insiders trekked out to Queens to see Basquiat’s work, tipped off in part by Jeffrey Deitch, who had purchased a few small Basquiat’s when Cortez introduced him to the artist. Swiss dealer Bruno Bischofberger and Henry Geldzahler were particularly impressed, and Geldzahler decided to deliberately “overpay” by purchasing a work for $2,000, in order to welcome Basquiat to the big time (McGuigan). All of this caught
Boone’s attention and she was poised to see what opportunities might arise to allow her small collection of artists to include someone with as much potential as Schnabel, her biggest star.

Nosei provided Basquiat with cash for supplies and use of the storeroom as a studio, as well as shelter in general. She also offered maternal guidance, which worked at first but later became restrictive for Basquiat. Nosei brought the collectors to the storeroom to view his work, which was becoming increasingly less graffiti-like, filled with far fewer words and symbols, and becoming quickly larger, more colorful and detailed. Nosei strategically decided that collectors already buying more established works could be approached about tacking on a low priced Basquiat as an extra and it worked. In a 2001 interview for de Coppet and Jones’s The Art Dealers, Nosei remembers:

I was putting together major sales to important collectors who were buying, for example, the Germans. I told them that they should have a work by Jean Michel Basquiat also, for $1,000 or $1,500 more on the bill of $25,000 they had already run up. This worked quite well: these collectors gained an early commitment, told their friends, and all of a sudden Basquiat’s paintings were found in collections beside more well-known artists, as the youngest of all. (226)

Nosei increased the Basquiats steadily in price, so that collectors who had already purchased earlier work would think their investments were wise. She began to sell his paintings so fast that many people wondered if the paint was dry yet, and Basquiat
himself worried aloud that they might not even be fully realized works. The storeroom
studio seemed suspicious to some: art critic Suzi Gablik called it “something like a
hothouse for forced growth” (“New Art” NYTimes) Jeffrey Deitch, writing in Flash
Point in 1982, referred sarcastically to the arrangement between artist and dealer:
“Basquiat is likened to the wild boy raised by wolves, corralled into Annina’s basement
and given nice clean canvases to work on instead of anonymous walls. A child of the
streets gawked at by the intelligentsia” (McGuigan). Nosei scheduled a Basquiat show in
Italy and she and his now European dealer Bischofberger required him to make eight
paintings in a week and Basquiat felt it was like a “sick factory” and became so
antagonistic that the show was cancelled and Boone had her opening (Hoban). She signed
Basquiat quickly, despite reservations about his work ethic.

After his first show at Boone’s Gallery at 417 West Broadway in May 1984, critic
Cathleen McGuigan made a prediction, and gave a warning in the process: “Right now,
Basquiat is a very promising painter, who has a chance of becoming a very good one, as
long as he can withstand the forces that would make of him an art-world mascot” (“New
Art”). Her concern was not only for Basquiat and the ill will that could accompany his
rapid success as an artist but the effects on an art market in which dealers like Boone
were deliberately shifting their marketing strategies to suit the interest of an audience no
longer entranced with “cool and cerebral” Minimalist sculpture and conceptual word
play. Basquiat, she intoned in the New York Times, was subject to a frenzy that was
building in the streets of SoHo and Chelsea, bolstered by the success of Schnabel, Salle
and others who were now selling works for over $100,000. Collectors were increasing in
numbers, becoming more global, and increasingly mass media made advertising more and more possible and effective. The power of something new, which had been so evident in Schnabel especially, was glaringly apparent in Basquiat as well as the up-and-coming Keith Haring and Kenny Scharf, and the possibilities seemed endless. Everything was growing in numbers – earnings, the size of the audience – only the time in which it took for an artist to become successful was diminishing, in direct proportion.

At the time of Boone’s first show for him in 1984, Basquiat was already, at twenty-four, selling work for up to $25,000, and his paintings were in the collections of the Whitney Museum, wealthy collectors (S.I. Newhouse), famous actors (Richard Gere) as well as featured in a newsy piece about him in Harper’s Bazaar. Not long after, one of his paintings was presented at auction at Christie’s spring sale of contemporary art. It had been painted two years earlier and sold originally for $4,000. At Christie’s it sold for $20,900. Understandably, McGuigan claimed:

The nature and rapidity of his climb is unimaginable in another era…collecting original art is no longer the sole province of the very rich. The upwardly mobile postwar generation, raised on art-history courses and summer trips to Europe, aspires to collect and has the cash to do it. Even when collectors lack cash, some institutions, including banks, now recognize their need. Sotheby’s, the auction house, is willing to lend a portion of the price of an artwork at 2 to 4 points above the prime-interest rate. Given the extraordinary prices of the older blue-chip artists ($1 million for a vintage Jasper Johns, for example), a lot of collectors
naturally turn to the young up-and-coming painters whose works are still available for $50,000 and down. For many new art patrons, connoisseurship of contemporary art is a necessary part of the urban lifestyle. (“New Art”)

Basquiat fit this urban lifestyle seamlessly, and his approach to his work lent itself just as seamlessly to the rampant consumerism of the art world during his one decade of success. He claimed that SAMO was meant to suggest a brand name or corporate logo, and he sought dealers and art world proponents who could literally capitalize on his career and the work that sustained it, despite continually claiming a legacy to Picasso, Diego Rivera and other established artists. Deitch, then a co-manager of the international art advisory service at Cititbank, claims that Basquiat/SAMO was at every opening of a new club or art exhibit and his omnipresence on the scene made him as iconic as a figure in New York as many brands. For Deitch, this was crucial to Basquiat’s meteoric rise and made Deitch’s job easier: “Citibank advises its customers that art of quality can be considered a good investment. And, with other leading banks, it also now accepts fine art and furniture as collateral against loans” (McGuigan). For Basquiat, and his champions Dietch and Cortez, a greater connection to both the New York gallery establishment and consequent association with its artists, as well as a link to the new mode of dealing and the media circus that accompanied it, was a smart move. Boone offered Basquiat both.

The opening of the double show of Schnabel’s works at Boone and Castelli, with the lure of éminence grise Castelli (who had not taken on a new artist in years) along with Boone’s rising prominence in the gallery world prompting persistent media attention, was
the talk of the town and the talk continued. Suddenly dealers, like Boone and Castelli, were becoming stars as well as their roster of clients, and in a very public way and though Schnabel was working his newfound celebrity status, it was Boone who was anointed Queen. She was brash, even predatory at times, and tough in business, and from Basquiat’s perspective, she was in the top tier by 1982, only five years after starting on her own. Some of his friends were surprised at Basquiat’s move to the Boone Gallery, but it was a shrewd move, effectively moving him out of the field of graffiti and street artists with which he had still been stereotyped, even after his time at Nosei, and into the big leagues.

Boone’s assessment of the collaboration with Basquiat carefully skirts criticisms over the years that she reveled in the hype and media spectacle, which came along with Basquiat. Initially she regarded Basquiat with caution, and even claims to have been a bit put off by the glare of attention on him.

“There was a period of about a year and a half, when it was impossible to wake up in the morning and not hear about Jean Michel Basquiat,” she says. Introduced to him by Bischofberger, she says she waited until she became convinced that Basquiat had staying power. “I’d walk into some collector’s home and there would be something by Jean, hanging next to Rauschenberg and Stella,” she recalls. “It looked great. It surprised me.”

(“New Art”)

Boone’s hesitation did not last long, and she proceeded to quickly start selling Basquiats to American collector Sidney Janis as well as significant European collectors.
But she also decided, wisely, to take a different approach than Nosei, and encouraged Basquiat to hold on to pieces longer and take his time finishing them. In an interview in 1983, she claimed, “His output is high, but he’s getting more critical of what he holds back” (Hoban). From being pressed to finish eight paintings in a week, he began to produce from thirty to forty in a year. Since Boone was co-representing Basquiat with Bischofberger, splitting the standard dealer’s commission of fifty percent, she was cautious with pricing Basquiat’s work. Her promotion was even described at one point as “low-key” and his first one man show was not until May, 1983 in which she charged $10,000 to $25,000 for a painting, which was, according to Boone at the time,” a purposeful underpricing” (New York Magazine). The underpricing and low-key promotion irked Basquiat, who felt his work should be escalating in price more quickly, more in line with another Boone artist, Salle. But Boone was fiercely promoting him and Basquiat paintings were everywhere. She understood the need for exposure outside her own gallery and the paintings were constantly being shipped to Europe and elsewhere in the US, including prominent West Coast collectors. His work was shown at the London ICA and the Museum of Modern Art in Paris, as well as at Bischofberger’s Zurich gallery. She courted the press – the number of articles mentioning Basquiat and Boone in the New York Times alone in 1984 was 67. Critic Vivian Raynor prophesied in the Times in May, 1984 that Basquiat could become a very good painter, but only if he could avoid becoming an “art-world mascot” (“Art- Paintings” New York Times).

After the opening at Boone, Basquiat famously threw a decadent, caviar-covered party at Mr. Chow’s with Boone and others in attendance, and threw down a challenge to
Schnabel to outsell him. Boone said in 1988 that it was obvious to her that Basquiat was heading for disaster, which seems either as though she was prescient or also perhaps being defensive of her very strategic promotion of him and the excesses that buoyed the way to the top for both of them: “He was too externalized…he was too concerned about what the public, critics and collectors thought. He was too concerned about prices and money” (Hoban, “Samo”)

But prices rose, and for some they were too high – Geldzahler claimed to have been priced out of the Basquiat market in a year, and according to McGuigan in February, 1985:

his early paintings continue to pump life - and money – into the market.
The works surface at auction, as five did at Sotheby’s last fall, or perhaps are quietly bought from a private collector by a dealer who will hold them and wait, dazzled by their meteoric appreciation. The artist, who does not profit from resales, may be off at work in a new direction, but even the paintings he said goodbye to long ago keep going round and round in today’s heady art world. (“New Art”)

Phoebe Hoban claims, in her obituary for Basquiat in New York Magazine, that the first solo show at Boone was the peak for Basquiat. There was a second solo show in March 1985 but it was the last at the Boone Gallery. He and Boone parted in early 1986 (not long after Basquiat ended his relationship with Andy Warhol as well). Boone had no tolerance for Basquiat’s drug use and often-incoherent behavior, and consequent lack of reliable production. In Julian Schnabel’s 1996 fictional film biography, Basquiat, Parker
Posey portrays Boone as cold and calculating and for film critic David Bonetti, “Schnabel uses Basquiat to settle old scores. Having famously fallen out with her, he portrays Mary Boone as a bitch” (Bonetti, “Basquiat”). Numerous film reviews refer to Posey’s portrayal of Boone as plainly manipulative of Basquiat, villainous even, and Posey does it all with a sneer (perhaps per Schnabel’s direction). When Posey as Boone approaches Jeffrey Wright’s Basquiat at his Nosei show in 1983, she tells him he is in the wrong gallery in front of Warhol and Bischofberger and then proceeds to poach him at dinner later under the suspicious eye of Nosei. Having convinced him she is interested in seeing his work, Boone is then clearly contemptuous of his “radiant child” persona. It is clear that this portrait is something Boone wishes to disavow in recent years, and a categorization of their relationship seems to rest on how much Basquiat seems to be a sympathetic figure. Boone was exactly what he wanted at the time and she served him well, along with Bischofberger, who later became his primary dealer (he went without an American dealer) until shortly before his death in 1988. Anthony Haden-Guest claims in True Colors that in 1983 Basquiat and then girlfriend Madonna “threw off vibes of ambition, like heat from a stove” and Basquiat clearly wanted whatever art world heat Boone could provide him (130). Haden-Guest portrays Boone just as negatively, quoting her boasting in 1984 of the dealer-artist relationship: “Get them into debt. What you always want to do as an art dealer is to get the artist to have expensive tastes. Get them to buy lots of houses, get them to have expensive habits and girlfriends, and expensive wines. That's what I love. I really encourage it. That's what really drives them to produce” (197).
“She’s somebody who never used to be able to hear ‘no,’ it did not register”

The stories about Boone’s controlling nature are legendary. But as to whether or not that need for control, or overbearing personality, interfered with artistic practice, many of her artists past and present insist it did not. Barbara Kruger says Boone has never pressured her “because there’s no way I’m going to do a show a year and become a Santa’s workshop, and she understands that” (McGuigan) Fischl remembers her insistence on staying on track with schedules - in 2003 when he was preparing for an exhibition, he became concerned shortly before the opening about finishing the requisite number of works:

“I called her and asked if I could postpone it,” he says. “And she said no, the announcements were out, the advertisements were out. We got into a really ugly moment. But I thought we had kind of resolved it. Then it turned out that in fact we hadn’t resolved it, that she had decided she was going to open the show without anything being in the show.” Rather than giving in and rescheduling, Boone “just simply closed the gallery, and people came to the opening to find a gallery that was closed,” Fischl says. “It was vindictive.” (Belcove, “A New Boone”)

Boone remembers it differently: “The work was in the studio, and it was finished. He just didn’t want to give it to me. Eric had known for two years what the dates of the show were” (Belcove). She has mellowed, however, according to Fischl, who is still with her: “She’s somebody who never used to be able to hear ‘no, it did not register.’ Now she gets it. She’s changed radically” (Belcove).
Clearly the Eighties were overheated, and so were the personalities and the methods of dealing. By the Nineties, everything had cooled considerably, in large part because of the economic recession, prompted by the stock market crash in 1987 and the savings and loan crisis not long after. Boone, by all accounts, stuck by her suddenly struggling artists during the Nineties chill. Eric Fischl claims that:

“When the art market crashed, and my prices, which had been at an all-time high for me, almost overnight were cut in half and then in half again, she made sure I had the money I needed to continue to work and support the life I had. She did it by the sheer will to sell whatever she could sell and take just a small portion.” Other dealers, he contends, “would have expected you to feel the same pain.” (Hoban, “A New Boone”)

Boone felt that pain as well. Her losses are legendary – in the early Nineties a Fischl she had sold for $1.4 million at the peak of the 1980s, for example, was resold in the early Nineties for $167,500. In retrospect, Boone admits, her artists’ prices were inflated in the Eighties, and she wishes their work had not been quite so in demand. “I found, a lot of times, artists that get hot, hot, hot – it’s the opposite from being good. I think artists are able to develop better when they’re not at their marketing peak” (Belcove). She is typically blunt with respect to other dealers and their artist relationships. About Gagosian she is brutal: “I think Larry is a great dealer; I love Larry. But he’s not very good when the artist isn’t in play. And every artist goes through slumps” (“Art a Go-Go” New York Magazine) Most of her early core group of artists have remained steadfast (even Salle, who defected to Gagosian, eventually returned).
“What can I say? The devil you know is better than the one you don’t,” Bleckner says of their relationship (Belcove). It is telling that she continues to represent Fischl, Kruger, Bleckner and Salle to this day and the reality is that together they have profited a great deal.

The fact that the glamour of the Eighties never quite translated over into the Nineties and beyond does not seem to bother Boone, and Chuck Close claims this is normal – “Very, very few dealers transcend that one generation and are able to identify qualities in the next generation and do it again” (“A New Boone”). This is where Boone and Gagosian differ – he became one of the few dealers Close refers to. Discourse about both dealers reveals that Boone has made a series of moves since 2000 that reveal a changed approach. Gagosian seems to have remained the same, though magnifying his approach and his persona, and striving to remain defiantly apart from other dealers.

Boone continues to work with other dealers, including a recent collaboration with Zach Feuer to produce a film and mount a show of multimedia artist Luis Gispert in both of their Chelsea galleries. Feuer seems to be carrying on the model Boone helped to create of seeking out artists in her peer group and sharing commonalities with them that make the necessary encouragement and sometimes pushing to finish work essential to the business. He uses the language of the current art world – “I want to increase awareness of my brand” – when discussing his future plans and is aware of the excesses of the Eighties and the losses that so many dealers, including and especially Boone, withstood (Ayers “Interview”).
She hired her old boss, Kertess, in 2007 to become an advisor to the gallery and initiated a series of projects with gallerists representing promising emerging artists whose work is much different than what she is known for, including Terence Koh and Patty Chang. In 2008 Mary Boone Gallery in Chelsea featured an exhibit by white-hot Chinese artist, Ai Weiwei. The model of representing people in her peer group with whom she regularly socialized could never have lasted, and neither, it seems, could the voracious drive to beat out other dealers. “At this point in my life, I’m not interested in stealing artists from anybody,” she claims in a 2008 interview (“A New Boone”).

For the art world, the last quarter of 1989 was like the crash, and ’90 to ’92 was very frightening because things kept dropping, dropping, dropping. By the end of 1992, there started to be a feeling that things were stabilizing. And by ’94, it was clear that the worst was over. Now it’s almost like a stealth Eighties. It’s like in Germany, they buy a Mercedes and take the little insignia off so you don’t know how much they spent for their car. That’s the Nineties. And to me it’s just so fake. The fact is, there’s a lot of money around, and a lot of people are buying art. (Hoban, “The Art”)

The issue of gender is double-sided, and annoying, for Boone. She often claims that she has been only as aggressive as other male dealers around her, including Castelli and Gagosian. Paul Taylor, in After Andy: Soho in the Eighties, reiterates Haden-Guest’s and other claims about Boone relentlessly pressuring her artists to produce and not only not caring about their welfare, but pushing them into a position in which they would be
driven to produce on their own, to maintain an excessive lifestyle in which she herself indulged. All of the debate about whether or not she really cared about her artists does seem somewhat gender-specific, since it is not an issue ever discussed or even alluded to in histories of Castelli and other male dealers. Boone runs a business and always saw it as her purpose. Her business model, developed as quickly as some of the paintings she promoted were sold, required her to sell in certain quantities and speedily, to fill the growing demand of newer and greater numbers of collectors. Loyalty to the artists and understanding the artistic process are different than maternal protection and Boone never offered the latter. Her no-nonsense, ambitious approach was decidedly less suave and nuanced than Castelli’s, for instance, or seductive than Gagosian’s, and she is unapologetic about having gone after what she wanted. She also obviously used her gender to her advantage. Each archival file on Boone (at the Hirshhorn and National Portrait Gallery in Washington and MoMA in New York) contains a plethora of pictures of Boone, in addition to articles, exhibit preview notices, invitations and other material. Her dress and mannerisms have always been extremely feminine, and she perpetuates to this day her reputation for wearing and collecting expensive, high-heeled shoes. Boone used everything in her arsenal to make deals work, whether with artists, other dealers, collectors, and the media, and her reward is her longevity.

She has clearly had an impact on the way art is dealt, and on the perception of the function of a dealer in particular. Boone did not like to be constrained. When a “Truth in Pricing Law” from 1971 began to be enforced in mid-1988, Boone was annoyed. Douglas McGill specifically mentions Boone in his New York Times article about the change:
In many galleries with newly posted price lists, the means contrived by the dealers often seem to satisfy the letter of the law if not the spirit. The most common method was to put a price list at a receptionist's desk, perhaps toward the back of the gallery. At the Mary Boone Gallery, for instance, a price list is taped to the countertop in the back office. Visitors who want to look at the list must climb two steps and lean over a red velvet rope that hangs across the doorway, separating the gallery from the office. “The people who are seriously involved don't even look at this,” Ms. Boone said, pointing to the price list for paintings by the young artist David Salle (prices: $90,000 to $150,000). “It makes the whole emphasis of the art world wrong.” (New York Times)

If a buyer is serious, Boone insinuates, then he or she does not worry about prices. To some extent, Boone’s insinuation is defied by many newer collectors in the contemporary market. Gagosian often trades on the notion that cachet and aggressiveness (his) and the frantic jumble of art fairs, auctions and online buying will sustain any work at any price. “Sometimes we don’t know if the stuff we’re buying is historically significant, but because the prices are so high, we need to believe they’re important,” said Dallas collector Howard Rachofsky, a Gagosian client (Crow, “The Larry”). Gagosian is known for inducement, of both his artists and his clients, and Boone’s lack of the smoothness both Castelli and Gagosian enjoyed even at the beginning of their careers may have hurt her. Or it may be that aggressiveness and petite women in high heels do not seem like a winning combination. But Boone and Gagosian, who started at almost
exactly the same time as dealers in New York, share an important quality honed during the lucrative Eighties with the rise of Schnabel, Basquiat, Koons and others – the power to determine pricing outside of aesthetic and other considerations. And at this point, in the contemporary art market, there exists no standard formula for determining what an artist is worth. To try to decipher which artist will have lasting cultural significance over decades or centuries is impossible. A surprise sale to a museum or unforeseen auction price, or an auction arranged by an artist himself, such as Hirst are all moves which can alter prices in a flash. This volatility gave top dealers like Gagosian and Boone the ability to set the markets for the artists they represent. The prices they set were inviolable and collectors often felt lucky to have a chance to meet them. This has changed with increased awareness of art market prices and fluctuations, and while Gagosian and Boone continue to play significant roles in the art world, their once inviolable claim on determining prices has been undercut. Gagosian compensates by franchising his business and colluding with high-powered buyers on raising prices at auction. Boone seems more ready to rest on her laurels, and the discourse around her still glows. SGallery.net. referred to the “powerhouse Mary Boone Gallery” in a March 2011 article about auction prices and she continues to appear in the New York media as an authority on the art market as well as an established social figure on the circuit. She still occupies her palatial apartment on East 64th Street, eats dinner regularly with Barry Diller and Sean Combs, and has been accused of having cosmetic surgery, ”Mary Boone‘s forehead doesn’t move any more” (Artfagcity). Boone is every inch the celebrity art world insider that her old protégé and friend again Schnabel is, and every bit as much of a self-promoter as Hirst.
She will, however, forever represent the Eighties and “the flurry of media attention, the landmark exhibitions, and the record auction prices that mark” that decade (Castellani).

“Look, just because you like it doesn’t mean you should flush your money down the toilet”
--- Anonymous Collector, New York Observer

Since the role of dealers has changed, compromised even, I was interested in finding out how dealers see themselves in relation to the art market now. In my interview with dealer Richard Polsky, he was strident in claiming that the way that art is dealt has changed radically since Boone started in the late Seventies in New York. For Polsky, there are two fundamental reasons: technology has thoroughly changed the way art is viewed, evaluated and sold, and the way that art is talked about and discussed is new: “it used to be that dealers and collectors would talk about the artist, his ideas…now it’s all about price; even the artists are greedy now, very aware of the prices in a way that they were not before the Eighties; they are self-conscious of their markets now” (Polsky interview). Another major shift in the sales of fine art is the fact that auction houses now sell art which is less than five years old, something that never would have happened before Basquiat and then Hirst. Polsky points to 1973 as the year when the major changes began, with the Scull auction of their contemporary art collections/holdings at Sotheby Parke Bernet. Polsky sees this epochal sale as “the beginning of the commodification of fine art” (Interview). The New Criterion’s James Panero concurs: “The event marked not only the rise in prices but also the dominance of money in any discussion of contemporary art” (New Criterion). Polsky mentioned another pivotal sale realized by dealer Arne Glimcher, of the Pace Gallery in 1980: “When Glimcher sold Jasper Johns’s
Three Flags for $1 million to the Whitney, that’s when art became an investment” (Interview). He mentioned Boone specifically in calling for some kind of regulation of pricing and transparency for dealers, i.e., not taping the price list in the back room. Polsky also expressed concern that there is no training involved and this issue is mentioned often in a discussion about increased regulation in the art market. "The nature of the art business is that it's filled with pettiness and jealousy. That's because anyone can become an art dealer... so everyone is insecure about their accomplishments, which often leads to a lot of bad behavior" (Peers WSJ) "Contracts are meaningless. If someone reneges on a deal, the whole art world finds out and the dealer is effectively excommunicated” (Peers).

He sees himself now as a “financial art adviser” instead of a dealer and both of his books about his experiences in the art market – I Bought Andy Warhol (2005) and I Sold Andy Warhol. (Too Soon) (2011) describe in detail the callow machinations of dealers who understand very well that many clients are investors now, as opposed to collectors.

In the 2011 book, Polsky claims his transition into a financial adviser was a bit of a shock to him:

I hadn’t realized it until now, but I was transitioning. Rather than talk about art with clients, I discussed investment strategies: tax-deferred exchanges, auction tactics, buying up overlooked bodies of an artist’s production (like Rosenquist collages) – anything to make a profit. Looking back, I wished I had majored in business rather than sculpture. (125)
Polsky is contemptuous about a certain kind of “rabid art buyer” on the current market, and he mentioned the example of Susan Hancock, who is captured in lurid detail in a *New York Times* article by Eric Konigsberg in 2007, in which,

Hancock admitted she often couldn’t remember the names of the artists she is buying. But apparently she could recall what the art was worth, bragging that a painting by Lisa Yuskavage, an established painter of buxom female nudes, which she paid $75,000 for a few years ago, was now valued at $850,000. As the article wound down, we followed Hancock’s progress at a Sotheby’s sale, where she was thwarted in her attempt to buy a Christopher Wool for $450,000. Beforehand, she pleaded to her advisor not to let her go any higher. Oh well. The story concluded with a quote from her: “There is always another art sale.” (190)

Polsky claims that certain wealthy collectors have been doing this for years, and that museums go along with it, hoping to lure the collector as a future big donor. Just as repulsive for Polsky is that an artist like Damien Hirst functions as a hedge-fund manager of sorts, “He directs the fund of ‘Damien Hirst’s art’” (191). None of this seems appropriate, according to Polsky, who still sees aesthetic appreciation and connoisseurship in the market today, though not much of it. Advice from a dealer is not always the mitigating factor at this point. When actor John Slattery toured the collection of a private collector in 2008, he was told to resist his aesthetic impulses when thinking about purchasing art:
“We were out at the Democratic National Convention in Denver recently and we got a lesson about collecting from a couple of people we met there that were generous enough to take us to see their collections,” said Mr. Slattery. “They were like, ‘Look, just because you like it doesn’t mean you should flush your money down the toilet.’” (Aleksander)

The fascinating and contradictory point about Boone is that she is much like Damien Hirst – both of them spend a good deal of time insisting that it is all about the art, the power of it. As Boone says in an interview, when you feel something for a painting it is like knowing you are in love, and that kind of sentimental tone is what they both say drives their actions in a market gone mad. But, both also spend a good deal of time characterizing their approaches as purely avaricious, almost without regard to the artwork itself as having any aesthetic, ideological, or other kind of value. It is a commodity to be marketed and sold. Boone wrote in an opinion piece in *The Huffington Post* in December 2008 entitled “Why Art Matters” that “I want to be clear that I don't believe that one needs to own art or buy art to appreciate or benefit from it. What one needs is the curiosity and the desire to truly see and feel” (Boone). But this is also the dealer who notoriously “adopted a new approach to generating sales in a recession – sue your collectors” – Boone filed a lawsuit in 2009 against an Ohio collector who is also a trustee of the Columbus Museum of Art, to complete a purchase of a painting by Will Cotton for $32,000, after the collector changed her mind about buying it (Artnet). Boone’s argument seems to contravene both ordinary commercial practice as well as regulations covering purchases for more than $500 given New York state law, but her aggressive tactics signal
less of a mellowing than some of her colleagues describe. She also pioneered the practice of forcing her artists to sign a contract, which some critics saw as a restraint of trade. It was, for Boone, a practicality and a norm in the business world in general. She has been so successful, since rising to the top of the heap at the age of twenty-eight, because of this dual or contradictory nature, and like Hirst again, her appetite for making a deal. They literally symbolize the Janus-like nature of the art market, which is vast in terms of investment possibilities but almost completely unregulated, based on commodities every bit as dependent on the vagaries of global finance as any other. The way art is dealt changed in the Eighties with Boone and continues to be less and less about the work itself and classical notions of fine art.

Before the Hirst auction, there has always been the tradition of a dealer acting as the sole business contact between the artist and the outside world. Many times (not always, but quite often), it would be the dealers, who, after many studio visits, frequenting student shows and emerging gallery spaces, discover artists and then help them along in their careers, by introducing them to important collectors, influential curators, other artists and critics. The kickback is their commission, and perhaps life-long representation at the dealer’s gallery. In the old days, it could be argued that for many dealers the real kickback was the thrill of discovering a great creative mind and bringing it to the world. The art world was not the world of Wall Street, and it didn’t pack the financial punch it does nowadays. (Roche “Damien Hirst: The Death of Art”)
The newer generation of dealers reflects this financial punch – they create ways to market the work and artists they represent far outside the 420 West Broadway. Vito Schnabel, the son of Julian, is at 24 already an established dealer. His approach is mobile, and he shows work at the various Art Basels, produced the Brucennial, a survey of contemporary art in 2010, “a sort of Salon des Réfusés incorporating over 300 artists, an event that by most accounts occasioned the best art party of recent times” and funded by Aby Rosen. Schnabel also produces installations in public, including the unveiling of a large-scale sculpture by Terence Koh in a Hamptons potato field (De Looz, “Asked”). He believes that the “’80s made what Damien Hirst has done today possible” and that a natural evolution has taken place which makes him able to deal contemporary art outside of traditional limits (“Asked”). Schnabel speaks glowingly of the global community of art marketers and even an institutional effort to train newcomers, such as the Bruce High Quality University in TriBeCa “where hundreds of kids come in and out, teach and take classes. They’ve created a sort of hub to learn about how to find a gallery, or have a dialogue with other artists, critics and others; it’s so important” (“ Asked”).

Nostalgia for the Eighties and the anti-authoritarian ethos that led to the infiltration of business models and soaring prices is understandably attractive to new players in the art scene. The New York Times’ “Sunday Styles” section from October 2, 2011 features a story about young dealers staging shows and opening galleries and generally, once again, bringing new life into what repeatedly starts seeming like a jaded scene. Hand wringing about the economy and the backroom deals at auction houses is for the established art world. A show of an Eighties artist and contemporary of Schnabel,
Basquiat and Haring, Richard Hambleton, was recently the focus of a one-night exhibit at Phillips de Pury’s 450 Park Avenue location. Dealers Vladimir Restoin Roitfeld, 26, and Andy Valmorbida, 31, realized that Hambleton had been overlooked and since the artist refused to work with dealers (gun shy after his experiences in the Eighties), they appealed to him with their new business model and it worked. The event was glamorous, all 12 of Hambleton paintings offered for sale sold at an average price of $75,000 and the pair plans more events like it. “When we started, people laughed saying, ‘You need to start a gallery.’ But we never saw ourselves as part of the traditional art world” (8). The title of the article – “A new generation of gallerists is out to transform New York’s art scene – and actually making a living at it” – seems ironic, at once typical and different: it parallels many similar articles in the Eighties, including those about the upstart Boone, but with one difference, the reference to the business of art dealing. All three of these new dealers are from wealthy families, buoyed in their fledgling careers by enough capital to not only sustain them but also allow them to trade in the kind of circles that will be open to their enticements. They look to Hirst as a paradigm for surviving and flourishing in the art world and that is what is so transformed.

“Once he seduces someone, they get really expensive
--- Miami collector Dennis Scholl

Gagosian does not share Boone’s hesitation about the profligate practices of the Eighties – instead he has extended them. Critic Peter Schjeldahl claims that Gagosian’s “opportunism is transparent. It's not underhand: it's all overhand. He is not complicated. He's like a shark or a cat or some other perfectly designed biological mechanism” (“The Art”). Jeff Koons is admiring: “Larry enjoys these different types of transactions, that
type of energy. It's kind of like a sexual energy” (“New Art”). Gagosian refuses boundaries in a way that makes him the focus of everything he does and his ingenuity is what may be the most artful part of his endeavor. An artist of Boone’s could expect fierce representation and healthy, often soaring prices for his or her work as the Eighties continued, but a connection to Larry Gagosian, especially in the last twenty years, is gold.

