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Talking Prices

Symbolic Meanings of Prices on the Market for Contemporary Art

Olav Velthuis

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Broer did not want to be an accountant. Later, when he was writing art criticism, people blamed him for using the words "indescribable" and "priceless" so often. "Those two words may be bad style," he would defend himself, "but they are good aesthetics. I used to have a father who was haggling perpetually. I hated his ceaseless thrift. The same hatred I now feel for the smooth operators who have words for anything. As a boy, I used to long for things that cannot be converted into whatever you like, that cannot be melted into air by money or words, things that are inviolable, insoluble, and now I have found them, in the world of art. To me 'beautiful' is synonymous with 'genuine.' And if I nowadays come across something that is nothing other than itself, that is real, I honor it by saying 'indescribable' or 'priceless'; thus, so to speak, I keep my mouth shut."

—Frans Kellendonk, *Mystiek Lichaam*

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Introduction

IN THE MIDDLE of one of the interviews which I conducted for this study, I decided to give up, desperate as I felt about the respondent's reluctance to respond to my questionnaire. The art dealer, whose gallery annex print-making studio was located in the geographical periphery of the New York art market, refused to discuss what I was trying to understand: how art dealers set prices for contemporary works of art. This dealer had explained casually that the prints made in his studio were priced at roughly two-thirds the price of a work on canvas, and that revenues of sales were split on an equal basis between him and the artist. Apart from that, however, he did not elaborate on pricing strategies, the dos and don'ts of price changes, or the rationale of the vast price differences between different works that prevail on the market for contemporary art.

His unwillingness to answer my questions was not informed by anxiety to disclose business secrets, but by a sheer disinterest in prices; at least that was what he tried to convey when my tape recorder was running. The art dealer claimed that he did not want to be a factory, a marketplace, or a banker; he and the artists he worked with would not, as he put it, "demean themselves to what is called commerce." Instead, this friendly but stubborn man characterized his own enterprise as a family. He elaborated on the egalitarian basis of his gallery and on the moral responsibility he felt towards the arts community; he repeatedly spoke about the gallery as a "mutually enabling environment," and claimed that his own role was to be "co-involved" with artists intellectually. Acquainted with many of America's best known painters, he emphasized how his relationship with them was based on "equality, harmony, and partnership." Regarding collectors, the dealer said that he only sold art to people who expect to "grow from it spiritually"; the fact that hardly any work he sold in the past had subsequently appeared at auction proved that collectors of the gallery "purchase [art] for the right reasons." This apparently pleased him, since he maintained that art loses its "emotional value" and degrades into "capital" once it appears at auction. The dealer did not leave any opportunity unused to make clear that this was to be avoided at all times. The "boom" of the art market in the 1980s, when prices for art rose steeply and works of art became popular as investment objects, had therefore done lasting damage to the art world, according to him.

After I had turned off the tape recorder, the dealer offered me a glass of white wine, and took me to his living space behind the gallery. He showed me his own, private art collection, which consisted of works by modern masters I had only seen in museums before. Then, as he described the background of his collection, and how he had put it together passionately throughout the years, his wording changed dramatically. The same dealer who had so carefully avoided invoking mundane interests before, turned out to remember precisely how much he had paid for the works in his collection in the past, and was also up to date about their present price level. Moreover, he eagerly and proudly emphasized that the current market value of his collection surpassed the past acquisition prices dramatically.

It seemed that my respondent stood the world on its head: in his commercial role as a dealer, when I expected him to be concerned about prices and profits, he refused to talk numbers. Instead, the metaphor he used to characterize his business was a "family" and a "community" rather than a marketplace—reflecting on his own enterprise in terms of commerce, marketing, or business strategies seemed out of the question. In his living space, however, the same dealer apparently felt inclined to discuss the value of his precious collection in bare economic terms. Since I expected that explicit monetary measurement is avoided in the private sphere, especially regarding goods with a strong symbolic value like art, this attracted my attention as much as his earlier avoidance of prices did.

Other dealers whom I interviewed for this book claimed likewise that they had not entered the art business to make a profit, but because they loved art, or because they wanted to help artists make a living from their work. References to commerce, such as price tags or cash registers, were conspicuously absent from their business spaces. They said that they would never allow their artistic priorities to be compromised by commercial objectives and that they did not let financial matters interfere with the way they conducted relationships with artists and collectors. At the same time, however, when they were casually describing their daily lifeworld, including social interactions, prices surfaced prominently in their discourse.

The Cultural Constitution of Economic Life

To make sense of the way art dealers talk about their business, we need to go beyond conventional understandings of markets. According to one of those understandings, instigated by mainstream, neoclassical economists, but also endorsed frequently in the media, markets are about individuals who pursue their self-interest ruthlessly and who exchange goods without regard for others. Within this understanding, the dealer's discourse can be safely ignored, since economic life is ultimately structured by some underlying universal principle such as the "laws of supply and demand," the "price mechanism," or the "invisible hand of the market." Cultural economists who study the art market have emphasized time and again that the buyers, sellers, and distributors on the art market are, like their counterparts on other markets, rational individuals who permanently strive to maximize their profits (see, e.g., Frey 2000; Grampp 1989). For such an economic analysis, the empirical evidence which interviews generate is fragmented, unsystematic, and anecdotal. Neoclassical economists prefer to look at outcomes like actual market prices, which directly reveal the behavior and preferences of economic agents.

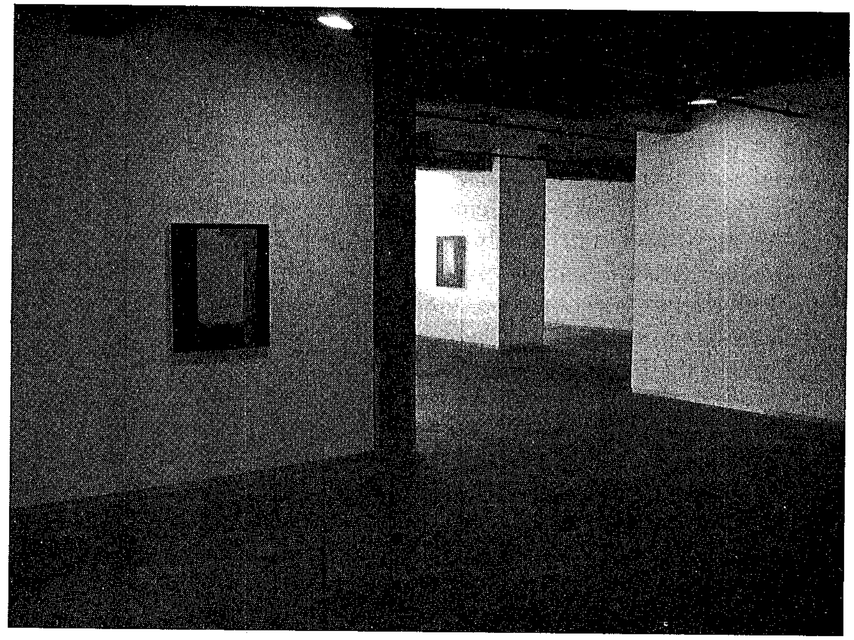
According to another understanding, which has been put forward by economic sociologists since the mid-1980s, markets should be understood in network terms. Increasingly dissatisfied with the "undersocialized" perspective of neoclassical economics, these sociologists have argued that market exchange is invariably embedded in social networks. The emphasis that the art dealer put on his intimate social ties attests to the existence of such networks in the art market; these networks, the argument goes, can be formalized and have a decisive and measurable effect on the dealer's survival in the art market, on prices, on profit rates, or on some other indicator of success (Giuffre 1999). Within a third understanding, markets are the antithesis of social and cultural life. This view of markets, which can be found in social science as well as the humanities, and counts classical thinkers such as Karl Marx and Georg Simmel among its ranks, stresses the contaminating or corrosive effects that the market has on social and cultural life. When it comes to art, the market alienates artists from their work, their labor, and their public, while failing to recognize artistic values; moreover, through the price mechanism, which supposedly reduces all qualities to quantities, the market commensurates what is considered to be incommensurable.

