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Market Matters

The dynamics of the contemporary art market

By Louisa Buck

Market M

The dynamics of the contem

By Louisa Buck

Carey Young

Detail of production still from

I am a Revolutionary, 2001
Video, 4.08 mins; colour, sound
Commissioned by Film & Video
Umbrella in association with
John Hansard Gallery
Arts Council Collection,
Hayward Gallery, London
Courtesy of IBID projects,
London/Vilnius

In the video *I am a Revolutionary* we see the artist dressed in a smart business suit in a slick office space. Young is rehearsing part of a script with a presentation skills trainer: 'I am a revolutionary.' The line could equally come from the 'business leadership' rhetoric of globalisation as from the language of political activists, much as it also seems to refer to the legacy of the artistic avant-garde. Young struggles to say her line with conviction, but to her trainer, the words seem unproblematic, as if they are just another message that can be spouted to an audience like any other within the realm of popular or political culture.

Carey Young, September 2004

Acknowledgments

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Foreword

The art market and contemporary art generate intense media and public interest, yet the workings of the art world are impenetrable to all but insiders in the field. This snapshot draws on interviews with artists, collectors, curators, dealers and galleries. Louisa Buck's incisive text shows how the international art market works and looks at the importance of growing private and public collecting in Britain. It concludes with proposals to strengthen the art economy and to widen its reach.

Arts Council England aims to place the artist at the centre of its activities and to grow the economy for artists. This more overt engagement with the commercial sector requires a knowledge and relationship with the market based on the need to balance public values and private interests. Many artists work outside the conventions of the gallery system and eschew the art market. There is a live tradition in Britain of art in the public realm which is politically and socially focused, where the *process* of art has precedence over the object or 'product'. The economy of art has changed. Many artists receive fees for projects which are often temporary, although they may generate related works for sale in the traditional market. The roles of the publicly funded and the private gallery are becoming interchangeable as public galleries need to raise more income and as the private galleries expand their public presence.

Artists now negotiate a wider market, public as well as private and this has implications for the private collector too. It also impacts on the capacity of our regional museums to develop strong contemporary collections which provide the critical context for increased private collecting, especially outside London. The Museums Association is consulting on *Collections for the Future*,

See Robertson, Iain,
*Understanding
international art markets and
management*, (forthcoming)
Routledge, 2005

Introduction

An unholy alliance?

Art history confirms that the relationship between art and money is a time-honoured one. Ever since the church, the crown and the aristocracy ceased to be significant sources of patronage, contemporary art has been inextricably involved in and subject to the vicissitudes of the market-place. Writing in the 17th century the diarist John Evelyn records that it was quite usual to find Dutch farmers paying the equivalent of up to £3,000 for paintings and then reselling them at 'very great gaines';¹ and more recently, as every artist from Marcel Duchamp onwards is all too aware, no

"It is a well-known melancholy truth that the tribe of auctioneers, connoisseurs, picture dealers ... have monopolised the trade of pictures and made it a matter of ridicule to purchase any modern production or to encourage an English artist. By this craft the leaders of taste of these kingdoms acquire fortunes and credit, whilst many of our painters, men

artwork, however radical or overtly critical of the market-place, is immune from being absorbed and consumed as marketable material. From the museums through to the heritage sector, Arts Council England and the British Council, the public sector has always been engaged with the art market, and it should not assume that it can, or should remain aloof from its activities. How it engages is the key question.

Right from its earliest beginnings the Arts Council has always been closely associated with the commercial sector. For over 50 years, its role as a direct provider of exhibitions and myriad associated publications has led to the Arts Council entering into long and productive relationships with many of the most important dealers and artists' agents both in the UK and abroad. In 1985 the late Nigel Greenwood was invited to select the *Hayward Annual*, an invitation extended by the Arts Council and the Hayward Gallery 'to indicate our regard for the many excellent gallery directors in this country who are dedicated to contemporary art and who encourage the irreplaceable and often long-lasting relationship between the individual collector and a

6 Introduction

**of genius and industry,
are absolutely starving."**

Letter in St James's Chronicle,
25 April 1761

“Money
creates
taste ”

Jenny Holzer, artist, 1986

Page 6

**“Money’s the thing you
can’t get your mind round
... whereas art and science
and religion you can just
about get your mind round,
money seems to skitter
through everything and
be ungraspable.”**

Damien Hirst, artist, 2001

“When it comes to the visual arts ... no training and licences are required. Few rules exist, and those that do tend to shift continuously and are known to insiders only. The creative process by which art is generated breaks rules and must do so. Whatever rules may have evolved cannot be stable because new visions are born all the time which defy established rules. This means that any trust in arts is going to be of a precarious nature because there are no basic facts and immediate experiences that would justify trust.”

Holger Bonus, University of Munster/Dieter Ronte, Bonn Museum of Art, 1997

conversations with them. Here the artworks under discussion are made by artists based in England who are in the business of producing challenging contemporary art.

For the purposes of this discussion, ‘market’ refers to the processes by which works of art are bought and sold and by which creativity is converted into commercial value. Here the geographical scope is confined to England, and the buyers restricted to private and institutional, not corporate buyers. *Market Matters* is specifically concerned with the primary market, which is the market through which a work of art is sold for the first time. The secondary market, the market through which a work of art is sold for second or subsequent times, takes place primarily through auction houses and/or secondary commercial agents, dealers and galleries. Although the secondary market is not part of this study, it is nonetheless an important source of revenue for many primary market dealers and agents.

‘Dealer’ is the term used to encompass commercial art galleries, artists’ agents, gallerists and all those who sell works of art, while ‘buyer’ covers buyers of contemporary art and art by living artists. Buyers can range from dedicated collectors to buyers who purchase art for various reasons ranging from personal to financial. These can be further sub-divided into top-level collectors, committed collectors, regular collectors and occasional buyers although divisions between these categories are by no means rigid.

The term ‘art by living artists’ covers a wide range of art made from all materials and in all styles by living artists of all ages which – for whatever reason – lies outside the endorsement process. This could either be because the artists have no desire for endorsement or because

“The making of art is extremely elite, the selling of art is elite. It’s a highly specialised thing. It’s the ultimate consumer product in our society.”

Leon Golub, artist

Mechanics of the market

Any examination of how contemporary art is bought and sold must first establish the fact that the contemporary art market is unlike any other. A work of art may be the ultimate luxury item but the art market cannot be compared to any other market for luxury goods. Its value systems are nebulous, complex and fragile. The ways in which certain works of art are recognised and evaluated at the expense of others has little or nothing to do with the materials and/or the conventions used in their construction. Even the term ‘art’ is itself unstable, shifting through history and across cultures, and settling on certain groups of objects or individual items in particular places at particular times. Although more artists than ever are making works for spaces outside the gallery, the key difference between

“For most artists the ideal scenario is for their work to be seen in a public space by an ever-changing audience. This is more than an ego thing; artists make their work with a fictional audience in mind which is all of humanity, not just a privileged private audience and their friends, and the whole point about the work being seen in museums is that the potential audience is a surprised audience who hasn’t necessarily seen the work before and is looking

at it with a fresh eye.”

Cathy de Monchaux, artist, 2004

contemporary art and other luxury goods is that virtually all the elements operating within the market – the producers, suppliers and consumers – regard the public gallery or museum as the ultimate resting-place for the work they make, sell or buy. For the artist, achieving this aspiration still means that the work is in the optimum position to find its place in the history of art; for the dealer it is a sign that they have successfully managed an artist’s career; and for the buyer donating an artwork to a major public collection, it is both a symbol of philanthropy and a sign of discernment.

Once it has come to rest in an important public institution, the artwork’s enhanced status is also emphasised by a resulting increase in its monetary worth: the ultimate accolade of ‘museum quality’ is not cheaply won.