In “That’s my Bitch,” one of the tracks on the recent collaboration by rappers Jay-Z and Kanye West, Watch the Throne, Jay-Z references Gagosian as the man to see about establishing value. In describing his wife Beyoncé, Jay-Z asks:

“How can somethin' so gangsta be so pretty in pictures?/With jeans and a blazer and some Louboutin slippers/Uh, Picasso was alive he woulda made her/That's right n-gga Mona Lisa can't fade her/I mean Marilyn Monroe, she's quite nice/But why all the pretty icons always all white/Back to my Beyoncé/You deserve 3 stacks for the Andre/Call Larry Gagosian, you belong in museums” (Carter and West)

Justin Jones, in his review of the CD, claims that “though highbrow subject matter isn't new to either rapper, it seems significant that both associate high culture with wealth rather than intelligence or artistic significance” (“Decadent”). Gagosian is the expert on establishing value and shaping it, in economic terms primarily, for his artists. At 66, he is lauded for his “unrelenting focus on selling” and his representation of the estates and/or careers of seventy-seven of the top-selling artists in the world, including Hirst (Jones). His dominance in the art world is often officially recognized: ArtReview placed Gagosian fourth in its annual poll of the most powerful people in the art world, “Power 100 2011”
and *ArtInfo* placed him second on its list in 2011. Rumored to sell over $1 billion of art every year, Gagosian’s constellation of galleries around the world is referred to as an empire, and his lifestyle, which includes a private jet, multiple homes and an impressive personal art collection, mirrors those of many of his clients, such as Steven A. Cohen and Christie’s owner François Pinault. As part of an impressive self-branding effort, Gagosian often touts his personal American dream trajectory from his childhood in Los Angeles with Armenian immigrant parents to a start hustling framed posters on the West Coast to his meeting and eventual friendship with Castelli, which opened innumerable doors in New York. While art world insiders describe Boone as a merciless poacher of artists, Gagosian’s approach is perceived more positively. He is uniformly credited with zeroing in on and aggressively pursuing artists until they capitulate and end up with his gallery, to their eventual benefit. What seems vicious on Boone’s part comes off as audacious and bold by Gagosian. He differs from Boone in other less subjective and crucial ways, as well. His timing is different – Boone’s style is to scour New York for up-and-coming artists while Gagosian has always preferred to wait until an artist has had initial success and then swoop in. Gagosian is not a team player, and does not seek out collaborations with other dealers in the way that Boone does. It is frequently documented that the Art Dealers Association of America has never nominated Gagosian as a member and thus he remains outside the professional network.

Whatever Gagosian’s official or unofficial status may be, it seems pragmatic to most to work with him. Late sculptor John Chamberlain, whose works routinely sell between $1 and $5 million, had for decades been represented by Pace Gallery. After a
dispute with the gallery, Chamberlain allowed Gagosian to visit his studio and look at his recent works. Gagosian quickly announced, “I want it all” and proceeded to set up several shows of Chamberlain’s work as well as facilitating the sale of other works at auction (Crow “Effect”). Chamberlain was unsentimental about his subsequent break from Pace: “Sometimes artists need to shift gears, and Larry is always ready to go. What should I do, sit in a corner?” (Crow). It is apparent from the sales of artists who have joined with Gagosian after being with other galleries that there is almost always a precipitous rise in pricing on the market for most of them. The rumors of Gagosian’s tactics seem to become urban myths within the art world, and serve to further enhance his reputation as a zealous businessman. One such myth involves the meteoric rise of artist Richard Prince. When trying to woo Prince in 2001, after Prince’s “Nurse” paintings had been selling well for several years, Gagosian allegedly began including Prince’s work at group shows at his gallery, a traditional tactic employed by dealers. When Prince proved too coy, Gagosian was seen wearing plaid shirts to parties and events where Prince would also be in attendance (Prince is known for his plaid shirts). Whether or not this was the approach that secured the deal, Gagosian is rumored to have offered Prince sixty percent of the sales of his work in Gagosian’s gallery, an increase of ten percent from the usual fifty/fifty split between artist and dealer. Eventually Prince acquiesced and the following year one of the series, Overseas Nurse, sold for $8.4 million at Sotheby’s in New York.

“A Rapier-like Business Sense” Rob Sharp, The Independent

A frequent charge against Gagosian – that he fixes prices - seems less nefarious when perceived in the context of his influence with many art world players, especially
and including buyers and investors. And there is a kind of circularity to his efforts, which depends on his prodigious influence on the market, impressive for many people who become interested in purchasing contemporary art. Polsky claims, “You cannot underestimate the egos of the people who buy from Gagosian. Most would rather overpay to be part of his world, and he counts on that mystique to draw clients to him” (Polsky, Sold 12). Douglas Cramer, a television executive and collector was bemused by Gagosian’s tactics when he realized that the dealer had been taking pictures of Cramer’s collection when he was out of the room: “I was in Larry’s office once and I saw Polaroids of pieces that were in my home. What do you say to someone who at that point is a good friend, who is getting you all this great art?” (“Pulling”). The mystique around his sales often means that parties involved in a transaction have no idea with whom they are bargaining, since Gagosian will not tell them. “Collectors say they typically receive calls from him saying something like, ‘If you want that Francis Bacon, you need to give me your Lichtenstein and the two Basquiats.’ Who is on the other side of that trade, or whether the Bacon came from Mr. Gagosian’s private stash, is never discussed” (Segal). Since all involved seem assured that Gagosian will achieve the best price for all involved, that trust is all that matters.

Other dealers, though, are wary of his predatory tactics. One anonymous dealer claims Gagosian has “a rapier-like business sense” and put pressure on him over the purchase of works by Robert Mangold for a client. “I sold him the Mangolds because I wanted to get them into that collection. A couple of weeks later, [one of the paintings] turned up on the market. He hadn't sold it to the collector at all. Now I wouldn't sell him
“anything” (Segal). When asked about the sale later by *The New York Times*, Gagosian claimed he had no memory of it. Gagosian seems to exemplify a kind of coarse, utterly American spirit, which sets him apart from Castelli, Duveen and other legendary dealers. Rob Sharp recounts a story about Gagosian early in his career in an attempt to characterize his rise:

Gagosian was reportedly negotiating with the dealer Jan Eric Lowenadler, who was on the King of Sweden's yacht at the time. After a number of phone calls, Lowenadler told Gagosian that he couldn't talk. His excuse? He was with the King of Sweden. Gagosian's employees allegedly heard their boss scream: "Fuck the King of Sweden!" Perhaps this is the perfect image of Gagosian, the ruthless chaser of the American dream. Perhaps Michael Craig-Martin, whose own exhibition opens next month at the Britannia Street gallery, sums him up as well as anyone can: "He's the master of American self-invention. In England, you're stuck with who you are born as. In the US, you can become someone else.” ("Fine Art")

Gagosian often buys work himself at auction and resells quickly, a tactic employed by a number of top-tier investors in the contemporary art market with whom he is close. At the major auctions, he always sits up front, on the aisle, and often beside or very close to friends such as the Mugrabi family, Cohen, Peter Brant and others. Descriptions of these auctions make it seem as though Gagosian is the head of a fraternity of buyers who buy only to resell, driving their own, insular market. Because of this personal involvement in auction sales, however, it is apparent that Gagosian is more than,
or different from, a traditional art dealer. He is and has for some time been changing the landscape of what art dealing means and what it entails. At lunch with Jackie Wullschlager of the Financial Times in 2010 (a rare interview for the notoriously media-shy Gagosian) he claimed that his personal collecting is “a perk” of being a dealer, but it is obvious that for Gagosian it is much more. Adopting the private collector persona allows him to elude the nominal regulations for dealers within the auction process as well as outside of it. It also allows him to court artists as a client as well as a dealer. A recent rumor that Gagosian had coffee with Jasper Johns set the art world discourse into orbit, with speculation about what implications such a merger would have on the market. Given the proliferation of art news now and the speed with which it travels, the political economy of this market hinges on such seemingly mundane factors, and Gagosian is not only aware of this but has been part of the process of making it work that way.

Gagosian, known as “Go-Go” to some friends (also often a pejorative nickname by art world journalists and insiders), is expert at fusing the various artistic and financial circles together in a seemingly effortless, though clearly calculated, way. His shrewd observance of Warhol’s social tactics and emphasis on celebrity are clear. Sharp describes a party at Gagosian’s Chelsea gallery in 2007:

Early in September, a crowd of editors and "friends", designer Thom Browne, film-maker Vincent Gallo and former Sex Pistols manager Malcolm McLaren among them, gathered in New York at the art dealer Larry Gagosian's Chelsea gallery. The occasion was an A-list fashion show to mark the height of Manhattan's Fashion Week, and the clothing
line on display was designed by Gagosian artist Damien Hirst who, having received permission from the Andy Warhol estate, mixed the pop artist's iconic images with his recent penchant for skulls and death's head images. The line, which is to be launched in the US in January, attracted a high turn-out of fashionistas and art-world apparatchiks, including many names from the Sixties "Factory" era in which Warhol made his name. It was the social event of Fashion Week. Yet Gagosian, the man whose influence made the event possible, was apparently nowhere to be seen. ("Fine Art")

Gagosian’s presence is felt throughout these kinds of deliberately constructed high-profile events and a certain grumbling about his ubiquity in various social circles throughout the world is evident from critics. It is clear that he seems to delight in this omniscience, and in courting a reputation for being enigmatic. The line between his professional, personal and social lives are indistinct and so it all seems like business. Ex-girlfriend Veronica Webb once claimed that Gagosian was always about business, "There is no Larry outside of his work. He considers his business sacred” ("Fine Art"). Another former girlfriend, Nicollette Ramirez, remembered that their vacation destinations were selected “based on where collectors were headed, and where business could be done” (Segal). His business is his brand and his life and, like Warhol, Gagosian seems to have surrendered himself to it with a perspicacity based on real passion for making a name for himself.

Recent high-profile exhibitions in Moscow and Rome continue to expand his global profile and brand. Billionaire investor Eli Broad sums up Gagosian’s appeal to
artists and buyers alike succinctly: “I can think of no one who is more active or has more to offer as a dealer than he does” (“Fine Art”). But Gagosian is not so powerful as to be impervious to the vagaries of the global economic market. In 2010 he made it clear to his staff that no one was indispensable and he seems to have stepped up his efforts to strengthen the global empire so as to seek some shelter from the dismal US economy. In addition, his strategic diversification, into all aspects of the art world and outside it, has served him well during the recent recession. Robert Mangurian, an architect who designed a home for Gagosian in Los Angeles, claims that Gagosian has his hand in many deals and projects and speaks reverently of him: "We were always impressed by his intelligence and keen eye for art; he seemed like he knew what he was looking at. We would get paid with paper bags filled with cold cash. He had deals on the side. He was in real estate and had properties he would sublet” (“Fine Art”).

Whatever the deal at hand, Gagosian’s public persona is consistent – he is described frequently as open, somewhat blank, friendly, and careful to never reflect difficulties. David Segal commented on Gagosian’s demeanor at one of the gallery shows in New York in 2009: in “an art market that has recently gone Code Xanax, neither he nor his gallery radiated any hints of distress” (“Pulling Art Sales”). Segal, in his New York Times article entitled “Pulling Art Sales Out of Thinning Air” focuses admiringly on Gagosian’s consistent, dogmatic approach despite the turmoil around him. Segal sees Gagosian as “enamored with risk” and a champion of financial brinksmanship, a tone reflected by many of the journalists who write about him. Gagosian’s bravado, and the sheer breadth and value of his holdings, reveal him to be either tottering on the edge of
disaster or stopping just short of it in the years since 2008. As a result, his business style
is often analogized to playing poker or Oz behind the curtain, and this and his
inscrutability are seemingly a source of bemusement and even jealousy for journalists and
critics. Comedian and writer Steve Martin claims he is in awe of the way that Gagosian
conducts business without seeming to, leaving clients wondering what had happened to
them after leaving him. “Mr. Gagosian seems to inspire chatter in the gallery world for
the same reason a magician inspires whispers: nobody quite knows how he does it”
(“Pulling”). Segal riffs on Gagosian’s Gordon Gekko of Wall Street–like machismo:

Larry Gagosian wasn’t the first dealer to realize that art was a commodity,
and that for the right price anyone would part with anything. But he
brought a brazeness to this once-genteel realm that left rivals speechless.
With a Rolodex filled with hedge fund investors, Russian oligarchs and
real estate magnates, he would pitch paintings that weren’t even for sale,
knowing that if the offer were large enough, the owner would thank him.
“Larry made it a business deal and business guys were more comfortable
with that,” said Maurice Tuchman, an art consultant and former chairman
of modern art at the Los Angeles County Museum of Art. “It was like they
were buying a building, or shares of I.B.M. No rigmarole.” (“Pulling”)

And yet, despite performing like a financier, Gagosian has no partners, no board
of directors, no heir apparent, and delegates only to a few associates in the various
galleries, called Directors, who are assigned to specific artists and have no say in the
general activities of the empire. This insularity is clearly purposeful, though risky. New
York dealer David Zwirner claims that Gagosian starts rumors about himself in order to build his mystique, and a consistent refusal to speak to the media throughout his career has made him a desirable cipher. Sarah Douglas evaluates Gagosian within an art historical continuum: “It used to be thought that no dealer had ever matched Joseph Duveen, who criss-crossed America before the first world war, hawking Impressionist masterpieces from his briefcase to robber barons eager to add some status to their wealth. But then along came Gagosian” (“Larry”).

“A One-Man NASDAQ” (David Segal, *New York Times*)

Between the actual facts of Gagosian’s empirical rise in the art world and the hyperbole surrounding it, it often seems as though he is a kind of cardboard figure, a caricature not invested in art as aesthetic or symbolic production of any kind. A certain emotional unavailability translates to a lack of interest in the art itself as well as in people. Various friends, though, often credit him with having a passion for art and that intangible which so often separates people in any visual realm, a “good eye” (“Fine Art”). Anina Nosei, with whom he first worked in New York in their Soho gallery, claims Gagosian has both in spades and speaks endearingly of him, also noting that his friendliness was key in building up relationships with anybody who could help him increase his profile. Gagosian himself has referred affectionately to the poker games he played with the building janitors who worked in Castelli’s gallery on Green Street, though any interaction seems to have been fundamentally a conduit to helping him gain access as a dealer. His comments about getting into the business are telling:
It was only when I started to get into the art world that I understood such a profession as art dealer existed. I’m not really a scholar but I read a couple of biographies of [Sir Joseph] Duveen – I find his style kinda inspiring. He was a risk-taker, not afraid to buy a very expensive work of art. He believed in the power of art – that’s where the confidence has to be. Art’s been around a long time: I can’t screw it up too much! (“Lunch”)

Gagosian’s rise as a dealer reveals a calculated business model and the ruthlessness that inspires so much admiration and also calumny from detractors. His first real success came with a splashy show at his small Los Angeles gallery for Basquiat in 1982. According to Sharp, the show’s “opening was huge, with the most famous LA collectors, dealers and celebrities in attendance. Again, it began to cement – along with his deals with Condé Nast owner SI (Si) Newhouse, Geffen and Saatchi – Gagosian’s soaring reputation” (Independent). After parting with Nosei and opening his own gallery in Chelsea in 1985, Gagosian was incremental in helping Castelli’s widow, Antoinette, sell off some of Castelli’s collection in order to help her pay taxes on her estate. Although he was clearly in debt to Castelli, and even in thrall to his skill as a dealer, Gagosian was also capable of undercutting his mentor. A famous schism between the two is clearly the basis for the Moynihan film, Boogie Woogie, and Gagosian is the model on which the Art Spindle character is based. Spindle, like Gagosian, is egotistical, often smarmy with potential clients, persistent and cunning to the point of valuing a sale above his relationships. And like Spindle, Gagosian ingratiated himself with collectors Burton and Emily Tremaine in 1985 and persuaded them to sell their Mondrian, Victory Boogie-
Woogie to Condé Nast publisher Si Newhouse for $12m. Don Thompson’s description of Gagosian’s wooing of Emily Tremaine, of “making her feel important,” reveals the same kind of naked, narcissistic ambition Danny Huston personifies so aptly in the film as Spindle (Thompson 35). Gagosian also persuaded Newhouse to start attending auctions, which was considered gauche at that point for wealthy art collectors. His most audacious move, though, was in persuading the Tremaines to bypass Castelli, their dealer for many years, in making the deal with Newhouse. Cutting out Castelli also signified a new channel for Gagosian, bringing old money to the secondary market and his machinations are legendary for those art world insiders who see the benefit to the market for such a shift. Broad, for instance, claims that Gagosian’s persistence exists in inverse relation to the health of the art market. Critics charge that Gagosian stays afloat during rocky economic times by borrowing against his inventory, stalling payments to those from whom he buys, and other unseemly, though not illegal, moves.

“To prevent the United States from collecting millions of dollars in taxes owed”
--- U.S. Attorney James Comey on Gagosian and partners

Gagosian has, however, also been not only accused but also convicted of tax evasion and purposeful non-payment of taxes. Sections II and III of the Complaint filed in 2003 by James Comey, United States Attorney for the Southern District of New York, reveals charges dating back to 1990 by Gagosian and his friend and partner/collector Peter Brant. The two are accused of numerous machinations, enumerated in the complaint and often colorfully described by Comey as including breach of contract, fraudulent
conveyance, tortuous conversion, unjust enrichment and piercing the corporate veil. It also specifies the monetary gains involved:

II. Over the course of a few weeks in 1990, Contemporary Art Holding Corporation (“CAHC”) was created, bought 62 works of art, sold 58 of the works of art, and earned approximately $17,000,000 in taxable capital gains. Thereafter, CAHC transferred its sole remaining assets – 4 multi-million dollar paintings – to its current and former shareholders, purportedly leaving it without any assets to pay its taxes. In its tax returns, CAHC admitted that it owes the IRS millions of dollars in taxes due to this transaction, but CAHC never paid any of this money to the IRS.

III. CAHC’s creators, Lawrence Gagosian, Peter M. Brant and Jay I. Gordon, structured the transaction described above with Geoffrey J.W. Kent and GJK Incorporated, Kent’s wholly-owned corporation and CAHC’s subsequent sole shareholder, with full understanding of the tax consequences for CAHC. The defendants conceived and structured the transaction to transfer valuable art work into their hands, while purportedly leaving CAHC without assets to pay its millions of dollars of tax liability.

In the end, the federal prosecutors sued Gagosian, Brant and two associates for $26 million in unpaid taxable income, resulting in a settlement of $9 million. Despite this and other setbacks, Gagosian has continued to expand - in New York, then in LA into Beverly Hills, and then to two locations in London, before opening galleries in Moscow,
Paris, Rome, Hong Kong, Athens and Geneva for a total of thirteen worldwide by 2011. He has been honored for his achievements, including being presented with the Légion d’Honneur from the French government in October 2010, in recognition for his contribution to French cultural life. It is not surprising that Gagosian’s comments about the importance of Paris in the global art market coincided with his opening of an expansive new gallery in the elegant 8th arrondissement. Mutual recognition of the importance of each other in the current global climate for art was apparent in the celebrations of both the honor and the gallery opening. It is all part of the plan, according to London dealer Offer Waterman: “Larry has a global strategy. Larry knows he can get the best artists, because he has the best gallery representation. He’s become bigger than the artists themselves. He’s become a global brand” (“Gagosian Sells”).

This incessant push forward is a major part of his iconic stature and consequently a certain psychologizing of Gagosian takes up a fair amount of the art world journalism that references him, especially because he can often be a cipher. He can be charming and blank, but demanding and explosively angry at times, a contradiction that seems to come as a surprise to those who are laudative, like Segal. And, like Boone, Gagosian can also often offend associates, co-workers and even artists. Musician and painter Kim Gordon, a former employee, remembers working with him as a painful experience, and claims, "When I first met him I thought no one was going to take him seriously, he's such an asshole. He used to yell at us” (Sharp “Fine Art”). Other associates describe scenes of rudeness and shouting that made Gagosian hard to deal with. Like Spindle in the film, though, his temper seems to be obscured by his business acumen. An anonymous dealer
told Phoebe Hoban that Gagosian is "like the art dealer-cum-rainman. He's a gifted dealer, his ability to digest and retain information is extraordinary" (“Fine Art”).

Gagosian has clearly moved away from Castelli’s approach to dealing. Segal claims that he had a reputation for turning collector’s houses into extensions of his gallery “on the principle that anything is for sale if the price is right,” a tactic that would have horrified the respectful Castelli (“Pulling”). Gagosian is aware of the shift in tactics, and even reflected giddily on the changes in the market since Castelli died in 1999: “the art world has become much more a business, for better or worse, through thick and thin – and even the lean times are not that lean!” (“Pulling”)

Segal’s describes Gagosian as a “one-man Nasdaq, an exchange where he helps set the price, not to mention the size of his commission. Unlike an actual stock exchange, though, this one is always open for business” and in his position at the top of the market he has even been described as “too big to fail” without the toxic assets (“Pulling”). For gallery owner Stefania Bortolomi, Gagosian’s enterprise is so interconnected with the health of his investors that they, “as well as a lot of added, buzz-laden value, would disappear along with him” (“Pulling”). Felix Salmon of Artnet responded to her claim with a question: “Could it be that Gogo falling under a bus would have a bigger adverse effect on the art market than the Dow plunging by 50%?” (“Larry”) The vast constellation of galleries and investors and social and art world circles that comprise Gagosian’s brand is a kind of art market in and of itself. Salmon points out the opacity of the empire, though: “One thing I haven’t seen anywhere is Forbes or anybody else taking a crack at estimating what Larry Gagosian’s personal net worth might be. Given that he’s
the price-setter for most of the art that he owns, there are obvious problems in any such calculation” (Segal). If Segal is right, that “the postwar art world is basically a stock market with a couple of thousand really valuable shares” then Gagosian is not a dealer in the art world but a board member.
CHAPTER 3: “TODAY IN DAMIEN HIRST”

Damien Hirst is a brand, because the art form of the 21st century is marketing. To develop so strong a brand on so conspicuously threadbare a rationale is hugely creative—revolutionary even.

--- Germaine Greer

You can take the piss out of art, but I don’t think you can take the piss out of the art market. All markets are serious.

--- Damien Hirst

Damien Hirst is a phenomenon as an artist in relation to the market place. Currently the highest grossing living artist ever, he actively engages in and rejects the market determinations of value for his work. He has been known to call himself an “art director” because of the way he uses staff to craft and finish his work and the various and sundry art exhibitions and auctions he has single-handedly conceived and staged since the early 1990s. Hirst has been praised by many for galvanizing interest in the British arts and in helping to create the image of a “Cool Britannia” in the Nineties in Britain under New Labour. Many art professionals and experts have been quick to acknowledge his prowess in marketing works of art, but certainly his critics are no less vocal. A Daily Mail headline stated in 1999, "For 1,000 years art has been one of our great civilising forces. Today, pickled sheep and soiled beds threaten to make barbarians of us all" (Simon Daily Mail). Artist Charles Thomson of The Stuckist Art Group wrote of Hirst’s works: "They're bright and they're zany - but there's f--- all there at the end of the day.”
Blake Gopnik, art critic for The Washington Post, after choosing Hirst as one of “Today’s Ten Most Important Artists” in June 2011, imagines asking Hirst:

“How is it that your work has managed to encapsulate the essence of what it is for art to sell out? How did your whole career become a metaphor for how consumption has become our guiding force?” That is precisely what Hirst has achieved. Achieving it has made him a great artist. He’s shown how the business of art, with its bubbles, may be the best business for today’s artists to explore. (Gopnik “Damien Hirst”)

Bloomberg News reported in late 2011, “Art by Damien Hirst and Andy Warhol outperformed the Standard & Poor’s 500 index over the past 10 years, according to a new measure by Artnet AG designed to rank the performance of art as an asset” and this market performance mirrors the similarities between the artists and the debt Hirst owes Warhol in terms of Hirst’s obvious emulation of Warhol’s marketing moxie and brilliance at self-branding. Warhol’s sheer will to not only achieve stature in the art world, as well as to survive and retain it, has been Hirst’s model. His current use of a Factory-like studio for mass output of work and a showmanship which continues to keep him relevant as an art world figure and not only an artist are clearly homages to Warhol. And like Warhol, Hirst is utterly of his moment. His meteoric rise during the Nineties exemplifies that era - the late millennial obsession with technological advancements and new media, a mass monopolization of capital markets, and shifts in globalized political and economic power after the fall of the Soviet Union and the insurgence of capitalism into a communist China.
Hirst’s place in the continuum of art history can be traced – he exists, as do other artists, with relation to the influences before and after he came onto the scene. But what sets him apart as an artist is that he has become perhaps the most significant figure in the art world and the market in full after establishing his brand in the early Nineties. The beginning of the economic powerhouse that is Hirst the living “revenue stream,” seems to have been the moment when art collector/investor Charles Saatchi saw “A Thousand Years” in 1990 at Hirst’s self-organized show, “Gambler” in London (ArtNews). The piece - maggots climbing all over a severed cow’s head inside a glass case – was enough to secure Hirst a running account with Saatchi, to create whatever he wished. For Saatchi the move was beyond patronage – he says he just wanted more works like the ones Hirst was making then. The show’s title proved apposite and the brand began in earnest. Hirst had a goal: “I can’t wait to get into a position to make really bad art and get away with it. At the moment if I did certain things people would look at it, consider it and then say ‘f off’. But after a while you can get away with things” (Thornton). If getting away with selling work deemed provocative and difficult was the approach, then it worked. With the help of two key art world figures – Saatchi and Jay Jopling, a gallerist/dealer – Hirst began to build a career based as much on entrepreneurial and management skills as artistic brio and craftsmanship. At this point, in 2011, Hirst is an artist, collector, curator, restaurateur and clothing designer. In a 2009 interview, The Guardian’s Simon Hattenstone asks the question: “Isn’t there a danger that the money becomes all-consuming; that the sole measure of a piece of art is what it sells for?” Hirst answers carefully: “You just keep an eye on it. Selling out is very different from dealing with
cash.” What is selling out? “My business manager always says you’ve got to make sure you’re using the cash to chase the art, not the art to chase the cash.” Hirst argues that his diamond-encrusted skull – *For the Love of God* – is an example of cash chasing the art. Has he ever sold out? “I think I’ve got very close. There was a point I could have just churned out the spot and spin paintings for ever and laughed all the way to the bank” (Hattenstone).

Colin David claims Hirst is:

> a marketing machine who is well aware that the sound of every ruffled feather is the arrival of another dollar…Is Hirst a genius because he knows how to market his own manufactured mystery and controversy, or because he has really great ideas? I prefer the crystal-covered skull left outside the museum in which Hirst’s diamond-encrusted skull was being displayed.

> Hirst is a cartoon of artistic pretension. (“Now Hiring”)

Critics like Alexandra Kimball see more than just the marketplace in his work and the way it experiments “with art-for-art’s-sake, which paradoxically place him at both the centre and on the margins of commodity culture” (Kimball). But does Hirst, as David claims, “use the impenetrable veil of ‘art’ to flummox the labyrinthine art world into giving (him) power”? In June 2007, Sotheby’s London sold Hirst’s *Lullaby Spring*, a 2002 medicine cabinet filled with hand-painted pills, for £9.65 million, superseding Jasper Johns’s auction record for a living artist. Next on the block and sold: *For the Love of God* for £50 million. The work was sold by London’s White Cube gallery two months later, reportedly to a consortium that included the artist himself. *Forbes.com’s* “Personal
Branding” blog states that the personal brand must “continually meet the world’s expectations related to the personal brand” (Forbes.com). Though it may seem paradoxical, Hirst has every interest in meeting the art world’s expectation of his brand and so needs to keep his prices up. If this means he has to contribute to its sale by self-purchasing, then he does. Other methods of maintaining his market value include some private sales of new works and strictly controlled sales of older works that Hirst has held onto or bought back in an ongoing attempt to influence the market.

Hirst, in his mid-forties, may well be the world’s richest artist but his lucre is not all from the sale and distribution of his art works, and in fact he continually finds new ways to turn his artistic reputation and notoriety into successful sidelines. He has a company, Other Criteria, which licenses his imagery, creates products, and sells them on the Web. In addition to Hirst’s own prints, editions, books, posters, and T-shirts, the company markets the wares of other artists. And this is just one piece of an umbrella corporation, Science Ltd., which oversees Hirst’s vast studios, 120 employees, and other business interests. In addition, over the years his financial ventures have included a popular London restaurant; backing of musicians and artists including Fat Les, the band that came up with the hit football anthem “Vindaloo” in 1998; a restored inn located in North Devon; a widely shown art collection; and plans for separate museum and gallery spaces.

The Hirst file at the library of the Hirshhorn Museum in Washington is telling: a slew of invitations for exhibits and auction previews featuring Hirst are arranged in sequence and the increasingly elaborate details of the visual materials signify not only his
rise in prominence but his personal involvement in the details. From a 1992 Sotheby’s London preview – *Sotheby’s London 1992* – “God” executed in 1989, *Provenance: acquired from the artist by the present owner* – 4,000 – 6,000 pounds – to the Connor Gallery in DC’s showing of “The Last Supper” in 2000 to White Cube’s “Romance in the Age of Uncertainty” in 2003 to the “Haunch of Venison” unveiling in Berlin and Zurich in 2010 (two very different, tri-fold, full color representations). The richness of the materials and literal size of the invitations increases with the years, much like Hirst’s prominence and personal wealth.

At New York’s Fashion Week 2007, Hirst launched a line of clothing as part of the Warhol Factory X Levi’s label from Levi Strauss & Company, to be sold at select retailers such as Fred Segal, Barneys New York, and American Rag. Playing off the publicity surrounding *For the Love of God*, some items featured miniature crystal skulls on black denim. Clearly, Hirst is more than a famous artist—he has become a global brand. “It’s quite true,” says the artist’s business manager, Frank Dunphy. “Damien is very aware of his brand potential.” Although Hirst remains loyal to the two galleries with which he has worked most extensively, White Cube and Gagosian, his market power allows him to show when he wishes, without a formal contract and on his own terms. With Dunphy’s help, Hirst manages to keep seventy-five percent of all sales. His personal net worth in 2010 was calculated at $383 million (*Allfinancial.com*).

He grew up in Leeds in the north of England, and video interviews reveal that he does not attempt to hide his broad Yorkshire accent, though he has from his early twenties circulated among Londoners and international art world people who might
disdain his Northern roots. Hirst’s background reveals early development into a canny businessman and he understands the value of his working-class background in the art world. After graduating from the Sixth Form and earning an “E” on his Art A-Level Exam, Hirst applied to, was rejected by, but eventually got into Leeds College of Art and Design and studied there for a brief period. Then, moving to London, he applied to, was rejected by, and eventually got into Goldsmith’s, University of London to study art. First indications of his ability as an art director came during his time at Goldsmiths, when he organized and curated a 1988 student show at a warehouse in the Docklands area of London. “Freeze” is considered a seminal moment for Hirst as well as some of the other artists included, such as Sarah Lucas and Angus Fairhurst, who came to be known as the YBAs (Young British Artists). Hirst’s own work did not attract as much attention as that of the other artists.

“I can’t pretend I saw the relevance of the spot paintings then,” says Sir Norman Rosenthal, exhibition secretary of the Royal Academy of Arts, whom Hirst personally chauffeured to the show early one morning in his beat-up car. “Of course, now I regret not buying them—I think they cost about £300 or £400 at the time. But I was always impressed by his enterprise.” (Holmes “The Branding”)

Hirst was beginning to network aggressively at parties and shows. His relatively naked ambition from the beginning is legendary. Jopling remembers that directly after meeting Hirst at “Broken English” at the Serpentine Gallery in 1992, Hirst (whom Dunphy describes as “extremely motivated”) immediately invited him to see his work
despite the fact that Jopling did not have a gallery at that point. Hirst’s meeting with Jopling was elemental for Hirst. The son of a Baron and Conservative party leader in Britain, Jopling is often credited as one of the creators of the “Britart” scene in the Nineties and perhaps the pre-eminent dealer of his generation in the UK. When they met, he was able to give Hirst needed funding, entrée into the London art business world and eventually added Hirst to the roster of artists at White Cube, the influential gallery he opened in 1993.

Hirst’s alliance with Jopling is but one of several key strategic moves, however, as Hirst continued to direct his own fate, organizing his first solo show, 1991’s “In and Out of Love” at the Woodstock Street Gallery in the West End of London. One of his installations was “rooms filled with hundreds of live butterflies, hatching, flying, and dying – and dead specimens attached to canvases” – harbingers of the work to come, incorporating the dead specimens of a variety of animals and insects for which he first became known.