The alternative understanding that I propose in this book is that markets are, apart from anything else, cultural constellations. Like any other type of social interaction, market exchange is highly ritualized; it involves a wide variety of symbols that transfer rich meanings between people who exchange goods with each other. These people are connected through ties of different sorts, whose emergence, maintenance, and possible decay involve complex social processes. What I argue, in short, is that just as culture infuses other social settings that sociologists and anthropologists have studied, it infuses market settings. This infusion is of such a degree, that it may be virtually impossible to separate market and culture analytically (DiMaggio 1994, p. 41).

Within the understanding of markets that I propose, even prices, which have long been considered to be devoid of any meaning at all, can be thought of as cultural entities. Indeed, the New York art dealer's sudden change of discourse when he showed me his private collection, from denying to emphasizing them, makes sense once it is recognized that prices have symbolic meanings apart from just economic ones. Referring to the difference between the original acquisition price and the present market value of the works of art he owns, the dealer in question expressed noneconomic values and sketched his capabilities as a collector of art. During the interview, he had referred to similar price differences of works by one of his artists as follows: "When I first worked with Sam Francis in the 1970s, his reputation had slipped away a bit, and we could not give the works away for $8,000 or $9,000. However, not so long ago his work was traded on the market for $195,000. . . . It's interesting, it's a story. The figures describe a story that is not about the money." What I infer from these comments as well as those made by other dealers is that the price mechanism is not just an allocative but also a symbolic system: impersonal and businesslike as prices may seem, they are the numbers artists, collectors, and dealers live by (cf. Friedland and Alford, 1991, p. 247).

In advocating the role of culture in economic life, I do not mean to subscribe to a "culturalist" point of view, in which culture is the only or the prime explanatory concept (see Hannerz 1992). Neither do I think of culture as a stable, coherent set of values that decisively sets one group of people apart from another. Instead, building on recent strands in cultural sociology, I will show how culture simultaneously restrains and enables action on the art market (see DiMaggio 1997). Culture is *restraining* in economic life insofar as cultural values codetermine which types of goods can be exchanged, which social and cultural contexts are legitimate for conducting this exchange, and which business practices this exchange should be accompanied by. For instance, when it comes to the architecture of galleries, an avant-garde art dealer can hardly afford to deviate from the austere, white, spartanly furnished spaces that have dominated Western art markets for at least half a century. Doing so would, in most cases, seriously compromise his legitimacy within the art world. To give another example: when it comes to setting prices, ostentatious price decreases need to be avoided because such decreases harm the status of dealers and reputation of artists significantly in the eyes of their peers.

At the same time, culture is *enabling,* since it provides economic actors with the tools to shape markets, social relationships, and contexts of commodification, in legitimate and meaningful formats. I will refer to these tools in terms of a repertoire or a menu of possibilities (see DiMaggio 1997, p. 267). For instance, within the restriction of the so-called white cube, dealers can construct and fortify their identity by means of details inside of the space, by its location, or by the transparency of the gallery architecture. And when it comes to decreasing prices, dealers have an emergency repertoire at their disposal to carry these through less ostentatiously but more legitimately.



Avant-garde gallery in Chelsea, New York. Photo: author.

The conception of culture in economic life that I endorse differs from the toolkit notion of culture which was developed by Ann Swidler in the 1980s, and has become increasingly popular in recent years. According to Swidler, culture can be thought of as a toolkit which individuals can fall back on in order to find strategies of action of their own liking.[1] Instead, the account of culture that I provide is a relational account, according to which artists, collectors, and dealers mutually construct the landscapes of meanings they inhabit. The term I use for these landscapes of meaning in economic life is "circuits of commerce." Randall Collins originally proposed the term "Zelizer Circuits" to denote the dense exchange patterns studied by the economic sociologist Viviana Zelizer. Zelizer herself subsequently coined the phrase "circuits of commerce" to illuminate that exchange is invariably accompanied by "conversation, interchange, intercourse, and mutual shaping" and gives rise to "different understandings, practices, information, obligations, rights, symbols, and media of exchange."[2] Social ties are not uniform within these circuits, but are instead subject to differentiation. People may, for instance, mark the manifold exchange relationships they engage in, whether relatively intimate or relatively impersonal, by means of special names, the use of particular media of exchange, or the giving of appropriate gifts. The transfer of goods and services within circuits is in other words not restricted to either market or gift exchange, but often involves a combination of both.

Rather than being solely motivated by utility maximization, members of these circuits may be inspired by concerns of status, care, love, pride or power. In daily economic life, they not only need to collect information and make decisions on its basis, they also need to make sense of the behavior of the partners they engage in trade relationships with. This behavior may not be universally rational, but it does make sense within the circuits that economic actors inhabit. On the one hand, then, the notion of circuits serves as an alternative to the reductive notion of exchange that prevails in neoclassical economics; on the other hand, it suggests that there is more to markets than social structure.

Organization of the Book

This book is not about colorful biographical details of artists, dealers, and collectors, about "the powers behind the scenes," about chivalrous and mischievous behavior of dealers, about amorous relationships with dramatic endings, or other juicy stories that the art world has come to be associated with in the popular press. The aim of the book is to understand how contemporary art is marketed in western societies around the turn of the twenty-first century, and how art dealers determine prices for contemporary works of art. In the first chapter, I show that by reducing all values to price, or by radically separating the categories of price and value, dominant strands within economics and the humanities have failed to understand how dealers operate in two worlds simultaneously. Their disciplinary separation notwithstanding, the worlds of art and economy need to be negotiated in the daily practice of the art dealer. In order to do so, art dealers rely on an intricate business repertoire. For instance, a sharp distinction is made between the front room of the gallery, where artworks are exhibited and references to commerce are suppressed, and the back room, which can be seen as the commercial nerve center of the gallery. In order to separate art from commerce, dealers also make a sharp distinction between "right" and "wrong" acquisition motives on the part of collectors, and between an active and a passive marketing scheme. They furthermore try to control the biography of artworks in order to prevent these works from coming into contact with money again. By doing so, the "disentanglement," as Michel Callon has called it, of the artwork from its producer, remains incomplete on the art market (Callon 1998).

In chapter 2 I elaborate on the social fabric of the market. The art market is characterized by a dense network of intimate, long-term relationships between artists, collectors, and their intermediaries. As the dealer suggested at the beginning of this introduction, at times these relationships are framed like or grafted onto family ties and hardly look like the anonymous interaction assumed in neoclassical economic theory. I show how dealers, collectors, and artists maintain these relationships by marking, defining, and framing exchange; by doing so they actively manage the meanings of the transactions they engage in. A *quid pro quo* exchange between a dealer and an artist may, for instance, be framed both as a hostile act and as an act of care. Also, whereas some scholars are keen on making a sharp distinction between an (ideal) gift economy and a (corrosive) market economy I argue that this distinction is untenable, for circuits within the art market are characterized by economic transactions that are not *quid pro quo,* but involve mutual gift giving and delayed payments.