This essential aspiration to be considered ‘museum quality’ not only sets contemporary art apart from any

12 Mechanics of the market

Page 9

“So you pay a grand for a painting from an unknown artist’s studio. If you are a serious collector, taking a risk, you increase the value of the work just by buying it. If you are a *cheap* serious collector you try to get a discount on this ... if you wait until the artist has a dealer you are going to pay more. If you wait until she has a good review then you are going to pay more still. If you wait until ... MOCA notices her work you are going to pay even more than that, and if you wait until everybody wants one, of course, you are going to pay a whole hell of a lot more, since as demand approaches ‘one’ and supply approaches ‘zero’, price approaches infinity. *But you are not paying for art. You are paying to be sure, and assurance (or insurance, if you will) is very expensive, because risk is everything, for everybody, in the domain of art.”*

Dave Hickey, University of Nevada, Las Vegas, 1997

14 Mechanics of the market

make up a constantly shifting series of sub-groups with a number of key institutions at their core. To enable this process to function, it is crucial that these groups present a finely tuned interplay between both public and private sectors. If a sufficient number of these individuals hold the same views and combine to support the same artist then this consensus amounts to an endorsement. It is this dynamic which both characterises and drives the contemporary visual arts world, and within it, the market. The public sector is an indispensable part of this equation but, as we will see, it relies heavily on commercial elements to introduce artworks at key points, to support artists throughout their careers and to power them through the various permutations of the art market.

So how do these constituent elements and interrelationships work together to propel an artwork on this value-accurring journey from artist’s studio to a major museum collection? *Taste Buds* presented a model of this dynamic entitled ‘The art eco-system’,⁸ which plots a characteristic trajectory through the art market and its attendant support systems. However, it is a journey that few artists and their oeuvre will complete in its entirety. It requires luck and good timing, as well as the ability to create great art, for an artist to evolve from art school ingénue to revered, endorsed figure, sought after by the world’s leading museums and collectors. Many fall by the wayside or just never quite make the whole trip.

The journey through this volatile territory begins with the student-artist attracting the attention of art school teachers and peers. A crucial early showcase is the art school degree show, which, following the influential example set by Goldsmiths’ Visual Arts Department in the late 1980s, has now become increasingly

“Critics operate as double agents, at an interface between artist and audience, seeming to speak for both sides while making both equally mistrustful. But suspicion is in order. Whose side are critics on, after all? There is only one possible answer. The critic is on the critic’s side, for criticism means reserving the right to take any side at all.”

Stuart Morgan, critic, 1991

and – it is hoped – at least partially protected from the direct dictates of the market.) After this comes the ultimate purchase by a major public collection. Or, following an alternative path, the work can enter a major public collection as the donation of a prominent private collector.

Along the way, the artwork will have generated a substantial trail of documentation in the form of exhibition catalogues, promotional and educational literature and critical coverage. Endorsement therefore accrues throughout this process. Although maybe not as overt as a few decades ago, the role of the critic is still an important one. These days, critics draw attention to new talent through verbal as well as written endorsement: many art writers are asked to take part in art school ‘crits’ and as well as giving advice to students they will also spread the word among fellow art world players if they encounter work which they feel to be especially worthy of note.

The power of verbal networking is a strong one in all areas and at all levels of the famously sociable art world and the critic is an important part of this. It should also be noted that many of our leading critics occasionally curate exhibitions. There are, however, few opportunities for critics to publish their views about artists, unless there is the tie-in ‘peg’ of an exhibition or event. Therefore initial exposure is left up to the small artist-run space or the adventurous art dealer. In any case, an unfavourable review tends not to be as devastating for an artist as in the past; for in our information-hungry age all forms of coverage tend to be viewed as useful.

Reviews and profiles in the arts press are nonetheless a crucial part of the endorsement process; and a series of

16 Mechanics of the market

Value of the market

Recent expansion

The market in England for contemporary visual art has undergone a dramatic expansion over the last decade. London is now the centre of Europe’s art market, and is acknowledged as the second largest art market-place in the world, after New York.

This importance was further underlined by the inaugural success of Frieze Art Fair, London’s first truly international fair of challenging contemporary art which opened in Regent’s Park in 2003 and which is now set to become an annual event. Frieze was followed in 2004 by photo-london, London’s first photography fair, staged at the Royal Academy in Burlington Gardens. In the last few years a plethora of new commercial galleries, large and small, selling the most challenging of contemporary art have opened throughout the capital, with the decision by such big international

“We consider London, after New York, to be the second art centre of the world and we wanted to use it as our European ‘leg’, to service European markets out of London. This is where the auctions are, this is where the galleries are, this is where the dealers are. Of course there are galleries in Berlin, in Cologne, in Rome, but the big dealers, they are all here. The proof of the pudding is the fact that we have just opened a 15,000 square foot additional gallery, if it wasn’t going

well, we wouldn't have done that."

Stefan Ratibor, Director,
Gagosian Gallery, London, 2004

18 Value of the market

names as Hauser & Wirth, Spruth Magers Lee and Gagosian to open major London spaces confirming the capital's importance as a market centre.

In 2004 London's art market pre-eminence was celebrated by the first Art Fortnight, linking together the leading dealers and the public museums and galleries in a programme of cultural events, museum, gallery and auction exhibitions and visits to private collections. But how does all this excitement and activity translate into hard figures?

Building a figure

This is not easy to achieve. The English art market is unregulated and does not lend itself to close scrutiny. A lack of accountability makes gathering information difficult and complex. Further, artists, suppliers and

Page 12

"My last two shows were in New York and Madrid and my next exhibition is in Malaga. I live and work in London, but my collectors are based all over the world, as well as in the UK. So it's inaccurate to think of the contemporary art market solely in UK terms – it's completely international, and everyone – artists, collectors and dealers – do some and often a great deal, of their business abroad."

Jane Simpson, artist, 2004

varying permutations of partnerships will exist between joint representatives or between primary and subsidiary agents. These arrangements will result in a scale of commissions being paid between dealers on sales made both abroad and in England.

So, while there is no single formula for these various partnerships and payments, there is also no doubt that England's high-earning makers – and sellers – of challenging contemporary art frequently make the greater part of their income from sales made overseas rather than at home. Also, not only do US, European and sometimes Asian galleries sell the work of England-based artists in their own spaces, they also sell often large amounts of their work at major overseas art fairs such as Art Basel, Art Basel Miami Beach, the Armory Show in New York, Art Forum Berlin and the Turin Art Fair. Again, artists and their English dealers will reap the considerable benefits of these important art fair sales.

All this buying and selling outside the UK therefore makes up an essential part of the English contemporary art market. More research needs to be done in order to try and pin down a more precise figure.

"The militarised zone between artist and collector is busy with guerrillas, envoys, double-agents, runners and both major parties in a variety of disguises as they mediate between principle and money."

Brian O'Doherty, author of
Inside the White Cube, 1976

"Art schools start the drift from the regions to London which is accelerated by post-graduate degrees: for every post-graduate place in the regions, there are 24 places in London. We end up with a situation where there are probably twice as many contemporary artists in London as there are in the regions. If, like me, you think that artists are a good thing, that means an important loss to the quality of life in the regions."

Lynda Morris, Curator,
Norwich Gallery, 2000

20 Value of the market

Page 13

“For me success is enjoying what you do and people seeing your work, because it doesn’t matter how brilliant you are as an artist, if people don’t see what you do there’s no point in doing it. You can get self-satisfaction from it, but there has to be a rapport, there has to be a viewer. If an artist had a sellout show that everyone said was crappy, I wonder, would they care? I don’t know, it’s never happened to me ... I sell a lot of work, but I make a lot of work, and because my prices go from editioned work which starts at fifty quid up to a couple of hundred thousand I make work that people can save up and buy, which is important.”