Also key to Hirst’s rise, and his ability to actually make and realize the works he had conceived, was his introduction to Charles Saatchi, the massively wealthy British advertising executive and nascent art collector. His purchase of *A Thousand Years* (1990) gave Hirst an incredible boost in terms of name recognition and validity on the market for contemporary art. In addition, Saatchi gave Hirst the £50,000 he needed to make the first version of *The Physical Impossibility of Death in the Mind of Someone Living*, in 1991. This piece – *technical description: Tiger shark, glass, steel, 5% formaldehyde solution, 213 x 518 x 213 cm* – has since become an iconic work both for Hirst and the often
provocative generation of artists – the “shock jocks” - with whom he came to associated (“Just”). This particular work by Hirst is powerful in its size but also implication. It becomes clear why Saatchi found Hirst’s work so powerful – it made a statement to viewers and it made a statement for Saatchi to collect it, and thus it made its exhibition a real show. Saatchi’s remark from a 2009 interview in *The Daily Telegraph* is emblematic of what he sometimes thinks of the aesthetic value of Hirst’s work: "Only if you think of art as entertainment, in which case his pay scale sits alongside Tiger Woods, Harrison Ford, Roger Federer, Johnny Depp, Madonna and the other superstars” (Adams). And yet, in his 2009 book Saatchi declared Hirst to be at the top of the heap, in art historical terms: "general art books dated 2105 will be as brutal about editing the late 20th century as they are about almost all other centuries. Every artist other than Jackson Pollock, Andy Warhol, Donald Judd and Damien Hirst will be a footnote” (Saatchi 19).

In the early 1990s, Saatchi was clearly in thrall to the work of Hirst, in particular, of the YBAs he collected and sponsored. What seems to have struck him most about Hirst’s pieces was the newness of them, the sheer stunning aspect of owning things that were unlike anything else and thus valuable to him. No longer fresh, Hirst’s work can indeed have power. I noticed when I viewed *Physical Impossibility* at the Metropolitan Museum of Art in New York in 2010 (near the end of its three year run there, on loan from its current owner, Steven A. Cohen) that visitors became silent when they entered the room where it was installed – it is a singular experience to move around the case and confront it. Roberta Smith echoes other critics in her estimation of the work’s auratic content and affect:
Mr. Hirst’s detractors accuse him of being a Conceptual artist, with the implication (misguided even for most genuine Conceptual art) that you don’t need to see the work in person. Mr. Hirst often aims to fry the mind (and misses more than he hits), but he does so by setting up direct, often visceral experiences, of which the shark remains the most outstanding. In keeping with the piece’s title, the shark is simultaneously life and death incarnate in a way you don’t quite grasp until you see it, suspended and silent, in its tank. (“Just When You Thought”)

For William Shaw, the three-year loan of the shark to the Met was less about aura and more about money and reputation. “It may appear as if Mr. Cohen is doing the Met a favor by lending this work. In fact, it is the other way around” (“Iceman”). The loan was about endorsing and validating the quality of the collector’s eye.

The only defense against the skewing of the art market created by collecting on Mr. Cohen’s scale is to appropriate the collector himself. The difference in this case is Mr. Hirst, who has gone from being an artist to being what you might call the manager of the hedge fund of Damien Hirst’s art. No artist has managed the escalation of prices for his own work quite as brilliantly as Mr. Hirst. That is the real concept in his conceptualism. You may think you are looking at a dead shark in a tank, but what you’re really seeing is the convergence of two careers, the coming together of two masters in the art of the yield. (Shaw “Iceman”)
After a few years of patronage and successful shows, production became key. Hirst needed quantity to fill demand for shows and exhibitions, which were increasingly on top of one another, requiring more work, which was selling right away. In September 2000, Larry Gagosian held a solo show for Hirst in New York City entitled: “Damien Hirst: Models, Methods, Approaches, Assumptions, Results and Findings.” The exhibition attracted 100,000 people over twelve weeks and all of them were sold. Thus, in 2000 Hirst became more than just a branded artist – he became the head of a team. He expanded his studio to take on assistants to help produce, especially his fine art paintings. This led to controversy over the authenticity of some of the works, which continues today. He has freely admitted to only having painted five of his ‘Spot’ paintings because “I couldn’t be f--- arsed doing it.” He described his own efforts as “shite” and claims that one of his assistants Rachel is far better at it. “The best spot painting you can have by me is one painted by Rachel...the only difference between one painted by her and one of mine is the money” (ArtInfo.com). This group production effort allowed Hirst to expand his role in the market much more quickly. This method has now become the norm for some of the most successful contemporary artists, such as Koons, as well as some who have been around for many years, such as John Chamberlain, notes Stan Sesser in a recent Wall Street Journal article. Although some critics and buyers say they want the artist’s hand on the work, others say that assistants are a necessity in the contemporary market. “An artist has a choice to make,” says Mark Moore, owner of Mark Moore Gallery in Santa Monica, Calif. “They either hire assistants or they risk not
being able to meet their obligations to their dealers. Then the art market, which is fickle and sensitive, gets the impression that the artist has disappeared from the art world.” “More and more, [using assistants] is becoming common practice, partly because artists want to keep up with demand and partly because it's just more widely accepted now,” says Adam Sheffer, a partner at New York gallery Cheim & Read. He says that five of the 30 artists represented by his gallery use studio assistants. The gallery immediately discloses the fact that they use assistants if a collector asks, Mr. Sheffer says, and "it hasn't affected the marketability of their work one bit." (Sesser)

Hirst cannot be credited with beginning this practice, but the fact the he realized very early on in his career that this would help sales is one prime factor in his success.

In another unusual maneuver, in 2008, Hirst began bypassing established galleries by selling works directly to the public via auction at Sotheby’s. Principal showcase items included The Golden Calf, an animal with gold horns and hooves, preserved in formaldehyde, and The Kingdom, another preserved tiger shark. In addition, the sale included spot and butterfly paintings, many incorporating diamonds and precious metals. Over 21,000 people visited the pre-show and all 56 lots sold for a total of £111 million. The auction was successful beyond any expectation and set a record for a single-artist auction.

“Rewriting the Rules of the Market”
The Guardian’s Pemilla Holmes notes that there are seminal Hirst “market moments” in the history of his performance in the art market (Artnews) “Damien loves these benchmarks” according to Dunphy, using a term often equated with financial standards and performance. The benchmarks were driven by a kind of recklessness that in hindsight seems admirable, if at times unreasonable. Hirst remembers that from the beginning of his experience with White Cube and despite having promoted his fellow YBA’s in numerous shows, he was jealous when he found out that Rachel Whiteread’s work was selling for £100,000 at a time when his was going for £20,000-£30,000.

I remember telling Jay to put my work up to £100,000. And he said to me, “But I can sell anything you make” and it dawned on me: “It’s cos you’re selling it too fucking cheap.” He said, “It’s going to alienate your collectors” and I said, “I don’t care, just do it.” We didn’t look back.

When he sold something for £100,000, something changed – you get taken seriously by a whole new group of people and they start buying. (“The Branding”)

The first time his work sold for £1 million, another benchmark, was in 2000, when Saatchi bought Hymn (1999), a 20-foot-tall version of a medical school anatomy figure. A more revealing sale, however, was of the physical remnants from Pharmacy, the Notting Hill restaurant Hirst opened in 1998 with Matthew Freud and Liam Carson. The development of Pharmacy unveiled Hirst’s growing mastery of the market and his potential in it. He designed every detail and made sure to retain sole ownership of the contents from the beginning. “It was a total art installation,” Dunphy says of the
restaurant. When the once-trendy restaurant closed in 2003, Dunphy suggested putting the contents up for sale at Sotheby’s. “Hirstmania took over, and the October 2004 auction brought in £11.1 million ($19.8 million). A pair of martini glasses (estimated at £50 to £70) fetched £4,000, and some wood flooring sold for £12,000. “ (Artnews)

In the same year Pharmacy closed, Hirst sold more than £11 million worth of works at his White Cube show “Romance in the Age of Uncertainty” (ArtNews) At this point, art market experts began to publicly speculate that the Hirst market might have peaked. Hirst responded by buying back a number of early works still owned by Saatchi. Press reports at the time cite a ruptured relationship in the former artist and patron relationship, including disagreements about the way Hirst’s work was being exhibited, but it also seems possible that it was another astute business move on the part of Hirst. The number of younger British artists on the market had increased greatly, in part due to the success of the YBAs. Hirst was but one of many artists collected by Saatchi. In addition, an EMST case study notes that the rise of importance of prominent private dealer-curators, such as Jopling, in influencing the primary market and defining the parameters of artistic talent constrained the ability of individual artists to build their own personal brands. By the early 1990s the dealer-curators started to use artists to underline their own concepts and shape artistic trends through their own private galleries that were open to the public. In this way dealer-curators and prominent private galleries had become increasingly powerful in their ability to establish up-and-coming artistic talent:

The complex filtering process by which artists gained acceptance at the upper-end of the contemporary art market was termed by the industry as
“validation” and without the endorsement of prominent dealer-curators and private galleries; it was virtually impossible for young artists to be shown at leading art fairs or to be placed in a public museum of modern art such as the New York Metropolitan Museum of Art or London’s Tate Modern – the ultimate stamp of approval. So in a market that was lacking transparency and that was dominated by long-term business relationships, there was a need to re-define the rules in order to create a new market space. (EMST)

Hirst had been able to create his own market space through various means including his associations with Jopling and Saatchi, receiving the prestigious Turner Prize in 1995, and a number of incidents that solidified his reputation as creating arresting, and valuable, work. Of real importance, and elemental to his position in the market now, was his success in self-branding. Like Emin, Hirst’s lifestyle contributed crucially to the brand. Hirst became a celebrity in his own right by the mid Nineties and onwards, as various drunken revelries with famous friends like actor-comedian Keith Allen and Blur bassist Alex James, were seized on by the British press and defined him as a somewhat stereotypically debauched artist. Hirst was the star of “Sensation,” sponsored by Saatchi at the Royal Academy in 1997 and Simon Hattenstone claims that

Post-Sensation, Hirst and his contemporaries (the Chapman brothers, Sarah Lucas, Tracey Emin, Marc Quinn, Marcus Harvey, et al) became the new punk establishment. Britart was bursting with enfants terribles, and Hirst seemed the most terrible of them all. It wasn’t simply the pickled
cows and sharks; it was the swagger, the swearing, the rock’n’roll attitude. He even wore tinted glasses like Bono. He became as well known for his partying and his pill popping as he did for his art. Then he discovered cocaine and became even louder. A night out for the Britpack was not really a night out until Hirst had taken down his trousers and waggled his willy in public. (“Anyone” Guardian)

The enfant terrible stage went on for years and was an important part of the self-branding process, though it is unclear at times how intentional, or staged, it was for Hirst. It may have been part of a particularly long and public maturation process. In 2000 he “dropped his trousers” in the bar of his hotel in Dublin, where he was directing a Beckett play for television, and “a female guest is persisting with her threat to sue after he inserted a chicken bone in the end of his penis. More recently, Norman Rosenthal, the exhibitions secretary of the Royal Academy, arrived at the Colony Room in Soho and found Damien trouserless at the piano” (Burn,”The Knives”).

Provocative work by an artist provocative in his own life – Hirst became his work and the rejection of it by some official and art historical figures only made the brand more interesting. In 1995 New York public health officials banned Two Fucking and Two Watching, which features a rotting cow and bull, from exhibition because of fears of “vomiting among the visitors” (“Other Criteria” ArtInfo.com). Media coverage of the reaction to his work, not just the often lurid nature of the work itself, added immeasurably to his reputation as a provocateur, but also as an innovative, serious artist. In the early years of Hirst’s career both he and Saatchi identified the need to create
images, symbols, and signs that buyers could acknowledge as unique, whether or not they were attracted to them. This was a tactic that Saatchi had refined through his experience in the advertising industry, and which fit perfectly with the potential of Hirst as an artist. Hirst was unique in his use of dead animals, and they were signs of something to viewers could relate to, although they had not often been asked to consider them within an art gallery or museum context: “Through his use of animals and animal parts in his sculptures and other objects of art, Hirst removed the blinkers of artistic tradition and created a uniquely differentiated artistic style” (“Sensation” Rosenthal). Jennifer Roche dismisses such a notion, and argues that Hirst’s contribution is not in changing the style of art but in intervening in the style art was sold and boldly going were no one in the art world had ever gone: “Hirst’s true maniacal genius (as well those he has around him like Saatchi) lies in his ability to maneuver with the shrewdness of a cat in the new global economy and the postmodernism/installation non-art world. Yes, they are shrewd. Hirst grasps where we are, and what people want. As does Saatchi” (Roche “The Death”).

Holmes claims that “the degree of opposition to Hirst’s work indicated the extent to which the established art world was blinkered to the commercial opportunities arising from the new market created by Hirst and Saatchi during the 1990s” and even Robert Hughes seems to admire Hirst’s recognition of this trend:

Hirst is basically a pirate, and his skill is shown by the way in which he has managed to bluff so many art-related people into giving credence to his originality and the importance of his “ideas”. This skill at manipulation is his real success as an artist. He has maneuvered himself into the sweet
spot where wannabe collectors, no matter how dumb – indeed, the dumber the better – feel somehow ignorable without a Hirst or two. (“Day”)

It seemed inconceivable to many critics that there might be a multi-million dollar market for artwork incorporating dead and dissected animals which “stretched the boundaries of the potential physical manifestations of ‘high-end’ art” (Thornton Artnewspaper.com). The concept of blinkers seems appropriate – the shutters represent a rejection of the larger market encroaching into the art world, a tendency to avoid anything that might make art into something less than what it should be. The fact that Hirst is creative and open to options in the business of art still strikes many people as anathema, and make him seem more like his collector Cohen – a Wall Street hedge fund billionaire legendary for his trading brilliance and cutthroat tactics – than seems comfortable.

It is clear that Hirst’s motivation to break with Saatchi and buy back his own work may have been largely financial – leaving his works with Saatchi was not making him money either directly or by setting new and bigger precedents for pricing. His view of Saatchi, that he “only recognises art with his wallet ... he believes he can affect art values with buying power, and he still believes he can do it” - reflects a grudging admiration. Artists are not supposed to affect art values with buying power, but he was about to try (McGavin Independent). Hirst paid Saatchi a total fee reported to be close to £8 million to buy back the works, but in so doing effectually preserved the market value of his oeuvre at that point. His maneuver was like that of “a public company buying back
its stock, both as a signal of confidence to the greater marketplace and as a bet that the prices will go up” (EMST).

Hirst also decided to try to affect prices and art world practices by being a collector/investor himself, as well as continuing to curate, albeit on a much larger scale than in his Goldsmiths days. As a result, Hirst has become one of the United Kingdom’s biggest collectors of contemporary art. Among his extensive holdings are key works by Francis Bacon, Jeff Koons, Andy Warhol, and fellow YBAs Sarah Lucas and Tracey Emin. And he continues to collect, having recently bought works by graffiti art star Banksy as well as the entire contents of Paul Insect’s summer show at Lazarides Gallery, valued at about £500,000. To create a home for these and other works, Hirst is restoring Toddington Manor in Gloucestershire, an estate that was designed to resemble the Houses of Parliament and required extensive restoration. In addition, he has purchased an 87,000-square-foot studio in Gloucestershire, where he already has a 20,000-square-foot space and two airplane hangars he uses as studios. He also owns several studios and an office in London and plans are under way for a vast gallery new space on Newport Street in South London. This expansion into real estate, particularly for multiple gallery spaces, actually puts Hirst up in the same league as Gagosian, who has opened a number of international galleries since his eponymous New York gallery opened in 1985. There is really no aspect of the art world Hirst has entered into and not found success in.

Germaine Greer sees it this way: “Damien Hirst is a brand, because the art form of the 21st century is marketing. The prices his work fetches are verifications of his main point;
they are not the point. No one knows better than Hirst that consumers of his work are incapable of getting that point (“On Critic”).

In addition, other market factors colluded with him in developing the brand, however indirectly. Hirst is one of the artists to benefit from the decision of several banks to start investing into the art-market by establishing art-funds as an alternative asset class. Germany’s Deutsche Bank starting building its own Hirst collection as a subset of a larger, international collection. The bank early on began to recognize an intriguing kind of brand stability in the sales of Hirst’s work. A Hirst dot painting is the first thing you see when you walk into Deutsche Bank AG’s offices in London. Alistair Hicks, art adviser to the bank, says it holds one of the world's largest corporate art collections, with 55,000 works. It also sponsors the Frieze Art Fair annually in London. Hirst also attracted the attention of various Russian businessmen/collectors, who found the affiliation with Saatchi proof positive of Hirst’s worth on the market. “According to one Muscovite banker interviewed at a Gagosian Gallery show in Moscow: ‘The oligarchs know about assets like oil fields and factories. They only buy art for fun […] to be famous and entertaining. It’s a toy to them’” (EMST). Other fabulously wealthy collectors joined in. Hirst’s Lullaby Spring sold to the Emir of Qatar for £10 million, and the sculpture Charity, a 6.7 meter sold for £1.5 million to the Korean retailing millionaire, Kim Chang-II, who exhibited it in his department store’s gallery in Seoul. This last work, featuring a girl in leg irons, was unusual because of its representation of a human figure. Ironically, his usual subject matter of dead animals made purchasing his work acceptable to various
Islamic buyers in the Middle East, since the Koran does not allow the portrayal of human images in art.

“**The Most Ambitious Piece of British Jewelry Since The Crown Jewels**”

*For the Love of God*—the title comes from Hirst’s mother’s exclamation when he told her what he was planning to make next—is based on an 18th-century skull Hirst found in a thrift shop. London jewelers Bentley & Skinner re-created the skull exactly in platinum before covering it in 8,601 diamonds valued at more than £10 million. Market moment, benchmark, brilliant play on the importance of luxury in the modern world (especially to his own buyers), the sale of this particular art work defined Hirst as not only of the market, a full-fledged, active member himself, but also as speaking to it, about it. Unlike his other artist friends, Hirst seems to have always found money, and playing around with it, intriguing and worthwhile. According to Simon Hattenstone:

Hirst verges on the evangelical when it comes to money. He says that he has spent so long trying to make Sarah Lucas, his favourite contemporary British artist, appreciate the value of money herself to no avail. “She’d be like, ‘I don’t give a fuck, give me what you want’ and I’d be like, ‘You should sell your work for more’ and she’d say, ‘I don’t care. I’m not interested in all that shit.’ I was like Sarah in the beginning, but then I had to give a fuck at some point.” He comes to a frustrated stop. “I kind of admire her for it,” he adds wistfully.” (”Anyone”)

For Hirst, the importance of exchange value is always a part of the equation, in addition to the conceptual worth of the work. But what makes Hirst so interesting, and so
integral to today’s art market, is the value to which he ascribes artistic integrity and aesthetic value. Art blogger Jonathan Jones, a frequent advocate of Hirst’s work, has had his doubts about Hirst’s commitment to the function of art: “it is absolutely true that art in the 21st century, with its conceptual tropes and market values, lacks the permanent merits of earlier art. But if it matters – and it does – this has to be for reasons that have nothing whatsoever to do with taste” (Jones). Jones may know that it is also important to Hirst’s brand that the artist seems to believe in the artistic value of what he is doing. But Hirst claims to have always believed that it is content and meaning that make art significant, having established his subject matter from the very start - the rage against death, the longing to love forever. For the Love of God is a good example of these values; it represents everything inherent in the work and the brand. Another consistency to his art is a sense of its place in society. “As a commodity, as a show, as a commentary, as a mirror, Hirst’s art is a grandiose epic of these times. He has a more social and even political idea of art than any number of supposedly radical artists. It is by seeing the market clearly in its fakeries that he outwitted it to get so rich” (Jones “Why I’ve Joined”).

Alexandra Kimball wonders of Hirst and fellow artist/provocateur Tobias Wong: “Do these artists represent a conservative strain in contemporary art that makes art complicit with commodity culture? Or is their work on luxury a modern expression of art-for-art’s sake, an aesthetic philosophy that argues for art’s immunity to sociopolitical critique?” (Kimball) Critic Ben Lewis wonders if Hirst’s work “embodies the fact that art works have become the crown jewels of our age” so that the skull’s “aesthetic value remains uncertain” (“Doubting”). Perhaps this work in particular reveals the purpose of
art in a global market where art is increasingly commodified; its aesthetic value depends “on the extent to which it ionizes aesthetics through ‘meaning’?” (Kimball)

Hirst admitted to wondering if he had gone too far with the diamond skull: “I was very worried for a while, because if it looked like bling – tacky, garish and over the top – we would have failed. But I’m very pleased with the end result. I think it’s ethereal and timeless” (Vogel). Hirst personally financed the piece, watching for months as the price of international diamonds rose while the Bond Street gem dealer Bentley & Skinner tried to corner the market for the artist’s benefit. Given the ongoing controversy over blood diamonds from Africa, For the Love of God seems to be deliberately about death in a more literal way. “That’s when you stop laughing,” Hirst says. “You might have created something that people might die because of. I guess I felt like Oppenheimer or something. What have I done? Because it’s going to need high security all its life” (Vogel). Hirst says he hopes that an institution like the British Museum might put it on display for a while before it disappears into a vault. It is not exactly his most profitable work: “The markup on paint and canvas is a hell of a lot more than on this diamond piece” (Vogel). According to Jones, “Hirst’s timing was perfect, the symbolism acute – after two decades in which art had become the supreme commodity, money was now also the subject of art” (“Why I’ve Joined”)

“The Potential to Change the Face Of Art Dealing”

The discourse around the now infamous auction in 2008 of Hirst’s work reveals much about the valuation of fine art in the market at that time and the way that the method of exchange affected it. Immediately after the sale of For the Love of God, Hirst
decided to take the seemingly radical move of circumventing the gallery system altogether, once again directing his own moves unfettered by anyone, including his still close friend Jopling. Hirst claimed in 2008 that he had the goal of making “the primary market more expensive” after becoming frustrated by the speculators who were buying from his galleries then quickly reselling his work at auction. Thus, “Beautiful Inside My Head Forever” was conceived by Hirst as a one-artist, two-day auction at Sotheby’s to include 223 works produced between 2006 and 2008. Hirst claimed that:

After the success of the auction sale “Pharmacy”, I immediately wished to do another auction sale. It is a democratic way to sell art and it seems a natural evolution for the contemporary art market. Although in effect some risks are involved, I embrace the challenge to sell my work at auction. Nevertheless, I absolutely want to continue working with my galleries. But this is different. The world is changing. And lately I have been feeling the need to see where this road leads. (Smith, “Hirst”)

And indeed a number of critics and market analysts portrayed Hirst as trying to create a new business model for the art world. Hirst quickly responded to this speculation during the run-up to the auction and explained why he was stepping away from White Cube and Gagosian for the solo auction, claiming that he thought it was about time Jopling was given a tougher ride by artists. “He always said I’ve got your best interests at heart, but he doesn’t really. It’s like he’s got a harem, and I’ve got to be monogamous, and you just go, ‘Fuck that’ after a while” (Vogel, “Damien”). London dealer Robert Sandelson suggested Hirst was showing his muscle in the market: “Sotheby’s auction is
payback time for Damien…he’s saying to the dealers, ‘If you can’t sell these pieces, I’ll find someone who can’” (Reyburn, “Hirst’s”). Jopling seemed unperturbed, claiming that he was always happy about works by his artists selling in other contexts. Kenny Schachter, British “guerilla” gallerist and self-described “art huckster,” claimed that everybody would benefit from the sale: “Any revelations about unsold works shouldn’t affect the auction. Hirst and Sotheby’s are looking for new collectors for this material. In the end it could help sell some of the dealers’ inventory – if it goes well”…’Even if the sale bombs, I’m opening a new door for artists everywhere’ Mr. Hirst said (“Today”). It was rumored that Takashi Murakami was in the process of considering whether or not to be the next artist to do such a thing.

Market insiders and financial experts warned about the benefits of presenting so much work at one time. “I’m not worried about flooding my market,” Hirst said. “It’s bigger than anyone realizes. People buy from Sotheby’s who don’t necessarily feel comfortable buying from dealers” (“Today”). But however daring Hirst seemed during interviews before the auction, he marketed relentlessly. The show was previewed in the Hamptons where potential new collectors could get the chance to view it outside of the confines of Sotheby’s on the night of the auction, and he invited major collectors like fashion designer Miuccia Prada, the Ukrainian businessman Victor Pinchuk and Christie’s owner, François Pinault to his Gloucestershire studios for a private preview. He also seemed ready to sit down to an interview with anyone who invited him to talk about it. Sotheby’s made an extraordinary effort as well: it devoted every inch of its London gallery space to the show and hosted an unprecedented eleven-day free public viewing,
which was seen by nearly 9,000 people. It reinforced its floors to support some of the heavier animals, one of which weighs ten tons. It also hired New York architect Peter Marino to transform back offices into a suite of rooms for V.I.P. buyers. A number of the rooms had fireplaces and were equipped with flat-screen televisions to allow buyers to watch the sale live and secretly bid by telephone. The three-volume catalog cost $160 to purchase and Sotheby’s officials say the entire auction cost them about $240,000 to produce. Sotheby’s created and released a six-part series on YouTube, which allowed buyers from anywhere to see it. Clearly the auction house was convinced this move was not as revolutionary as some claimed.

Everything in the show was signature Hirst: lots of expired animals and insects, glass cabinets filled with small oddities and collections, butterflies, skulls, dots. To make it all seem even more iconic (and up the exchange value), Hirst announced that these would be his last works like this – from now on he would concentrate on painting. Estimates were very high: The Golden Calf – a white bullock preserved in formaldehyde, whose hoofs and horns are made of 18-carat gold with a gold disc crowning the head – was to go for $15.8 million to $23.6 million. A colored-pencil drawing of dots would sell for at least $60,000. Sotheby’s expected the two-day sale to total about $200 million, which did not include the buyer’s premium, the fee buyers pay Sotheby’s: 25% of the first $20,000, 20% of the next $20,000 to $500,000 and 12% of the rest. The only information released about the arrangement between the auction house and the artist was that Hirst had no guarantee from Sotheby’s – unsold work would be returned to him and Sotheby’s would have to write off its costs. Collector Alberto Mugrabi said he had been
getting calls from people who had never bought a work of art before, asking for his advice. “It will open up his market. This is a one-time thing. But if he tries it again soon it could be a disaster” (Vogel “Next Sensation”).

The first night of the sale – September 15 - was the night Lehman Brothers declared bankruptcy in New York. Frank Dunphy was relieved and amused: “I woke up this morning in the teeth of the gale of recession but we came out as confident as ever” (Vogel “Hirst’s”). Tobias Meyer, worldwide head of contemporary art at Sotheby’s was jubilant: “Damien Hirst is a global artist that can defy local economies.” Mugrabi was speculative: “Today people believe more in art than the stock market. At least it’s something you can enjoy” (Vogel “Hirst’s Art”). 218 of the 223 works sold for a total of £93 million ($200.7 million). Not everyone found the art market changed, and for the better. Christie’s Chairman Ed Dolman, in a panel discussion about how to provide more transparency in the art market soon afterwards, claimed that “I think the Damien Hirst sale had pretty extreme inherent conflicts of interest that, to my mind, probably pushed the boundaries of what is believable in an auction and what isn’t, so I don’t think we as an auction house would have taken that sale on in that form” (Burns). Panel leader Richard Feigan, a New York dealer in old masters and consistent critic of contemporary art, questioned the valuation of Hirst’s work, asking panelists: “Do you know what the real market for Damien Hirst is? Does anyone knows what a Damien Hirst is worth?” (Burns). As to whether or not Hirst had really found new buyers, Sotheby’s claimed that 39% of the buyers had never bought contemporary art before and 24% of the buyers were new to the auction house. Tellingly, it has never commented on questions about the
conclusion of all the sales given the precarious nature of the general financial market that fall. Allen Schwartzman, an art advisor on the panel, echoed the frustration of many dealers and market figures about the signification of the auction on the art market’s future. He made sure to mention that he has never recommended a client to collect Hirst, before calling Hirst the “Franklin Mint of art works” (Burns, “Hirst” 32). Schwartzman added “usually art is valued because the supply is limited and there is a greater number of buyers than works to satisfy them, but this is an artist who has commonly produced to the full extent, and more than what the market has wanted, so it has really defied the patterns of a market that I understand.” (Burns 34)

Feigan, Schwartzmann, et al, may have been correct, though confused, about the auction’s effect on the market. One year after the auction Hirst’s annual auction sales had shrunk by 93%—to $19 million. The recession was certainly a factor. But the seeming collapse of the Hirst market does not seem to be a result of the collapse of the primary and secondary markets of old – new work sold through galleries and second-hand work sold through auction houses. Since all the work at the auction was new, Sotheby’s was taking a risk in helping Hirst to auction his works and consequently to build his brand even further. Were collectors confused, as many including Gagosian predicted they would be? It seems as though the auction itself has become part of the Hirst brand, as much as anything else – the Sotheby’s auction was just more risky and audacious than previous ones. By 2010, Sotheby’s was having difficulty meeting its consignors’ price expectations and offered nothing by Hirst in the June 2010 sales.
The end result was a huge sale, an enormous amount of buzz, speculation and transparent envy on the part of dealers and market figures. As Roberta Smith asked, “So did Damien Hirst shift the paradigm or just make lots of noise, money and news? And is that good or bad? (Smith) Smith claims that beyond the spectacle, all the speculation and concern did not amount to much in relation to affecting the art market as a whole. She scoffed at the uproar and claimed that all Hirst had really done was expand his market:

It’s amazing how many people behave as if, until quite recently, art and money have always been on opposite sides of some ethical bundling board, as if they have not always been intimately connected. And artists have always had a big say in how they do business and get exposure. Such instincts caused Manet and Courbet to mount public exhibitions of their work (in tents) in 19th-century Paris. Mr. Hirst pooh-poohs dealers and their 50 percent commission because he can. The art market is to Mr. Hirst as popular culture is to artists like Jeff Koons: his main content. The auction’s most interesting evidence is less about the growing, “democratized” art market than about the fragmentation inherent in globalism. The art world can expand only so far before it splinters, and that disintegration has started. Whether they are named China, Moscow, Christie’s or Damien World, the various kingdoms of the art world are multiplying into slightly overlapping, more or less provincial spheres, which may have always been the case. (Smith “Post Mortem”)
According *The Economist*, in terms of his own brand “Hirst’s goal of making the primary works more expensive may have benefitted his personal income in the short-term” but it makes no sense from the perspective of his market (“Hands Up”). “Part of the reason that art costs more than wallpaper is the expectation that it might appreciate in value. Flooding the market with new work is like debasing the coinage, a strategy used from Nero to the Weimar Republic with disastrous consequences” (“Hands Up”). There were two ways he might be helping his secondary market, however: his compilation of a complete list of all his works, which would contain the final accounting of his spin and dot paintings (many of which were in questions in terms of provenance) and to his decision to be the subject of a retrospective, which the Tate is considering to coincide with the Olympic Games in London in 2012.

The average auction price for a Hirst dropped from a high in 2008 of $831,000 to $136,000 in mid 2010 and the only pieces that were being traded in that two-year interval were the butterfly paintings. But the goal of finding new collectors seems to have worked. Alberto Mugrabi bought only a few things at the Sotheby’s auction but purchased 40% of the Hirst work at both Sotheby’s and Christie’s in 2009. The Mugrabi family had offered $35 million for *For the Love of God* but lost out. Hirst has a contentious relationship with them, nonetheless. “The Mugrabis rarely buy directly from me. We can never work out a deal because they want such fierce prices” (*Economist*, “Hands Up”).