In chapter 3, I discuss the way this dense network of social relationships interacts with the price mechanism that is used on the art market. Since dealers want to have control over the future biography of the artwork, it is not always in their interest to sell art to the highest bidder. They prefer to sell new artworks by means of fixed prices, rather than by means of an auction mechanism, and sharply distinguish their own gallery prices from the hostile, parasitic prices established at auction. Apart from the fact that the auction mechanism results in price volatility, which can harm trust in the value of an artwork, the structural positions of both parties in the market differ. Whereas auction houses do not work with artists on a long-term basis, dealers see themselves as patrons who seek to establish a firm market for their artists. In order to prevent artworks from appearing at auction, dealers erect moral and sometimes even quasi-legal boundaries between the gallery and the auction circuit. As a result, an auction price may not be fully fungible with a gallery price. The art market, furthermore, gives rise to definitional struggles between dealers and auction houses, in which the dealer wants to suppress the commodity character of an artwork and sees these efforts obstructed by the auction house.

If not by means of an auction mechanism, how do art dealers arrive at the prices they post in their galleries? The book does not propose a new, grand theory of value, but those who are looking for the definite answer to the enigma of high prices for artworks, which has long aroused the curiosity of both academic and lay observers of the art market, will find bits and pieces of that answer in chapters 4 and 5. The crucial issue here is that feeble constructions of value, and a permanent awareness that these constructions may collapse, hide behind the impressive gallery spaces and the charismatic personalities of their owners. Therefore, dealers work hard to establish a sense of structure when deciding about prices. In chapter 4 I explore this structure by means of a statistical model, which estimates the price of a contemporary work of art in terms of characteristics of the artist (e.g., age, reputation, sex), of the work of art (technique, size), and of the gallery (e.g., affiliation, age). Building on institutional currents in sociology, I explain these statistical regularities in chapter 5 with the help of what I call "pricing scripts." A script is a set of rules which enables dealers to set prices systematically. These rules circumvent the subjective, disputable issue of quality, and focus on measurable entities such as the size of the artwork or the age of its maker. Scripts not only structure the market by establishing a common pricing framework for different artists, but also create consistency within an artist's career, since they contain rules for different events that occur in the course of this career.

In chapter 6 my account of this scripted decision-making process is enriched by showing that the concept of price itself, unproblematic as it is in economic theory, turns out to be fluid, underspecified, and subject to (re-)definition in the discourse and practice of art dealers. As dealers distinguish different types of prices and attach moral significance to these, prices not only differ along quantitative but also along qualitative lines: they embed prices in different narratives of the market such as an honorable, a superstar, and a prudent narrative. In making these distinctions between different narratives, dealers identify themselves with some business practices and distance themselves from others. Also, they cancel out the commensurating effect of the price mechanism to some extent by means of these distinctions.

Making distinctions between different types of prices is not the only signifying act in markets. In chapter 7, I show how dealers convey social and cultural meanings to their colleagues, artists, and collectors through price levels, price changes, and price differences. High prices for art may not make sense in absolute terms, but they do make sense when seen within the context of other prices for art. Also, for the lack of a better alternative, prices are "read" as an indicator of artistic value by collectors. Moreover, my ethnographic material suggests that prices are not just about works of art, but also about the people who produce and consume them. Prices serve as a ranking device when it comes to artists. Although dealers may be able to use this ranking device to their advantage, for instance when high prices go to symbolize the extraordinary talent of an artist, meanings of prices may also turn the art market into a symbolic minefield: not all participants of the market, not the entire art community, and certainly not the entire society the art world is embedded in, interpret prices in the same way; outside of the art world people may see high prices for art not as a symbol of genius, but as a symbol of fraud. A price that is understood as cautious or modest in one circuit may be

interpreted as a sign of arrogance in another one. Also, some artists see prices as a source of self-esteem, which induces them to demand prices that are hardly "real" in the eyes of dealers. In short, meanings of prices are always multiple meanings. Neoclassical economists are likely to dismiss the relevance of such meanings when studying prices. Nevertheless, I will incidentally make claims that the stories which prices tell and the meanings which they convey have repercussions for economic outcomes as well. For instance, paying attention to meanings of prices will enable me to account for some anomalies of the price mechanism, such as the existence of a strong taboo on price decreases and the golden rule of pricing according to size rather than quality.

The Hollow Core at the Heart of Economics

Although the reader will notice that my perspective on the art market is largely grounded in empirical data, it builds on recent strands in sociology and older strands in anthropology, as well as heterodox strands within the discipline of economics, which advocate the constructive role of culture in economic life.

In spite of the fact that markets are one of the central institutions of our society, the question of how they function has been largely ignored by neoclassical economics, as several economic sociologists have claimed. Richard Swedberg, for instance, has argued that since the end of the nineteenth century, economic theory of the market has been thinned to the abstract concept of the price mechanism that mainly served analytical interests of a highly mathematical kind (Swedberg 1994, p. 259). In a review of recent literature, John Lie notes likewise that economists have used the concept of the market as an ontologically indeterminate abstraction: it is the "hollow core at the heart of economics," as Lie puts it (Lie 1997, p. 342). The reason is that neoclassical economists have long analyzed markets as autonomous, de-contextualized mechanisms, which are devoid of an institutional grounding and are not disturbed by any social or cultural interference. The problem is not just that these markets do not exist in reality, but also that economic actors would most certainly feel at a loss in them (Castells 1996, p. 172).

Economic anthropologists like Marshall Sahlins, Mary Douglas, Arjun Appadurai, and Stephen Gudeman have countered the neoclassical economic notion of universal, acultural markets by arguing that economic value relies on cultural beliefs as much as on material practices, that consumption is at once determinant and expressive of identity, that economic goods can be seen as having a life or biography of their own, or that love and care may manifest themselves in economic activities as unlikely as shopping. Economic sociologists have likewise argued that we should pay attention to the different ways in which economic life is socially constructed, and to the role that culture plays in the design of economic institutions.[3]

This book builds in particular on the work of economic sociologist Viviana Zelizer. A recurring theme in Zelizer's work, which deals with, among others, the marketing of life insurance in the nineteenth century, the use of money within domestic settings, and the changing economic valuation of children, is how actors transgress the boundaries between the marketable and the non-marketable, between the sacred and the profane, or between legitimate and illegitimate exchange. By actively modifying the morals of markets, economic actors manage to establish legitimacy for transactions in contested goods. They succeed in supplying seemingly homogeneous economic entities such as money with a human dimension. Also, Zelizer shows that a commercial setting does not keep economic actors from building up meaningful, intimate social relations.[4]

Apart from advocating the role of culture in the everyday functioning of markets, the main contribution of this book is a sociological analysis of prices. Although some sociologists, starting with Max Weber, have paid attention to the price mechanism, a full-fledged sociological alternative to the neoclassical perspective of prices is lacking. Some sociologists even contrast socially embedded action with the "atomized market governed by the price system," implying that price formation is essentially a nonsocial activity (Uzzi 1997, p. 49). Weber, however, saw "money prices" (*Economy and Society*) as the expression of the market struggle between relatively autonomous economic units. They were "the product of conflicts of interest and of compromises" and resulted from "power constellations" (Weber 1922 [1978], p. 108). Recently, a number of economic sociologists have also started analyzing prices in terms of the social structure of the market that produced them. They show that prices do not "mysteriously emerge from 'the market,'" as Harrison White has phrased it, but are instead social formations or social constructions, and form part of the established rules of the game that producers tacitly obey (White and Eccles 1987, p. 985; White 1981; White 2002). The uniform pricing schemes which came about in the late nineteenth-century electricity sector, for instance, reflected intra-industry political struggles, power configurations, and social networks rather than economic pressures propelling towards increased efficiency. Thus a suboptimal rate system for electricity came into being, which was subsequently locked in for the century to follow (Yakubovich et al. 2001); also, in a by now classical article, Wayne Baker has shown how volatility of stock prices depends on the social structure of the market and the size of networks in which traders operate. Whereas mainstream economists postulate that markets with larger numbers of buyers and sellers show less price volatility, Baker shows that the opposite holds on the financial markets he studied. His explanation is that small groups of market actors are able to keep each other's market behavior in check, thus setting boundaries to price volatility (Baker 1984).[5]

Privileging the role of social structure, these studies have left cultural aspects of markets by and large unexamined. In particular, they do not recognize that prices are embedded in webs of meaning rather than just in social networks. Conversely, in cultural sociology, a wide range of vehicles of meaning have been recognized, including beliefs, ritual practices, art forms, and ceremonies, as well as informal cultural practices such as language, gossip, stories, and rituals of daily life; the symbolic content of economic entities such as prices, however, has hardly ever been considered. In that respect, this book contributes to opening up a new field for cultural analysis.