Tracey Emin, artist, 2004

“The market is not my audience though it is something that I have the occasional flirt with – I don’t make saleable work, but that doesn’t mean I don’t sell.”

Jeremy Deller, artist, 2004

22 Characterising the market

can therefore be safely assumed that the majority of England-based artists making challenging contemporary art are based in London with small but significant communities in the other metropolitan centres such as Manchester, Newcastle, Liverpool, Birmingham and Bristol.

Like the art they make, challenging contemporary artists defy easy definition. Terms such as ‘emerging’, ‘mid-career’, and ‘mature’ can be misleading, as age and chronology are not necessarily accurate indicators of career maturity. Careers can soar and then plunge; they can plateau-out, tail off or be kick-started. The impetus of early success may not be sustained and a period off the endorsement and/or market-place radar can on occasions be followed by a late-blooming career revival.

The career status of an artist is assessed according to myriad and compound factors including how often they show, where they show, how often they appear in the arts or mainstream press, and whether they have a dealer, and if so, who? Other considerations include how frequently they sell, and to whom. Are institutional purchases made? Are prizes won? And are they the right kind of prizes? However, a surprisingly large number of high-profile figures still struggle to make a living through selling their art (high production costs have their part to play in this). They therefore often need to pursue other forms of employment, which may or may not be art-related, including teaching, design and construction work.

Artists’ relationship to the market

Many contemporary artists care deeply about the market but have a complicated relationship with it. Inevitably, artistic aspirations vary according to personality and circumstances, but many artists want to sell to serious collectors, to show in prestigious spaces, and ultimately

“The art world’s entire economic system is shifting away from the private sphere to the public, from the art market to museums ... new forms of art and the art world’s new economic system mutually reinforce each other, setting off an upward-spiralling trend ... at ever greater remove from the traditional art market. The latter is gradually being replaced by a new market based on public funding – a market as mysterious to the general public as are the legendary fluctuations in artistic value typical of the traditional private market.”

Nathalie Heinich, Research Director, Centre Nationale de la Recherche Scientifique, Paris, 2004

“There is a contradiction at the heart of the relationship between artist and dealer; a conflict of interest that I have always felt. Artists need to hold on to their work. It’s like the desire of parents to be near their children, but it is also important for artists to have objects they make close at hand as reference points; past works show where they have been and where they must go ... The art dealer’s reason for being is to sell art. Some great dealers love art so much that they can’t refrain from buying artworks for themselves. This too creates conflict. The merchants deny their function and put on a

limited period of public presentation and leaving a residue of documentation in their wake.

For artists who are eager to sell their work it is more important for their work to be seen by the ‘right’ dealers, collectors and curators, and no amount of personal marketing training can guarantee that. Rather than trying directly to sell their own work, an artist’s entrepreneurial impulses are likely to be channelled into creating a critical context for it. Today’s artists curate exhibitions, write for art publications and are involved in collaborative artistic projects and artist-run spaces.

Overall, artists tend to be more informal in their pursuit of professional networking opportunities, and the active social life that the art world promotes is helpful for this. Probably no other sector has such a range of social activities, exhibition openings, gallery dinners, after-show parties and all-day events as the art world. In this highly sociable environment – invariably fuelled by some form of sponsored drinks brand – art melds with social life, important contacts are made and deals done in the course of what appears from the outside to be a

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collector's hat ... but let's face it, whether as salesman or collector the dealer's urge is to wean the creator from the artefact."

Richard Hamilton, artist, 2004

purely social occasion.

Artists' views on dealers

Artists who wish to have a role on the international stage need a major London-based dealer and, ideally, also representation by a major gallery in the US and Europe. Dealer representation is crucial for their work to be shown and sold and for their careers to be managed. Most artists with commercial representation attain it at the outset of their career. The importance for an artist to have a physical showcase for their work in the form of a commercial gallery cannot be underestimated.

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but the
the space

Matt Hale.
John Burge

24 Characterising the market

Page 15

"A good dealer is someone who is assiduous in their following and support of your work. A good dealer should also be a keen follower of its development, someone who is as keen as you are to reassess your assumptions and to test your envelope, but who also understands the context in which the work is shown locally, nationally and internationally. In some sense a good dealer is a marriage broker between aspirant collectors and the nature and internal integrity of the work, s/he must be the same passionate partisan for the artist's work as the collector, but with a higher level of strategic interest."

Antony Gormley, artist, 2004

Relationships between artists and dealers can be volatile and depend on myriad factors: personal, financial and emotional. The dealer can variously assume the role of parent, partner, mentor and friend with all the upheavals and reassessments that this implies. Often artists and dealers come together early in their respective careers and grow in unison. This can cause tensions. Sometimes artists may feel the need to 'upgrade' their commercial gallery if they feel that their dealer has not grown sufficiently in stature alongside them; or reciprocally dealers may want to shed some of their artists who have not fulfilled their early promise. On the other hand, artists and dealers may also remain resolutely loyal to each other, even when it is not necessarily to their financial benefit. One of the main reasons why artists are so eager to find a dealer is because of this long-term investment that most dealers are prepared to make in the artists that they represent.

Yet while it may not be beneficial (and indeed is often seen as counterproductive) for artists to market and sell their work directly, it is nonetheless crucial that, right from the beginning of their careers, they display the utmost professionalism in their dealings with both the market and the public sector. Artists are all too aware that if they are to be taken seriously then they need to be utterly rigorous in the presentation of their work as well as the carrying-out of commissions, contractual obligations, and working to a budget.

In general, artists can be seen as highly efficient micro-businesses which, often on the slenderest of means, are able to convert creative value into commercial worth. This covers a breadth of practice that spans artists working in different contexts, in spaces orthodox and unorthodox, whose work may or may not be destined for the art market.

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26 Characterising the market

Page 16

“Although a lot of older dealers and some of the new ones are doing very

“A commercial gallery is part business and part magic – it would

well, it's true that you don't do it for material rewards. And just as if an artist were seen driving from his or her mansion in Knightsbridge in a big chauffeur-driven limousine, that would be questionable in terms of their art, to some extent dealers have to be careful as well: there's a sense in which if you flaunt your wealth, people will lose interest in you. Like literary agents or agents for actors, art dealers are expected to put the success of the people they represent before their own success. You cannot live better than your most successful artist, that would be unseemly. ”

René Gimpel, Director,
Gimpel Fils, London, 2004

be impossible to write a business plan for one. Some of the things that work the best haven't necessarily had lots of money thrown at them. The whole business is very unpredictable. For me it's a life's work, not a managerial plan: I see myself as an entrepreneur with a philosophy.”

Maureen Paley, Director,
Interim Art, London, 2004

“I always follow up any recommendations from my artists – it's the best route in bringing artists to my attention. Of course it doesn't necessarily mean that I take them on, but it does mean that I keep an eye on them and follow their careers. Sometimes they do join the gallery, but if I took on everyone recommended to me then I'd have a huge stable!”

Victoria Miro, Director, Victoria
Miro Gallery, London, 2004

Commercial galleries selling challenging contemporary art range from multi-million operations with a large stable, staff and premises, to small spaces combining artists' projects with sales. Scale does not prevent a gallery from making important sales and attracting widespread endorsement. At times, commercial galleries large and small adopt some basic institutional characteristics: running education programmes, putting on off-site projects, bringing in outside curators and publishing academic catalogues to accompany shows. A more recent development is those dealers operating outside London in rural locations, such as Roche Court near Salisbury, which in its urban incarnation was the New Art Centre, London, and Goodwood Sculpture Park near Chichester.