“Anyone Can Be Rembrandt”
After the eponymous auction, Hirst made another radical move – he “retreated to his shed” and painted by himself for two years (Hattenstone “Anyone”). As announced, he was finished with the animals and the dots and moved over to figurative painting as his new medium. It was, he claims, “a brutal change” (Hattenstone “Anyone”). In an interview at the time with Hattenstone, Hirst asserted that it was really a change back, a return to the old Hirst. As opposed to conceptual and mass produced work, he would make a move, which kept people guessing (a favorite of his). The same hubris that got him to Sotheby’s in September 2008 was driving him now, but how the market would be affected was the main topic in the press. As usual, the brand and the way he sells it made critics gasp with derision but also came off as very calculated on his part:

Picasso, Michelangelo, possibly, might be verging on genius, but I don’t think a painter like Rembrandt is a genius. It’s about freedom and guts. It’s about looking. It can be learned. That’s the great thing about art. Anybody can do it if you just believe. With practice, you can make great paintings. (“Anyone”)

Hattenstone, given a private preview of the works, which were hung at the Wallace Collection in London, found them spooky,

At times, they seem more like illustrated CVs than paintings. All the traditional Hirst signifiers are there – skulls and sharks, dots and butterflies, crude nods to his hero Francis Bacon by way of spidery white lines, and the usual references to death and decay. There’s certainly no mistaking who these paintings are by. (“Anyone”)

178
The old major theme, of mortality, is there in the work but also in his attitude toward his future as he faces middle age. It is interesting to note in various interviews starting in 2009 the way in which Hirst is morphing physically as well as in his descriptions of himself as an artist. The shift to painting also signified a change in his persona, and thus the brand. He still wears the Bono-esque shaded glasses and makes references to drunken episodes with fellow revelers, but by all accounts in 2008 he stopped drinking, taking drugs and exposing himself in public and became a devoted partner and son to three boys, who gives copiously to a number of charities from his riches. The changes seem to have derailed him a bit, and shaken his ability to discuss his work with the same degree of punk attitude which served him so well before. He seems uncharacteristically self-reflexive and mystified by what was required of him in his previous incarnation as a “twat…arrogant and stupid and pushy.’ Lots of people say that’s the impression I give off. I can’t quite work out what I do – maybe I just show off – but it always surprises me” (Hattenstone “Anyone”). A number a friends, including Jude Tyrell, the director of Hirst’s company Science Inc., claim that had he continued as he was, “he would have lost the art. He just wouldn’t have been able to do it” (“Anyone”).

The critical response was to judge the new work as anything but great paintings. The Guardian’s Adrian Searle called them “amateurish and adolescent” and Rachel Campbell-Johnson of the Sunday Times scoffed, “the artist who has made his reputation with shock now produces works that are shockingly bad” (Some critics even suggested that the exhibition was a joke, that Hirst deliberately produced bad paintings knowing that they would still sell for huge sums. Hirst rejected the debut as a complete failure,
maintaining that “the viewing figures are through the roof, sales in the shop are massive.” (“Anyone”) It is clear that at this point in his life, it is not as much of an issue to be financially successful, or on top, for Hirst. He continues to maintain a degree of integrity with relation to the work: “I didn’t think, right, I’m going to make paintings now and I don’t give a fuck what they look like because we’re going to make loads of money. That’s not what they’re about. They’ve got to be good.” (“Anyone”).

“The Appetite for Damien’s Art”

By late 2010, at the annual Frieze Fair in London, rumours circulated about the claim that one collector had shelled out $5.6 million for a Hirst. “Notwithstanding the recession, art worlders insist smart people still pay good money for great art. (Really? Smart? Hirst?) And then occasionally dealers or even artists themselves are discovered discreetly propping up prices at auction to maintain this rosy scenario” (Kimmelman). Kimball argues that art resists the market economy by its very wastefulness. Faced with the increasing pressure of commodification, the aesthetes placed an increasing emphasis on uselessness, surface, form, and luxury. Transforming an object of utility into an object of excess, Hirst emerges as an inheritor of a Wildean tradition concerned above all with championing useless forms of experience. “In Wildean style, Hirst’s *For the Love of God* both recovers wasteful excess as a distinctly artistic value and utilizes it to critique the banality and indifference of nature. The ‘grotesque element’ of the un-adorned teeth embody—in a fittingly hyperbolic way—the essential aestheticist hierarchy: the championing of useless art above useful nature” (Kimball). Hirst continued to keep the
debate alive about the use value, or lack thereof, for his work. Its exchange value was obvious.

“*It’s Got Nothing to do with Taste*”

In terms of the political economy of Hirst’s work, it is possible to see that it mirrors a continually expanding art market economy, one that exists within a network of global relationships, which almost demand a new aestheticism. Hirst is one of many artists to have responded to this demand in myriad ways. If his work in particular is no longer “a recognizable form of post-modern critique,” then it exists in a place beyond, in which “his art is a grandiose epic of these times – and it’s got nothing to do with taste” (Kimball).

There is nothing worse than good taste. Nothing more stultifying than an array of consumer choices paraded as a philosophy of life. And there is nothing more absurd than someone who aspires to show good taste in contemporary art. Basically, if you dismiss Hirst, get you to an Old Master gallery – because the only legitimate position from which to reject him is one that sees the art of this century as a bad parody of Duchamp, and prefers the proper arts of painting and carved sculpture. If conceptual strategies have any worth at all, then Hirst has worth. He has already secured his place in art history. (Jones)

At this point, it is possible to claim that Hirst may have helped to redefine consumption, raising real questions about the relationship between art and commodity culture and the way they are currently and messily intertwined. At the Hong Kong art fair
in May 2010 White Cube was stationed inside a booth, fending off people having their
photo taken in front of the Hirsts. Daniela Gareh, White Cube’s sales director, confirmed
that it sold to first-time Hirst buyers from Korea, Taiwan and mainland China. “The
Chinese respond to branding and Damien is a master brander,” she said (“Hands Up”).
Other Criteria, his print business, was also attracting attention and doing brisk sales.
Photos a foot high of *For the Love of God*, produced in an edition of 1,000, were priced
at £950 (*The Economist*). Hirst maintains his share of the market and is recognizable
today to more and more people, in part because of technology, in part because of
increased global sales, and in part because of the addition of younger fans who are drawn
to the work because they recognize it as having economic value, and because it still
seems contemporary. According to Jones there are good moral, political and aesthetic
reasons for dismissing the art of today. “Just one problem: it is of today, and it is about
today. It is surely natural to take an interest in the art that helps us to see our time”
(Jones).

As of early 2011, *The Economist* ended an article on the art market and recent
sales this way: “No discussion of the globality of the contemporary art market is
complete without mentioning Damien Hirst. More than two years after “Beautiful Inside
My Head Forever”, one commentator, Judd Tully, declared that the artist’s market was in
‘rehab condition’” (“Market Sprawls”).

Gagosian Gallery is preparing an international retrospective of Hirst’s spot
paintings with shows in every one of its locations scheduled for January 2012. As
Jennifer Roche claims, Hirst seems to represent security at this point in troubled
economic times – his work has unquestionable exchange value and that is enough:

“Unlike stocks, art is a tangible object and as confidence (the essential key to capitalism) in the financial markets erodes, an object or better yet the artist’s name appears to some as unsinkable. Think star power” (Roche). Hirst’s sales are yet another indicator of the health of the market. Jopling gets the last word, denying that Hirst sales have dropped since 2008: “The appetite for Damien’s art is such that we never have enough and I’m always keen to have as much work on consignment as possible.” Whatever the market will bear.
“After you have a fourth home and G5 jet, what else is there? Art is extremely enriching. Why shouldn’t people want to be exposed to ideas?”
--- Amy Cappellazzo, Christie’s

“Because of the nature of the art world now, where you have artists making as much money as the heads of major American corporations, you can be accepted in terms of your imagery without alienating the audience, and I think that’s much more effective, Anyway, why shouldn’t the ideas of artists be as privileged as the deals of those collectors? What these guys are doing basically is fucking artists. They don’t do productive labor. All they do is tie up large sums of capital.”
--- Artist Ross Bleckner

Psychologizing collectors is an elemental part of all art market discourse. Everyone involved – artists, dealers, curators, critics especially – wants to figure out what makes people collect contemporary art – to understand it is, for some like Hirst and Boone, the key to making money. There is not only a plethora of attention to the subject in older materials from descriptions of the buying practices of everyone from Peggy Guggenheim to the Sculls, but in more current discourse as well, especially given the explosion of newer marketing venues online and at art fairs, markets and biennials around the world. The increased power of the auction houses causes discussion about the issue of collectors, as do the aggressive and innovative way in which some artists and dealers are
creating demand for work before it is even conceived and the frenzy of opinions about the impact of non-Western art on the global market. Art market analyst Nic Forrest sums it up this way: “To predict trends these days requires a very deep knowledge and understanding of the behaviour of art buyers as well as an extremely well developed trend sensing radar” (Forrest, “Questioning”). Cappellazzo’s quote reveals the contradiction in the market and the buying practices which inform and surround it: after the jet and the homes, art is the next logical step as an extension of an investment portfolio as well as a way to represent your significant cultural capital. It is also a compelling product, i.e. it has ideas which cannot be said for gold bullion or stocks.

Increased attention to older and more established collectors reveals this fascination and need to understand why people buy art. A 2008 documentary on Herb and Dorothy Vogel, who together amassed a significant collection of modern art, traces their purchasing habits but delves more deeply into what motivated them. In Herb & Dorothy, the eponymous collectors are fundamentally different than the current group of people collecting, buying and selling contemporary art as individuals – the Vogels were not wealthy by any estimation and spent very little on each of the almost five thousand pieces they collected over the years beginning in the early Sixties. Their collection ultimately included works by Andy Warhol, Donald Judd, Sol LeWitt, Richard Tuttle, Jackson Pollock, Christo and Jean-Claude and Julian Schnabel, among others. They kept all of their works in a small, rent-controlled apartment in Manhattan, displaying the paintings and sculptures everywhere, including several pieces in the bathroom. Dorothy Vogel movingly articulates her joy in living with the pieces over the years and coming to know
them in different ways and unveiling the meaning for her behind the works, many of which are formidable examples of Minimal and Conceptual art. They refused to capitalize on their investment, eventually donating the entire collection to the National Gallery of Art in Washington, which took a thousand of the pieces for its permanent collection. They also established a fund that donated fifty works to each of the fifty states in the United States. The elderly Vogels continue to collect contemporary works with their retirement income and a small stipend given to them by the National Gallery.

Various artists, dealers, critics and curators interviewed in the documentary all express surprise that the Vogels collected and kept their work for no recompense other than aesthetic enjoyment. Each interviewee seems amazed and at times condescending about the choice to bypass the economic return on what was clearly an enormous and shrewd collecting endeavor by the couple. Jack Cowart, former curator of twentieth century art at the National Gallery and the first representative of the Gallery to visit the Vogels and see their collection, recounts in the documentary the secrecy with which he negotiated the potential donation since the museum was well aware of fervid interest in the works by dealers and auction houses. The couple, fixtures on the New York art scene for fifty years, was always open about the collection – it was no secret to museum curators and dealers and clearly coveted. The bemusement and disdain of their friends and associates in the film is understandable – artist Lynda Benglis literally hoots with disbelief, and respect, when she talks in the film about visiting the Vogel apartment and looking around at the treasures hung, installed and stacked everywhere. Who would give up the many millions, perhaps even billions, to be realized at an auction of this collection? For almost
everyone except the Vogels, the ever-escalating monetary value of contemporary art is too apparent, too powerful to ignore.

The psychoanalytic discourse continues to infiltrate criticism, art market analysis and media attention - who is buying, how has that changed, and why do they buy what they do? I spoke to several art market insiders and asked each of them the same questions about the exchange and consumption of contemporary art in the market today and asked them to weigh in on their thoughts about collectors and what the art they buy and sell means to them. It makes sense to decipher these attempts to understand art collectors on the current market before looking at representative figures, such as Peter Brant, a collector who has been a prominent figure in the art world for several decades, and the Mugrabi family (the Israeli-born fabric merchant patriarch based in Colombia, Jose, and his two sons, Alberto and David, who together own over 800 Warhols). These four men are representative of collectors with substantial power and influence on the market today and their practices and the ways in which they articulate them reveal a lot about the exchange value of contemporary art now.

“Can You Show Me Your Warhols Again…”

Art critic and consultant Brian Appel, in his recent assessment of the Spring 2011 Contemporary Art Auctions in New York, seems to agree with Cappellazzo that collecting is an enriching pursuit, in every sense of the word. He also made an interesting point – what collectors are getting from the work has to do with the fact that it is a creative act, they identify with the artists themselves, and the way that collecting affects
their own images – it has nothing to do whatsoever with the works themselves (and any perceived aesthetic, ideological or other kind of meaning).

One of the reasons collectors collect—besides the aforementioned pleasure, profit and proximity to fame motives—is that the innovative work they collect favorably reflects their own values of creativity and entrepreneurialism. Collectors could be said to ‘appropriate’ the ideas and politics of the artists they collect and these objects of art are integrated into their business plan and are designed to be congruent with their image. (‘Too Precious’)

In my interview with Appel, I asked him if he believed that the consumption of art has changed, given the primacy of exchange value in today's art market and he claimed that advertising was a prime reason that the literal number of collectors was growing, and that consumption has more to do with a desire which is encouraged, than with a connection with the art itself. Per Wolfgang Haug’s claim in his Critique of Commodity Aesthetics, the buyer is concerned with the satisfaction of needs, thus aiming to achieve a certain use-value, by means of exchange value and so the use-value is only the bait; thus the aesthetics of the commodity “in its widest meaning – the sensual appearance and the conception of its use-value – become detached from the object itself” (Haug 16). Exchange value has eclipsed use-value and the artworks themselves are essentially deauracised for collectors. Appel claims:

More people are becoming collectors because auction houses, galleries and museums have stepped up their advertising stoking the desire to
collect and this coupled with the expansion of the upper class--Forbes magazines reported 214 new billionaires just this year--has contributed to more competition to buy a dwindling supply of true contemporary art masterpieces. If you say collecting is about crass materialism you must also say collecting is an obsession or a passion. More of the well-heeled are getting caught up in the act of selecting and purchasing, making a personal aesthetic decision which defines their own individuality and personality within the entire context of art history.

I asked Appel what role the aesthetic plays in the way in which these commodities are exchanged, as aestheticized equities, and whether or not a kind of cultural philistinism has taken hold and disallowed possibilities for other kinds of value for art (per Bourdieu's field of cultural production). He answered affirmatively to the latter part of the question:

Bourdieu himself has said that the development of aesthetic dispositions is very largely determined by social origin rather than accumulated capital and experience over time. This is true but it is still possible in contemporary, post-industrial societies to achieve high social mobility through access to formal education, a dedication to the world of contemporary art and on relationships of trust between dealers, auction specialists, artists and art consultants. (Appel interview)

I also spoke to art consultant and dealer Barry Chukerman, who I met at the Martin Lawrence Gallery in San Francisco. Chukerman approached a friend and me after we had entered the gallery and had stopped to gaze at several Warhols and a Bruce
Nauman at the front. He was eager to answer my questions, submitted via e-mail, because of his interest in the art market in general and a seeming desire to give his opinion about how buyers find themselves purchasing fine art. Chukerman, who says he is drawn to “those artists that explore and capitalize on the commodification concept,” has spent almost thirty years selling post-war and contemporary works in the Union Square neighborhood of art galleries downtown. I asked him whether or not the way his buyers purchase fine art has changed in the last few decades and if so, how - Chukerman concurs with Cappellazzo and Appel.

   I think it HAS changed in some ways. As the economy turned south and people looked for other investment vehicles, I believe there are those who began to look towards fine art as a way of hedging their bets for lack of a better description. They appeared to be diversifying assets in a way they had not considered before. In my experience, the essence what I heard was this: “...Barry, I've re-balanced my investment portfolio, I don't need another home, more toys and more jewelry are unnecessary ... can you show me your Warhols again (or Picassos, or Chagalls, or Harings, or others)...” I've seen more, larger deals and worked harder to write the small ones. Some of this phenomenon could be attributed to the concept that "...those who had, still have..." but I think it is more than that. I think there are more people in the world with more money than ever before. Some of the most noteworthy transactions (based on price) are not even
about the art. Those transactions are about trophies, about status, about having what others consider to be the Holy Grail. (Chukerman interview)

Chukerman tells his collectors to buy what they love and love what they buy, and not to buy anything because of what it may be worth over time. He cautions them to buy things before they cost more, an important distinction for him. As to what kinds of works are more popular with collectors, he thinks “blue chip art” (Picasso, Chagall, Miro, Warhol) will always have a market because works by these painters are safe, proven, in terms of value. He also sees evidence that the “newcomers and trendsetters” (Hirst, Murakami, Koons, Banksy and a number of Chinese artists) who have risen so quickly in terms of global recognition that their exchange value is high are attractive to collectors. Chukerman stresses that the importance of technological advances on the market cannot be underestimated – it allows for “bigger, better, faster and more global recognition of everything” - as well as the prevalence of high-pressure marketing on collectors who are susceptible to clever, niche seduction by dealers and auction houses. But the meteoric rise of some newer artists is fundamentally based on one thing, according to Chukerman – “human greed, everybody wants something they can buy low and sell high” (Chukerman).

It is clear that what Chukerman tells his potential buyers and regular collectors is to be smart about they buy but what seems like sage advice also seems like a contradiction: buy a work for its use value (because you love it, it means something to you aesthetically or otherwise) but buy it for its exchange value (do not buy something which will not increase in value or after it has increased in value too much). What should
a collector do? Appel, assessing the auction sales, indicates that as a pure commodity, in
terms of exchange value only, Warhols are the best bet and
can draw even the most price-conscious buyer to the auction podium. Out
of the $718 million of post-war and contemporary art that sold at the big
three auction houses in New York this spring, Warhol’s sales accounted
for a remarkable $179 million of that total. Love him or despise him, it
seems one cannot have a serious collection of contemporary art without
the “Prince of Pop” in your collection. As Andy famously said: “Making
money is art, and working is art and good business is the best art.” (Appel
website)

It often seems as if Warhol knew that his snarky quotes would end up being used
as apposite accompaniments to descriptions of the art market forty or more years after he
said them. His prescience may in fact be part of his domination in terms of sales now.
The use value of a Warhol is not at all part of the discussions of value determinations of
his work, and the kitschy quality of the way his images dominate gift shop items
everywhere today seems like a wink to the power of advertising, which is ontologically
about exchange value.

Art historian and critic Julian Stallabrass, of the Courtauld Institute of Art in
London, agrees that consumption has changed over the years and that the art market is no
different than other markets in terms of investment:

Is not exchange value primary in all markets? In the boom c. 2003-8,
investment in contemporary art became a pressing concern, since it
appeared so profitable – until the bubble burst. Mostly people lose money investing in art, certainly when compared to what they might make in stocks and shares, but that calculation changed in the boom years, and did alter the market. The art world seems split between things offered mostly for the market and those offered for attention. (Stallabrass interview)

I asked Stallabrass, whose work (including Art Incorporated, 2004 and High Art Lite, 2006) interrogates the value and meaning of contemporary art, about the role of art world discourse in affecting the habits of collectors. In much of his work he asserts that the art world is a system in which aesthetic judgments have little place, and that it functions as a kind of “new world order” in which art is complicit in corporate funding and free trade initiatives embraced by neoliberals in the aftermath of the Eighties’ shift of power introduced by Margaret Thatcher and Ronald Reagan (Stallabrass 11). He claims the discourse acts only as “promotional literature” that assures buyers that the fact that they are investing in something other than mere stocks seems important. (Interview).

Dealer Richard Polsky declares that the Eighties was the decade of the dealer, and since then the power has lain with the investors – they are “on top now” and they set the terms of the sale (Peers, “Christies”). “Most art that I see is a one-liner—you see it, you nod, you get it, you move on and forget it” (“A Competitive”). In his books and his responses to my questions he recounts many stories about buyers and the often-capricious way they make their decisions. One story featured a man who could not decide between spending $75,000 on a new car or on a Warhol Flowers from 1964. Deliberating, he asked dealer Ivan Karp, “Can you show me your Warhols again?” and then rationalized
buying the Warhol because the car would depreciate immediately and require maintenance and personal care. The artwork was easier.

**The Cartel**

Peter Brant and the Mugrabis move in a small circle of the collectors who spend much of their time in New York. Though all of them have other homes elsewhere, they make most of their purchases from New York with the major dealers and auction houses in the city. Gagosian, Sotheby’s and Christie’s are all international but the New York auctions have the patina of history in both the production and exchange of American art – Castelli, Greenberg, Barnett Newman, Johns and Rauschenberg, and Warhol, among others, all mean New York. One member of their circle actually owns much of New York. Aby Rosen, the über-wealthy real estate magnate, also has an art collection which some claim could rival the Frick Collection. Rosen has amassed “a blue-chip collection of eighty Warhols (and counting), the naughty Richard Prince nurse, the Basquiats, the Christopher Wools, the Harings, the Koons’s, the Bacon, and people wonder as they did with Charles Saatchi whether it’s Rosen or the company that owns this vast trove” or corporate collection (“The Art”, *New York Magazine*). Rosen shrewdly fuses his own business with the art world circle and managed to secure an invitation to be on the board at the New Museum. He socializes with artists at his Lever House (the first curtain wall skyscraper in New York, at 390 Park Avenue) as well as operating the Core Club, an “urban country club” for successful businessmen on East 55 Street, to which he offered gallery owners a discounted initiation fee and lower annual dues. The Club regularly features classes in art investing for friends and associates. In a feature story about Rosen
in *New York Magazine*, he is referred to as “a guy who made a lot of money, and now he’s playing very hard” (“The Art”). Rosen and Alberto Mugrabi regularly put pieces from their own collection in the Club that they plan to sell so that other members can see them before auction. Rosen hosted a February 2008 party for Hirst at Lever House:

Aby Rosen, who has owned the office building since 1998, would soon emerge, cocktail in hand, wearing a snazzy velvet Nehru jacket. A British band was rehearsing the Sex Pistols and the Clash on the third-floor terrace, effectively the private patio of Rosen’s own office, wallpapered with Warhols and facing the iconic Seagram Building across the street—which Rosen owns, too. On this chilly evening, Lever House, the landmark modernist masterpiece Rosen had restored to a youthful glow, was lit up and speakered for sound like an Eighties disco. (Eaton)

Other “volume buyers” were there including Brant and the Mugrabis as well as Gagosian, who form a definite group. The nickname “the Cartel” has been given to them, since there are rumors that they have colluded on price-fixing sales of the works they all seek to buy (Warhols, Koons, Basquiat, Prince). One of them buys twenty or more works by the same artist and then puts two of them up at auction and a friend from the group then bids them up in price.

At every contemporary-art auction now, there’s a bump and the prices reset. Incidentally, this is classic commodities trading, which isn’t surprising given their respective backgrounds. Rosen once cornered the market for new apartments on the Upper East Side. Koons used to support
himself as a commodities broker. Peter Brant has spent his career selling paper. And of course, Gagosian himself, the best pusher in town, son of a stockbroker. (Eaton)

During the fall 2008 Fall Contemporary Art Auction at Sotheby’s, investor Adam Lindemann was watching the sale of a Koons hanging heart sculpture (which Gagosian sold him) and which he never took a out of the crate. Rosen owns the building Sotheby’s occupies off of East 72nd Street. Rosen, Lindemann, Brant, the Mugrabis, hedge-fund magnate Steven A. Cohen, Gagosian, and dealer Tony Shafrazi were all there. Cohen, known for purchasing *The Physical Impossibility of Death in the Mind of Someone Living* from Charles Saatchi in 2004 for between $8 and $12 million (the sale price was disputed in the press and made a symbol of the excesses of the market at that point). Cohen is every bit as much a power buyer as the others. He spent over $300 million over five years collecting art, including works by Jackson Pollock, Manet, Warhol and Lichtenstein. Cohen is discrete, unlike some other collectors, and is allegedly determined to have a real effect on the market for art. Perry Rubenstein, a Manhattan dealer, claims Cohen has a material effect: “Psychologically, his purchases inform a whole subcategory of collectors that there is significant, substantial money being spent. It adds value - stimulates discourse not just in the artists he is buying but in the value of other artists” (Eaton). The rapid emergence of Cohen in the collecting world reflects a shift of power on Wall Street, according to Landon Thomas in the *New York Times*, who has referred to Cohen as the “New Prince of Wall Street” (Thomas, Times). David Ganek, Cohen’s former partner in SAC Capital, says Cohen “attacks the art world in the same fashion he attacks his
business” (Thomas). And a number of dealers who have sold him work say it is that aggressiveness as a buyer that makes him susceptible to paying amounts that may sometimes exceed what is considered a fair market price. "These hedge fund guys are having more of an impact on the market than the Saul Steinbergs did," said Richard Feigen, an art dealer who helped Mr. Steinberg put together his collection of old masters (Thomas). Like Steinberg, who amassed his fortune from insurance and leasing, Robert Scull (taxicabs), and Rosen, the Mugrabis and Lindemann, Cohen is self-made and that type of personality seems to be prevalent among the volume buyers.

“A Little Overzealous”

It is certainly shared by Brant. The Chairman and CEO of White Birch Paper Company, the largest newsprint manufacturers in North America, Brant breeds and sells thoroughbred horses and is the owner and chairman of Brant Publications, Inc., located in New York, which publishes Interview and Art in America among other magazines (Aby Rosen is a silent partner). Brant first started purchasing Franz Kline and then Warhols. He now owns over 2,000 Warhols, which may be the largest single private Warhol collection in the world. Since he started collecting, Brant has entered into museums and is on the boards of Pittsburgh’s Warhol Museum and the Los Angeles Museum of Contemporary Art; he has helped produce films about Basquiat and Pollock and is by all accounts passionate about art:

“Even if you’ve done a bad deal with him before, the stuff he’s got is usually so good that you have to listen to him,” this person said, requesting anonymity because nobody wants to poison a relationship with
a major buyer and seller. “You figure it out. And you hope you have your fingers left when you’re done” (Hogrefe).

Warhol asked to meet Brant after he had purchased so many of his works, and found Brant “a little overzealous” in collecting it (Segal, “Pulling”). “He would say, ‘Peter wants everything.’ Andy was a control freak, and Peter can be quite controlling, too” according to writer Bob Colacello but that hoarding impulse served Brant well – his art selling and buying business now brings in more profit than his paper business (“Pulling”). In May 2009 he established the Brant Foundation Art Study Center, which articulates an almost Barnes Foundation-like manifesto on its website. Brant approaches the art market the same way he does with polo, his favorite game, pugnaciously, and he is known for striking his opponents during play. Brant tried to explain his moves in collecting art in an interview in 1998:

I think one’s character on the athletic field does not have to have anything to do with the way they are in real life. Yeah, I am competitive and to be a collector you’ve got to be somewhat competitive, otherwise you don’t pursue what you are trying to accomplish. If you have a vision and you are trying to accomplish something, you have to be competitive, or things are going to slip by you. (Hogrefe)

Brant commissioned Maurizio Cattelan to make a wax bust of his second wife, former supermodel Stephanie Seymour, which he famously hung on the wall of his Greenwich home; the piece has been nicknamed “Trophy Wife.” During a period in which they had decided to divorce, Brant put the Cattelan up for sale, and it was featured
on the cover of Phillips de Pury & Company’s “Carte Blanche” art sale catalogue in November, 2010. Outrageous moves like this one define Brant as a bold collector who not only tries to see into the future and evaluate taste as a way of investing value in the art works, but also disdains attachment to his purchases. He has strong opinions about how other aspects of the art world should proceed, including artists (clearly Hirst), dealers and auction houses. When asked about the economic downturn in 2009, he said that it had actually been an advantage for him as a collector:

I actually have been buying. I find that the opportunity is there today to buy higher quality and it’s available at lower prices because more people need the liquidity and the money. For collectors it’s an opportunity to buy at a different level. It’s much better that dealers have to think now about pricing their work more reasonably both in the primary and on the secondary market to entice collectors. It’s about time that happened… I feel that it’s very important that artists realise that the world is what it is today and they have to adjust and not be unreasonable. [That means] scaling back projects that are not realistic in today’s economy and depending more on being creative and having brilliant ideas that don’t have to be executed in gold or platinum or diamonds. (“Fine Art”, Financial Times)

In discussing the relationship between dealers and auction houses, he came down on the side of dealers for being angry that auction houses are now trying out the secondary market for private sales:
I think the auction houses are making some mistakes now by trying to underestimate where the market is to increase the percentage of their sell-through. That’s very destructive to the art market. Just like they were responsible for increasing the values faster than they should have, they also are now responsible for decreasing the values faster than they should be. That’s because some moron in these auction houses, a financial guy, says they think the market’s gone down 50% so everything’s 50% lower—every appraisal that is given for a bank on collateral, every insurance appraisal. That’s a self-defeating position. (Kaufman)

The most serious charge against Brant and his fellow volume buyers is that of driving up the market orchestrated through auctions as opposed to buying privately, as collectors had done previously. Critic Felix Salmon claims that at recent auctions involving Brant, Gagosian, the Mugrabis, the Warhols were being driven up blatantly, and quotes art advisor Allen Schwartzman: “These sales are no longer auctions. To attract material at the top end, auction houses pre-sell the material to ‘irrevocable bidders’. They are deliberate, orchestrated events” (Salmon, “Are Warhol”). Ordinary rules of supply and demand are upended. Sarah Thornton hints at collusion among the collectors and dealers:

In any given contemporary auction week, a fair number of the Warhols will have been either consigned, underbid or bought by the Mugrabi family, sometimes in partnership with Larry Gagosian (who sits across the narrow aisle from Mr Mugrabi at Christie’s and one row ahead of him at
Sotheby’s)… Interestingly, the Warhol players often find themselves coming together… The lots that are underbid by dealers or go from dealer-collector to dealer-collector inflate prices and create the appearance of trading volume in a way that is hard to track. And irrevocable bids often lead to public performances of private deals that are far more opaque than auction houses let on. (Thornton 29).

The Mugrabis own a vast collection of works by Hirst, Prince, Koons and Basquiat, in addition to their 800 Warhols and are so integrated into the art world that Sotheby’s does not issue them paddles at the auction house – the auctioneer knows where to look, according to David Mugrabi. Eric Konigsberg claims “for the Mugrabis’ preferred artists, the family doesn’t merely operate in the art market; it is the market” (“Is Anybody”). “They’re so invested, they’re like the casino, not the gambler,” said the gallery owner Francis Naumann, a friend (“Is Anybody). Much of the family collection is kept in two warehouses, outside Newark and Geneva. In September 2009 at the Hirst auction at London Sotheby’s, the Mugabis succeeded in escalating prices for Hirst and left without buying a major piece. It was good for the collection, though. In an interview with the New York Times, Alberto redefined their role in the market: “We’re market makers. You can’t have an impact buying one or two pictures per artist. We’re not buying art like Ron Lauder — just to put it on a wall. We want inventory” (“Is Anybody”). Konigsberg claims that in the commodities sector, “the analogue would be making a run on a precious metal — in order to manipulate the price” (“Is Anybody”). The Mugrabis sell Basquiats in order to buy other Basquiats, and they often claim in interviews that
everything in their collection is for sale. Essentially, the Mugrabis began as collectors, morphed into dealers and now straddle the line between the two. Nic Forrest of *Artmarketblog*, when asked if he thought the monopoly the Mugrabis now enjoy on the Warhol catalogue is excessive, sees danger in their dual approach to the market:

> The problem with collectors who monopolise the market for a particular artist is that those collectors can then manipulate the rate of supply and demand and consequently manipulate the price of that artist’s work. This sort of situation can have a seriously negative impact on people’s perception of an artist’s work. They are masters at creating artificial scarcity of an artist in the market and, like Cohen, are often willing to overpay in order to drive up prices eventually. (Forrest)

Jose Mugrabi started in 1987 at Art Basel, where he purchased four paintings in a “Last Supper” series by Warhol for $37,000 each (most likely worth $4 million to $6 million today, according to Mugrabi), and immediately started selling what was then a small collection, guided early on by Deitch, as his art advisor. The collection included Rothko, Dali, and Honoré Daumier. Mugrabi wanted to buy Warhols, and then Basquiats and Wesselmanns. According to friend Gabriel Safdie, Mugrabi has the instincts for buying works that give back radical returns on the investments it takes to get them in the first place: “He had the belief, the capacity to assimilate, compute all the inputs, purify it, get rid of the fat and keep the caramel. He was buying Basquiat for $8,000 a picture, this man.” Mugrabi has since sold Basquiats for as much as $6 million and $8 million and former Warhol Museum Director Tom Sokolowski claims that the rise in prices of works
purchased by the Mugrabis became “sort of a self-fulfilling science to say everything is worth what you want it to be” (“Is Anybody”).