Contemporary Art Galleries in Amsterdam and New York

The empirical focus of this book is on dealers that are active on the primary art market in Amsterdam and New York, and who show contemporary art on a regular basis in commercial exhibition spaces. The primary art market is the market for the first-time sale of contemporary art. I have excluded dealers on the secondary or resale market for art from my analysis as well as other actors on the primary market such as artists who sell their work directly out of their studio, intermediaries who operate via the internet, through furniture stores, on the sidewalks of busy, touristy streets, at Friday afternoon company gatherings or at Sunday afternoon society parties in chic private houses, or with the help of young, good-looking salesmen who go from door-to-door with a portfolio of images. According to previous research on the Dutch art market, 56 percent of all sales are made through galleries, 30 percent directly from the artist's studio, and 14 percent through other intermediaries (Brouwer and Meulenbeek 2000).

Although art has been produced for a dealer-mediated market from at least the sixteenth century onwards, the history of art galleries as we find them in New York, Amsterdam, or other art cities in the Western world dates back to nineteenth-century Paris. Art galleries developed out of shops for artist's supplies, out of print shops, as well as out of premodern dealerships that were often affiliated with the French salons.[6] The defining characteristic of the modern art dealer as he arose in the nineteenth century is that he shifted the attention from selling individual canvases to selecting a limited number of artists and actively promoting their careers.

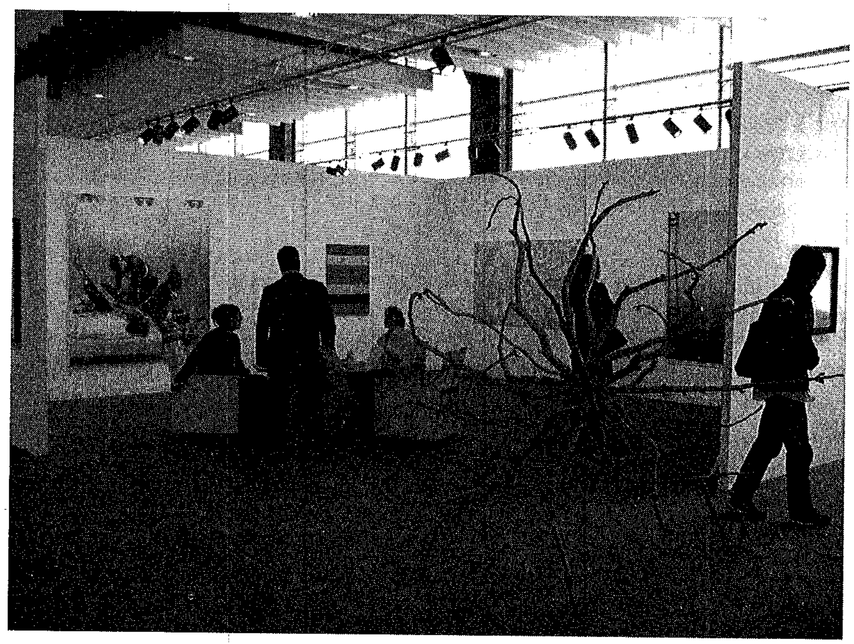
In order to do so, art dealers heavily relied on, and in many cases even actively tried to entice, critical appraisal for the artist's oeuvre. Thus, in their classical book in the sociology of art, *Canvases and Careers*, Harrison and Cynthia White have named the system that governs the modern art market the "dealer-critic" system (White and White 1965). Up to this day, art dealers are not only concerned with making sales, but also with stimulating critical attention for the artist's work by having critics write about "their" artists, and persuading curators to include them in future museum shows and other noncommercial exhibitions. This means that while dealers, collectors, and artists are the main parties engaged in economic exchange on the art market, the value of the goods that they exchange would not be realized without a political economy of taste, constituted by a variety of noncommercial institutions. Arguably, if compared to the past, the dominant role of the critic in this economy has been replaced by the curator who either works for a museum or is independently in charge of highly regarded exhibitions like the Documenta in Kassel (Germany) or the Venice Biennial. Apart from curators and critics, private collectors have allegedly come to influence the rise and fall of artistic careers.

Paris has long remained the geographical center of the art market since its inception in the nineteenth century; illustrious dealers like Paul Durand-Ruel, Daniel-Henry Kahnweiler, Léonce and Paul Rosenberg, and Ambroise Vollard had their seat there. After the Second World War, however, when dealers and artists left Europe, and the art that commanded most attention was produced by American abstract expressionist artists, New York took over (Guilbaut 1983). The city managed to hold on to this position for more than four decades, and although some have argued that the international art market lacks a clearly identifiable center since the early 1990s, New York probably still outranks any other city when it comes to the number of galleries, collectors, and artists. The city hosts many of the largest art dealers in the world, as well as the headquarters of the world's three main auction houses, Sotheby's, Christie's, and Phillips, de Pury & Luxembourg. Nonresident collectors fly into the city in order to buy new works for their collections, while foreign artists seek to be represented by a New York art gallery.

Although Amsterdam is, like New York, the national center of the art market, its position on the international art market is peripheral at best. The Dutch art market is, to a much lesser extent than neighboring countries like Germany, Belgium, or the United Kingdom, part of the international art market; this means that the collectors that Amsterdam dealers sell to are by and large restricted to the Netherlands. In international art fairs that have come to play a crucial role in the global art market, like Art Cologne, Art Basel, or the New York Armory Show, only few Dutch dealers tend to take part. Also, since foreign artists with an international reputation are usually selling their work for prices that are significantly above the customary level on the Dutch market, their work is hardly being exhibited in and sold by commercial Dutch galleries. Conversely, when a small number of artists like Rineke Dijkstra left their Dutch dealers for an English or American representative after making a breakthrough on the international art scene, this was widely deplored and considered to be a sign of the sorry state of the Dutch market.

No clear-cut explanation has been provided for this apparent weakness. Some have argued that the government is to blame; because of the stranglehold it supposedly has on the Dutch art world due to its extensive subsidy schemes, it would prevent private initiative from flourishing (Simons 1997). Others have argued that the Netherlands lacks a well-developed culture of art collecting, which may be due to a combination of socioeconomic circumstances such as the relatively equal distribution of income, or to cultural factors such as the originally Protestant taboo on ostentatious display of wealth (see Gubbels and Voolstra 1998).

Reliable and comparable figures on the Amsterdam and New York art market are hardly available. Table I.1 does give an overview, however, of



Booth of 303 Gallery at The Armory Show 2004, an annual fair for contemporary art in New York. Courtesy The Armory Show, Inc.

TABLE I.1
Key data on the American and Dutch art market

	Netherlands		USA	
(a) Number of dealers	500–600	(3.1–3.7)*	5,698	(2.0)*
(b) Annual turnover per dealer ($ thousand)	80–240		497	
(c) Size of dealer market ($ million)	40–144	(2.5–8.0)**	2,834	(10.1)**
(d) Number of artists	11,500	(0.7)***	191,160	(0.7)***
(e) Size of auction market ($ million)	26	(1.6)**	1,298	(4.6)**
(f) Share of global auction market	0.97%		49.14%	
(g) Average auction price ($)	6,189		71,035	
(h) Government expenditure ($ million)	714	(46)**	1,530	(6)**

Notes *per 100,000 inhabitants.
**per capita.
***per 1,000 inhabitants.