More traditional, long-established dealers – such as Gimpel Fils or Mayor Gallery – frequently make forays into the latest in challenging contemporary art. These venerable organisations, which are widely respected for the historical figures they represent, provide an interesting art historical context for the young artists that they choose to show. Reciprocally, some of the more prominent challenging contemporary art galleries provide occasional English showcases for more mature

international figures. Such associations accrue younger dealers and their artists' status and gravitas; while the venerable big names relish the invigoration of an encounter with the new.

How dealers operate

There is no standard code of procedure among contemporary art dealers. Even in the larger galleries the way that business is conducted is often surprisingly informal and based on trust. Written contracts between artist and dealer are rare, with dealers generally taking 40–50% commission against sales. Much work on show

30 Distribution

“The London art market was sufficiently developed to sustain an international art fair and everyone was wondering why it hadn't been done – so we thought we'd better go ahead and do it before somebody else did. We were delighted that the success of the first Frieze Art Fair meant that we can now make it an annual event – it's a real confirmation that London is now a major art market centre – although there's still a great deal of potential for expansion.”

Matthew Slotover, Co-Director,
Frieze Art Fair, 2004

Art fairs

Art fairs are not only about selling as much art as possible, they are also major meeting and operating points for collectors. They provide an invaluable opportunity to advertise and showcase galleries and their artists in a location where they can reach large numbers of existing and new buyers in a short space of time. Recently there has also been a merging of the private and public, with many art fairs now commissioning ostensibly non-commercial, independently-curated artists' projects which can take place in a variety of locations, either within or outside the body of the fair.

The most important international contemporary art fair is Art Basel, which takes place annually in June. In 2002 Art Basel inaugurated a US arm in the form of Art Basel Miami Beach which runs every December. Other major art fairs include ARCO in Madrid, Art Cologne, Art Forum in Berlin, the Chicago Art Fair, the Armory in New York and the Turin Art Fair.

The recent success of Frieze Art Fair has shown that England can, for the first time, sustain a fully-fledged international art fair devoted solely to challenging contemporary art. The first Frieze Art Fair in October 2003 attracted major galleries and collectors from across the globe as well as all the leading UK dealers. Its estimated turnover was £16 to 20 million, with many of the galleries involved reporting significant after-sales

The success of Frieze Art Fair was an important validation for the English contemporary art market-place. As an annual event on the national and international art calendar, it will provide a crucial stimulus for this market-place. However many participants commented that, as is always the case

32 Distribution

“The work in ARTfutures is by artists known and unknown which have been individually chosen to encourage a new range of collectors and directly to benefit those artists. We put artists in touch with their new buyers, keep buyers in touch through CAS events and any surplus earned helps us buy works for UK museums. It's a benign circle as well as a fantastic and frenzied event.”

Gill Hedley, Director, Contemporary
Art Society, 2004

Other spaces

Open studios take place when a group of artists open their workplaces to the public for a set period of time. They are usually organised by the artists themselves, with agencies such as local councils sometimes playing

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a role. Open studios form a direct and unthreatening way for both artist and buyer to come together to show and to sell art. They are usually organised by artists who are eager to attract sales and audiences and are an especially effective outlet in locations, both urban and rural, where the commercial infrastructure is underdeveloped. Open studio events also work well in metropolitan areas such as in Waygood, Newcastle and the Tannery in the East End of London, where they complement existing outlets, both public and commercial.

Whether they are taking place in just one building or in a number of workspaces, open studios not only provide a valuable showcase for artists who may not have commercial representation, but their financial benefits can also be considerable. In 2002 research commissioned by the Arts Council surveyed 32 open studio events around England, and calculated that they attracted some 250,000 visitors and generated total sales of around £1.5 million, even though selling was not a major objective of all events.¹⁸ Also providing a paradigm for this practice are the new lottery-funded workspaces Spike Island in Bristol and Persistence Works in Sheffield that have stimulated the economy for artists and whose open studio events provide a new destination for ever-wider audiences.

The nature of open studios is that they are open to all who work on the premises. This necessarily means that they tend to cover a broad spectrum of the visual and applied arts. But while much of the art on show

34 Distribution

“If you approach the Arts Council for money [as a commercial gallery], you can’t then sell the work or make a profit on it, which is a massive problem if you are a small commercial space who also does projects with artists. I think the barriers between worthy non-commercial shows and ruthlessly commercial shows have been eroded, the nature of spaces has evolved and the distinctions between commercial and non-commercial are disappearing – this blurring is happening everywhere, major public spaces now sell work: in the Whitechapel’s East End Academy the work was for sale.”

Niru Ratnam, Director,
London, 2004

at these events may not always answer to the definition of challenging contemporary art, nonetheless they are important celebrations of local creativity, enabling a wide variety of art to be seen by new audiences and acting as a conduit between art and the wider economy. Often more challenging work is showcased in designated exhibition or project spaces; and overall, being given the opportunity for an informal insight into the artist’s workplace is a vital element in the demystification of art, and can make it easier for lookers to take the plunge to become buyers.

Small-scale and more informal, artist-run and emerging spaces and some commissioning agencies provide a crucial showcase for the most experimental work and are also an important entry point for younger as well as more established collectors. Often boundaries are blurred between commercial shows and artists’ projects – if, indeed it is helpful to make such distinctions in the first place. These spaces may not be overtly commercial but they often make very significant sales while at the same time continuing to maintain an experimental, challenging image. Some financial support at the outset, and at key points in their development would help these important sources of cultural vitality to prosper and grow.

Key open shows such as *EAST International*, Norwich,

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Paul Glink

and *Bloomberg New Contemporaries* also provide an entry point for artists and collectors. They make sales and showcase artists at the beginning of their careers. *EAST International* is organised by the Norwich Gallery and, as the largest annual international exhibition of contemporary art held in Britain, it has been especially important in bringing an international perspective to the regional scene. *EAST* imposes no rules of age, status, media or place of residence on its applicants,

36 Distribution

Page 21

art in established retail outlets such as Habitat and Selfridges has further potential.

Websites

The fact that much visual art, contemporary or otherwise, is either unique or limited in number does not make it immediately conducive to the bulk sales of an online market-place. Also, most art doesn't look its best as a jpeg and it is hard for buyers to see what they are getting. The mixed fortunes of online contemporary art gallery eystorm (which, despite a high profile marketing campaign, failed once and then was refinanced and has now joined forces with Britart.com) shows that the online market-place is by no means an assured one.

Counter Editions, which sells limited series of specially-commissioned prints and multiples online, owes much of its success to the fact that it is not entirely web-based and provides various opportunities for a physical encounter with the works via a number of high-profile media and institutional partnerships. Counter is run by contemporary art market insiders and assures the quality of the works sold and their suitability for internet exposure by working closely with selected artists. Editions are not too large (on average 200) and publicity is carefully focused on potential buyers.

Although it is currently restricted to the secondary market-place, as market consumption becomes more confident, there is also potential for primary market sales on eBay.

“Art is sexy! Art is money-sexy! Art is money-sexy-social-climbing-fantastic!”

Thomas Hoving, Director, Metropolitan Museum of Art (1967–77), 1990

38 Distribution

Page 22

“Ten years ago my husband Poju and I were too scared to go into contemporary art because it was still a daunting subject so we went straight into English Modernism and bought Auerbach and Nicholson.

includes editioned photographic works and works on paper, but not mass-reproductions.

However, within this figure of 27% of the population, those committed to purchasing challenging contemporary art is comparatively small. The research reveals that out of potential buyers of original art, less than 1% – some 43,000 – stated that, not only had

But suddenly one day, with our wonderful relationship with the Tate and having great inspirational collectors around us, we discovered contemporary art. It started with Matthew Barney and it just went from there."