The Mugrabis are referred to as a collective noun in the art world, as though reflecting the monopoly they own back onto themselves. Jose has the required poker face for auctions and negotiating with dealers and ardent private sellers. “My father is able to pretend not to like a picture as much as he does, in order to get a better price,” David claims, something he and Alberto do not share (“Is Anybody”). “But sometimes you can’t buy a picture because you don’t have the money” (“Is Anybody”). Konigsberg categorizes the family in terms of its outsider status in New York:

The Mugrabis’ approach to art — to the extent that it supports a specific characterization — combines a sort of immigrant aesthetic with immigrant entrepreneurship. Jose described the artists they’re fondest of as representing the “true American commercial culture” (Basquiat, Prince, Koons and even the Englishman Hirst) or “what America gives to the rest of the world, like Coca-Cola and jeans” (Warhol). (Konigsberg)

Artist George Condo claims to be thrilled when the Mugrabis purchase his work – it is like the stamp of approval to have the family who considers Hirst and other major names intimates. When the Hirst auction was over, Alberto declared, “Damien Hirst should be running Lehman Brothers” (NYT). In early 2009, the Mugrabis’ purchases were considered a sign that the art market was not going to fall along with Lehman Brothers and others. Seizing an opportunity, instead, the family began diversifying and looking to China for new art investments. One marketing executive from a major Hong
Kong gallery described the changes for her gallery: “of course all the middle class who were buying for their walls have gone. Thanks be for collectors…they still come in to get their fix, they are like addicts. They can’t help themselves” (Art Radar Asia). In the new climate the family vowed to shift back on the side of the collector – “We’ll become more like collectors and less like dealers now. More buying, less selling,” David Mugrabi declared (“Is Anybody”).

“What would the Warhol market look like without the handful of players that give it that extra umpf?”

--- The Economist

The Economist cast a shadow on recent acquisitions by the family, Brant, Gagosian and some of the auction houses in “Wizards of the Warhol Market” more than two years later, in May 2011, and suggested a conspiracy which revealed that the dealer might be functioning more like a collector and the collectors more like dealers in a fluid attempt to drive up prices of their own ever-rotating collections – contrary to what Mugrabi had claimed, there was still buying and selling in rapid succession. The Economist was not at all circumspect in its description of the Spring 2011 New York contemporary art auctions and what went on during the week”

Is Andy Warhol's market as vigorous as his auction results would have us believe? The artist always plays a prominent role in the twice-yearly contemporary sales in New York, but this season his work saw a phenomenal turnover of $181m, almost a third of the week's total proceeds at Christie's, Sotheby's and Phillips de Pury. The top lot in all three evening sales was a Warhol painting. But the consignment and bidding
stories behind these star Warhols vary greatly. Each reveals a different market dynamic: a determined but thin response to rare masterpieces; the passion of Warhol owners for trading the work; and the skewing effects of guarantees (which ensure a work will sell, either to the auction house or a third-party backer). Indeed, there is more to the Warhol market than first meets the eye. ("Wizards").

The article continues with a description of the machinations at the Christie’s, Sotheby’s and Phillips de Pury. The two highest prices of the night at Phillips were both Warhols, one consigned by Cohen, with a third party guarantee, and one by Jose (Mugrabi, and both sold to anonymous clients on the phone. The Economist expressed concern that these sales and others like them will create misleading benchmark prices, and “appeal to a collector's gambling instincts. If he chooses to be the guarantor, he can either win the work or win a financing fee or both. Whatever the case, when the work sells on one bid, a guaranteed lot is effectively a private sale done in public” ("Contemporary").

At Christie’s, Brant himself had put together a group of small “Jackies” by Warhol, an awkward arrangement by all accounts, though he was assisted by his friend Koons. Brant’s effort to present the works to be bid up to establish a higher market level was a technique he has been employing for a couple of decades and seems de rigueur now for other collectors as well. The Mugrabis underbid Warhols at Christie’s and Sotheby’s that week, and worked in partnership with Gagosian in either consigning, underbidding or buying a number of them. Gagosian always sits in a row in front of ”the
“Warhol players” as the Economist describes them – Gagosian, the Mugrabi family, Brant, Cohen in particular – and they drive up prices, show their purchases at Gagosian, and then sell them again in quick order at the auction houses, who are thrilled to be able to include major Warhols in their spring and fall seasons. It is, for all intents and purposes, a marketing platform for dealer-collectors to inflate prices and trade volume in ways that are hard to track – public performances of what are really private deals and the auction houses provide the veil that allows this to happen. The allegations by The Economist sparked an enormous response, and they were trending for days via blog, Twitter and other forms of quick response in the art market and general business world discourse.

From the Independent in Ireland to wesleyyuen’s tweets from China to the India Times, the article circulated. Marion of Artmarketblog suggested that Gagosian was incentivizing his friends: “Gagosian makes an active market in the artists that he represents. Gagosian’s willingness to buy works that come up for auction can only act as an added incentive for sellers to try their luck on the block” (Artmarketblog). Filthylightthief, posted on May 19 that the one of the Warhols consigned by the Mugrabis was “the perfect portrait of mass media and consumerism” which described the overall response to the article as well (Metafilter). Many bloggers asked about the tax implications of the sales, and when Metafilter posted a video of part of the auction, Delmoi posted an incisive response:

The video made me feel a little bit queasy about the whole process. As the auction was proceeding in increments of the cost of a house it really hammered home how far the world of fine art investment is from the
average Joe. Every 10 seconds they were raising the bid by 10 nurses salaries or the cost of providing school for a year for 40 kids or a couple of hospital beds... Free market capitalism is funny like that. Rich people can spend their money on whatever the heck they like, and if they're smart, they'll find a richer person to buy it next year. *(Metafilter May 19, 2011)*

In making his point, Delmoi signifies that art as a commodity is no different than other commodities, but there is a difference – the lack of regulation of the art market. Walter Robinson of *Artnet.com* noticed during the auction that when Gagosian had been upped from $20 million to $20.5 by an anonymous phone bidder (later identified as “European private”) for a set of four Warhol phone booth portraits from 1963-64, he looked over at Jose Mugrabi who shook his head, at which point Gagosian signaled to the auctioneer that he was dropping out. For Robinson, and Abigail Esman at *Forbes.com*, this was an astute move – prices can be driven too high if there are too many of one artist in a collection, or gallery. Michael Moses, of *Artasanasset.com*, maintained to Bloomberg at the beginning the auction week in May that “masterpieces don’t make the best financial investment. The returns on works purchased for seven figures and up are half of the returns on works purchased for five figures” and Anders Petterson, of ArtTactic Ltd., a London art-market research firm, concurred: “As an investor, you’d be better off putting the money into a mid-tier category. There’s still a sense of rarity in this segment, but at the same time more liquidity than at the high end” (“Pricey”).

*“Like Wall Street, the Art Market is a Very Dangerous Place”*
In *Capital*, Marx differentiates between exchange value and price: price is the *actualization* of exchange-value, differing from one exchange to the next in response to a myriad of factors affecting the activity of exchange and price is the specific value-form, measuring the value of the commodity against money. It can be argued that the Mugrabis, Brant and other collectors (often in tandem with dealers) affect the activity of exchange. I can find no evidence that any of the critics, despite the suspicions of *The Economist* and other market analysts, have alerted anyone to illegalities involved in these sales, perhaps because they are not illegal. Charlie Finch of *Artnet* asked, in a 2003 article why there was so little oversight of auction houses, galleries and other members of the market:

After a major price-fixing scandal in which Al Taubman was sent to jail, Dede Brooks placed under house arrest and numerous former Christie's senior officers were exposed as hypocritical backstabbing cowards, why does business at the high end of the New York market continue, without any major, or minor, reforms whatsoever. In any other retail business under the purview of D.A. Morgenthau, from home financing to used cars, such practices would constitute out-and-out fraud. It's no secret that the New York gallery scene has thrived through backroom deals made possible by the trade-restrictive in-house practices of elite auctioneers willing to repaint their Potemkin Villages to preserve their jobs, their expense accounts, their low profit margins and their “special” relationships with low-rent media toadies in the art-market press. ("Against")
Seven years later, in August 2010, Felix Salmon, also in *Artnet*, objected categorically to the idea of art market regulation. Responding to news from Russia that a powerful local asset management firm, Leader’s, “controlled by Putin loyalists, launched two closed end art funds. In other words, this is an art fund which powerful Russians buy into by handing over art rather than cash” (“Art as Investable”). Salmon finds fault with a number of issues, particularly the fact that the valuation of the art will be set by the fund, not the market, and thus art collectors could essentially trade their ownership of one big liquid asset (the art) into partial ownership of a large pool of assets. Salmon furiously rejects Bill Cohan’s (of the *New York Times*) suggestion that the Consumer Financial Protection Bureau should regulate art galleries. Cohan, concerned about “the questionable behavior of some dealers” argued in his August 2010 online commentary that even though no one in the art market would like the kind of overview the CFPB would provide, it is needed. He argues that though there should be no Federal Reserve Board or SEC hovering over the exchange of art works, there should be enough overview that the art market does not lose integrity if the worth or a particular work is challenged (Cohan). Salmon admits that the “art market is broken, we all know that, but so long as everybody knows that the market is broken, there’s a limit to how aggrieved they can reasonably become if they go in with the idea of art being some kind of investment, and end up losing money” (“It’s”). Salmon convincingly claims that regulation of the art market would give it a dangerous veneer of legitimacy, which would attract a new group of buyers and this would end up benefiting the very dealers it was meant to control. He ends up losing effectiveness when he concludes by stating that anyone who wants to just make
money off of art should not be in the business of buying art at all, which seems both reductive and naïve. Cohan understands the historical connection between art and money, and the fact that art lends distinction to otherwise undistinguished entrepreneurs:

“Bankers and traders — and especially hedge-fund managers and private-equity titans — seem to think that art is not only a great place to stash their cash but also bestows upon them a certain intangible cachet that their jobs, especially these days, don’t provide” (Cohan). Cohan and Salmon represent two strands of the discussion over the lack of regulation in the art market, which continues. Cohan says the market is “dangerous,” that “unscrupulous figures” dominate it and are preying on people who are either less wealthy or less sophisticated about how it works. Does he mean Gagosian, Brant or the Mugrabi family? He does not name anyone specifically but the general nature of the accusation leaves it open for guessing.

“An Almost Pure Form of Exchange”

Looking back, it is possible to argue that things have not changed much. In Sophy Burnham’s description of the art market in the Seventies in New York, she bluntly describes the function of collectors – to collect – which they do with the advice of dealers, critics and curators, all of whom comprise a system and collude on the buying and selling of art works. Each of the four is avaricious, using art to turn a profit, which results in a veritable “stranglehold on art” (Burnham 161). The model collector wants to accrue wealth and then become immortalized by leaving his or her collection to a museum (the Rockefellers, the Hirshhorns). In contrast, Charles Saatchi famously remarked, “I don’t buy art in order to leave a mark or be remembered; clutching at
immortality is of zero interest to anyone sane” (Saatchi online). Burnham argued then “Part of the reason for the corruption of the art world lies in the fact that the business ballooned so fast in the Sixties that everyone was caught off guard. Art was suddenly big business, and the behavior of the art crowd was of public concern. It can no longer pretend to be a family affair, in which fraud is excused as indiscretion” (305). In this she seems to be in line with Cohan that there is a line between no regulation (acting as though it is all in the family) and some regulation (admitting that art is now on par with various kinds of funds for investment potential).

“The Art Market is Tilted in Your Favor”

Financier Adam Lindemann, a self-styled connoisseur and writer about contemporary art (which he also collects), presents interviews with collectors in his newest Taschen book, Collecting Contemporary Art, as a guide for those interested in accruing a collection. He speaks in motivational terms, before focusing on Brant and others: “If you have some money, discipline and plenty of patience, the art market is tilted in your favor…this hobby will pay for itself and may even turn a healthy profit” (Lindemann 153). Art dealer Marianne Boesky concurs, mentioning in her interview with Lindemann that collectors can re-evaluate their art holdings continually, as the art fairs and auctions which go on all year long reflect the shifting value of their assets, and the market itself is filled with people interested in value: “You’re not going to get institutions investing in art funds yet but eventually you will, because the numbers are there, and the returns on art – if it’s bought well – tick fast. If you can buy something at $60,000 and sell it for $600,000 two years later, everyone wants in. I think that’s also what’s been
fuelling the market, marking it that much more sexy (33). For Boesky, a great collector is a risk-taker, and Brant, the Mugrabi family, Cohen, and Rosen all fit that description. Hirst, in one of his many, Warholian one-liners, claims, “Art is about life; the art market is about money” (Jones). But what happens when the two come together, as investment and the materiality of the work itself does not fit into a portfolio, such as Cattelan’s *The Ballad of Trotsky*, a 1996 work featuring a taxidermy horse hanging from a metal cord that Brant bought and then promptly warehoused, along with half of his collection. Brant claims, “it’s very abstract, where it’s put” and it becomes clear that many collectors buy to own and not to live with, interact with or enjoy on a routine basis, or even to lend to museums or exhibits ((Lindemann 157). Stallabrass is eloquent on this point, in his essay, “Money, Disembodied Art, and the Turing Test for Aesthetics”:

It is an old point, but consider how alike are art and money. And how more alike they are becoming. Recently, both have tended to dematerialise, to shed their physical form. Both have greatly increased the speed at which they circulate, and have made thoroughly international the scope of that circulation. Both are also increasingly switched into and out of for their short-term yield. Art and money represent an almost pure form of exchange: in the opposition between use value and exchange value, their weight is on the side of exchange. In the pricing of art, exchange value is tied above all to aesthetic Judgement. The association is so familiar that it has developed the power of truism; if people say an artist’s work is undervalued, they generally mean that it is a good investment.
prospect. People rarely say that some body of work is fine, but the market does not recognise this and, what is more, never will. (Stallabrass, Courtauld)

I concur with Stallabrass that use value and exchange value are oppositional, and that exchange value for art is tied to aesthetic judgment. Most collectors mention developing their own aesthetic criteria, though often also reject the notion that dealers can help with this development, since they are in it to sell. The current light years quality of art sales makes it impossible to hone the kind of judgment and connoisseurship which even Jose Mugrabi and Brant have had the time to do – thus, investors base their judgment on sales figures and auction estimates and other indices of the value of various works and the work itself, and any other kind of value it might have is left out of the process. In fact, to stop and think about a work, to actually go and see it in all its auratic immediacy, to read about and talk with various experts about the qualities of the work, the artist, all that is entailed in knowing about an art work, and knowing what you think and feel about it, is literally too expensive – you might miss out. In early 2011, a new investment market in China, the Tianjin Cultural Artwork Exchange, opened and as the second organization in the world to list shares in artwork (preceded by the Art Exchange, launched days earlier in Paris), it was met with enthusiasm:

Lu Yongsheng, a novice investor in fine art, increased his investment six fold in less than a month. Lu said he did not know much about art, had not heard of the artist in whose work he invested and wasn't confident if the paintings were genuine. "But who cares? I know it's big money to make,
that's enough," said Lu, who made more than 45,000 yuan (HK$53,800) in profit from his 9,000 yuan investment. (Wang)

The shareholders own all artworks listed, and when an owner puts a work up for listing and issuing, and then exchange staff screen the works and decide which ones they would like to issue based on an early-stage appraisal and evaluation. The Exchange is promoted on its website as “as an important innovation of Tianjin’s financial system reform” and claims that the new market is for ordinary Chinese citizens, as opposed to only the wealthy (PeopleForum). There are concerns, however, about the lack of regulatory supervision, especially since months earlier a member of the Chinese People's Political Consultative Conference proposed that the government should “guide hot money to the art market instead of real estate” (Peopleforum). Art historians and experts are also concerned – they question the entry criteria for the art works and the current low quality of those works listed, which investors were attacking "like a swarm of bees” (Wang). Lu Peng, an associate professor at the China Academy of Art, scoffed, "It’s nonsense. I'm not against financial activities; I'm just questioning the selection criteria," adding that works should be chosen according to requirements such as academic and artistic value. He also reflected ominously on the repercussions of the new investment market: "This will mislead society's knowledge and understanding of art” (Wang).

Perhaps even the term “collector” has become a misnomer in the current market, a dated appellation referring to a time when certain people engaged in the selection of art works for a collection which would take on a life of its own. And yet those people still exist – often they enunciate the same motivations: to acquire culture and develop
artistically; to get closer to the creative impulse, and, to document a generation. Or, for London hedge-fund investor Amir Shariat, it is because he is addicted to the hunt, and this motivation gets closest to buyers in the art market who fit the term investor more closely. Art investment funds, though not participated in, explicitly in any case, by Brant, Rosen and other major investors, have become increasingly popular, a sort of collective advance against the more traditional, individual approach.

One such group of investors, the Collectors Fund, a Kansas City-based investment fund which buys mostly 20th century American art, did well in the post-2008 downturn and appraisals indicate that the Fund even outpaces the Mei Moses Fine Art Index in tracking the financial returns of the art market. In existence since 2007, the Fund was valued at $17 million in 2009, and includes works by Frank Stella and Wayne Thiebaud in a collection of more than one hundred pieces, which the investors rotate through each other’s homes. Suzanna Stagemeyer notes in her glowing appraisal of the Fund in *Portfolio.com* that founder and executive chairman Sandy Kemper “attributes the fund’s performance to its emphasis on bringing efficiencies to an inefficient market. The fund uses experts to shy away from price-inflating fads and puts connections to work to buy roughly a third of its pieces from private collectors” (Stagemeyer). By avoiding galleries, dealers and auction houses, the investors can save a good deal but they depended on the advice of people with knowledge about art but also, and more importantly, about the art market. Art investment experts are not always art historians or appraisers, and in fact usually do not advertise that kind of expertise. Art Futures Group, headquartered in Hong Kong, describes its in-house experts this way in its brochure:
Our panel of art investment experts continuously monitors global markets and artist records, selecting only pieces with the best capital growth potential. Art Futures Group focuses on lucrative mid-market artists but for portfolio diversification makes sure both new and blue-chip artists are also represented, allowing clients to spread risks and maximise potential gains. Only artists with a proven track record and high popular demand are evaluated, ensuring that all recommendations are financially and culturally focused. (ArtFuturesGroup online)

In writing about art investment, Brian Bloch claims that “with financial markets currently so volatile and inflation creeping upwards, there is a strong case for diversifying into hard assets and fine art. The Wall Street Journal and a number of advisers and investors regard art as a legitimate asset class alongside bonds and hedge funds” and never mentions expertise in art or art history or appraisal as prerequisites for acquisition (Bloch). The language in the introduction to Skate’s Art Investment Handbook: The Comprehensive Guide to Investing in the Global Art and Art Services, published by McGraw-Hill, indicates that the art market experts who compile the Guide will show collectors or investors how to value art, how the valuation process works, how the investment performance of art can be measured and how art, “an extraordinarily attractive investment,” can bring about “astonishing financial returns”: investors who move part of their funds into art can improve the risk-return profile of their portfolios and achieve optimal diversification (Skate’s). Is art “more intellectually, aesthetically and socially rewarding” than in other asset classes? Skate’s claims it is, while at the same
time investors will not need to worry that their art assets will become “embarrassing liabilities” as a result of market conditions outside their control – i.e., it will maintain its value without human error or interaction. If an investor’s or collector’s work of art loses value, because of market conditions, no one need know, unless the work is put up for auction so “the joy of ownership can compensate for the financial loss” – this less tangible attribute of art investment makes it an optimal investment from any perspective (Skate’s). Given this line of reasoning (and marketing philosophy), art has value in two ways and if one seems to lag, then the other compensates. But what if a $12 million Hirst, which is housed in a warehouse somewhere in New Jersey, loses value because of another Hirst auction detrimental to the entire oeuvre, and is now only worth $2 million – will the aesthetic, intellectual and social value, or the joy of owning it, compensate for a $10 million loss? Skate’s provides an illusory understanding of a dual value for art, which requires, necessitates even, the owner to buy smart and buy what s/he likes, but not one of the two. The Mugrabis like Hirst and Warhol; they own many Hirsts and Warhols. They regularly part with, buy and trade these works, which may make them perfect examples of the Skate’s approach to investing in art. Or do they like what they buy because they know before hand that it will be a good investment? Would they invest in Ryan Trecartin’s video art (which thus far has little value in a secondary market) or not? Do they buy what will move and move fast in a lesser market and like it more aesthetically and otherwise because of that inherent exchange value?

Avant-garde art, lately Americanized, is for the first time associated with big money. And this is because its occult aims and uncertain future have been successfully translated into homely terms. For far-out modernism, we can now
read “speculative growth stock”; for apparent quality, “market attractiveness”; and for an adverse change of taste, “technical obsolescence.” A feat of language to absolve a change of attitude. Art is not, after all, what we thought it was; in the broadest sense it is hard cash. The whole of art, its growing tip included, is assimilated to familiar values. Another decade, and we shall have mutual funds based on securities in the form of pictures held in bank vaults.

--- Leo Steinberg, Lecture at the Museum of Modern Art, New York, 1968

“The Market Offers No Conceptual Follow-Through or Rationale for its Prices”

*Invest, buy, collect, trade, deal* – it requires action to be viable in the art market and the ever-fluctuating global economy on which it is dependent, and this kind of investing and trading signals the creation of a new kind of value. Donald Kuspit, in his February 22, 2007 lecture to the New York Studio School, made a clear distinction between art as pure commodity and art as anything else in an almost alarmist depiction of the way art is valued today:

I will suggest that the irrational exuberance of the contemporary art market is about the breeding of money, not the fertility of art, and that commercially precious works of art have become the organ grinder's monkeys of money. They exist to increase the generative value and staying power of money – the power of money to breed money, to fertilize itself – not the value and staying power of art. Money supposedly has no value in itself, that is, it is valuable for what one can exchange it for, but I will suggest the surge of art buying is money's parthenogenetic way of
saying that it is valuable in itself, indeed, value distilled to purity, the quintessence of value in capitalist society. (Kuspit)

Money legitimates art, and his use of “precious” to describe works of art seems unconsciously ambiguous. Kuspit quotes Meyer Schapiro, in the talk, on his view of the radical difference between art's spiritual value and its commercial value and echoed Schapiro’s warning against collapsing their difference. Kuspit argues that “today, in the public mind, and perhaps in the unconscious of many artists, there is no difference” (Kuspit). Kuspit’s claim goes beyond a contempt for a nihilistic American capitalism and actually pins some of the blame directly on artists (like Hirst) who may be producing art which will triumph as pure commodity, in which case both producer and consumer are complicit in the spawning (he includes a plethora of references to growth - fertility, breeding, generating, fertilizing) of a new understanding of exactly how art functions in the contemporary market. In fact, Schapiro makes an incisive claim, in "The Liberating Quality of Avant-Garde Art" in 1957, about the nature of contemporary painting, that no other art “exhibits to that degree in the final result the presence of the individual, his spontaneity and the concreteness of his procedure” – it seems possible that this may be one important draw for people like Brant, Rosen, Cohen and the Mugrabis, though Schapiro was referring to a very different kind of work: to the extent that they see themselves as individuals, spontaneous and alive to the procedural in business, the work of Warhol, Hirst and others may connect them to themselves (Schapiro).

But Kuspit seems to want to implicate everyone in this new order. He accuses not only collectors, investors and artists, but art historians as well, for colluding with the
other players in this new appropriation of art and concurrent distillation of value: “Only art that makes money finds its way into the textbooks, which sometimes seem like rationalizations of auction results. Official art history tends to follow the lead of the art markets, consciously as well as unconsciously” (Kuspit). For Kuspit, the important people in the current art market are the investors, not the artists, and in fact the enormous wealth of collectors like Brant lends the art increased value, as if it needs to be sanctioned by wealth. At times, Kuspit’s angry disquisition on the situation seems somewhat elitist, and defensive (art critics along with art historians are the big losers in this new scenario, in which art investment specialists do not look to them for expert opinion or approval of various works being valued for sale): “It is *nouveau riche* money that finds new meaning in old art and old meaning in new art” (Kuspit). Kuspit compares investors like the Collectors” Fund in Kansas City and the Tianjin Cultural Exchange to locusts in his desire to repel the advances of investors on the art market:

Speculative investors in art, that is, those who buy it as a material investment rather than for its spiritual qualities, and thus in effect deny them, and in general show their spiritual indifference and existential backwardness, are comparable to the "locusts" that Franz Münterfering, former chairman of Germany's Social Democratic party, called hedge fund investors who make hostile bids for companies. (Kuspit)

Is he sounding an exigent alarm or whining about the loss of the kind of value with which he associates works of art? He brings an important point to the discourse about the reception of art in the marketplace (auctions, art fairs and biennials, online
sales). He claims that the price of a given work of fine art on the market today creates the
space for a new kind of aesthetics, of the reception of the work, and thus creates art’s
critical value, when it has none (having lost it while being distilled into pure commodity).
The aesthetics of the auction sale is a prime example. Appel mentioned to me in our
interview that he believes the growing number of collectors is seduced by the surge in
prices of contemporary art and everything that surrounds this exciting investment
possibility. He concurs with Kuspit that the traditional experts or bearers of cultural
capital dictating the terms of value in the art world have changed:

This growing collector base has changed the game fundamentally. Their
individual judgments are based less and less on the writing of critics, art
historians and dealers... more and more collectors are putting their money
on the certainty of "global brand" artists not because they are reviewed
positively but because sales results (especially at auction) have make these
players an excellent investment through tough economic times or good.
Art critics and historians used to be more important because art collectors
were far fewer and less informed. Today, more and more collectors hire
art advisors who “guide” them to certain artists. Art advisors or
consultants spend all their time researching the artists and the art
marketplace so investors (who are usually too busy with their businesses)
don't have to. (Appel interview)

Appel makes a crucial point – the new art buying public is affecting the
marketplace and “aesthetics is becoming less and less important in the art marketplace.
Individual investors decide whose aesthetics are superior by the purchasing decisions they make” (Appel). The buyers are determining the value and Appel is convinced that the collector, the auction house, the art dealer and art advisor will continue to increase in importance, the art fair will become more and more important as a venue for buying and selling, and the dealers will need to become more intertwined with the secondary market in order “to pay their bills” (Appel). Everything will become available for sale or trade in the near future, if the price is right. From Appel’s perspective, it will only be about the right to sell: “If you bought a Warhol "Flower" painting in 2003 for $200,000 and you were offered $4,000,000 for it chances are you'd ‘flip it’ and aesthetics be damned” (Appel).

Most of the people I interviewed ended with some kind of affirmation that there are still people out there collecting art and buying art because of its aesthetic or ideological or other kind of value, as if to stress that all is not lost. Appel is the only one who provided no such caveat. Like Appel, the anonymous blogger – “NYC 123” - on Reuters’ art blog, sees little hope for returning to some kind of more traditional, art historically and critically based valuation process. NYC 123, who claims he or she has been in the financial markets and the art business for twenty-five years, announced in his February 17, 2011 blog that the only difference between the stock market and the art market at this point is that the stock market is regulated and has a secondary market for liquidation and suggests that the way to avenge this scenario is to make it so transparent that the auction houses, galleries collectors and dealers who are in collusion on pricing are effectively leashed, kept from continuing the nefarious practices which so enrage
Kuspit and others. If, as the blogger suggests, art is sold and regulated as a commodity, and the SEC oversees everything including mysterious phone bidders at auction, then the “smoke and mirrors method of dealing” would be illegal. “I can tell you right now that I would rather own a Picasso, a Thomas Hart Benton or a Cenedella than a share of Lehman Brothers, Bear Sterns or Enron. This may also one day be the same case for a lot of the Contemporary Junk Art market” (Reuters, NYC123). But what would happen to the secondary market for art?
CHAPTER 5: AUCTION HOUSE – PHILLIPS DE PURY & COMPANY, NEW YORK – LONDON

“I like smelling other people’s desire”
--- Tobias Meyer, Sotheby’s

The art auction house is where exchange prices are negotiated and determined in public – the works are literally valued during the bidding, and the practices and machinations of the auction house staff, the auctioneer, and those bidding, including dealers, collectors, and investors, reveal much about this process in the secondary market for art. It is the public nature of the sales that is so problematic in today’s art market. Ostensibly, reserves are fixed and prices are estimated but not determined until the sale price peaks and the hammer drops. The exchange of monies for major works of art is significant and consequently incites a great deal of discourse about how auctions are run, who participates and in what way, and how their roles have changed within the art market. Is the auction still a secondary market for art sales? Fundamentally, one major shift has occurred: until very recently, art works could not be resold after having been up for auction for a period of five years, but that has changed. At this point, it is not unusual for works to be resold immediately after the sale is finalized. The incredibly quick turnover of works mirrors the prolific sales in galleries in the Eighties, when Boone and others conducted sales in frenzied conditions and it is possible to trace the transition of
power from the once primary market of dealers to the auction, and the attendant markets such as fairs, fritzes, and other kinds of public exchange venues. The change in the role of the auction house has affected the political economy of the art market in significant ways and much of it hinges on the deeply intertwined and sometimes hostile issues of regulation and transparency.

The major art auction houses in New York – Sotheby’s, Christie’s and Phillips de Pury - divide all works into categories and the two that result in the highest sales and the most media attention are “Impressionist and Modern Art” and “Post-War and Contemporary Art.” The latter category, in part because there are a greater number of works available, tops the list of sales in the major fall and spring auctions (November and May), as well as various smaller, themed auctions throughout the year, such as Phillips’s “Under the Influence” in September 2011 at the flagship location at 450 Park Avenue, which features works from a private collection and “a fresh selection of contemporary art” according to the website. This phrasing indicates to potential buyers or collectors that the work has not been on the market recently, which adds value given that many works offered for sale at the major auctions may have been traded back and forth in a short period and thus have both risen in price but also lost value in terms of exclusivity. On the whole, one artist dominates the biannual auctions at all three houses: out of the $718,451,124 million of post-war and contemporary art sold at the three auction houses in New York in 2011, Andy Warhol’s sales accounted for $179 million. The other top sellers – Mark Rothko, Francis Bacon, Jeff Koons, Cy Twombly, Wayne Thiebaud, Willem de Kooning, Gerhard Richter, Robert Indiana, Richard Prince, Jean-Michel

The rules have changed since the inception of Christie’s, Sotheby’s and Phillips auction houses, all in the early nineteenth century:

RESERVES AND BUY-INS: All lots from all sales are offered subject to a “RESERVE”, which is a confidential minimum price below which the lot will not be sold. The reserve cannot exceed the low estimate printed in the catalog or on-line. If the auctioneer decides that any bid is below the reserve of any article offered, he/she may invent bids up to the reserve of the article offered, after which he/she has to find a real bidder. The auctioneer may reject the same and withdraw the article from sale if the highest bidder is below the reserve of the article offered. The withdrawal is accompanied at the sound of the hammer and the auctioneer saying “PASS” as the hammer goes down on the article. Passed items are also referred to as “BUY-INS” and appear as missing lot numbers on the results page published by the house after the sale.