(a) Dutch figures for intermediaries on primary market only; American figures include secondary market dealers. Low Dutch figure: CBS (Central Bureau of Statistics), *Hedendaagse Kunstbemiddeling 1996,* Heerlen: CBS (1998). High Dutch figure: press release Dutch Gallery Association (NVG), 2000; see Gubbels and Janssen 2001.

(b) Low Dutch figure: CBS. High figure: average of 141 galleries who participate in a subsidy arrangement to stimulate the art market, 1999; see Gubbels and Janssen 2001. Note that the average $1.8 million/gallery for the New York City metropolitan area (including New Jersey) is much higher than for the rest of the country.

(c) Low Dutch figure: CBS. High Dutch figure: estimate based on maximum number of galleries and maximum average turnover. In the NYC metropolitan area, total sales of all dealers was $853 million.

(d) Dutch figure for 1998 (Brouwer 2000); American figure for 1990, including craft artists (see Alper et al. 1996).

(e) http://www.art-sales-index.com, auction season 2000/2001; figures do not include photographs and prints under $3,000, paintings, watercolors, drawings under $400, and sculpture under $2,000; net of premium to be paid by buyer to auction house and tax.

(f) For size of the global market, see http://www.art-sales-index.com, auction season 2000/2001.

(g) As (e) above.

(h) *International Data on Government Spending on the Arts. Research Division, Note #74,* Washington: National Endowment for the Arts, 2000; the figures include direct subsidies to the arts on a national and local level in 1994 (Netherlands) and 1995 (U.S.).

the national art markets that Amsterdam and New York are embedded in. The table shows that the average turnover of American galleries is at least twice as high as the average turnover of their Dutch counterparts. Depending on the definition used, the size of the American gallery market is up to 70 times as large as the Dutch market, whereas the American auction market is 50 times as large as in the Netherlands. Another striking difference regards the involvement of the government in the art world, which is, in relative terms, much larger in the Netherlands than in the United States. The per capita number of artists is roughly the same in both countries, however.

Whereas New York galleries are in some cases large, profitable enterprises, employing over 25 people, the majority of galleries in Amsterdam do not even provide a living wage to their owners (see Gubbels and Janssen 2001). In spite of this, the density of galleries is higher in Amsterdam than in New York (see table I.1). Depending on the definition of a gallery and on the source that is used, the number of galleries in New York lies between 470 and 1,294, and in Amsterdam between 121 and 288.[7] The most widely used gallery guides of New York and Amsterdam list 536 and 165 galleries respectively. Based on the latter figures, the number of galleries per 100,000 inhabitants is 6.7 in New York, as against 22.5 in Amsterdam.[8] Discussing the ecology of the art market, the economist Richard Caves notes that the art market may be relatively overcrowded because art dealers have other objectives than just maximizing profits (Caves 2000, p. 44): whereas firms with a similarly low profit level would have folded shop in other sectors of the economy, galleries stay in business. Given the higher density of art galleries in Amsterdam, this seems to hold to a greater degree there than it does in New York.

The Structure of Art Galleries

When it comes to the primary art market's structure, one may argue that there is really only one market, since all dealers are, in the end, competing for the scarce resources of a group of people who are willing and able to spend money on art. At the same time, however, one may hold that each gallery is a monopolist that, with a relatively stable set of artists on the supply side and collectors on the demand side of the market, hardly faces competition from its colleauges.

Presently, the primary art market in both Amsterdam and New York is a free market with relatively low start-up costs and no barriers of entry like licenses or diplomas. The backgrounds of gallery owners can hardly be generalized. Before opening an art gallery, owners of a gallery may have been businesspeople, art historians, artists, art consultants, or art collectors (cf. Gubbels 1999); in New York in particular, many of them have worked as a director, dealer, or assistant for another gallery. Systematic data are not available, but the average lifespan of galleries seems limited. According to one estimate of a well-known art dealer in the mid-1980s, 75 percent of all contemporary art galleries do not survive more than five years (Caves 2000, p. 44).

Although both in New York and in Amsterdam dealer associations exist, there is no formal regulation by governmental institutions or self-regulation by trade organizations (Gubbels 1999, p. 61). Art dealers in the Netherlands and the United States represent on average between 10 and 20 artists (a few large galleries, which have extensive financial resources as well as personnel, may represent up to 50 artists, as well as the estates of artists who have deceased); they schedule exhibitions for "their" artists on an annual or biennial basis which last six weeks on average. Before, during, and after the exhibition, the dealer tries to sell these works, which happens mostly on a consignment basis: when a sale is made, the dealer receives a commission which in most cases amounts to 40 or 50 percent of the selling price. Some of the works that are not sold during the exhibition may be kept in the gallery's inventory, but unsold works usually remain the artist's property. Some artists have a preemptor or primary gallery, who represents them exclusively and arranges all business affairs for them; if other galleries want to sell work by these artists, they get the works from the primary gallery; when those galleries make a sale, they not only need to pay a percentage of the price to the artist, but also to the primary gallery. Other artists do not allow a single gallery to promote their work exclusively, and work with several galleries simultaneously under comparable conditions.

As an organizational form, the art gallery hardly resembles the modern, bureaucratic organization. When Max Weber discussed different types of authority in his magnum opus *Economy and Society*, he distinguished traditional and charismatic authority from the rational-legal type that came to dominate modern organizations (Weber 1922 [1978], pp. 241–45; see also Biggart 1989). The art market seems to conform to the charismatic type, that is, the authority exerted by such people as revolutionaries, heroes, or spiritual leaders. The daily operations of art galleries are centered around the founder and owner of the gallery, whose name the enterprise usually bears: although she may be assisted by directors in the case of a large gallery, the key business activities, such as developing social networks crucial for the marketing of art, selecting the artists which the gallery represents, or setting the prices for the works for sale, are solely her responsibility. Only in a few larger galleries are employees of the gallery, rather than the owner himself, involved in making sales (cf. Szántó 1996). Depending on the size of the gallery, other tasks are executed by different employees such as an art handler, a bookkeeper, an archivist, and people responsible for contacts with the press, with artists, and with clients respectively.

In running their galleries, these charismatic dealers present themselves as visionaries of the artistic field, who "are playing for history," as one of my informants put it. They say that they do not have an interest in selling what is economically viable in the present, but in what is of artistic importance in the future. In other words, dealers engage in a seemingly irrational form of commerce, which rejects a straightforward capitalist logic, but instead endorses the more profound goals of the aesthetic and the artistic. The charisma of an art dealer is not self-acclaimed, but is acknowledged and enhanced by the diverse followings the dealer has: by artists whose ultimate goal it is to be represented by her; by gallery visitors who, facing the abundance of shows they can visit, choose to return to her gallery repeatedly; and by collectors who rely on her taste and who frequently, if not exclusively, buy their art at her gallery. As Lucy Mitchell-Innes, former head of Sotheby's New York contemporary art department, characterized the dealer-collector relationship at the Pace Gallery, founded by Arnold Glimcher: "Buying from Pace is rather like membership in a club. Glimcher has this group of subscribers who are committed to his aesthetic, and they buy works by each of his stable of artists."[9] As a result of this pivotal role played by the founder of the gallery, the long-term continuity of art galleries is problematic, which accords with Weber's characterization of charismatic authority: once the founder of the gallery retires or dies, the gallery often withers away. Rather than succeeding their employer, assistants or directors of the gallery tend to start a new gallery of their own. It is telling that the New York–based Wildenstein Gallery, one of the few galleries that have been in business for more than a century, albeit on the secondary rather than the primary art market, is a family dynasty.