Anita Zabłudowicz, collector and founding benefactor of Tate Modern, 2004

they bought art by a living artist, but that they would only or mostly buy 'artists who are recognised as being at the cutting edge of contemporary art and whose work is acclaimed by people in contemporary art circles', ie challenging contemporary art. The research also highlighted that 11% of potential buyers (1.2 million people) had already bought art by a living artist and said that they would 'equally' buy cutting edge work as any other.

Given the abiding problem of applying clear definitions when the notion of contemporary art varies so much from individual to individual, the art that this potential market considers to be 'cutting edge' may not necessarily fit the definition of challenging contemporary art as laid down here.

Yet despite these ambiguities, the possibility that 27% of the national population could be in the market for original art cannot be discounted. And especially when a large proportion of this potential market – nearly 70% – has stated that they would consider buying work by 'cutting edge' artists if it were within their price range. While there is no guarantee that anything like this number of people would definitely make a purchase, it indicates an unprecedented level of interest and appetite for contemporary art.

40 Buyers

"Markets start when there are international, not provincial people. If you look at big cities like New York or London they're not all Americans or English, it's a melting pot of people that come from other places to live there. The very wealthy don't necessarily buy art – you've got to be that type of person. The problem with me is I get impatient with everything – there was no movement in that Modern British market: a Lowry here, a Burra there, an Armitage here: they're all bloody dead! Whereas contemporary art is alive and kicking – the good, the bad, the ugly – all the slugging-off, I love it!"

Frank Cohen, collector, Manchester, 2004

Many of the highest-earning challenging contemporary art dealers indicate that the majority of their sales are made to an overseas market of established international collectors. Significantly, the serious collectors who are based in England often tend to be from other nations including Asia and the Middle East, as well as America and Europe. The reasons why this should be so emerge from a complex mixture of factors ranging through historical, cultural, and financial. The English have a time-honoured tendency to prefer their art to affirm rather than to challenge the status quo; and not since the 19th century have institutions been encouraged to acquire art on any grand scale. More recently, there have been no financial incentives for individuals either to collect or to bequeath art.

Nonetheless, the last decade has seen a notable expansion in the home market. Among the highest echelons of art collecting there continues to be only a few serious and committed collectors based in England, but there is evidence of an increasing interest in art acquisition amongst a number of wealthy individuals. The general consensus amongst art market insiders is that this top-level market, although comparatively small, has considerable potential for expansion. This potential seems to be confirmed by the existence of organisations such as Outset, an exclusive group of London-based 'supporters of new art' whose circle of members were invited to make donations in the region of £5,000 in order to generate a £100,000 Special Acquisitions Fund. This was then spent by four invited curators at the 2003

Page 23

"The whole socio-economic basis of the art buying class has changed. The old traditional classes who lived with stuff inherited from relations – or if they didn't live with it, aspired to live that way – really have been given the coup de grace. We have seen the real end of traditional Britain. People don't aspire to live with nice Georgian antiques, any more; they want to have modern things. In order to spend money on art you need to feel that you can renew your source of wealth: if you are living on inherited wealth, however much you've got, you are not going to spend very much of it on buying art. You have to be making the money yourself, and a lot of people now are."

Anna Somers-Cocks, General Editorial Director, *The Art Newspaper*, 2004

Frieze Fair on artworks donated to the Tate. This sum was increased to £150,000 for 2004 and the Special Acquisitions Fund seems set to become a regular feature of future Frieze Fairs.

42 Buyers

“The thing about collecting is, it’s to get the green one with the red spots and the curly handle. And then, when you’ve got a green one with red spots and a curly handle, you look for the green one with the red spots, the curly handle and the blue spout.”

Lord McAlpine, collector, 2004

the surplus on art. Some may begin by buying safer, more accessible work and then, as their confidence increases, branch out into more adventurous areas. These buyers come from all professional groups, the financial sector, education, health, the law, the arts and the cultural industries. Often these buyers may already be involved in the art world or are fellow artists who admire and wish to own work by their peers. There are also those with less specialist knowledge of the art world but who are enthused by the celebrity of contemporary art and the fact that media coverage and high-profile events such as Frieze Art Fair have transformed what was previously a hidden world into one that is more accessible.

A new phenomenon, and one that has considerable potential, is the small collective or syndicate of buyers who buy work to share on a time-limited basis and together share their knowledge and connections with artists on the market. This allows people with average incomes to experience, for a small monthly contribution to a purchasing fund, a flow of new, challenging work into their homes.

Committed and regular collectors: relationship to the market

Serious and committed collectors are already embedded within the art market-place, they have forged relationships with dealers and artists, and they are well-informed as to market-place workings and infrastructure. However the competition amongst serious collectors for big-name, endorsed artists can be fierce and there can be considerable resentment directed towards the dealers who seek to maintain their artists’ reputation by only selling significant works to suitably prestigious collectors. At the top of the ‘pyramid’ of buyers, the ratio of artworks to collectors tends to

44 Buyers

“The London art world needs an initiative to build confidence in the next generation of artists, dealers and collectors, and this can be built through established collectors. A lot of people who buy art at auction never go to East End galleries and so they are not getting a relationship with the art

narrow dramatically, with the demand from collectors for work by a small number of key artist names being way greater than the supply of work available. Progressing down towards the base of the art market pyramid the reverse situation applies, with the art available greatly exceeding the number of collectors willing to buy it.

On these lower levels larger groupings of more occasional buyers have a different relationship to the market-place. They often need to forge closer

Page 24

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Page 25

“Many galleries are actually very off-putting unless you have got a reason to be in there. There are an awful lot of Fionas behind the desk who look at you rather darkly.”

Unidentified buyer, interviewed in *Taste Buds*, 2004

world, the artists and the dealers. And that's when you get the good stuff. Once you get the ear of the dealer, they will tip you off, tell you about things early and you get to visit the artists in their studios – and you also get the social side of things.”

David Risley, Director, David Risley Gallery, Co-Director, Bloomberg Space, London, 2004

relationships with galleries and artists and to gain a greater knowledge of the market-place and what is available. Many need more mentoring from dealers and the chance to develop more confidence in their own tastes. There is also a widely held misconception that the work will be beyond their price range: many buyers are surprised to learn how affordable challenging contemporary art can be. Other consumers may have more of a retail attitude to art acquisition, purchasing art for the same reasons that they would an item of clothing or furniture: they like the look and they like what it says about them as individuals.

Buyers of art by living artists

Many people already do buy art, but not art that could be described as challenging contemporary. A small proportion can be found at the bottom of the 'pyramid' of buyers for challenging contemporary art, but most have not entered this market-place, and the art that they buy has not been endorsed by the contemporary art world. However, given their stated interest in more challenging work, if this very large and various sector were given more opportunities to encounter differing artforms and the means with which to purchase them, then there is a strong possibility that a considerable number could expand their scope. The majority of

46 Buyers

with dealers being accused of not doing enough to encourage first-time buyers or to providing adequate after sales treatment.

A significant number of these buyers feel more comfortable purchasing from smaller, more informal galleries or directly from the artists themselves. Art fairs such as ART*futures*, the Affordable Art Fairs or the London Art Fair can also be a useful entry point. The Fresh Art Fair, in Islington, of recent graduates from around the country has also opened up this market to a wider public. Another favoured outlet is the art school degree show. Open studios are also an important purchasing point for this market. However, once they start buying, a significant proportion of these buyers have demonstrated an eagerness to develop their knowledge and to apply this knowledge to purchasing decisions. Even if they do not become serious collectors, this exploration of different artistic options often results in a move to acquire less conservative work, albeit in modest amounts. In any case, the art world is a broad church and if more buyers can be encouraged to buy art by living artists, whether or not this art forms a bridge to more challenging work, a wider and more active interest in art and artists can only be to the benefit of all aspects of the art market. ²⁴

“The Arts Council’s objective is to support artists to develop their practice in whichever way is appropriate; and in some cases this will mean enabling them to seek opportunities through the market. This pre-supposes a close working knowledge of the international art market while at the same time respecting the need for the Arts Council to maintain some distance from playing a too active or interventionist role within the market.”