HAMMER PRICE, BUYER’S PREMIUM AND ESTIMATES: For lots that are sold the last price for the lot as announced by the auctioneer is the “HAMMER PRICE: Sotheby’s, Christie’s and Phillips de Pury & Co. charge a premium to the buyer on the final bid price on each lot sold. The “BUYER’S PREMIUM” is 25% of the final bid price of any lot up to and
including $50,000, 20% of the excess of the hammer price above $50,000 and up to and including $1,000,000. Prices in the “TOP 25” below include the buyer’s premium. “ESTIMATES” of the selling price might reflect vendors’ expectations which might be too high or reflect an auction house’s strategy to publish unrealistically low figures to attract potential buyers. In most cases the estimates reflect buyers’ and sellers’ expectations and/or prices realized from previously recorded transactions. Either way, auction house published low/high estimates should not be relied upon as a statement of the price at which the item will sell, or its value for any other purpose. (Appel Art)

Though the rules seem dry, the actual experience of a fine art auction is often described as a performance, by both the auctioneer and the bidders. The exchange of millions of dollars in one evening makes for electric theatre. James Panero describes the bodily contortions of the chief auctioneer during the Spring 2009 auction at Sotheby’s:

The elbows of Tobias Meyer ascended to a position in line with his shoulders. Led by his forehead, Meyer’s torso leaned towards a potential bidder. It seemed as though he was attempting to pull up the current bid by a long string wrapped over his left forearm. As he entered maximum tilt, a 66.6-degree angle formed between his right hand, his head pointing to the left, and the button at the center of his bespoke suit, which had puffed out slightly around the lapels. The wall of art to Meyer’s right rotated like a game-show display revealing each new lot. Whether watching in person
from the auction room or by live webcast several continents away, the art world hung on Meyer’s chain of numbers, his bouncing figure, the specter he was conjuring up. (Panero)

Panero also describes the terms used often in connection with art auction houses in the market today, often in hushed tones: chandelier bidding, syndicates, shill bids. The collective understanding of many of these critics is auction house conditions and players contribute to the false appearance of competition. Their concern is that an unsuspecting buyer might think he or she was actually bidding against another person, another bid and the concept of caveat emptor, or “let the buyer beware,” especially if that buyer understands the degree to which the art market is unregulated, is not enough to protect the public. Much of the suspicion about nefarious bidding practices is based in precedent – in 2000, Sotheby’s Chairman Alfred Taubman and CEO Diana Brooks resigned amidst pricing fixing allegations against the house and its main rival, Christie’s. Taubman was found guilty of conspiracy in 2001 and sentenced to a year in prison, serving ten months. Christie’s chairman Sir Anthony Tennant was also found guilty of price fixing, but spent no time in prison because there is no applicable criminal law in the U.K. The U.S. laws Taubman was found to have violated were the 1890 Sherman Antitrust Act and the 1914 Clayton Act, neither of which was intended to regulate the sale of high-quality collectibles (Lindemann). Despite the scandal, both Sotheby’s and Christie’s maintained good standing in the market and have proceeded to expand into online sales. At MySotheby’s, potential buyers can scan sales and create wishlists which can be updated when new works become available on the market, just like Amazon and other online
sellers. All of the auction houses have been focusing on post-war and contemporary art because of the escalation in sales prices and it still rankles some that it is this segment of the art market that has ballooned so much. Panero and others trace the art market “bubble” directly to the rise of the auction house and such seminal moments as the Scull sale in 1973. At the time, it seemed embarrassing that collectors should have to sell via an auction, according to dealer Andre Emmerich. Almost forty years later, Brant and the Mugrabis seem completely unembarrassed about the public nature of their sales.

Don Thompson claims that “an auction uses competition and ego to determine the highest possible price” and they are necessary because more conventional ways of establishing prices are inadequate for “one-of-a-kind items” like contemporary art (Thompson 22). He is right to point out, as well, that no major dealers or museums attract as much attention from the media as the big auctions, and the results are posted in major newspapers regularly, much like the stock exchange, and despite any particular interest in specific items for sale. The coverage reports on how much each auction house takes in and how those totals exist in relation to each other in an ongoing competitive field.

Though they all trace their roots back to roughly the same time period, Phillips de Pury often acts as the upstart of the group, and its recent move – expanding to midtown Manhattan, within striking distance of both Sotheby’s and Christie’s – is considered an aggressive attempt to literally buy into the market dominated for so long by the top two. In the Spring 2011 sales, Phillips de Pury realized less than a third of Christie’s and less than a half of Sotheby’s final sales. Richard Polsky, interviewed by the Wall Street Journal’s Kelly Crow about the house in 2009, provides an apt description of the
relationship: "Phillips is the bridesmaid of the auction world; it always wants to be seen as lively, nimble and fun—but now it also needs to be profitable" ("Doubles"). The 2010 move by Phillips seems based on achieving parity with the leaders, even threatening to them physically in terms of proximity, while also retaining its more quirky reputation. And Phillips carefully nurtures its reputation for being trendier, more avant-garde than Sotheby’s and Christie’s. It famously once “set up a ping-pong table during a cocktail reception, and it has hired bands like George Clinton & Parliament Funkadelic to play at its after-parties” and courts attention from art market devotees by trying to identify rising artists, such as Hirst, before other auction houses will even include them ("Doubles").333

De Pury also serves as a mentor on the Bravo television series, Work of Art, which hosts a competition between artists featuring a series of challenges. De Pury’s art world cultural capital and formal European demeanor makes him seem a formidable critic of the artists’ work and provides a fair amount of publicity for the auction house as well. A 2010 headline in the New York Post proclaimed: “Meet the gavel god: Au revoir, Snooki. Aristocratic auctioneer Simon de Pury is the city’s hottest new reality-TV star” – a description even the much-younger Tobias Meyer might find cringe-worthy. However, like Boone and Hirst, de Pury understands the cult of personality that propels those who work at it into the level of myth, or at the very least a kind of stardom. He is following along Boone’s path but even further, into television, and it may cost him in the same way it cost her in terms of credibility about her personal motivations.

His flirtations with celebrity seem consistent given that De Pury ended up aligning himself with a firm that had initially begun to sell, and profit from, the assets of
the famous. Founded in 1796 by a former clerk at Christie’s, Harry Phillips, the new auction house began selling grouped assets by eminent sellers such as Marie Antoinette and Napoleon, as well as representing large lots of English furniture and silver. In 1999, the massive fashion and luxury retailer Louis Vuitton Moët Hennessy (LVMH) bought Phillips and recruited Simon de Pury, who had served as chairman of Sotheby's in Europe for eleven years and was a fixture in the international art world. Bloomberg claims “after three years of wooing sellers with inflated guarantees, Phillips (then called Phillips, de Pury & Luxembourg) was running up debts. As the red ink gushed, in 2002, LVMH drastically reduced its stake in the business” and Phillips attempted to rebrand itself, no longer engaging in Impressionist and Modern Art auctions, moving from Midtown to Downtown (the Meatpacking District), and refashioning its catalogues to seem more like fashion magazines (Bloomberg). Focusing solely on Contemporary Art auctions, and also featuring design, jewelry and photography, it pushed forward with its new brand. The refocusing worked, especially given that the market for contemporary art was appreciating at five times the rate of Impressionist and Old Masters works at that point. According to the Mei/Moses Index publishers, newer and younger collectors would be attracted to a fresher approach and more contemporary work: "Collecting Old Masters just seems a little [stodgy] for some of our younger generation," noted Michael Moses at the time, emphasizing as well that photography was the fastest rising sector, at close to 30%. Disappointing sales caused LVMH to sell Phillips back three years later to its managing directors at the time, Simon de Pury and Daniella Luxembourg. The latter sold
her shares to de Pury and he has been the driving creative force since. Bloomberg News claimed in 2006 that:

Phillips de Pury's ascendency is all the more impressive because it was widely given up for dead a few years ago – until de Pury engineered a turnaround worthy of a B-school case study. “He's done an extraordinary job...tapping into the energy in the market right now,” says veteran New York art consultant Kim Heirston, whose clients include Kate Spade and Tom Clancy. (“Why Wait”)

Unfortunately for de Pury, sales and management were problematic for him as well and he sold the majority of the shares in October 2008 to the Mercury Group, a Russian luxury retailer. The website for the house describes him as “one of the art world’s leading figures, renowned for his deep and long-standing knowledge of the global marketplace” and he remains Chairman and Chief Auctioneer at Phillips. The acquisition by Mercury signaled more than a regime change (the retailer enforced strict new rules on placing reserves) and the art market took notice. Adding new sales of contemporary art to its 2009 calendar at a time when both Sotheby’s and Christie’s were downsizing because of the economic downturn was seen as a risky but fascinating move by art world and art market insiders. Phillips also enlarged its catalogues and tripled their print runs and featured a number of artists whose work had never sold at auction before at the Fall 2009 sale in London. That show, entitled “Now” and others in London and New York, such as “Black/White” and “Sex” seemed deliberately provocative. Phillips, with Mercury driving it, was going to be noticed as a serious contender, while continuing to
brand itself as the hip house of the three. In 2008, *Bloomberg Business Week* defined the strategy:

Phillips is developing an edge in so-called wet paint art – work so new the paint is still drying on the canvas…and it also owns a vague but critical metric: buzz. The latest, most controversial work is skyrocketing in value for a reason: It appeals to the bold-faced names and Wall Street dynamos who are the next generation of collectors. (“Why Wait”)

Bloomberg also noted that Phillips led the spring contemporary auctions that year, beating the other two houses for work produced in the twenty-first century.

Perhaps the most audacious move has been a literal one: in 2010 Phillips expanded into a second location in Midtown, at 450 Park Avenue, close to both Sotheby’s and Christie’s (in the Upper East Side and Rockefeller Center respectively). The new space, at 25,559 square feet, features skyboxes for “premium clients” and “current and potential buyers who don’t typically troll the narrow industrial blocks on the western edge of lower Manhattan where Phillips has conducted auction for seven years” (Crow, “Auction”). According to de Pury, the second location provides greater visibility - “Everybody drives down Park Avenue a few times a day around there” (The first location has an edgier aesthetic, with a red brick façade juxtaposed with the cobblestone streets on the edge of the East River (“Auction”). It stands in distinct contrast to the Modernist design of the Park Avenue venue, and the dual vibes reflect the company’s desire to compete with the old line firms and remain firmly situated in a trendier, brand position.

Gallerist David Leiber of Sperone Westwater Gallery thought the expansion made sense
in economic terms: “Having this more stately Midtown location closer to Sotheby’s and Christie’s makes it a little more adult. The atmosphere in their evening sales has become almost more club-like – a lot of bottom-fishers” (“Auction”).

According to The Telegraph’s Colin Gleadell, de Pury has been explicit about pursuing the more established trade and has made a number of innovative moves in his effort to “raise the game” for Phillips (Gleadell). In September 2010 he hired private art advisor, Philippe Ségalot, who ran Christie’s contemporary art department until 2001, to curate a sale to inaugurate the new saleroom. Titled “Carte Blanche,” the selection of works consigned for sale would be purely Ségalot’s job, compensated by a percentage of the buyer’s premium. Ségalot’s integral collector contacts made him an invaluable asset to Phillips. He was able to include a forty million dollar Warhol from the Mugrabi family as well as works by Felix Gonzalez-Torres, Robert Morris, and Cindy Sherman, rumored to be set at record-breaking prices for those artists. Paul McCarthy’s ”Mechanical Pig” – wired up to move and breathe – was offered by Chicago collector, Stefan Edlis, and estimated at $2.5 million to $3.5 million. Phillips, under de Pury, had never held a sale so large in terms of estimated prices and the media attention was intense. Critics and business journalists speculated about the brio of Phillips de Pury’s plan, as well, arguing that either collectors, whose confidence in the market was shaken, would hold off, or the move could make the dreary outlook in 2009 a little livelier:

The art market has taken a battering this year, struggling even as other financial markets have taken small steps toward recovery. In the first half of 2009, Sotheby's sales were down 87% and Christie's sales were down
49% from the same period a year ago. Phillips is particularly vulnerable to art-market mood swings because of its tighter focus on contemporary art, photography, jewelry and design. Its auction sales total for the year currently hovers at around $60 million, well off pace from last year's $292 million total. At its last major sale in London this June, only one work sold for over $1 million, and the $8.4 million sales total fell just under its low estimate. (Crow, “Doubling”)

De Pury worked all angles in terms of making the Phillips brand multi-faceted. He assured clients that it would continue to host after-parties for auctions, and keep an advisory board of high-profile names: fashion designer Marc Jacobs, photographer Juergen Teller and real estate developer Aby Rosen. Claiming to be intent on making sure the new location was just as “infused with fun” as the original, de Pury is also restricted from operating on his own whims and creative impulses (“Auction”). When Mercury took the reins, it brought in Bernd Runge as the chief executive officer, who has a high profile himself, though not as an art world insider or celebrity. A former informer for an East German spy agency, Runge’s hire was questioned in the press, but Mercury was impressed by his expertise in the management of luxury goods firms and downplayed his past activities. Part of Runge’s job is to make sure that sales are controlled. He immediately dictated that the practice of paying guarantees for consigned works at Phillips would be limited. This ensured that Phillips would not be obligated to pay the seller for a work if it did not sell. The new shareholders were leery about
promising too much, given the rapid expansion in New York, as well as providing for the solidity of the London branch.

“Our Greatest Night Ever”

The November 2010 auction at the new location went well for Phillips de Pury. A total of $137 million dollars worth of art was sold, and it constituted the most successful sale in the history of the company. The inclusion of Ségalot was a shrewd move on the part of de Pury and allowed him to still seem innovative as well as capable of operating in the realm of Sotheby’s and Christie’s traditional markets. Dubbing it “our greatest night ever,” de Pury credited the new space in part. The Economist was skeptical about the way Ségalot handled the sale and ArtMarketMonitor bloggers questioned the private sale nature of a public sale. According to The Economist:

This month saw the launch in New York of a new kind of contemporary-art auction, one in which a single major player in the art market is invited to create “the sale of his dreams.” Set up by Phillips de Pury & Company and held in the firm's new premises on the corner of Park Avenue and East 57th Street, the auction was promoted as a “game changer.” Phillips hoped it would help boost its flagging sales. Some described it as sub-contracting; others called it curating. The auction house named the sale “Carte Blanche”, a title that, among other things, is a reminder of the art market's lack of regulation. (“Contemporary”)

The magazine proceeded to describe the way that Ségalot was seen bidding against his assistant and a business partner, all representing collectors. “Asked whether
acting for buyers as well as for sellers on the same lot might constitute a conflict of interest, Mr Ségalot insisted it was not a problem” (“Contemporary”). The record-setting prices, and even the advertising for the auction, seemed questionable as well. The work on the cover of the action catalogue was one owned by François Pinault, the owner of Christie’s, and a friend of Ségalot’s. There was a certain degree of “uncharacteristic buying” from collectors, such as the Mugrabis, who bought several works at above the high estimate and whose own consigned work in the sale – a 1962 Warhol, “The Men in Her Life” - then went for more than most experts had deemed possible.

Warhol experts beyond Mr Ségalot's immediate circle suggested the painting was worth $15m-25m. Mr Ségalot, bidding on behalf of a client, bought the picture for $63.4m. Patricia Hambrecht, a director at Phillips, was the underbidder. “Men in Her Life” was guaranteed for at least $42m by a third party, rumoured to be the Mercury Group, the principal owner of Phillips. (“Contemporary”)

The ArtMarketMonitor was more caustic in its assessment of potential mishandling at Phillips: “Phillips de Pury’s successful ‘Carte Blanche’ sale raised many questions whether the perennial distant third auction house would rely on outside sources to generate sales volume” (marion, Art Market Monitor).

“the best art is the most expensive because the market is so smart”

But much of what disturbs critics about auction house practices today has been going on for years, not just since Taubman but much further back, and in some cases are eerily similar. Sophy Burnham goes into detail about the secrecy and manipulation
rampant in the late Sixties and early Seventies in her chapter, “The Auctions.” In May 1970, at an auction of contemporary art at Sotheby’s Parke Bernet, a Warhol that had been estimated to sell for $40,000 went for $60,000, at that time a huge amount, to an anonymous bidder. A rumour began in a German magazine that the owner of *Soup can with a peeling label* was Peter Brant, then a young investor and friend of Swiss dealer Bruno Bischofberger. The magazine purported that Brant and Bischofberger had decided that a legitimate bid of $55,000 at the auction was too low so they bought painting together as a buy-in at the higher price. Bischofberger then sold the painting at his gallery for $75,000. Burnham cites this incident and others as examples of a watershed moment for auction houses. “Suffice it to say that the situation existed, and was played upon, like stock market speculation, to such an extent that sometime in 1970 faith was lost in the veracity of auctions” (Burnham 62).

The archetypal sale of contemporary works at auction, the Scull sale of 1973, often referred to as the moment money became dominant in any discussion of contemporary art, received much the same glare and open distrust from critics as “Carte Blanche.” The record-setting prices were almost too good to believe – one Jasper Johns that Scull had originally bought for $10,500 went for $240,000. A Rauschenberg sold for ten times the purchase amount fifteen years earlier. But it was “the public spectacle of rapid profit-taking by a shameless self-promoter” – Robert Scull and his wife, Ethel – which was the main story. De Pury seems to have taken a cue from them. According to critic Barbara Rose, “The Sculls learned everything they know from Andy Warhol” (Panero, “Art”) and part of what they learned was:
how to turn themselves into objects through packaging (Mrs. Scull appeared to have had everything lifted for the occasion), media exposure, and sheer, unadulterated *chutzpa*. The Sculls transformed their banal, *nouveau riche* selves into personalities by not being afraid to own up to being all that was considered lowbrow, grasping, and publicity-seeking. They made a thing out of being vulgar, loud, and over dressed. They were, in short, shameless; and it was their shamelessness that finally got them the spotlight they ached for. (Panero)

The auction had the effect of raising prices in general for Johns, Rauschenberg, Warhol and other artists whose work had sold for so much, and it was a precedent-setting occasion for Sotheby’s and others.

Burnham goes on to argue that the deceit in the auction market lies in its secrecy, but that sometimes the secrecy is what allows it protect itself, as in the situation of keeping dealers from participating in ring deals in which dealers collude on raising the prices of works they plan to own. For Burnham, the art market at that point, approximately forty years ago, was an insecure one, in part because often auction houses acted like dealers and dealers acted like investors and no one was ever sure how it would all play out since dealers were subject to some degree of regulation and auction houses were not. What is different about today’s market? Is it still true, per Burnham, that “auctions form the visible vertebrae of the art market” (53)? They do not, and the primary and secondary markets for art – still very distinct when Burnham was writing *The Art Crowd* – have collapsed into each other. There is no longer a period between when a
work is sold at auction and its resale there. The prices for contemporary work eliminate any buyers not capable for participating: Today a collector needs to spend an enormous amount of money to collect contemporary art. Meyer notes the difference: “for a long “period, the price point for a major work of contemporary art was the price of a car. Now, the price of a contemporary work of art can be the same as a nice apartment along Central Park West” (Crow, “Sotheby’s”).

In addition, the advent of online indices for market prices of art, sale records and other kinds of indicators of where and how to buy art works, as well as public art markets and fairs, has changed the market fundamentally and changed the possibilities for attracting different kinds of investors, various kinds of ownership options and crucially, less reliance on expertise in the fields of art history, criticism and appraisal. It can perhaps also be argued that there are more buyers but less competition in the market for contemporary art. The constancy of fluctuations in value, of trading, of buying and selling, of hype and glamour affixed to the market for contemporary art really does resemble the kind of free zone that Stallabrass describes. The sale of fine art increasingly exists in a market-driven economy in which the players seem to be colluding with each other instead of competing for prices and thus value, something Marx anticipates in Capital. At times, it can even seem random – Burnham’s description of the market as insecure no longer fits. For art historian Tarnjeev Guram, absurdity and the quest for hegemonic power penetrate the sale of art in a global market:

Examination of the language, regulations, and circumstances surrounding contemporary art and auction house customs reveal a culture driven by
absurdity. Auction houses work in tandem with internationally acclaimed dealers, curators, and collectors to stimulate the highest sales possible. It becomes clear that these absurdities are cleverly calculated forms of hegemony introduced by a small number of people to maintain influence, wealth and power within the contemporary arts community. (“Absurdity”)

Clever calculation is definitely part of the market, but is it still about maintaining influence and power? Years after the Scull sale, when Meyer quipped in 2006 that “the best art is the most expensive because the market is so smart” it did not seem shocking. Panero thinks that Meyer is on to something – the notion that the market can be very smart about the art that speaks to it. I concur with him that the point of sale, rather than the point of creation, now seems to take precedence in determining the primary meaning for certain works of art. Baudrillard, in describing the art auction and sign exchange, is strident on the point of sale moment. Claiming that in consumption exchange value is converted into sign exchange value (in the case of art, prestige, cultural capital), he maintains that the alibi of use value sustains the conversion. This is not true, however, in the art auction, in which economic exchange value (in the form of money) is exchanged for a pure sign (the work of art):

The decisive action is one of a simultaneous double reduction – that of exchange value (money) and of symbolic value (the painting as an oeuvre) – and of their transmutation into sign value (the signed, appraised painting as a luxury value and rare object) by expenditure and agonistic competition. (Baudrillard)
At auction, the exchange is simultaneously collective and institutional, and thus it is neither possible to determine the aesthetic or other kind of subjective value in a work which would fit all these criteria, nor is it possible to see the use value for investors who do not purchase the work for symbolic value, sustained by use value. And if Panero is correct that the art that proves itself “most amenable to market manipulation” is often work of the most uncertain initial value, then this makes sense given Baudrillard’s double reduction (Panero). Warhol is bestowed with all kinds of sagacity and prescience in various discourses (correctly or not), but the fact that his work is currently at the top of the market may be because his work represents a contrast with art of more formal complexity (requiring contemplative attention), and the subjects of most of his top-selling work, featuring common objects (soup cans, Hollywood stars) direct the attention back on to the viewer. Now that his works are inhered with the meaning that they are worth millions, they no longer lack meaning for those who might have found them deliberately opaque originally. In this case, the market gives meaning to the art, which reflects back on the consumer the desire to see the product of his acumen as a buyer/investor/collector. Brant, the Mugrabis, Gagosian, all are expending similar energies on buying and selling art and what do they see in the Koons heart or the Warhol fright wig or the Cattelan horse? Hirst’s *For the Love of God* works on both levels – it speaks to pure expenditure and luxury and to the classical notions of art as sublimated desire and the fact that it is never meant to be owned by one person, kept in one place and displayed, works perfectly in the current market and especially at auction. As Jerry Saltz noted in 2007, “after Christie’s Christopher Burge brought down the hammer on Warhol’s Orange Marilyn,
1962 at auction for $14.5 million, the bigwig collector-dealer Bob Mnuchin dimwittedly shouted from the auction-room floor, “How about a hand for Christopher?” Everyone applauded, understanding that art had become a currency to manage. Perhaps it was ever thus; it’s just more thus than ever” (Saltz “Has Money”).

“Is the Art Market Less Ethical Than the Stock Market?”

What becomes clear in an analysis of the discourse surrounding contemporary art auctions and their relationship to the economy is that the art market is considered discrete from other markets, in a general collective effort to sanction art as something other than pure commodity. The art market has to be separate, different, because art is not like other commodities, though it has been completely monetized. In other words, there is consternation and ambivalence about how it works or should work. An example of a lack of consensus, as well as any real self-reflexivity, among art world players was a panel debate of art experts, taped and shown on NPR in February, 2009, on the question of whether the art market is less ethical than the stock market. Guram’s definition of the entire art market scene as absurd seems apposite after listening to the panelists spar with each other. Intelligence Squared sponsored the debate at Rockefeller University in New York, and six panelists were grouped into a “For” and “Against” series of statements, rebuttals and questions from the audience. A dealer (Richard Feigen), a London gallery owner (Michael Hue-Williams), and a collector (Adam Lindemann) argued that the art market is less ethical, and an artist (Chuck Close), an auctioneer (Amy Cappellazzo of Sotheby’s) and a critic (Jerry Saltz) argued that it is not. Many references were made to Bernie Madoff, and the Ponzi scheme scandal, which had recently been exposed. The
term “ethical” was defined by several panelists and almost all of them attempted to define art, as well. Possible ways of regulating the market were discussed and dispensed with. Everyone agreed that regulation may be needed, but would be a disaster. Feigen started out by complaining that the government still treats art as a luxury, not an asset class, and he bemoaned the machinations on the part of auction houses to “deliberately deceive” unsuspecting buyers (Intelligence Squared, Debate). Close then declared that the value of art was not determined by money at all, to much applause, and that artists were the only ones who could give value to works - no one else had the right - and continued in that vein even though it made no sense given the debate question. He seemed unwilling to admit that prices were dependent on anything to do with the market and almost nonsensical at times. He may have thought that was his role as the artist on the panel, and that it was necessary to represent the anti-Damien Hirst. Hue-Williams fustily derided shady dealers and ring syndicates of buyers at auction, which was a good segue into Cappellazzo’s defense of auction practices. While claiming that art has no inherent value, that it is like physics, both wave and particle, Cappellazzo attempted to claim that the rules of engagement in the auction houses was appropriate given the commodification of art at this point. Lindemann insisted that his “For” the motion status was based on the fact that the art market was ripe for ethical problems, full of insider trading, but insisted that everyone he knows in the art world is completely above board. Saltz contradicted a number of articles he has written for both the Village Voice and New York Magazine (“Feeding Frenzy”, “Has Money Ruined Art?”), in which he decries the status of a market-driven economy for art and sounded like a cheerleader for the “Art Market” team.
He spoke energetically about the fact art is “never optional,” that it changes the world and that to say the art market was less ethical would be a “self-hating thing” (Debate). He continued by claiming that many art dealers are missing the same chromosomes and that everyone in the art world was playing the same game, that Vito Acconci was still complaining that he has no money and everyone else in the art world was happy to be making it, and after spinning off in various other directions he eventually had to be reminded to get back to the issue at hand.

The discussion became fairly tense at points, even though everyone kept agreeing that art is a precious thing but it is also being held hostage to a ruthless market of investors and dealers who are now in charge of determining prices. At one point, while Feigen was defending being in the business of which he was being so critical (albeit as a former stockbroker), he declared that he would prefer to be a collector to a dealer, and Cappellazzo yelled, “Prove it!” – there was a collective hush until Feigen could think to respond. Her challenge came off as boorish and self-defeating given her obvious desire to represent the auction houses with a certain amount of gravitas. The most interesting point, brought up by Feigen and affirmed by Hue-Williams, was that valuation for art works rests on false statements, which were defined as prices based on sales figures. Their frustration, that the value for a given work was falsely represented at auction by dealers, art market vendors and museum curators, is understandable.

“Buyers are expected to follow the art.”

--- Economist Don Thompson

It is interesting that both panelists used the word “statement” to mean price, as if price is a discursive symbol. This is accurate and becomes obvious when investors and
collectors talk about their purchase prices openly, and “when the bullshit machine runs at full steam; students charge $25,000 for paintings; the M.F.A. (as Daniel Pink notes) is the new M.B.A.; and ‘the system,’ as David Hammons observed, ‘is making people offers they can’t refuse when it should be making them offers they can’t understand’ (“Is Money”). This discursivity seems apparent from an examination of an auction house catalogue, which is stuffed with semiotic clues. The Sotheby’s catalogue for the Contemporary Art Morning Auction in New York on May 11, 2011 is representative of a typical catalogue. At 319 lavish, gloriously full-color pages, the lot number, name of the artist, the title of the work and the price are in bold typeface and larger than the pale listings of provenance, exhibition history and sometimes “Context” provided by auction house experts. Lot 165, Alex Katz’s Georgia has almost no provenance, no exhibition history at all and is priced at $200,000 - $300,000. Potential buyers would seemingly have to know more about the nude, in bright orange and red, in order to make a decision about if to bid and when. In fact, the potential buyer would know what is expected of him or her before even receiving the catalogue. He or she would know a number of basic things: the work is by an artist considered valuable enough to receive a slot at one of the premier, biannual auctions at a major auction house for contemporary art in the world. The price had been determined not only by the auction house, but by a variety of other factors, including the seller’s price, the reserve and numerous sales indicators for Katz. She or he would be entering the rarified environs of Sotheby’s glass cathedral on the Upper East Side, at the corner of 72nd Street and York Avenue, knowing that Sotheby’s still holds the record for the most expensive work of contemporary art ever sold: $72.8
million, May 2007, Mark Rothko’s *White Center (Yellow, Pink and Lavender on Rose)*, 1950. S/he would understand that in addition to the obvious distinction of joining other buyers in this venue, it would be incumbent upon the buyer to decide what *Georgia* meant, what value it had for him or her. Was it worth the starting bid price? If so, what did $200,000 represent (keeping in Meyer’s comparison of art prices to real estate prices) in relation to other objects for the buyer? How long did the buyer expect to keep it, where would it be kept, how well would this work expand an existing portfolio, or collection? Did the buyer realize the auction house’s position in the assembly line process of putting up a production for sale? One art world insider sees it clearly: “Damien Hirst, who once brazenly declared that collectors would ‘buy what you fucking give them,’ recently, and wearily, told *The Guardian*, “You just make things and you sell them, you make things and sell them” (Saltz, “Has Money”).

**“Under the Influence”**

In order to get a better understanding of Phillips de Pury & Company, I attended the contemporary art auction “Under the Influence” at Phillips’s newest space at 450 Park Avenue in New York on September 23, 2011. The auction was in two parts that day, at 12:00 and 3:00 p.m., with works comprised of a selection being offered up for sale by various individuals and galleries, including 103 works from a private collection. This auction signaled the opening of the fall season and was a prelude to the major fall auctions (Parts I and II on November 7 and 8 respectively). The skyscraper in which Phillips is located fits into its environs architecturally, at East 57th Street and Park Avenue. Its black granite, modernist façade, with enormous clear windows and pictures
of some of the works sold there (see above) sits as aggressively as the retail stores around it, as the Upper East Side segues into Midtown, with Aby Rosen’s Lever House, the Museum of Modern Art and Ian Schrager’s Hudson Hotel nearby. It is also right at the historical nexus of the major galleries of the Fifties and Sixties in New York – 57th Street was “the street of art dealers” with Castelli, Sidney Janis and others situated to catch each other’s clients (Cohen-Solal 198). The pictures of the artworks displayed (which are changed regularly according to one of the auction assistants) are advertisements, and signifiers, for the auction house, for the artists, for passersby and customers. Warhol’s *Soupcan* and Kehinde Wiley’s bare-chested rapper, *St. Sebastian II* (who brings to mind the bare-chested young men who are featured on Abercrombie & Fitch ads and shopping bags) say things have not changed much – Warhol was decorating store windows in Manhattan sixty years ago as an advertising illustrator and sex always sells – the objectification of the can and the man proclaim things we understand, and are attracted to. The use of the Warhol image, one of his most famous, is obvious, if a bit pedestrian – it has been so massively reproduced that any uniqueness attached to it seems to have been long oblitered by the “Is it art?” question about Pop Art it helped to resolve.

The auction house occupies the ground, second and mezzanine levels of the building and the ground/entrance level is basically a white cube, covered in part with some of the works currently for sale but mostly empty and cavernous otherwise – the luxury of so much empty space in the city lends it a hushed feeling. The only things disrupting the emptiness are a table with espresso for customers and hives of assistants hovering around a reception desk. The assistants, almost all women, are thin, clad
completely in black, diffident. It has both the look and feel of a gallery and not an auction house. This aura is in deliberate contrast to Sotheby’s on York Avenue in the Upper East Side, which resembles a hotel with ornate conference rooms for the auctions and secure in its identity as a venue for auctioneering. On entering Phillips, I was directed to the clear elevator to ride up to the mezzanine level where the auction was taking place. Filled with precise rows of Philippe Starck’s “Louis Ghost” arm side chairs imprinted with the Phillips logo and name on the back in black, the auction space is just as cavernous and white. This is practical, however, allowing for an image of the work on the block to be projected onto the walls in various spots around the main area and designed to make customers feel that the action is visually accessible, in the same way screens function in concert halls, sports arenas and even churches currently. The auction space has three long tables that allow assistants to sit and monitor phones and laptops for remote customers. The auctioneer, a severe-looking woman in a black jacket to her knees, called the room to order and every time she completed a sale, the hammer hitting the head table was deafening. There were 371 lots in total and they included works by a variety of artists. There were several Damien Hirst inks on paper, a screen print and paintings from the private collection; a Tom Sachs shopping cart chair; and Vik Muniz’s C-Print of Jackie (Pictures of Diamonds) of 2005, a diamond-encrusted portrait out of a series that garnered the top price of $158,000. The entire sale netted $2,784,375 and during the three hours of the 3:00 p.m. auction I attended, the majority of the works were sold via phone and Internet bidders. The lots in this sale represented lower priced, less desirable works – for buyers this auction would have been a chance to secure a Muniz or a Wiley without
having to be on the economic level of Brant or Mugrabi, and it represented cultural capital and investment value on a limited scale in the world of contemporary art.

The audience was as diffident as the staff – whenever someone successfully bid for an item, there was no recognition or acknowledgement whatsoever. The most animated conversation was between one of the assistants and a client on the phone, who could not seem to make his or her mind up and needed coaxing. The catalogue, which is given out to all who attend whether registering to bid or not, is enormous at 375 pages, with a silver metallic reproduction cover of Jacob Kassey’s *Untitled*, and filled with essays and interviews with artists Lawrence Weiner, Phoebe Unwin, Ahmed Alsoudani and Marina Abramović. It also features ads for future auctions and an insouciant letter from Simon de Pury about the catalogue itself – “Influence comes in many different ways, and the art world is no exception” - and warmly refers to Abramović’s “brand” of performance art. It is a combination exhibition catalogue, auction catalogue, art book and art magazine - heavy, serious, hip and alluring.