When it comes to types of dealers, economists and sociologists have come up with different, albeit overlapping, distinctions between traditional and entrepreneurial dealers (Moulin 1967 [1987]), between dealers that are motivated by symbolic and those that are motivated by monetary rewards (Bystryn 1978), between dealers that sell popular and those that sell high art (Fitz Gibbon 1987), or between explorer and commercial galleries (Santagata 1995).[10]

To date, the French sociologist Pierre Bourdieu has proposed the most sophisticated taxonomy of what he calls the economy of symbolic goods. This taxonomy consists of two different types of hierarchies. First of all, there is the opposition between "large-scale" production directed at catering to the preexisting demands of a larger audience, and small-scale production meant for an audience that mainly consists of fellow artists, experts, critics, and a limited number of other insiders; on different occasions Bourdieu has referred to this opposition as an opposition between the commercial and the noncommercial, between traditional and avant-garde, or between bourgeois and intellectual art, between the "immediate, temporary success of best-sellers" and the "deferred, lasting success of 'classics'" (Bourdieu 1993, p. 82; Bourdieu 1992 [1996]). The second hierarchy concerns the circuit of small-scale, avant-garde production, in particular, and involves a young as yet unrecognized fraction, and a consecrated, well-to-do fraction of the cultural field, whose work has already been incorporated in the canon. This difference in degree of consecration, Bourdieu writes, "separates *artistic generations,* defined by the interval . . . between styles and lifestyles that are opposed to each other—as 'new' and 'old,' original and 'outmoded'" (Bourdieu 1992 [1996], p. 122).

In this book I will by and large adopt Bourdieu's taxonomy. The terms that I will use to denote the two opposed circuits within the art market are "avant-garde" and "traditional." Note that such terms are to a great extent misnomers, since the empirical basis of these terms is disputable at best: from an artistic perspective, it may in many cases be difficult to classify the artworks for sale in different types of galleries without insider's knowledge, especially once these artworks are lifted out of their gallery context. And when it comes to the economic dimension of the taxonomy, Bourdieu has rightly argued that the opposition between avant-garde and traditional or commercial does not concern economic success (profitability, price levels, turnover) per se; instead, the opposition coincides with economic success in the short run (in the case of traditional galleries) versus economic success in the long run (in the case of avant-garde galleries). What distinguishes both circuits, then, is not, or not only, the quality of the art or the economic success of the gallery, but the type of business repertoire that each endorses. This business repertoire manifests itself materially and symbolically in the way art is marketed, business is conducted, and prices are set. Surely each circuit may nowadays be too large for all its respective members (artists, dealers, and collectors) to actually engage in a day-to-day conversation with each other; nevertheless, they do share the same business culture, visit the same or similar shows, are interested in each other's gossip and rumors and read the same arts magazines.

This shared culture notwithstanding, the avant-garde circuit harbors a wide variety of galleries, from small, idealistic enterprises which try to help beginning artists show their work, to large, global corporations with offices around the world; within the traditional circuit, some dealers represent the expensive and painstakingly realist work of artists who have a waiting list of collectors willing to buy their work, while others offer a wide variety of low-priced works made by artists without a reputation whatsoever, for sale.

Methodology

With respect to empirical data, the analysis of markets and prices in this book largely follows Clifford Geertz's well-known dictum in *The Interpretation of Cultures* that "[i]t is with the kind of material produced by long-term, mainly (though not exclusively) qualitative, highly participative, and almost obsessively fine-comb field study in confined contexts that the mega-concepts with which contemporary social science is afflicted—legitimacy, modernization, integration, conflict, charisma, structure, . . . meaning—can be given the sort of sensible actuality that makes it possible to think not only realistically and concretely *about* them, but, what is more important, creatively and imaginatively *with* them" (Geertz 1973 [1993], p. 23; italics in original).

My field study included 18 semi-structured, in-depth interviews with art dealers in Amsterdam, and 19 interviews with art dealers in New York, which I conducted between April 1998 and March 2001. In both cities, the same questionnaire was used (see appendix A). The interviews lasted 45 minutes to an hour on average. I started with two pilot interviews in the Netherlands to test and improve the questionnaire.[11]

The selection of galleries was made on the basis of three criteria. First, diversity in terms of age and location of the galleries was maximized. Second, I made sure that "traditional" as well as "avant-garde" galleries were included; however, the sample is biased toward the second category (for a description of the sample, see appendix B). Third, the selection of galleries is partially based on a snowball method: interviews with some dealers were made on the basis of recommendations by gallery owners I had interviewed before (Arber 1993, pp. 73–74); I knew from previous research that access to prestigious dealers in particular can only be gained through these recommendations (Warchol 1992; Plattner 1996; cf. Abolafia 1998).[12] Apart from interviews, I conducted many informal conversations with dealers, artists, and collectors at openings, parties, professional meetings, art fairs, or public debates; during innumerable gallery visits, and especially during longer visits to dealers who provided me access to their archives, data were gathered by means of participant observation. My fieldwork has been supplemented with written material from eclectic sources such as reviews in art magazines; interviews with artists, collectors, or gallery owners published in books and magazines; biographies of art dealers; guidebooks to the art market for artists; and court materials.[13]

In some cases, I managed to triangulate my findings with the help of quantitative data. These data were derived from an arrangement of the Dutch government to provide individuals who buy visual art at a large selection of galleries in the Netherlands with an interest-free loan (see Rengers and Velthuis 2002). The database contains data on prices of approximately 16,000 artworks, sold in the Netherlands between 1992 and 1998, and many potential determinants on the level of artworks, artists, and galleries. Comparable data for the American situation are lacking, but nonsystematic observations of prices in New York galleries strongly suggest that the average price level is higher in New York. Nevertheless, the patterns of marketing and pricing art that emerged from my interviews in both cities are striking in their similarity. Therefore, this book lacks an elaborate comparative dimension; the emphasis of this study will be on similarities rather than differences between the cities. However, different pricing patterns that result from local institutional factors, such as the influence of governmental subsidization schemes in Amsterdam or the strength of the auction market in New York, will be elaborated upon.

The type of knowledge about markets and pricing that I derive from my ethnographic material is less abstract, less rigorous, and more difficult to generalize than economists generally prefer. Nevertheless, I contend that it provides a richer understanding of the actual practices of dealers, of the way the art market functions, and the role prices play in this market. The book finishes with a conclusion in which I speculate about the extent to which my findings can be generalized to other markets. The art market may seem erratic when it comes to its prices, thin when it comes to the number of buyers and sellers that are active, almost irrelevant when it comes to its size as a percentage of GDP, and hardly part of the capitalist economy when it comes to its business practices. Still, the landscapes of meanings that make themselves manifest in the art market on a magnified scale are hardly exceptional. Those who have paid detailed attention to other markets have invariably run into similar meanings before.

Chapter 1

The Architecture of the Art Market

Introduction

From the inception of the modern art market in the first half of the nineteenth century, art dealers have defined their own identity as disinterested promoters and patrons rather than merchants and marketeers of art. At a time when retail markets developed and department stores arose in most Western European metropolises, art dealers steered away from commerce and consumerism. They were quick in refashioning their stores "ideologically," as one historian writes, from "the equivalent of book dealers and antiquarians into rivals of museums" (Jensen 1994, p. 15). Moreover, art dealers have been wary of being identified with the economic elite that formed their clientele, and instead established close relationships with artists, critics, academics, and intellectuals (Green 1987, p. 66).