Marjorie Allthorpe-Guyton, Director
Visual Arts, Arts Council England, 2004

“Funding for artists comes with long ideological strings attached. As an artist, one has to use another language. The ideas, hunches and vacillations that accompany the creation of an artwork have to be banished so that a seamless project can be proposed that can guarantee a calculable return from the potential audience – regardless of race, creed or colour.”

Mark Wallinger, artist, 2000

Throughout the progress of an artist’s career the public sector contributes to the endorsement process, whether in the form of exhibitions which come accompanied by interpretative literature, critical commentary and catalogue essays, and which often result in commissions and purchases. The public sector then provides the ultimate validation by acquiring artworks for its major museums and galleries. The Arts Council also provides crucial support to artists early in their careers. Subsidised studios, publicly funded artist-run galleries and/or project spaces; artists’ residencies, international fellowships, commissions and grants for individual projects are all helpful in bringing the artist to critical and/or commercial attention. These relationships may be slippery, they are sometimes antagonistic but they are always regarded by all parties involved as being essential, with long-understood distinctions on roles and remits, namely that the public venue does not actively promote direct sales from its exhibitions, and that its role is primarily educational and celebratory. However, over the past decade, these distinctions have become more blurred as both the museums and the independent public sector have had to increase income generation and to engage more overtly with the private sector.

2003 saw the pilot of Arts Council England's national art purchase plan in partnership with HFC, a division of HSBC bank. This replaced the eight separate and largely unconnected regional art purchase schemes that had previously been operating. The scheme's main aim is to help develop the visual arts economy by making it more affordable for the public to buy original, high-quality contemporary art. It does this by offering point of sale, interest-free loans from over 250 galleries across the country. Although the national scheme is still in its infancy, the feedback from participating galleries has

“Being an artist is no less lonely than it ever was. One is just as insecure, unsure, self-critical. Through energy, perhaps some quality – or luck – artists may become more visible. Not much response comes back to the artist from that visibility. One thing I like about this project [At Home with Art] is the prospect of new and wider responses. The eye of this project’s needle is the market. We are all handed the market-place as a fact of contemporary life. I was very aware of the narrow gap through which I had to pass. Can it be done? How much will it cost? It’s made me think about all the stuff around me in the market-place – all optimistically projected into space.”

Richard Wentworth, artist, 1999

“Most people cannot afford to own art and so the public spaces are a really important point of access. There seems to be a confusion between populist and popular; they should not be intimidating and exclusive, neither should they be detrimental to the objects which they contain. I understand the financial pressures of an institution, but the quality of the

though, this historical relationship is beginning to shift and there is an urgent need to establish protocols to respect the necessary difference of roles between the public and private arms of the art world.²⁸

Faced by reduced subsidy and shortfalls in their funding, some public galleries have had to develop new ways of generating revenue to support their exhibitions programme. A recent strategy has been to enter into partnerships with commercial dealers in mounting exhibitions of contemporary art. The nature of these arrangements varies as to what extent the dealer will contribute towards the cost of production and/or

“Of our annual budget only 24% comes from Arts Council England. So our funding doesn’t cover our running costs, and when you put it in that context, it is a very, very extreme state of affairs. We never charge admission and so in order to keep our admission free, limited edition prints are one of the income generators that we have.

experience should be paramount. These are sacred spaces to me, places to slow down and take your time and make your own mind up.”

Anya Gallaccio, artist, 2004

transportation of artworks or assist in the publishing of a catalogue. Sometimes the work in a public gallery show is for sale, and there may be an arrangement between the dealer and the gallery as to a commission on any sales made during an exhibition. Most venues are concerned at least with recouping production and installation costs; and these arrangements have tended to be informal and private. However, while inconsistencies in fees and commission paid by galleries can be a bone of contention, where there are agreed protocols, they are on a case-by-case basis and overall both sides accrue benefit from the encounter. The public gallery is able to mount a more ambitious show than its budget would otherwise have allowed, and the commercial gallery receives a valuable public endorsement of its artist's work.

Another way for public galleries to attempt to make up for lost revenue is to produce and offer for sale editions or multiples of an exhibiting artist's work. These are often donated by the artist, who, although they will usually have had their materials and production costs covered, will not receive any royalties. While some artists and dealers view this practice as repayment to an under-

52 Public sector

This relies on the generosity of the artists and their dealers, but it can also be argued that it allows the public to buy really first rate works of art at an affordable price.”

Julia Peyton-Jones, Director,
Serpentine Gallery, London, 2004

“Bridget Riley made a print for the Serpentine Gallery, and the idea was to make it cheap so that a wider audience could buy them. The opening night comes around and there is one of the ugliest fights at the counter as all the collectors battled to get their hands on one. It was a bunch of rich people going for a bargain, they were literally throwing their credit cards across the counter.”

Karsten Schubert, art dealer,
London, 2004

It is generally the dealer, rather than the public curator, who provides the initial support for artists at the beginning of their careers; and as they progress through the endorsement process, artists often find that it is the dealers, rather than the public sector that communicates their intentions to a general audience. While the public sector may assist artists early on with residencies and grants, dealers see themselves as the ones who are in for the long haul: they are the ones who commit to artists through thick and thin and who nurture artistic careers over often long periods of time. Many dealers feel that the complexity and significance of this role is not properly acknowledged.

There is a strong demand from artists, dealers and galleries to draw up clear protocols for public museums and galleries regarding artist's commissions, multiples and direct sales made from the gallery. These protocols should also include how dealers and galleries could divide and recover exhibition and catalogue costs. Both parties need to agree roles and responsibilities and clear strategies regarding the representation of artists without dealers and the development of selling mechanisms, if deemed appropriate.²⁹

Public purchases

It is important for dealers that the public sector buys work for its collections as part of the endorsement process. Many sales have been made over the years to the Arts Council Collection, which is largest national loan collection of modern and contemporary British art in the world and which began when The Arts Council of Great Britain was founded in 1946. It numbers some 7,500 works ranging from painting, sculpture, photographs and original works on paper to mixed media works, video, film and installation pieces, and

“When you go to regional galleries in France or Germany they're full of mainstream recent art which you simply don't see much of in the UK, outside of temporary exhibitions. This is because in Europe new art is something that is supported consistently whereas here the problem is that it is never consistent, it's either down to flash-in-the-pan schemes or brilliant curators who come and go from institutions. It needs embedding in the culture of museums and galleries that they should be acquiring this work.”

Maurice Davies, Deputy Director,
Museums Association, 2004

grows by around 30 works each year. Because of

“It works both ways, there are other rewards in a truly collaborative relationship, in addition to the commercial. True, increased desperation and greed has led to more exploitation and less nurture; and obviously most art has little commercial value. But it doesn’t mean that it’s all bad art. Amidst that majority lies some work that has exceptional value in other terms. When a gallery has a stubborn commitment to an artist who never seems to make it, it may seem stupid to those who are thinking in commercial terms alone, but not all galleries do. That commitment, of course, reflects well on the rest of your trade and the belief others have in it. Most artists need a gallery to provide access to their work. The way that is done varies according to the rewards that both parties seek. Commitment to an artist that doesn’t seem to be going anywhere keeps the work (and maybe the artist) alive for the time when that view may be seen to be wrong. Meanwhile, mad prices lead to mad evaluations ...”