The visit to Phillips confirmed somewhat the stereotypes about what the New York art world looks and feels like, but I was interested in how few of the sales were from the people on the floor, and it confirmed my impression that buyers are increasingly not taking the time to travel to auction. It is also clear that all of the buyers were savvy enough to know at what level to drop out before the purchase became a bad investment – there was seemingly no casual or impulse buying. Phillips is explicitly trying to compete with Sotheby’s and Christie’s and become a more serious player in the world of fine art auctions, but its emphasis on contemporary art gives it a populist, trendy vibe which both
narrows the possibilities for attracting some buyers but also provides another option for those who find the other two houses too pedantic. For any of the auction houses, however, it is the art on the block which is important – the more Phillips can attract dealers and collectors with blue chip works, the more seriously it will be taken by more serious, established buyers but the less it will be the refuge for the young, contemporary buyers -- it seems like a game it cannot win. This is also, however, what makes Phillips de Pury emblematic of the current art market for contemporary work – it is trying to fuse art historical and monetary considerations in uncomfortable, free-ranging ways.

“A Supermarket Air”

Sotheby’s and Christie’s have been responding to the competition from Phillips de Pury, as well as the increase in online markets, in various ways. One new tool both have embraced is opening up galleries, designed to appeal to the same younger, hipper customers Phillips has been cultivating for so long, and also further blurring the line between competitive segments of the art market. François Pinault of Christie’s purchased London’s Haunch of Venison Gallery in 2007 and installed it around the corner from the New York Christie’s to function as the private sales arm of the house. Questions were raised about conflict of interest and possible violation of antitrust laws by the Art Dealers Association and others. Critic Peter Schjeldahl claimed in The New Yorker that the relationship between gallery and auction house lent the shows at Haunch of Venison “a supermarket air” and dealer Nicholas Logsdail of London's Lisson Gallery groaned, "Is this about business or is it about art? Artists need freedom of spirit" (Gleadell). Haunch owners and founders, Harry Blain and Ed Dolman, claimed at the beginning that the
gallery would still have control of its operations, and in turn would be prevented from bidding at Christie’s. It was, for them, a logical step: "It became clear that some extra financing was going to help us develop our programme of exhibitions, support our artists on a long-term basis, and facilitate important artist projects. I couldn't think of a good reason why we shouldn't accept. When the dust has settled, I believe it will prove to be a beneficial arrangement for artists, collectors and museums” (Gleadell). But the degree of concern expressed by various art world insiders was emblematic of the shift in how sales were being conducted and arranged. “In a worst-case scenario for dealers, Haunch of Venison could raid artists, or build its own stars, cutting out dealer middlemen entirely -- or even bid against dealers at Christie's auctions with insider information” claimed Charlie Finch of ArtNet.com in 2008 and Alexandra Peers of the Wall Street Journal was astute about the benefits for the auction house, “certainly, Haunch gives Christie’s some business advantages” and she quoted an art advisor on a few of them:

It offers spacious, striking venues to showcase work year-round, not just prior to the big spring and fall auctions. It allows the company to make careers, spotting art stars and showing their work internationally before they hit the auction block. Insiders expect the art world to change as a result. Haunch, notes art advisor Todd Levin, "has money to throw at artists like nobody's business." (“Christie’s Morphs”)

In a somewhat similar move, Sotheby’s opened S2, a new gallery space within its York Avenue venue, in September, 2011, to speculation about its ability to operation a gallery within an auction house and avoid similar criticism. Sotheby’s claims to be trying
out curated sales and “exhibition-like offerings” to attract more private sales (Ferro). Alex Rotter, the head of the contemporary art department at Sotheby’s New York says that growing demand requires this kind of expansion into niche markets and it will offer a new and exciting dimension to the Sotheby’s experience” (Ferro). Some of the exhibitions will be open to the public (like an auction) and some will not (like a gallery) and it remains to be seen whether or not the auction house will ever function again like the Parke Bernet of the Sixties. A new political economy in the art market requires an ever fluid and malleable approach to sales and the auction houses are stepping up to the plate.
CHAPTER 6: SALES/ MARKET ANALYSIS

“A diamond-encrusted cash register operated by hedge fund managers.”

--- Tom Flynn on the art market

2011 / Spring / Contemporary Art / Auction Totals
$718,451,124 / Andy Warhol $179,009,475

Sotheby’s / $242,883,374 / Andy Warhol $39,662,750
*Evening Auction N08744 / $128,104,500 / Andy Warhol $35,999,000
*Day Auction N08475 / $59,973,375 / Andy Warhol $3,663,750
*Allan Stone Vol 1 & 11 N08815 / $54,805,499 / Andy Warhol (nil)

Christie’s / $367,425,350 / Andy Warhol $97,321,350
*Evening Sale #2440 / $301,683,000 / Andy Warhol $90,988,000
*Morning Sale #2441 / $31,406,625 / Andy Warhol $5,610,850
*Afternoon Sale # 2442 / $34,335,725 / Andy Warhol $722,500

Phillips de Pury & Co. / $108,142,400 / Andy Warhol $42,025,375
*Part 1 / #NY010111 / $98,825,500 / Andy Warhol $41,770,000
*Part 11 / #NY010211 / $9,316,900 / Andy Warhol $255,375

--- Artnet.com

Different collectors and investors have different practices, but none of them need go anywhere to buy, or sell, multi-million dollar works of art. A good investor knows how to read the multiple art market indices, reviews and blogs to understand the current valuation of various artists and specific works. Two factors have dramatically changed the way contemporary art is bought and sold today: the surge in private equity investment has been substantial; global online trading platforms grew from a $5 million in 2009 to over $30 million in 2011. In addition, a large number of galleries have adopted online
marketing tools, including an offer of membership to databases like Artnet and Artprice, and managing customer channels for artwork sales below $1 million. The traditional model of gallery sales has been challenged by an over-saturated market and the result has been the logical move to investing in online marketing. This newer model also obviates art fairs and markets, which are financially draining for galleries, and allows them to maintain a more fruitful customer database since large numbers of customers at fairs and markets are not there to buy above a certain price cap.

At the tenth edition of Art Basel Miami Beach in December 2011, Mary Boone sold a work by Ai Weiwei for $575,000, Matthew Marks dealt an Ellsworth Kelly for $1.5 million, and White Cube had the biggest sale – a Hirst glass cabinet that brought in $2.5 million. These prices position fairs and international markets such as the Art Basels, The Armory Show, Frieze, the Venice Biennial and Documenta as a kind of platform for buyers transitioning from one level of buying to another. These buyers are not ready for the major auctions, yet. The Mugrabi family might attend certain functions at or during an art fair but they want to be understood as buying either at auction or privately through a dealer. The shopping mall-like aspect of the art fairs is exactly the explicit kind of self-interested venue that lessens the patina of a high-end buyer. The seeming disinterestedness of the auction, a more genteel market, and the gallery-dealer relationship lend distinction. Boone and Gagosian can see the efficacy of a booth at major art fairs, but Peter Brant is not going to increase his portfolio in one.
The greatest advantage to this kind of art marketing is for galleries. Ilana Vardy of ArtBusiness.com claims that art fairs have evolved into a premier arena where galleries can also transition into major players on the national and international spectrum:

Fairs provide unique opportunities for galleries everywhere to come together and introduce their best stuff to art world notables who count – dealers, collectors, curators, agents, critics, and the like. There are other options for ascendancy to be sure, but the face-to-face gallery-to-gallery honcho-to-honcho convocation of a major art fair is tough to top. Plus when it comes to visual art, hardly anything beats firsthand viewings, chat-ups with accomplished artists, and informed assessments from pros in the know— all of which flourish in profusion at major art fairs. The upshot? Art fairs are indispensable for anyone who aspires to play the art game at the highest levels as prospects for advancement abound. (“Art Fair”)

An enormous amount of help is readily available for buyers at any level, however. Information about all fairs and buying opportunities can be found on online via helpful sites and journals, such as TheArtWolf.com. Its site includes links for all major art fairs, articles about them, galleries and news and events in the art world. It also has a shop and an e-card option that allows a visitor to send free e-cards featuring works by famous artists with typeface over them for appropriate holidays and sentiments. For instance, it is possible to send a card featuring Gustav Klimt’s The Kiss, with “I LOVE YOU” emblazoned over it in a bright white and red sans serif font, a rather disconcerting
contrast to the painting. The site is truly rapacious in its attention to selling art. It is helpful, though, if you want a quick guide to what fairs are out there, which galleries are selling at them and other primary information.

A prime example of the breadth of products featuring information and assistance available on the art market is Skate’s Art Market Research – an umbrella organization which includes Skate’s Art Investment Review and Report, a Skate’s Insider’s Club, Market Notes, Artwork Background Reports, Art Finance Services, and the “Top 5000,” a proprietary database of the world's 5,000 most valuable artworks based on publicly-reported auction prices. Skate’s mission, as stated on its website, is to:

provide high net worth individuals and institutional investors around the world with reliable and unbiased research supporting art investment decisions and to develop and commercialize information tools and related services that will help shift the balance of power in the art investment world from intermediaries to art collectors, art investors and artists themselves. (Skate’s.com).

Cutting out the middleman, shifting the balance of power, maximizes profits for customers and helps artists retain some of the 50% fee they would otherwise have to give the dealer. Why would this not be a good thing? Skate’s points out that it does not derive income from the exchange of artworks via its service, but only wants to help customers make well-informed decisions. It hopes to mirror the function of credit rating agencies in terms of judging what is valuable on the art market and given the increase in online trading platforms, its goal is not overly ambitious.
The online marketplaces such as Artprice, Artnet, Artfact, ArtTactic, and the newer Art.sy and VIP Art Fair contend for dominance among a burgeoning customer base, even despite recessionary drawbacks in other areas of the global economy. Artnet is the leader in revenues, with the most comprehensive color-illustrated fine art history archive, representing auction records from over 500 international auction houses; its price database covers more than 3.5 million in auction sales. Its closest rival, Artprice, offers a database of over 290,000 catalogues with images on line, 25 million auction results, price levels and indices covering 405,000 artists, and includes “My Art Collection® by Artprice which helps you manage your art collection and value each of your pieces of art work” (Artprice.com). Each database has a specialty that distinguishes it – PriceMiner is a comprehensive pricing tool with data from eBay and GoAntiques on its site. Fine Art Info is smaller but much of the information is free, which is nice since some of the subscription fees become fairly expensive as the buyer includes more and more services. A typical annual subscription fee for one of the major databases is in the $200 range (Artprice.com). Some databases cater to customers looking for edgier, newer work. In the mid-Eighties in New York, a collector or investor would have gone to the Mary Boone or Holly Solomon galleries to find newer work and attend numerous auctions to get any sense of how the pricing at these galleries compared. Now a corporate or private annual subscription to the Art Market Research (AMR) indexes help subscribers do that and more: “Subscribers are able to select their own parameters (currency, inflation and market segment etc) and create on-line over 100,000 indexes showing trends. Each index appears instantaneously, complete with underlying figures and statistical analysis”
(Forrest, *Artmarket*). Another option is to monitor the MeiMoses Index, formed by Michael Moses, a former finance professor at New York University’s Stern School of Business, and his colleague Jianping Mei. MeiMoses is the preeminent index of fine art prices. It tracks the value of marketable art works using the recent auction prices of museum quality art to determine the appreciation levels. It boasts on its website that it achieves above even the top credit agencies:

CONTINUED FOURTH QUARTER INCREASES FOR MOST COLLECTING CATEGORIES ALLOWS THE MEI MOSES® ALL ART INDEX TO ACHIEVE AN ANNUAL RETURN OF 16.6% REVERSING THE ART MARKET SWOON OF LAST YEAR AND SURPASSING THE 15.06% INCREASE IN S&P 500 TOTAL RETURN INDEX FOR 2010© (Artasanasset.com)

Investors increasingly have many more options open to them from banks as well. Connie Madon of *Daily Finance*’s blog, *Blogging Stocks*, explains the origin of the collateralized loan division at Citibank and the process clients go through to find out what works to buy on loan, and claims that a “client can obtain a loan of up to 50% of the underlying value of the art” and that Citibank has a nine member team of specialists to determine the value (“What Is”). “Like most loans, these loans include a margin provision. If the value of the artwork drops below 50%, the client is subject to a margin call, similar to margin calls on stocks” (Madon). To help the client avoid margin calls, Citibank keeps its clients informed about changes in auction prices in New York and London and how prices are holding up in the market overall. The stability of the market
encouraged Citibank to go ahead with this development. Madon notes in an aside that bankers in general could have avoided much of the recent financial crisis if they had utilized a similar team of specialists to “place a fair value on the underlying collateral” of the loans they were trading (Madon). In other words, the bank handles art assets more carefully than strictly monetary assets. Is this because of an intrinsic value to art works or because of the lack of regulation in the art market?

A less rosy picture of art investment is depicted in the discourse around firms like Art Capital Group who lend to liquidity-strapped owners of art. The average loan is $5 million and CEO Ian Peck admits that even if borrowers end up defaulting on their loans, Art Capital makes a profit. Peck claims the company is “an asset-based lender” and will help restructure the loan into another kind of loan or even against the future sale of the painting (Salkin “That Old”). “We’re not in the business of providing ninja loans, but we will do a pre-planned sale where you get 50% of the value now, and we’ll consign it to Christie’s or Sotheby’s for sale,” Peck claims - “It’s very discreet” (Salkin, “That Old”). Allen Salkin of the New York Times notes that Art Capital’s headquarters, in the former home of Sotheby’s on Madison Avenue, is filled with the art works it is currently lending against.

It looks at first glance like an art gallery. Two Warhols, a pair of Rubens portraits of Roman emperors and a pink nude by the contemporary Mexican painter Victor Rodriguez hang on the cool white walls. A sculpture of a faun by Rembrandt Bugatti sits on a windowsill in a conference room where transactions are discussed. But it would be more
accurate to describe the airy space as something far less genteel: a pawnshop. (Salkin “That Old”)

When Art Capital finances a purchase, it takes possession of the work until the loan is paid off, thus the virtual art gallery. Art Capital has arranged for some of the art to be loaned to museums, instead of sitting in its own warehouses or being displayed at the headquarters - for buyers who may not intend to ever display the work then that practice makes sense. But there are often issues. The art lending business is almost as unregulated as the art market in general and very litigious; they have been known to sue both investors and artists who refused to comply with their mode of operations. In 2009 the photographer Annie Liebovitz borrowed a total of $15.5 million from Art Capital using her oeuvre as collateral, thus jettisoning herself out of a series of lawsuits and bankruptcy proceedings but critics warn that this deus ex machina move by the firm may come back to haunt her. Art funds have historically functioned like equity funds, but Art Capital’s decision to start setting up debt financing for art funds, has been advantageous for high-profile investors such as Dan Fuld, and the lender ends up sharing some of the benefits of a bullish art market. Art Capital nurtures relationships with its own lenders, including banks and hedge funds, thus lessening its own costs. It projected profits of $120 million from art-related loans in 2009 and it is clear that inrs and collectors understand their works of art as disposable, and this form of asset liquidation is essential for some in times of shaky finances. But Marc Porter, head of American operation at Christie’s sees it for what it is: “it’s a very rough-and-tumble corner of the business” (Salkin, “That Old”). Baird Ryan, a co owner of Art Capital, says that in a situation where real estate may have
no equity or have lost value during ownership, other assets can be called upon to help
out: “All of a sudden, the art becomes a very important asset” (Salkin, “That Old”).

It is telling to look back ten years, to 2001, and read the descriptions of the
brilliant prices being realized at auction immediately post 9/11, which was perhaps “a
classic demonstration of art's role as a refuge” according to Godfrey Barker in Forbes
(Barker “British Rail Pension”). The Fall 2001 auctions at Sotheby’s, Christie’s and
Phillips showed a gain from the first half of the year of 15%. Barker points out that after
the stock market crash of October 1987 people cashing out of stocks put their money into
the art market. It was a kind of search for shelter, claims Barker, and MeiMoses had
recently published a study of the effects of four wars and twenty-seven recessions on
painting prices and concluded that during "the armed conflicts of lengthy duration of the
last century, art indexes outperformed major stock indexes” (Barker). War is good for art
prices, and the confidence Barker felt in December 2001 was understandable given that
the stock market had bounced back in weeks. William Ruprecht, Sotheby's chief
executive, declared in October 2001: "There's bags of money out there for art" and the
slogan “America is open for business” was encouraging buyers to buy (Barker “Give 'Em
Shelter”).

Ten years later, the perception is that there is still enough money available for
investing in art, so much so that Artpiece decided to launch online art auctions, despite
the fact that competitor Artnet has yet to turn a profit with their online auction effort.
Online auctions in general are considered risky – Sotheby’s, eBay, and Amazon are
examples of those who have tried unsuccessfully to launch online art auction ventures.
The confidence of Artprice seems in part based on the resilience of the market after 2008, when many art market watchers were predicting a fall or at least a major slump (or, in Ben Lewis’s case, the bursting of the bubble). It seems apparent that the market and contemporary art are linked inextricably, one giving meaning to the other. Brian Appel suggests that the reason so many buyers gravitate to contemporary art is because it:

sees its own profligacy reflected in it—an attitude that the public then feels justified in maintaining. From toxic assets to deficit spending, representations of value can be more appealing than the solidity of wealth. The irony of the November 2009 Sotheby’s sale is that the returns were buoyed by the weakness of the dollar against the relative strength of international currencies. Warhol’s 200 One Dollar Bills—which was originally owned by ‘the legendary collector’ (according to Sotheby’s) Robert C. Scull, and sold at the Scull estate auction in 1986 for $385,000—is more appealing to its new undisclosed collector than the $43 million given in exchange for it. In the sale of 200 One Dollar Bills, could it be that representations of representations of wealth mean more than money itself—even more than the supposed national treasure that money signifies? As the dollar continues to depreciate, a crude illustration of money becomes a highly prized representation of value. (Appel, “Too Precious”)

"Holy Grail of Private Market Prices"
One of the most audacious attempts to lure clients interested in investing in art is Art.sy, a New York-based e-commerce platform that aims “to disrupt the fine-art market” according to Dan Frommer in his announcement in BusinessInsider.com (Frommer). A star-studded partnership of investors and advisers including Wendi Murdoch, Russian heiress Dasha Zhukova, Larry Gagosian, Eric Schmidt of Google, venture capitalist Jim Breyer, Twitter creator Jack Dorsey and Path CEO Dave Morin. Art.sy CEO and founder Carter Cleveland is twenty-four and prone to outbursts about his excitement with the venture. He claims the networking will be “insane” and has specifically tasked himself with giving art galleries an online presence around the world by using art genome technology, described as “sort of like Pandora for art,” to recommend purchases to clients based on personal taste (Jeffries). Visitors type an artist’s name into a search engine and receive suggestions about similar artists:

It goes from “very highbrow to very lowbrow,” according to Art.sy C.O.O. Sebastian Cwilich, a former Christie’s executive and former director of the Christie’s-owned Haunch of Venison gallery. Suggestions range from artists influenced by the searched-for artist to artwork that has similar imagery (the example Mr. Cwilich gives is “pictures with cows in it”). (Frommer)

Each work of art on the database has been classified according to several different criteria, and although traditional art historical results appear at the top of the list, such as related artist movements, other groupings based on colour, theme or feeling are helpful options. According to Cwilich, “No art historian would define things through colour, but
we found that it’s a useful way to look at things” (Burns, “Website”). Despite being able to zoom in on each work, surrounding it with multiple online views, the presence - a live, actual aesthetic experience with the work - seems to be of little to no value in the scenario. Ellen Gamerman and Kelly Crow of The Wall Street Journal gamely imagine four collectors from around the globe sizing up the same Robert Rauschenberg priced at over $1 million from their home computers on the Saturday morning the fair opens: “The question of whether top-tier art can successfully be sold online has long bedeviled the art world. But as more and more powerful art buyers emerge from Asia, Russia and the Middle East, the need to quickly reach collectors around the globe has never been greater” (“From the VIP”). Art.sy receives a fifteen percent commission on the first $10,000 of each sale and ten percent of anything beyond.

Other sites have been launched to compete with Art.sy, such as VIP Art Fair, Google’s Art Project and Paddle8, and each includes galleries as investors and consultants. The sites fill a growing need for younger would-be collectors who “are looking online for ways to streamline starting a collection” and each functions “like a virtual art advisor” (Miller).

Art advisor Todd Levin predicts: “It’s not going to breed the lateral thinking and crosscurrents of ideas that collections curated over time have. It’s going to create the kind of collection where you walk into peoples’ houses and it’s: There’s my Prince, there’s my Murakami, there’s my Warhol.” (Miller)
New York curator and gallerist James Fuentes claims that his involvement in *VIP*, *Paddle8* and *Art.sy* brings in a cornucopia of new customers who would not be coming to the gallery itself—“I'd be lucky if I got five people through the door on a given day” - while also confessing that “I think it’s impossible to replace physically seeing the art” (Miller). The continual refrain in articles about sites like *Art.sy* is that the older model, which includes actually seeing the work, does not make as much sense to a younger generation of investors who are used to more virtual realities. The auratic affect has lost value, and the experience of going to the gallery and dealing with the choreographed experience of finding out the price and availability of a work is definitely not something the younger client base wants to spend time on. In general, technology is being used to make information accessible to a broader range of investors, for increasing the market and its potential. Charlotte Burns of *The Art Newspaper* sums up the way *Art.sy* and others may change the market: “Of course, if dealers comply then Art.sy will hold the art world’s holy grail: a price database of the private market” (Burns, “Website”). Miami-based collector Dennis Scholl mentions the importance of the art scene in purchasing — "It'll be interesting to see how it does without all the air-kissing in the aisles that you get at other fairs. I don't know if they'll be able to recreate that energy. They might” (Crow, “From the VIP”). And there is evidence that some older collectors are changing their practices when faced with the ease of online purchasing: Washington, DC lobbyist and contemporary art collector Tony Podesta claims to purchase a fifth of his art online, sight unseen.
But the younger investor seems like a prime target for some of the new art sites, which focus on a carefully curated selection of lower-priced prints and photographs. 

*Exhibition A*, a recently launched online venture by New York art dealer Bill Powers, concentrates on contemporary prints. Another site, 20x200, founded in 2007 by New York dealer Jen Bekman, features photographers like William Wegman, known for his portraits of Weimaraners. Ms. Wegman attributes her strong online sales partly to the way his images look on a computer screen. “It’s kind of luminous, in a way—it’s very attractive, almost more than printed,” she says. The collective opinion seems to be that an online art market is risky and inevitable – the right combination of investors, product and technological wizardry will lead to a fundamental shift in the way contemporary art is exchanged and auction houses, dealers and old school collectors and investors will have to adjust to the changes or risk becoming irrelevant.

“It was magic. It was rainbows. This proves that art is more important than money.”

--- New York gallerist Tony Shafrazi on the 2008 Hirst Auction

Buyers who bought a work because it was by a particular artist and thus gave them cultural capital or who bought because the colors in a Rothko went with the living room décor will still make purchases based on these criteria, in person, at auction, with a dealer or online. What the online options allow for, however, is trading at a level never possible before, in ways that really do parallel the stock market. The markets are already and will increasingly no longer be as discrete as they had once been if the buying, selling, and trading of goods, including artworks, are done in much the same way. It is incisive to note, at the major art auctions in May 2011, a trend that signifies the division between
older practices and older art and contemporary practices and contemporary art. According to ArtPrice.com, Modern art had lost is momentum while Contemporary art sales were still strong:

Although generally considered safer (and less volatile) investments, the Modern Masters failed to generate the estimated results at Christie’s and Sotheby’s May sales in New York. Pablo PICASSO’s Femmes lisant (deux personnages), the star lot of the sale fetched $19m versus an estimate of $25m – $35m. Christie’s also suffered weak enthusiasm for its star lots. Despite the superb pedigree of Claude MONET’s Les peupliers – considering its creation date of 1891, an emblematic year for the Impressionists and the rarity of the theme on the Monet auction market – the work failed to spark passionate bidding, reaching no higher than its low estimate of $20m. (Artprice)

The lots that did keep up with expectations were in the Post-War and Contemporary Art category. They included: Warhol’s Self-Portrait at $34.25 million; an Urs Fischer at seven times his previous record; a Cindy Sherman at $3.4 million, the top price ever paid for a photograph; and a Jean-Michel Basquiat, Eroica, for $5.2 million.

Globalization of markets makes a difference, as well. It is the collective assessment in 2011 that the growth of the Chinese market may set the stage in the United States for a return to the stratospheric prices of contemporary art that began in 2004 and continued to climb through to 2008. The number of contemporary works sold in 2009 in China matched the numbers of the four years preceding it. For an American investor or
collector to factor in the art market in global terms is still a daunting task. Reading, and
decoding, the various art market indices, such as MeiMoses, is frustratingly complex and
though art advisors and art market analysts would be enormously helpful in processing
the fluctuations in prices - even for Warhol, Hirst, Koons, Basquiat and others usually at
the top – it is clear how imperative it is to understand the implications of delving into the
art market and all it implies. The liquidity of artwork as an investment may be increasing
more but along with it is a decreasing value in being associated with purchasing art for
collecting purposes. Critic Peter Schjeldahl provided a concretized description of the
recent changes in discussing his visit to Art Basel Miami Beach in 2006:

I’ve witnessed two previous booms and their respective busts. . . . In each
instance, overnight sensations foundered and a generation of aspiring tyros
was more or less extirpated. . . . But tough economic times nudge artists
into ad-hoc communities and foster what-the-hell experimentation. . . .
The Nineties were dominated by festivalism: theatrical, often politically
attitudinizing installations. . . . I missed the erotic clarity of commerce. . . .
and was glad when creative spunk started leeching back into unashamedly
pleasurable forms. Then came this art-industrial frenzy, which turns mere
art lovers into gawking street urchins. Drat. (“Temptations”)

The clarity of commerce Schjeldahl longed for seems inconsistent with his usual
stance as a critic, but reflects an attitude apparent in discourse around the benefits of an
overinflated market. Ben Davis of Artnet claims that this “perfectly distills the narrow
mental space of the art scene – one is either starving and pure, or prosperous and

269
complacent. What’s missing is the ability actively to take on the root of this contradiction in the mindless consolidation of wealth – and consequently power – with a very few people” (Lewis).

“Art critics and curators also follow the dictates of art prices. Expensive work becomes meaningful in part because it is expensive. Critics write essays interpreting the work of Jeff Koons or Tracey Emin – and many articles about Damien Hirst – but never admit that the reason the work has meaning is because so much money has been paid for it. Crowds line up to see Portrait of Adele Bloch-Bauer I, and Hirst’s sculptures, in part because of what they cost. The history of contemporary art would be different if there were no reported auction results, and no record of a Klimt selling for $135 million or Hirst’s Lullaby Spring for £ 9.7 million.”

--- Don Thompson

Recent texts about the contemporary art market range from polemics against the way that art has been subsumed under the servitude of capital (Stallabrass, Art Incorporated) to guides to understanding the convoluted schema of the art world for practical purposes (Lindemann, Collecting Contemporary Art). Don Thompson’s The $12 million Stuffed Shark of 2008 received the most attention, in part because it was a book about art and the art market written by an economist who teaches in MBA programs and thus seemed significant in terms of his ability to decipher the exchange of money involved in the contemporary art world. Stallabrass, an art historian, and Lindemann, a collector, are both firmly situated within an art world context but Thompson provides an outsider’s perspective, and disbelief, at the way an unregulated art market could function so lustily without being checked. Chin-tao Wu’s earlier book on corporate intervention in the art world, Privatising Culture (2002), is also an academic treatise, “mapping for the
first time the increasingly hegemonic position that corporations and corporate elites have come to occupy in the cultural arena” and provides a seminal background to any examination of the way that the art market functions. It is not a book that potential investors in contemporary art might find useful.

And neither is Noah Horowitz’s recent iteration, Art of the Deal (2011). Titling his book in an apparent reference to Donald Trump’s guide to prosperity and shrewd real estate transactions, The Art of the Deal, Horowitz attempts to fuse academic critique and insider knowledge and status with a flurry of charts and statistics to reveal "more extreme and novel ways that value is generated in the contemporary art economy" (Horowitz vi). Art of the Deal actually reads like all the above-mentioned books combined. Horowitz fleshed out the book from his doctoral dissertation for Stallabrass at the Courtauld Institute, and teaches at the Sotheby’s Art Institute. He is also the director of VIP Art Fair, the online contemporary art company mentioned earlier which partners with, among others, Art 21, the film group which produces documentaries on contemporary art and artists shown on PBS, and the jewelry retailer, Van Cleef & Arpels. Critic Adam Jasper finds the book jarring in terms of the mélange of interests and approaches, from MBA handbook to abstract positing about the nature of art buying:

Although Horowitz makes frequent references to cultural capital, a concept for which he has some enthusiasm, Art of the Deal does not much resemble Pierre Bourdieu’s Distinction: A Social Critique of the Judgment of Taste (1984). Horowitz gives the impression of having closed The Field
of Cultural Production halfway through to immediately begin work arbitraging cultural capital. (Jasper)

The book provides important scholarship on the way the art market works and contributes to an understanding of the economic aspects of video and experiential art. It also serves as a fascinating microcosm of the art world and market combined, given both Horowitz’s background and habitus in the art world as well as his endorsement of the realities of the contemporary art market. This position, not a repudiation but rather a statistics-laden disquisition, incenses critics like Jasper, who cannot abide the literal fusion of art historical, art critical and business methodologies and approaches. That Art of the Deal is published by an academic house, Princeton University Press, sanctions it in problematic ways but also validates it as a serious take on what is often deemed a frivolous industry. One of Jasper’s concerns, that the book appeals to too many constituencies, implies that it is a bold prospect on Horowitz’s part to combine the various interests in one voice. The implications of his position at VIP Art Fair, that there is personal financial gain in any text he is involved with which does not criticize the impact of the market on the potential of art (to become “free art” in Stallabrass’s words), are troublesome. Reviewer Ann Scott finds that in terms of art, he “deals in it and with it like a commodity” and it is art’s potential economically, as opposed to any other value, that Horowitz is most interested in (Scott, Amazon).

However, Horowitz’s involvement in the industry, and the friendships with collectors and artists he trumpets in the book’s “Preface,” give him a beneficial perspective, and one which is as multi-faceted and contradictory as the art market itself.
The binary Davis describes as existing in the art world, of purity or prosperity, is perfectly apparent in Horowitz’s book, but he does not take on the consolidation of wealth at the core the exchange of contemporary art (as Davis predicted). Horowitz describes almost impassively the riotous activities of the art world, the “opportunistic events” and circumstances around historically-seismic moments such as the Hirst auction of September 2008, with which he begins the book (Horowitz xvii). He admits the difficulty of his task – “this text is a testament to the diffuse developments that have lacked cohesion and accountability in the art discourse” and asserts the urgency of his project to show how “closely bound investment initiatives have become with the production, distribution and exhibition of art” (xvii). The difficulty of conflating the art market and the art world, already enunciated by several critics here, does not mean the book does not have real implications for understanding them as one, even the necessity of so doing.

Numerous reviews of the book refer to it as “demystifying” – Regine at We Make Money Not Art claims he “demystifies the process of collecting and investing in today's market” - and the quest to understand how the art market works seems to allow for the blurring of boundaries so evident in Horowitz’s account of the strategic purchases and sales of dealers, collectors, museum curators and others, as well as in his writerly strategy in the book. Horowitz also provides enough details of intimate and even profligate aspects of and relationships in the art world to satisfy certain readers looking for something similar to Sarah Thornton’s offerings in Seven Days in the Art World:
“Andrea Fraser’s Untitled (2003) offers an abrasive take on the marketing of artistic services. In this work, the artist…commissioned a collector to have sex with her in a hotel room. The encounter was documented by a stationary video camera, the content of which Fraser utilized as the basis for an installation involving a silent, unedited, sixty-minute video of the event. Untitled was produced as an edition of five” and sold with numerous restrictions and the artist claims it was it was “about the taking of economic exchange of buying and selling art and turning into a very personal, human exchange.” (Horowitz 111)

I suggest that Horowitz’s book, championed by a number of critics as a guide and explanation to a complex and often titillating universe, the art world, may have an effect on the art market itself, in so much as it validates the prices and practices of the current market and seeks to rationalize the art produced within that context. Horowitz claims he hopes to allow readers to consider the “different developments” of the art world as one and it seems to have worked, despite uneasiness about his position and the protocol of publishing this work which has appendices of auction sales and notes about market conditions almost as long as the main text itself (12). Horowitz attends in the book to the political economy of the market, in which collectors and investors often influence and even dictate the art they will soon buy and sell, and that mutations are apparent in once distinct art world positions, and he reveals a less negative or skeptical stance on the contemporary art market than could be anticipated. Horowitz is a virtual example of this growing tendency to see art and commerce as one – in aiming to “shine light on some of
the more extreme and novel ways that value is generated” he means only economic value, and that is clearly a stance in and of itself (14).