In a similar vein, contemporary art dealers maintain that they aspire to distribute art for history, not for the market. At seminars and expert meetings that I attended, they spoke of their galleries as a "place for experimentation," a "vehicle for ideas," and a "mild biotope" in which art can flourish. Rather than providing a "showcase for commodities," they aimed at engaging in a "privileged dialogue with the artist." In an empirical study, German art dealers told researchers that personal and artistic rather than economic criteria are decisive when it comes to the selection of artists that the gallery represents. In interviews they call themselves "amateurs," in the French sense of art lovers, who want to share their love for art with others; the function of their galleries would be to "provide people who understand art, who appreciate and follow art, with the opportunity to see it," as New York art dealer Barbara Gladstone put it in one of these interviews (Coppet and Jones 2002, pp. 115, 309). And on their websites, they write that they see it as their responsibility to "work for the long term development of each artist's career, acting as a liaison to international galleries and museums as well as placing works in collections; to create an historical archive for each artist; and to act as an accessible public space in which the exhibitions become an exemplary gesture of the power of subjectivity to the audience at large." That art galleries are also supposed to sell art can only be read between the lines, if at all.[1]

In writing this book, I ran into many other instances of this noncommercial self-representation among dealers in contemporary art. Gallery spaces I entered for interviews with the owner or director were pristine, white spaces, equipped like museums rather than retail stores. The works they were exhibiting, most often part of a solo show, surely were for sale, but I often failed to detect any initiatives to make those sales happen. In Amsterdam it was sometimes difficult to find gallery spaces, either because they were located away from crowded areas or shopping streets, or because they could hardly be identified from the outside as galleries. It should therefore not come as a surprise that people say they hesitate to enter a gallery space because of the psychological threshold that is being imposed upon them.[2]

I was warned by fellow researchers, friends with a background in the art world, and dealers in pilot interviews that my respondents would not be willing to discuss the business end of their operations. In this respect my background as an art historian proved to be an advantage. Before starting an interview I would usually ask questions about the current exhibition or about the artists which the gallery represented; I also signaled to my informants that I was aware of the position of the gallery and its artists in the contemporary art world. My impression was that after I had shown that my interests exceeded business matters, most dealers felt more at ease to discuss their commercial practices. Even then, however, my respondents hardly unfolded strategies explicitly directed at maximizing profits, catering to the demands of the market, or finding niches that had not been exploited before. Instead they emphasized that they were attached to "art rather than money," and that they would have chosen a different profession if they had wanted to become rich. Treating art commercially has no "cachet" or "savoir vivre," they said. With respect to their program, the dominant answer was that they continuously tried to "stay away from the trend"; they were only able to sell artworks they could appreciate themselves. One dealer described himself and his colleagues as "a bunch of dreamers."

These anti-commercial self-representations do not mean, however, that gallery owners discard commercial interests. As Nancy Troy writes about the illustrious art dealer Daniel-Henry Kahnweiler, who played a pivotal role in the marketing of cubist art at the beginning of the twentieth century: "In order to sell works of art by vanguard artists to the clients to whom they might reasonably be expected to appeal, [Kahnweiler] had to eschew the range of commercial practices associated with establishments appealing to much larger markets. If salons, like department stores, attracted enormous audiences to their vast and often highly orchestrated displays of disparate objects, if they issued extensive catalogues and generated highly visible accounts in newspapers and popular journals, the private dealer maintained distinctiveness of his products by not advertising and by suggesting the elite character and intellectual self-sufficiency of the works of art he displayed" (Troy 1996, p. 122).

The contemporary art dealers I interviewed likewise manage to transform goods which lack any direct utilitarian value into some of the most highly priced commodities of modern retail markets: invariably, they sold artworks for four-, five-, six-, and sometimes even seven-digit prices. Especially given the fact that many of these works are hardly meaningful, intelligible, or valuable to people outside of the art world, such accomplishments seem striking. It would be foolish, then, to take the art dealers' anti-commercial self-representations at face value. Instead, it could be argued that these self-representations enhance the very pursuit of these interests. The solemn, austere gallery spaces, for instance, with their scarce references to commerce, transport people into a radically different environment, where utilitarian notions of value are temporarily suspended, and, when it comes to prices, different laws are at work.

One Market, Two Logics

To understand in further detail the way art dealers operate and the way they represent these operations, we need to recognize that they are part of two different social worlds simultaneously. On the one hand, the art dealer's world is a *capitalist* world. Like any other commercial enterprise, a gallery needs to find items that it deems marketable, to attract potential customers, and to make sales in order to keep its doors open. Also, in case the dealer depends on the income of others to run the gallery's operation, if it has bank loans or private investors (so-called "backers"), it will need to hold itself accountable to these parties. In order to do so, the dealer needs to negotiate with the artist about contractual issues; he needs to determine a price for the works he offers for sale; and, if a collector is interested, he may need to bargain harshly over this price before the work is eventually sold. Afterwards, the dealer will try to keep track of the artwork, not only regarding its whereabouts, but also with respect to its future economic value. In order to do so, he pays attention to what appears at auction, the pre-sale estimates that the work has, and the final price it is sold for.[3]

At the same time, however, dealers are *cultural* institutions which serve as gatekeepers to the art world (Crane 1976); they elect and select artists from the many who seek to be represented, and promote new, innovative values that may go against the grain. Dealers mount exhibitions which contain works that have never been shown to the public before, and which are frequented above all by people who do not have the means to buy them. With their manifold relations to the cultural field, required for the promotion of the artists they represent, they are the central nodes, or, as one art historian put it, the "crucible" of the art world (Fitzgerald 1995, p. 4). Disregarding the economic value of a new work, buyers may admire its artistic merits, critics may write about it in the press, curators will consider including it in an exhibition, and other scholarly attention will be devoted to the work.

In sociological and anthropological literature, the phenomenon that individuals or organizations are part of two worlds simultaneously has been discussed in different contexts and for varying purposes in terms of regimes of value, institutional spheres, spheres of justice, regimes of justification, or institutional logics.[4] Each regime, sphere, or logic would be characterized by its own conventions and routines, its own rituals and symbols, and its own shared understandings of what is appropriate, legitimate, or normal behavior (cf. Biggart and Guillén 1999). Understood in these terms, the art market is a site where human action is informed by two contradictory or conflicting logics: a logic of art, and a logic of capitalist markets. The logic of the first is understood to be a qualitative logic; it centers around the uncompromising creation of symbolic, imaginative, or meaningful goods, whose value cannot be measured, let alone in the monetary metric of the market. The logic of capitalist markets, by contrast, would be a quantitative logic that centers around commodification and commensuration of human activity.[5]

When it comes to the way these contradictory logics interact, different academic models can be distinguished. Building on the work of Viviana Zelizer, I characterize two alternative models in particular, "Hostile Worlds" and "Nothing But," before presenting a third, empirically grounded alternative (Zelizer 2000a). "Hostile Worlds" models of art and the market, which can be found in the humanities as well as the social sciences, and which count conservative as well as critical scholars among their adherents, highlight the detrimental effects of the confrontation between the logic of the arts and the logic of capitalist markets. The Marxist art historian Arnold Hauser, for instance, argued that market exchange would alienate the artist from his own labor, his art, as well as his public. It would harm the intimate, emotional relationship an artist has with the art he makes, as well as with the audience that looks at it: "People get used to buying what they find in stock at the art dealer's and begin to regard the work of art as just as impersonal a commodity as any other. For his part, the artist (. . .) again becomes accustomed to working for unknown, impersonal customers, of whom he knows nothing," except for the kind of art they desire (Hauser 1951, p. 469).[6] If Hauser was predominantly writing about the inception of the art market in seventeenth-century Holland, his comments have been reiterated by scholars as well as artists for the art market of our own days. The American painter Mark Rothko, for instance, likened selling artworks on the market to selling his own children. Ian Burn, artist spokesman of the critical movement *Art and Language,* argued likewise that by selling his work on the market, the artist alienates herself not only from her own labor power, but also from the products which her labor results in: "once my work of art enters the art market, it takes on a power independent of me and this strikes me as a form of estrangement from what I have produced, an alienation from my own experiences" (Burn 1975 [1996], p. 910).