Anthony Reynolds, Director,
Anthony Reynolds Gallery, 2004

“The best of exhibitions is the information it provides towards the art party. The led, non-commercial, even employment liaison. But the curator—artist—invisible. The many artists overlapping interests in dealers let this can be interest and their artists

Andrew Na
Modern Ar

“For many smaller regional museums collecting contemporary art presents a huge challenge, not just in terms of raising the money, but also because the prevailing political climate is not very propitious and there is a serious shortage of curatorial resources. We’ve always contributed towards the acquisition of a wide range of works for collections across the UK, but when we were planning our centenary exhibition we were struck

the late 80s to support programmes of contemporary art in regional museums through ‘Glory of the Garden’ funding led to some 50 new curatorial posts, but the subsequent lack of funds for programmes and acquisitions and professional opportunities for curators to travel and network have steadily eroded these gains. Good collections of modern and contemporary art may have been established, such as that of Southampton City Art Gallery, developed through the advice and gift of the late Dr David Brown of the Tate, but they need strong curatorial resources in order to work to their potential.

The Goodison review: securing the best for museums: private giving and government support (2004) declares that, although museums should be accumulating good examples of contemporary art, ‘contemporary art poses

by the dearth of significant contemporary works that we'd supported in the 20th century, particularly in the middle decades. We're therefore anxious that – as a nation – we take full advantage of the wonderful opportunities for enriching our public collections today with the most exciting examples of contemporary art that are being produced not only in the UK but also around the world.”

David Barrie, Director, National Art Collections Fund, 2004

58 Public sector

a particular problem’.³¹ This, Sir Nicholas Goodison states, is not only a matter of funding, but is also to do with the uncertainty of backing particular living artists before it is widely recognised that they are the most significant artists of their day. The report notes that the Heritage Lottery Fund will not normally help with a work of art less than 10 years old, and while it acknowledges that the National Art Collections Fund (Art Fund) has markedly increased its support for contemporary art over the last two decades, it also observes that the Art Fund’s primary remit is to assist in purchases, and not normally to fund them outright.

The Goodison report singles out for special praise the Contemporary Art Society, a private charity founded in 1910 in response to the lack of official support for young artists in Great Britain. Part-funded by the Arts Council, the CAS is one of the few means (apart from donations from private individuals) by which Britain’s museums can acquire works of contemporary art. It raises and uses its funds to purchase and hand over

The drafting of a National Collections Strategy and Regional Purchasing Policies would bring together key players in public and private sectors to develop policies to encourage greater boldness and risk taking. The Contemporary Art Society and its partner museums currently provide a model for wider application.

Training for regional curators

Curators in smaller regional museums and public galleries would also greatly benefit from an extension of their professional development opportunities. This could range from expanding their curatorial skills and knowledge of challenging contemporary art by being given an increased chance to travel as well as various educational initiatives, including the opportunity to receive grounding in the dynamics of the art market. This would benefit all aspects of exhibition and gallery policy as well as improving their ability to negotiate and potentially to collaborate with those in the commercial sector.

Engaging with collectors

The relationship between collectors and the public sector often begins as a close one, with many collectors stating that they were initially inspired by visits to public collections and that the public collections initially inspired them to build up their own acquisitions. They would therefore like to view these collections as positive role models for their own collecting. But although there is an acknowledged need for public institutions to build a relationship with collectors, in practice this rarely occurs and it is nearly always the dealer who acts as the mentor to the collector.

While being aware of the clear dangers of self-serving acquisitions where purchases for public collections could bolster the value of works in their own collections, serious collectors often feel that they could play a

60 Public sector

“Regional collections have several hurdles to overcome: one is the political will to buy, which is often conservative but also significant if you wish to buy contemporary art, the other is the knowledge gap within the gallery about the art world, and how to go about the act of purchasing in what can seem a strange, even hostile, environment. Curators have to be trained and encouraged over time, to build a personal and institutional reputation for buying artwork. Too often galleries have a stop-start attitude to contemporary collections and this leads to a lack of buying opportunities and a decline in the expertise and confidence of the curators. Without this confidence the curator is more likely to follow the art pack and collect the usual suspects, go for the safe option over the risky purchase, or just not bother to buy at all. Once a gallery stops collecting contemporary art it will struggle to get started again. To re-start you need a sympathetic director, a proper purchasing plan, training and development opportunities, time in the artist’s studio and the commercial gallery and a budget that is secure to allow time to grow in experience and to make mistakes. ”

Nick Dodd, Chief Executive, Sheffield Galleries and Museums Trust, 2004

“If there was a real change of thinking from the government with regard to tax breaks on bequests and donations, it could have a very pronounced impact. I believe this could single-handedly explode the market and also provide a huge cultural legacy for the nation. Moreover, it should really empower the provinces – encouraging bequests to less well-endowed public institutions throughout Britain. So many great contemporary works of art are sold abroad as there is so little encouragement here in the UK.”

Jay Jopling, Director,
White Cube, 2004

“Tax breaks would certainly make a fundamental change which I think is absolutely necessary, but in my view we shouldn’t go to an American situation which is only market, tax and private initiative driven. I think that the strength of European museums is that, apart from the market-driven trends, there is also an artistic, intellectual, scientific, research kind of approach and that can only come from the public sector because it guarantees a degree of autonomy from the market. This autonomy makes it

Department of Culture, Media and Sport (DCMS); the Department of Trade and Industry (dti); the Department for Education and Skills (DfES); British Council or Central Government – to engage with the contemporary art market. The Arts Council could advise and support the establishment of such a body.

In London there already exists the long-established Society of London Art Dealers (SLAD), whose membership includes dealers selling all forms of art from old masters through to (a few) galleries specialising in challenging contemporary art. However the focus of SLAD tends mainly to be on secondary market issues and so a new organisation which is solely concerned with the primary market for challenging contemporary art is now needed. Out of this trade association could emerge an international trade mission which would assist in promoting the contemporary art market overseas; and lobby for government subsidy for

“Original works of art should not be categorised for tax purposes in the same way as consumer goods. Artworks could be treated in the same manner as financial vehicles, as investments. If you buy stocks or bonds or PEPs or unit trusts, VAT is not applicable. It’s an uneven playing field.”

Nicholas Logsdail, Director,
Lisson Gallery, London, 2004

possible to fill gaps in collections which are not so market-popular, and I think that governmental bodies have a remaining task and a responsibility to continue this kind of seriousness and autonomy of really collecting, not just accumulating objects.”

Jan Debbaut, Director of Collections, Tate, 2004

64 Developing the market

showing at the major international contemporary art fairs, for example. The dti offers subsidies to other economic/cultural sectors – including publishing and design – to fly the flag overseas, so why not contemporary art galleries? ³⁴ The boom in the British art market has to a great extent been fed by the emergence of many small-scale commercial agents and dealers who need support to develop their markets internationally and to attend overseas art fairs.

More data needed

Underpinning all these considerations, however, is the overall necessity for more information on all aspects of the art market. *Taste Buds* provided a valuable starting point, but in order to build the market’s credibility as an economic sector more hard data needs to be available. Further research could build on Morris Hargreaves McIntyre’s endeavours to assess the market.

Page 35

“The establishment of a trade association for contemporary commercial dealers would enable the gallery community to articulate its powerbase and demonstrate to government agencies that contemporary art is now a real economy that requires accurate measurement, policy and capitalisation.”

Andrew Wheatley, Co-Director, Cabinet Gallery, London, 2004

66 Developing the market

which aims to encourage a network of new collectors, artists and art professionals through monthly events which are communicated by email. This project also reflects the strategy of expanding the collector base by the dissemination of knowledge and the fostering of a sense of community.

Developing a bigger picture

London may dominate the UK market for challenging contemporary art, but the fact that it is already a global market-place should not prevent measures being taken to enhance its market status further. Additionally, the capital’s art market pre-eminence should not prevent measures being taken to develop the market for challenging contemporary art throughout England.