“Aesthetic or Artistic Value Is, In Other Words, “Nothing But” A Particular Form Of Economic Value”

Amidst a plethora of guides to art investing, purchasing and market practices (Amazon lists thirty-eight published in the last ten years) another Princeton University issue - *Talking Prices: Symbolic Meanings of Prices on the Market for Contemporary Art* by Olav Velthuis (2007) - is the more definitive text on the contemporary art market because it effectively demarcates the art market as the focus. Velthuis, a cultural sociologist, attempts only to delineate the market and price determinants without providing the “colorful biographical details” and “juicy stories” that Thornton, Horowitz and others include (Velthuis 2). Expanded from his research and doctoral dissertation from Erasmus University in Rotterdam into a thorough, and sometimes awkwardly written, compendium of art market valuations and practices, the book includes an enormous amount of information on the global art market, particularly on European investors, and Velthuis is incisive about the way that pricing reveals symbolic values for artworks and the necessity of understanding the “architecture of the art market” and the alternative model it provides for understanding the transactions involving contemporary art, as opposed to the “reductive notion of exchange that prevails in neoclassical markets” (11, 6). He repeatedly refers to the necessity of understanding the role of culture in economic life and insists that the way to do that is to investigate how art is marketed and prices are determined.
Velthuis is mostly fascinated and confounded by the role of dealers and their attitudes, and discourse, in the art market schema. Confessing to being stymied by several dealers with whom he spoke, and who refused to talk about prices or even refer to the economics of their business, he maintains that dealers operate in two worlds simultaneously in a self-imposed effort to separate art and business. He concludes by claiming that prices for artworks are not as much about the works themselves than about the people who produce and consume them, and that the art market is a “symbolic minefield” covered by a dense social fabric that dictates value (24). Understandably, he invokes Pierre Bourdieu and Clifford Geertz in validating his analyses, as well as William Grampp, economist and author of Pricing the Priceless, who asserts that “To say that aesthetic value is ‘consistent’ with economic value is to say no more than that the particular comes within the general, or that aesthetic value is a form of economic value just as every other form of value is’” (26). Velthuis claims that there is a model of art and economy which is a “Nothing But” model, in which a dual logic of the art market can be reduced to a single one, and he invokes Grampp as one of the neoclassical economists who see that works of art are economic goods, their value can be measured by the market, and “the sellers and buyers of art – the people who create and benefit from it – are people who try to get as much as they can from what they have” (26). Velthuis finds this model helpful, because it explains how each and every actor in the art world benefits in the art market, which allocates the scarce resources of artists and collectors efficiently by means of the price mechanism. This model also explains, for Velthuis, why dealers are so conflicted. As the middlemen, their role is limited to matching supply and demand and
thus their activities do not fundamentally add “to our understanding of how the market functions” (27). Velthuis then includes Bourdieu’s explanation of “the truth of artistic practices” and his theory of cultural capital and symbolic value. Velthuis ultimately finds a melding of the Gramppian model with Bourdieu beneficial, since it explains “the view that social actors are by definition socioeconomic maximizers who participate in a world of economic exchange in which they act to maximize material and symbolic payoffs” (28). His work goes a long way towards providing an understanding, or at least a point at which to start creating new theories of, the art market and the forces swirling around it that necessitates the kind of social science approach he appropriates.

Historically, art has always had a market. When one medieval fiefdom defeated another they would drag back its jewels, gold, tapestries and art objects as the spoils of war. Art equaled power, riches, and culture. It still does. (Dealer Arne Glimcher)

As market values become all pervasive, and contemporary art looks increasingly towards populism, spectacle, intellectual profundity, and celebration of luxury and its goods (Hirst and Tobias Wong manage to encompass all of these), then as the market goes so goes the art. Critic Ben Davis claims that art needs “a new initiative in relating practically to the actual forces that affect it” and this will increasingly make it more difficult for artists to ignore the fact that a monopoly of wealth will lead to greater social unease than is evident now (Davis, Artnet). But despite acquiescent art, the growing conflation between the art market and the global economic market may very well prove too much for the art market to bear, in terms of the resilience it has shown in the last ten years. The moment when
inside the Hirst art auction enormous profits were being realized while outside Lehman Brothers was falling may never be possible again. The newer practices, such as online auctions, replicate this rejection of the insularity of the art market – newer investors do not want the inside of a gallery or auction house, or, it seems, the inside of art history and connoisseurship which provides the basis for understanding the avant-garde. “The masses have always remained more or less indifferent to culture in the process of development. But today such culture is being abandoned by those to whom it actually belongs—our ruling class” and Clement Greenberg’s words from 1939 eerily fit the current scenario (Greenberg 8). His warning that the survival of culture is threatened may be as overly dire now as it was then, but there is an element to the recent shifts in art exchange and circulation, which Greenberg might not have imagined.

Lani Asher, in her interview with Ben Lewis about his documentary, was surprised at his response to her question about his feelings with regard to a disconnect between art-market speculation and the typical working artist. Despite his mantra about regulation and transparency in the market, Lewis is resigned to how it functions as a kind of organic whole:

I don't think there is a disconnect—there is rather an over-connection. The money splurged on these big-name artists generates headlines—the money and the headlines make the artists into stars. The museums want attention and to increase footfall, so they exhibit the work of these new stars. Museum-goers, tourists, art lovers pour through the doors of museums and
see the work they've read about in the papers or seen on TV. There's circularity to this. (Asher)

Lewis is one of the voices invoked frequently on the debate about the way prices have escalated for contemporary art, and those who find it obscene. And it is interesting to see another, less contemporary person invoked in a number of articles and essays on the current modes of evaluating art for the marketplace: critic Meyer Schapiro, who spoke to the difference between art’s spiritual value and its commercial value and warned against collapsing their difference in discussing the liberating quality of avant-garde art in 1957. Schapiro’s invocation might be seen today as prescient, or perhaps as old-fashioned. The idea that art could become “a dependency of money” willing or eager to be absorbed by money, to estheticize it, is either frightening (to Donald Kuspit and Julian Stallabrass, for example) or it is a healthy repercussion of democratic capitalism in which anything than can be made into an asset is appropriated (Michael Moses, Charles Saatchi). If art legitimates money and vice versa, then why struggle with the difference between the two? Kuspit suggests that investors and collectors maintain the hegemonic position at this point, holding the cards in the game in which artists merely labor for them as producers (in this he agree with Hirst); he further asserts that “the price paid for a work of art becomes its absolute and authoritative value, even if the value the price implies is not particularly clear. It is presented without explanation – the price is the explanation” (Kuspit). The market, then, is what makes critical judgments instead of the experts and critics, who used to be looked to for art’s artistic and economic value. The value of art is
its value as equity, determined in various ways but always as a guarantee of monetary value.

In a 2008 editorial on the art market, economist Tyler Cowen claimed that the art market is beneficial to the economy at large and he seems to concur with Velthuis and Grampp about the efficiency of the market:

Many people recoil from the contemporary art market as the home of pretension and human foible, but as expensive pursuits go, the art market is a relatively beneficial one. The dead shark cost $12 million to buy but, of course, it didn’t cost nearly that much to make. So the production process isn’t eating up too many societal resources or causing too much damage to the environment. For the most part, it’s money passing back and forth from one set of hands to another, like a game. Most accomplished works of art end up in museums and are eventually accessible to the public. The associated tax deduction drains the Treasury, but this process is cheaper than having our government spend more on direct support of the arts, as is the case in Western Europe. It’s a good deal all around.” (Cowen)

"At particular times, a great deal of stupid people have a great deal of stupid money."

--- Walter Bagehot, 1856

Stallabrass concurs that the art world – Cowen’s game – reflects the dream of global capital, and sees the new online ventures and particularly the biennials, fairs and markets such as Art Basel as “a cultural elaboration of new economic and political
powers” which also propagandize the virtues of globalization (Art Incorporated 27). He cites Michael Hardt and Antonio Negri in Empire on this point: “The ideology of the world market has always been the anti-foundational and anti-essentialist discourse par excellence. Circulation, mobility, diversity and mixture are its very conditions of possibility” (76). Thomas Friedman in The Lexus and the Olive Tree opines that globalization democratizes because it feeds on the irresistible desire of consumers and would-be consumers to be a part of the system (Friedman 16). This description aptly fits the beckoning tone of the online databases, art market brochures and auction house catalogues. This seems to indicate that the art world and its market does not resist losing its once valued autonomy but it also seems clear that it is an untenable position. The sheer limitations of the general market, which is presided over by a core group of interests, indicate that a democratization involving a wide array of investors cannot be sustained. As always, Jerry Saltz provides a metaphorically rich description of it as it is now:

To some, the art market is a self-help movement, a private consumer vortex of dreams, a cash-addled image-addicted drug that makes consumers prowl art capitals for the next paradigm shift. For many, the art market is a communal version of the Primal Scene – a sexed-up site that offers a peek into the bedroom of the creative act. In this global circus, mega-collectors like Charles Saatchi and Francois Pinault are the art world’s P.T. Barnums: showmen who have become part of the show – moguls who understand that the market is a medium that can be
manipulated. Once upon a time, the market and the scene were joined and reflected social, political and sexual change. Now the market is only in service to itself. (“Seeing”)

In the general media and art critical discourse about the art market, there does seem (as Stallabrass suggests) to be a collective interest in thinking about the art world as a system in which individual aesthetic judgments matter little. Brian Appel concurs with Stallabrass, in his review of *Art Incorporated*, in viewing the contemporary art economy as a “complex marriage of ‘new’ artistic content with the global marketing of an ever widening band of dealers, curators, critics, auction houses, museums, schools, art fairs, international biennials and the art press” and as making oblique references to the display of artworks (like merchandise) in galleries and art fairs (temporary art museums) “where the ‘real work’ of branding and celebrity massaging takes place” (Appel “On Art”).

Gallerist Barry Chukerman gleefully described to me the concept he came up with to promote the show of an artist who was about to be the subject of an exhibit at his gallery. Chukerman devised a series of lollipops with small photos of the subjects of the paintings in the show affixed to the wrappers – one of the paintings was entitled, *Just Suck on That* and he was convinced that the takeaway candy would be a reminder of the artist’s work after viewers left the gallery. He was right – the show sold out quickly. He was effectively merchandising the artworks. When I asked Chukerman about what work his clients seemed to value most, he claimed that “blue chip art” because it is known as highly valued historically, will always have a market and only the newcomers who have quickly proven a possibility for big returns and have made “an indelible mark on art
history with obvious global recognition (he named Hirst, Murakami, Banksy) have held
the interest of his clients. In other words, individual judgment has little value in
determining a purchase for his typical client (Chukerman).

In my interview with Stallabrass, I invoked Wolfgang Haug in a question about
the possible declining role of aesthetics in current marketplace valuations of
contemporary art, and what that reveals about the logic of how art is exchanged and
circulated now. Haug claims that the aesthetic value of artworks functions as illusory,
“appealing to the subjective element in the political economy of capitalism in so far as
subjectivity is at once a result and a prerequisite of its functioning” (Haug 21). Stallabrass
was dismissive:

Are you sure that the aesthetic is discounted. The populist phenomena in
the essay may point to that, but at the same time the promotional lit that
assures buyers that they are investing in something other than mere stocks
seems important. What does an auction catalogue tell you about the work
on offer? A price range, sure, but also a lot of other information that bears
on aesthetics. Aesthetics—taken broadly to include other areas of the non-
instrumental and non-calculable—remains a powerful ideological marker.

(Stallabrass)

I would argue that it is a marker, yes, but not as an individual, subjective qualifier.
Leo Castelli spoke in 1966 to the relationship between myth and value in art:

Why should anyone want to buy a Cézanne for $800,000? What’s a little
Cézanne house in the middle of a landscape? Why should it have value?
Because it’s a myth. We make myths about politics, we make myths about everything. I have to deal with myths from 10 am to 6 pm everyday. And it becomes harder and harder. We live in an age of such rapid obsolescence… My responsibility is the myth-making of myth material – which handled properly and imaginatively, is the job of a dealer – and I have to go at it completely. One just can’t prudently build up a myth.

(Cohen-Solal 427)

From the evidence available today, there is little doubt that Castelli’s approach is still commodious but today it is not about the myth of the house, but about the myth of art as an investment. The myth is service of self-branding, and not innocent of its power as pawn in an unregulated marketplace of immaterial goods. Every time an “Art Market Report” from ArtPrice.com pops up in my email inbox, there are indicators of the health of the art market, surveys of global circulation and exchange, and speculations about the future in perky paragraphs by Thierry Ehrmann, the founder and CEO of ArtPrice.com. This is his overview of the first semester of 2011:

Against a backdrop of slow economic growth during the first six months of 2011 and a spreading debt crisis that has amplified the panic on financial markets, the art market has enjoyed the best half-year in its entire history. With total global auction revenue from Fine Art sales in H1 2011 amounting to 6.3 billion dollars, the art market has posted better dynamics than during its peaks in 2007/2008. Moreover, this latest total is already higher than the total 12-month figure for 2009. Compared to the first
semester of 2010, the market’s revenue total is up 34%.

(ArtMarketReport)

There may be no myth a current Castelli could spin powerful enough to offset an artist whose work was not doing well on the market today. Eric Fischl is a prime example. If a potential buyer looks up Fischl today on Artnet.com, a list of 654 auction results makes it clear that Fischl’s value at auction has dropped considerably. That is not the only tool, however. Artnet also allows a member to determine: “how much an artwork is worth before buying or selling; to research independently and discreetly; to track market changes in artists works; and, to compare values of different categories within an artist's career” (Artnet.com). The use of “worth” and “value” may have something to do with markers of aesthetic or other kinds of appeal for viewers, but by the time the work reaches this stage in art market discourse and analysis, use value is nowhere signified.

Marek Claessens, Director of ArtFacts.net, devised a tool for potential buyers to analyze the market, which ranks artists not only in terms of exhibition exposure but also in terms of sales at auction. Artists like Hirst, whose two lines match each other on the chart, are obviously optimal for investment. How might the Cézanne house stack up against an artist whose two indicators did not match (art world validation vs. sales)? Various critics, such as Kelly Pogrebin and Kevin Flynn at the New York Times, worry that using this kind of index “to track values is a crude exercise that considers aesthetic expressions only as commodities” and Marc Glimcher of Pace Gallery admits that “Auctions are a blunt instrument” (Pogrebin/Flynn). But still more and more people are checking auction data compiled and analyzed by a growing number of companies that
seek to provide quantitative measures of value. Michael Plummer of *Artvest* sums up the necessity of firms like his and the use of the auction sales reports: “there is no other verifiable measure of fluctuation of value – up or down – and the overall health of the market. Without it, we would all be fumbling around in the dark” (Pogrebin/Flynn). It is impossible to ignore the implications of this kind of statistical analysis of a work of art and not question how much the aesthetic, social, ideological or any other kind of significance of it is subsumed and even eliminated in considerations of whether or not to buy for investment purposes. The corporatization of the Mugrabi family’s portfolio (not collection) of Warhol and other works speaks to this, as does the aura of Phillips and its crass façade – it is about exchange value.
CONCLUSION

“…money rushes in to fill the vacuum of existential meaningfulness left by art that has lost spiritual purpose. Speculative investors in art, that is, those who buy it as a material investment rather than for its spiritual qualities, and thus in effect deny them, in general show their spiritual indifference.”

--- Donald Kuspit, *Artnet*

“A sympathy seems to exist between objects which have very nearly no use (works of art) and those, which have nearly every use (banknotes).”

--- Julian Stallabrass, *Art Incorporated*

Spiritual indifference. Sympathy. The language around the art market from those who are critical of what it means for the works themselves stubbornly continues to involve terms describing art’s affect, its experiential quality. Many critics seem haunted by the notion that art, any kind of art, has been completely commodified. It is easy to see why – after reading countless reports and indices and articles about the art market, it becomes easy to think of a work as a monetized good. Tracking the sale of a particular work or artist often includes literally no attention to its materiality other than comparisons to like works (Koons’s balloon dog to his balloon flower, for example). What use or function do these works involve, other than as objects for exchange? Stallabrass’s “very nearly no use” equivocates on the point nearly for his arguments but in the realm of the market, the works either have utility or they do not. The question is
received as outrageous (to these critics) but it seems sensible, given the way they are dealt and traded in the art market currently. The meaning of the work may still be subjective, but only in so much as some like to purchase homes in Greenwich, Connecticut and others in Miami Beach for the same amount of money – it is a personal choice but both properties are commodities, bought and sold. Harvey suggests that the redistribution of wealth and income has been neoliberalism’s substantive achievement (Harvey 159). His description of the rubric of accumulation by dispossession involves a number of practices, including the monetization of exchange. This is clearly apparent in the changes in the art market in the last sixty years. The “corporatization, commodification and privatization” he describes as a feature of the neoliberal project reveals the shift towards investment in blue chip art as a new field for capital accumulation (160). In essence, it requires that art be stripped of its use value in order to be exchanged per the requirements of the transfer of assets in a deregulated market. They have been transferred from public/popular domains to “private and class-privileged domains” (161). The manipulation of this market, as practiced by Gagosian, Brant, Hirst, the auction houses, art investment funds and other art market actors, is really just management of the current global crisis of capital. “Beyond the speculative and often fraudulent froth that characterizes much of neoliberal financial manipulation, there lies a deeper process…deliberative redistribution of wealth” (162).

And yet, I recently viewed an exhibit of the work of artist Sanford Biggers, *Sweet Funk – An Introspective*, at the Brooklyn Museum in New York. Its installation in the “Morris A. and Meyer Schapiro Wing” of the museum seemed apposite to this project.
Occupying the western wing of this major museum of art, the Schapiro Wing was endowed by Morris, a Wall Street financier, but refers also to Meyer’s contributions to art history - art and commerce in one beneficial stroke for the museum. This kind of endowment from private collectors and investors to museums is not only commonplace but also rather ubiquitous in the United States at this point, as public art has become almost fully privatized. In wandering around the exhibit, I was unexpectedly taken aback by one of the pieces and reminded of the power of contemporary art, its affect and potential for meaning. *Lotus* (2007) is located in a small space by itself, within the huge selection of multimedia pieces. It stands out from the rest of the exhibit, which as a whole comes off as in–your-face, brassy and confounding. *Lotus* is quiet, and according to the museum’s website, “combines references to Buddhism and to slavery: a lotus etched in glass contains in each petal diagrams of human bodies placed in the cargo hold of an eighteenth-century slave ship” (Brooklynmuseum.org). Not realizing at first what the delicate etchings were, the petals, I walked right up to the large glass circle and then it became clear. I began to process the historical explanation for what I was seeing – the bodies of African slaves arranged in a ship for passage to America and sale. The literalness of the bodies etched into the glass, as tiny as grains of sand, was astounding, confrontational, and had a great deal of meaning for me. According to Artnet.com, *Lotus* has not been sold at auction but many other pieces by Biggers have been, and they usually range in the mid to high five figures. *Lotus* is usually stored away, Biggers claims, but he devised a plan to share the work in a different, more accessible way. A couple of years ago he made tiny handouts, patches of muslin, of the piece and gave them
out at an exhibit in Philadelphia. In an interview with Tom Butters for *Whitehot Magazine*, Biggers described his concept of how people who received the handouts could use them: “this swatch they could patchwork on whatever they wanted to… t-shirts, bags, pillows, quilts. It was a raw muslin fabric, untreated, sort of off-white, almost beige color, and I printed on it with 4 colors— one was black, one was red, one blue, and one green. It was random which one you might pick up” (“Interview”).

The mass marketing concept made sense - it spreads the work around in public - but I wondered how many more people would do what I did, not get it until they walked up close to the patch or read an explanation of the work by Biggers or another source? What would the colors signify to them? And how does this ancillary part of the work affect the initial disk of glass, and what value does this piece have in terms of exchange? I would guess more, since buyers would either appreciate the mass production of its replica or not care. In either case, its value in the market would be determined by sales of other Biggers works and other indicators, not whatever use value was inherent in it or whatever it signifies to me or any other viewer.

Jeannette Winterson argues in her seminal essay “Art Objects” that art is object(ified) and art objects to that. Thus there seems to be a dual agency implied. After consideration, it seems to me that this concept helps to reconcile the question of valuation in the contemporary art market. Winterson seems in agreement with Adorno that with persistent analysis an artwork can reveal itself, but that requires that the analysis is something we want, or seek to undertake. What has not changed in the last sixty years is that owning fine art is still the province of the very wealthy, an incrementally small circle
of people in relation to the entire globe of consumers. What has changed is the political
economy of the art market and with it much of the art being produced. Consequently,
Biggers thinks about mass production and marketing in relation to his work, although it
most likely never occurred to the Abstract Expressionists and definitely not to most of the
artists identifying themselves as Minimalists. I can try to imagine Jackson Pollock
making tiny stickers replicating *Lavender Mist* and giving them out to people in the
Hamptons or pasting them all over Dumbo, but it seems futile (I can imagine Warhol
doing the same with a *Rorschach*, easily). My effort to deliberately force one historical
context or method on another to see the differences does not make sense nor should it,
but it is telling. It has become quotidian for many buyers to wake up and look at art prices
in the newspaper alongside prices for real estate, the stock market, anything that sells. It
also seems normal, mundane even, that there are established artists like Jeff Koons out in
the world madly producing and selling works whose “apparent separation from vulgar
commerce are no longer secure” as Stallabrass fustily puts it (Stallabrass 12). A PBS
feature on the artist describes how Koons’s *Easy, Fun* series puts pop culture on canvas
and then asks, “Is he for real?” (Pbs.org). Even if longtime critic Hilton Kramer finds
Koons’s work to be “crap,” a kind of marketing game” and a “calculated analysis of what
the professional art world in this period will respond to,” Koons seems to be winning in
one way: he is consistently listed as one of the top ten highest-grossing artists in the
world (Kramer). If this is a by-product of his calculations, and if Koons is not concerned
with his place in art history, then he is successful. But then significance in the continuum
of art history can no longer be defined the same way, given the changes in the art world
schema. Kramer may be right in that “Koons has to be understood as a kind of post-Warhol development of that, where all the ethos and aesthetics of advertising and promotion determines the final product” which may be a problem for the critic but a boon for the market value of the work (“Interview”).

“In the Future Every Millionaire Will Buy and Sell Fifteen Warhols.”

--- Jerry Saltz, New York Magazine

Given Stallabrass’s stern admonitions about the way that art “may be imagined as consumerism’s dreaming,” the merging of culture and commodification from both ends provides a helpful lens for consideration of the ebbing use value of contemporary art (Stallabrass 74). This merger has evolved in part through a reduction of contemporary art into fashion and design, which can be traced back to the Sixties and has multiplied exponentially (Warhol, Judd, Basquiat, et al). I agree with him that free trade has in free art an ally, and I concur that the art market has become part of the dominant system, but not that it is a supplement to it. It is in it, of it – the prolific discourse around the art market is evidence of this. His poetic description of “capital itself, which tears up all resistance to the unrestricted flow across the globe of funds, data, products, and finally the bodies of millions of migrants” is powerful, and enunciated in similar ways by Harvey and others. Stallabrass invokes Adorno, who insisted that in “its relation to society art finds itself in a dilemma today. If it lets go of autonomy it sells out to the established order, whereas if it tries to stay strictly within its autonomous confines it becomes equally co-optable, living a harmless life in its appointed niche. This dilemma reflects the larger phenomenon of a social totality capable of ingesting all that comes its
way” (AT 184). Jennifer Roche is far more blunt: “For some time skyrocketing prices for contemporary art have attracted investors from outside of the art world—some are admittedly not even remotely interested in the art except for its market value. What is truly bizarre is that contemporary art has become for some a haven for their cash in troubled times, bringing art to the level of gold or bonds” (GodSpy). Why is this shift from use to exchange value for high-end contemporary art bizarre, and or seemingly unexpected, though? Saltz mentions one of the big changes in the contemporary art market, the availability of product, especially Warhols, and the fact that buying his work now seems smart in all ways:

You buy these because other people you know buy them and you think they’ll make you look like you know about art and investing. Economics aside, though: What does Andy mean to these people? Warhol’s work is easy to like, especially now that it seems—at first glance, anyway—less strange than it did when it was created. Warhol’s smudged, skidding silk-screens make his images pop. There are those clashing electric colors that no one ever put together before—it’s as though he discovered a new note on the saxophone. There is also Warhol the man, who still strikes many as a strange swish outlaw. That gives his work an edginess and borderline-risqué feeling; Rothko, by comparison, is more about gravitas and suicide. Collecting Warhol seems naughty but not really obnoxious. Hedge-funders and industry titans see themselves in him: the leader of a factory;
the workaholic who empowers others to make things possible; the one who collects and hoards, who turns junk into art. (“In the Future”)

There seems to me irony, and perhaps even vindication, in the admission that Warhol might be the mascot of the macho, accepted so much that he dominates a market by making it easy to own his work and profit from it by making work that seems easy. As an asset, his work is valuable by the fact that his art historical significance is secure - he is credited with achieving the ultimate by art historians and critics, pushing the language of art forward. I repeatedly come back to the question of differentiating between meaning and value in art, and how that might inform my interrogation of the way in which contemporary art is valued on the market today. The fact is that investors in contemporary art do indeed fit, more and more, a corporate model given that the artworks are purchased and sold for investment. This seems readily apparent given my research into various aspects of the art market now. Contemporary art has been demystified in order to take on its role in the market and in this way exchange value has completely overtaken use value. Thus, the consumption of contemporary art has changed incrementally given the shifting political economy of the art market, and its circulation and exchange benefit the global market, based as it is on the principles of a democratic capitalist society. Panero is only partially right about the inexplicability of the art market, and the terms he uses – alchemy, fascination, and distortion – with relation to the market are terms traditionally associated with art and the aesthetic experience. This indicates to me that contemporary art has a kind of hold, or power, in the market which can be explained – its uselessness. Kuspit, like Stallabrass, seems fixated on the spiritual nature,
or function, of art but his term, like alchemy, is dangerous and inappropriate in the context of free market processes. These critics read like defenders of art at this point in the development

“Making money is art and working is art and good business is the best art.”

--- Andy Warhol

Despite, or perhaps because of this resistance to complete commodification, Hirst and Gagosian merrily continue to break barriers in order to sell and in alter the way contemporary art is shown and dealt. Reversing an earlier decision to no longer produce his dot paintings, Hirst decided to show new works simultaneously, and Gagosian offered up his global fiefdom. As Roberta Smith notes in early 2012, “Thanks to the Gagosian art empire, a ludicrous number of paintings by Damien Hirst are on display right now: 331 of Mr. Hirst’s implacably cheerful “spot” abstractions spread among Gagosian’s 11 galleries in 8 cities on 3 continents” (“Hirst”). She uses the terms “sideshow,” “promotion” and “spectacle” to describe the individual gallery exhibits of the dots and concludes that Hirst and Gagosian are avatars in the art world norm of “money celebrating itself” (“Hirst”). Smith does not remonstrate, however, but gamely finds something to think about in the exhibits and especially likes the idea of people around the world having a collective experience with the art works. Carol Vogel considers the price implications: “While officials at the gallery say it is too early to discuss prices, comparable works at auction have fetched anywhere from about $100,000 to upwards of $1.8 million” (“Art World Star”). Surely the prices of the dot paintings, stagnant for several years, will rise as a result. Will Heinrich of the Observer neatly conflates the works in the exhibit with
monetary value and then the state of the art market now, invoking the continued hegemony of New York in the global schema:

Andy Warhol, mascot of industrial democracy, painted the value created by manufacturing and advertising during the long, postwar American boom. What has changed is the kind of money we’re talking about. Every dot in Mr. Hirst’s paintings, like every dollar bill with a serial number printed on it, is nominally unique, but practically exchangeable for any other dot. Individual paintings have their different shapes and arrangements, but as commodities in a fully financialized, corporatized economy, they aren’t merely exchangeable for some number of dots—they are nothing but some number of dots. Increasingly they’re moving to Asia, but the best of them—with “best” being defined quantitatively—are still in New York: The single painting with the most dots, more than 25,000 of one millimeter each, and the longest painting, at 50 feet, are both hanging in Gagosian’s 21st Street gallery, while the one with the largest spots, at five feet in diameter, is on 24th Street. And they borrow their Pop, Op and Minimalist art historical references for the same reason and in the same way that currency designed and printed with computers is still made to look engraved: because to work as money, money has to look the way most people think money looks. (“The One and Many”)

Perhaps the final note should be from Thierry Ehrmann, the founder and CEO of ArtPrice.com. In responding to an interview question from Boursica.com, a French online
trading company, about the firm’s method for producing reference prices for the works on its database, since a painting is by its very nature unique, Ehrmann made no attempt to answer the latter part of the question. His response:

Take for instance, a work of art identified in 1850, it goes from auction house to auction house over decades. We're therefore certain that it is indeed the same work of art and we know its price and yield year after year. That's why we are the only company in the world to have a perfect econometric method for all works of art. In econometrics, it's called the repeated sales method, because we're working on a homogeneous market. Others calculate arithmetic averages, using the method of comparables, but this leads to errors because their studies involve a heterogeneous market. (“Interview”)

The market is homogenous because the commodities for sale have been reduced to pure exchange – culture seems successfully privatized. Many factors will determine how it all plays out, including: the resolution to or continuation of the “great financial crisis” of the first millennial decade; the increasing dematerialization of art, which results in an ever decreasing inventory of material goods; or, a return to explicit use value for art, from motivated artists and producers with political and social exigencies in mind. Or maybe it is what it is and Leo Steinberg was right in his 1968 lecture at MoMA: “Art is not, after all, what we thought it was; in the broadest sense, it is hard cash” (Steinberg 56).
WORKS CITED


Artpiece.com, “Prestige Sales in New York Produce Mixed Results.” May 1, 2011: http://web.artprice.com/AMI/AMI.aspx?id=MDYwMjg0ODE5NDk1OTk=


Bloomberg Businessweek. “Why Wait “Til the Paint is Dry? Auction house Phillips de Pury's focus on ultracontemporary art is starting to pay off.” October 16, 2006: http://www.businessweek.com/magazine/content/06_42/b4005096.htm


Burns, Charlotte. “Website could be holy grail of private market prices.” *TheArtNewspaper*, June 2011, Issue 225:
http://www.theartnewspaper.com/articles/Website-could-be-holy-grail-of-private-market-prices/23906


Castellani Art Museum of Niagara University,


Comey, James. “United States Sues to Recover Millions of Dollars in Art Sales.”
http://www.justice.gov/usao/nys/pressreleases/March03/gagosiancivilcomplaintpr.pdf


http://web.artprice.com/ami/ami.aspx


http://www.nytimes.com/2010/01/03/arts/design/03shift.html


Flynn, Tom. “Art and sex: global commodities on a roll, and not a correction in sight... “ ArtInfo, May 12, 2008.


Mathurin, Patrick. “Gold Feels Weight of Paulson Curse.” *Financial Times*, January 8, 2012: http://www.ft.com/intl/cms/s/2/265ff0e4-37d0-11e1-a5e0-00144feabdce0.html#axzz1j5sPpAqa


Skate’s Art Investment Review. http://skatesartinvestment.com/


CURRICULUM VITAE

Ellen L. Gorman received a Bachelor of Arts from the University of Virginia in 1981 and a Master of Arts from George Mason University in 2001; both degrees are in English Literature. She received a Dean’s Fellowship to study for her doctorate in Cultural Studies at George Mason, which she received in May 2012. In 2007, she co-edited and contributed to a book published by Lexington Books, *The Hummer: Myths and Consumer Culture*. She has been a lecturer at Georgetown University since 2005, and has also taught at George Washington University, the Corcoran College of Art + Design as well as George Mason.