Some metropolitan centres such as Manchester, Liverpool, Newcastle, Nottingham, Bristol, Birmingham and Sheffield already have elements of an infrastructure. The problem is that each of these cities lack the full complement of components – inspirational art schools, an established community of artists, pro-actively collecting public galleries, informed critics, committed collectors – all of which need to come together at the same time to encourage the establishment of commercial galleries and to kick-start a viable market for challenging contemporary art. In short, for a commercial infrastructure to exist, there has to be a critical mass of all the essential elements.

Manchester, for example, has a highly regarded fine art department in its university, and significant public galleries as well as a range of artist-run spaces and curatorial initiatives. There is therefore enough of an intellectual hub to retain a community of progressive contemporary artists. There is also a pool of potential collectors. But until there are sufficient supply outlets

“What’s not in short supply in Manchester is artists: there are tons of artists who would do the Affordable Art Fair and also a significant amount of artists who are looking more towards the Frieze Art Fair as their benchmark. But there aren’t many galleries in Manchester who would want to be in the Frieze Art Fair, the only ones I can think of are the artist-run spaces. There are quite a few buyers, but not many that I would call serious collectors, but within greater Manchester and Cheshire there are a larger number of collectors that are not being accessed for more difficult work because the only galleries that access them are doing more conservative work. The way to develop that market would not be through creating supply but to develop demand, you need some way of getting people to understand that there is a very vibrant art scene in Manchester and to take pride in this, like they do when their football team does well.”

Nick Crowe, artist, 2004

Page 36

“The last decade has seen huge social and economic shifts in the North East, along with an amazing increase in awareness in contemporary art. This has meant that there are now real opportunities for agencies like Locus+ to move into national artists’ representation as a strategic part of their regional activities. However, only sustained investment in these opportunities will deliver an independent art market outside of London.”

Jon Bewley, Director,
Locus+, Newcastle, 2004

with artists and outlets that specialise in more challenging work. While it is helpful to make distinctions between different kinds of art practice, this does not mean to say that they are mutually exclusive: areas of common ground need to be sought, and means to be found for these distinct but also interrelated constituencies to grow and develop in tandem.

Some regional centres are already developing broad-based elements of a commercial infrastructure: supporting open studio events and encouraging commercial initiatives by hitherto non-profit spaces and organisations. However these various and often ad-hoc activities all need to be corralled into a comprehensive and coordinated plan which combines artists, art schools, art colleges, regional galleries and museums, commercial galleries, artists’ studios and artist-run spaces. All these components have to be developed simultaneously for an artistic, commercial and intellectual basis to evolve; while at the same time links should also be encouraged between these elements and also with their counterparts in London and other metropolitan centres. In each regional centre this coordination has to be tailored according to specific local circumstances and needs.

“Complex cultural activity is not just a pleasurable hinterland for the public. It is at the heart of what it means to be a fully-developed human being. Government should be concerned that so few aspire to it and has a responsibility to do what it reasonably can to raise the quantity and quality of that aspiration.”

Tessa Jowell, Secretary of State for
Culture, Media and Sport, 2004

68 Developing the market

Page 37

Endnotes

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- 2 Drew, Joanna and Lampert, Catherine, *Hayward Annual Exhibition Catalogue*, Hayward Gallery Publishing, 1985
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- 4 Re-framing arguments about art and artists in economic terms draws on issues raised in Morris Hargreaves McIntyre, *Taste Buds: how to cultivate the art market*, 2004 and specialist advice from Sarah Thelwall and Andrew Wheatley.
- 5 Hewitt, Peter, *Ambitions for the arts 2003–2006*, Arts Council England, 2003
- 6 Morris Hargreaves McIntyre, *Taste Buds: how to cultivate the art market*, 2004. The research ‘aimed to explore the extent to which individuals in England buy or have the propensity to buy contemporary art for their homes’. In order to examine this, the following research questions were included within the brief: a) how to enhance

- which art is filtered and legitimised in an otherwise unregulated sector’. ‘The contemporary art market-place’ model segments the art market into four types of art or artist ‘along the axes of desired destination for the work and degree of engagement in current critical debate’.
- 8 See *Taste Buds* Executive summary, October 2004
 - 9 In the 1980s Interim was publicly funded for a short period of time; during City Racing’s 10-year history (1988–1998) it received both revenue and project funding from Arts Council England, London (see Hale, Matt, Noble Paul, Owen, Peter and Burgess, John, *City Racing, the life and times of an artist-run gallery*, Black Dog Publishing Limited, 2002)
 - 10 See *Taste Buds* Executive summary, October 2004. The largest part of this figure came from the turnover of London galleries, which was estimated at £268.8 million. This figure took the total primary sales (to individuals, museums and institutions at home and abroad) of 100 London-based contemporary art galleries. While this figure allowed for fees to artists, it did not include the

- 16 The so-called New British Sculptors still represented by Lisson are Tony Deacon, Richard Wentworth and An
- 17 Evaluation carried out for Frieze 2004. Hargreaves McIntyre and funded by England’s New Audiences Department. 73 surveys with exhibitors (response rate) and interviews with 3. MHM will be conducting an extended at Frieze 2004.
- 18 Keith Hayman quoted in Glinkowski *Open Studios: a gem worth polishing*, Arts Council England, 2003
- 19 Other examples include Will’s Warehouse London. See the supply section in *T* for further models of retail-style out
- 20 Morris Hargreaves McIntyre present information on buyers and potential *Taste Buds*. The research examined of art, attitudes to risk, and distribution. Buyers’ motivations and barriers to were explored and a detailed segment buyers was presented.

and increase sales of innovative, contemporary art and private collections through the diverse range of distribution points, b) how to encourage artists to become more entrepreneurial in their engagement with the market-place, and c) how to expand the audience, ie individual buyers, for contemporary work through purchasing and commissioning. The brief for *Taste Buds* did not include an examination of international markets or corporate buyers.

7 Morris Hargreaves McIntyre provide an analysis of the structural concepts and principles underpinning the sector in the context section of *Taste Buds*, leading to the development of two models. 'The art eco-system' model illustrates the players who determine an artist's trajectory as they accrue 'subscription', a term Morris Hargreaves McIntyre describe as 'the process by

significant number of galleries that operate as agents for their artists. It should also be noted that this total figure does not include the number of galleries, both large and small that began trading in London after *Taste Buds*' research cut-off point of July 2003.

- 11 See *Taste Buds* Executive summary, October 2004
- 12 Morris, Lynda, *Monopolis*, a paper given at Curating in the 21st century conference, The New Art Gallery Walsall, 8–9 June 2000
- 13 Quoted on p22, *London Cultural Capital: realising the potential of a world class city*, Greater London Authority, June 2003, taken from *The Case for London*, Arts Council England, London, 2000
- 14 See *Taste Buds* Executive summary, October 2004
- 15 White Cube artists include Damien Hirst, Marc Quinn, Gary Hume and – from a slightly younger generation – Tracey Emin and Gavin Turk.

- 21 *Taste Buds* interviewed over 6,000 people in the buyer section; 6,141 adults aged 18 and over, living in England. An in-depth survey was carried out with 1,759 of these, 30 interviews with known buyers, 4 for new buyers with existing buyers and 4 with potential buyers of contemporary art.
- 22 See *Taste Buds* Executive summary,
- 23 See *Taste Buds* Executive summary,
- 24 See *Taste Buds* Executive summary,
- 25 Hewitt, Peter, op cit
- 26 *At Home With Art*, initiated by Colin Rowe as a collaboration between Tate Britain and the Touring Exhibitions, Homebase, and the School of Art, funded by the Arts Council of England Audiences Programme. Nine sculptors including Bulloch, Tony Cragg, Richard Deacon, Gormley, Anish Kapoor, Permindar

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