Other cultural experts have referred to Marx's notion of commodification in order to argue that economic value on the one hand and aesthetic, artistic, or critical value on the other cannot be reconciled. Whereas artworks are unique, incommensurable objects, market exchange and monetary measurement reduce their unique value to mere numbers. As a catalogue text of the prestigious Biennial Exhibition at the Whitney Museum in New York put it in the late 1980s: "[c]apitalism has overtaken contemporary art, quantifying and reducing it to the status of a commodity. Ours is a system adrift in mortgaged goods and obsessed with accumulation" (Armstrong, et al. 1989, p. 10). Art critic Robert Hughes summarized the "Hostile Worlds" perspective even more vividly when he wrote about the development of the postwar art market and the "alienatingly" high prices it generated: "What strip-mining is to nature, the art market has become to culture" (Hughes 1990, p. 20).

Another corrosive effect of the market, according to "Hostile Worlds" adherents, is that it would turn art into a fetish, that is, into a "god to be worshipped, sought after, and possessed" (Wood 1996, p. 263). Critical thinkers such as Theodor Adorno, Max Horkheimer, and Peter Bürger argued that art's audience in bourgeois society would not respond to artistic, critical, or emancipatory values, but to factors extrinsic to art, such as the signature and the name of the maker. And when the art collector's acquisition motives are inspected more closely, speculative sentiments and status considerations would prevail over aesthetic concerns: in their attempt to become part of an "imaginary commonwealth of connoisseurs," buyers would be primarily interested in the "sign value" of contemporary art. In that respect, the logic of the art market would hardly differ from the logic of branding as it emerged in late twentieth-century retail markets.[7]

Within this "Hostile Worlds" discourse, art dealers seem to personify the contaminating force of the market. They are portrayed as money-grubbers who take advantage of artists that are desperate to exhibit their work. In taking a big cut of all sales, dealers act as the modern heirs of nineteenth-century capitalists, exploiting artists who barely manage to survive in the first place. As the stereotype of art dealers is summed up in a handbook on art and law: "Dealers are seen as quick to promise and slow to pay, untrustworthy, insensitive to artists' feelings, and with a tendency to use their power to bully. The stereotype depicts the dealer as avaricious and inclined to arrest an artist's growth by forcing the artist to repaint the things that sell and to take no chances" (Merryman and Elsen 1998, p. 620). Moreover, art dealers would willingly tap into the fetishist desires of collectors by offering them a lifestyle for sale rather than just an artwork, including access to art parties, dinners, and studio visits.

The second model of art and economy is a "Nothing But" model. In this model, the dual logic of the art market can, in the end, be reduced to a single one. One of the strongholds of this model has long been and continues to be the so-called neoclassical school within economics. For neoclassical economists, the art market is no different than any other market.[8] No doubt the most outspoken proponent of the "Nothing But" model is William Grampp, who argues in his book *Pricing the Priceless* that "works of art are economic goods, that their value can be measured by the market, that 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" (Grampp 1989, p. 8).[9] He continues to argue that "[e]conomic value, strictly speaking, is the general form of all value, including that which is aesthetic and that which is not aesthetic but is value of another kind. . . . 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" (Grampp 1989, pp. 20–21). Aesthetic or artistic value is, in other words, "Nothing But" a particular form of economic value.

The assumption of this reductive model of the market is that artists produce artworks in order to gain from it, like anybody else, whether in monetary or in psychic terms; collectors buy these artworks, since they expect to derive utility from consuming them, or because of the investment potential of artworks. The art world benefits from the market, since it allocates the scarce resources of artists (i.e., talent) and collectors (i.e., purchasing power) efficiently by means of the price mechanism. In this construct, art dealers are essentially middlemen. Their role is limited to matching supply and demand, reducing search costs for both buyers and sellers of art, and providing both parties with information relevant to a potential exchange. In doing so, the way dealers talk, dress, present themselves, or furnish their gallery spaces can safely be ignored, according to neoclassical economists. It does not add to our understanding of how the art market functions.

In an entirely different and substantially milder form, we find a "Nothing But" model in Pierre Bourdieu's influential sociological theory of the economy of symbolic goods. At first glance, Bourdieu seems to acknowledge that there are two different logics at play in this economy. He argues that the functioning of the art market is defined by a "denegation" of commercial interest: actors in this market avoid talking about money or involving commercial interests.[10] This denegation is at the heart of what he calls the "habitus," that is, a set of predispositions and beliefs, which informs behavior of actors within the field. The denegation of the economy lends itself to two readings, one of which reduces it to disavowal and disinterestedness, the other to what is disavowed and self-interest. Both readings, however, fail to do justice to what Bourdieu calls the "essential duality and duplicity" of the field. In other words, the denegation of the economy can be interpreted neither naively as "a complete repudiation of economic interest" nor cynically in terms of a "a simple ideological mask" which covers up economic interests (Bourdieu 1993, p. 75).

Bourdieu's own interpretation of the denegation or disavowal of this economy is that works of art (and, for that matter, literary books or theater productions) are at the same time a commodity and a symbolic object (Bourdieu 1993, p. 113). By denying the economy, by believing that they enter the field for the sake of art, not for the sake of money, art dealers accumulate symbolic capital. In other words, art dealers establish a reputation or a recognized name, which enables them to "consecrate" objects or persons, and install those with both artistic and economic value. In consecrating these artworks and artists, other "cultural bankers" like art critics and art historians collaborate with the dealer (Bourdieu 1993, p. 78).

At this point, economistic tendencies enter into Bourdieu's thinking: economic interests ultimately seem to drive the economy of symbolic goods. In this respect, his persistent use of the economic metaphor of capital is telling. The reasoning is that the accumulation of symbolic capital in the short run, characterized by a disavowal of the economy, is a sound economic strategy in the long run: a higher reputation for a dealer may lead to more sales or higher prices. Thus Bourdieu suggests that actors in the field of cultural production are primarily socioeconomic maximizers, motivated, if only unconsciously, by an interest in some form of capital. If the capital is of a noneconomic form such as symbolic, social, or cultural capital, it can be transformed, in the long run and against costs, into economic capital (see Bourdieu 1983; Portes 1998, p. 4). Indeed, noneconomic forms of capital function most effectively insofar as they conceal the fact that economic capital is at their root (Bourdieu 1983, p. 252). Bourdieu even defines symbolic capital as "a kind of 'economic' capital denied but recognized, and hence legitimate" (Bourdieu 1992 [1996], p. 142).

This economistic tendency in Bourdieu's thinking is particularly explicit when he argues that dealers "form a protective screen between the artist and the market," but at the same time provoke, "by their very existence, cruel unmaskings of the truth of artistic practices." The "truth" of these practices is as follows: artists are "deeply self-interested, calculating, obsessed with money and ready to do anything to succeed." The unmasked practices of dealers are no more comfortable: their interest in aesthetics is fundamentally guided by "their eye for an (economically) profitable investment" (Bourdieu 1993, p. 79). With such claims, Bourdieu moves in the direction of a "Nothing But" type of analysis: he suggests that the denegation of the economy is no more than a layer of cultural camouflage which conceals some type of interest. As Michèle Lamont puts it in her study of the American and French upper middle class, *Money, Morals, and Manners*: "Bourdieu shares with rational choice theorists 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" (Lamont 1992, p. 185).[11]

The Sacred and the Profane

The upshot of the "Nothing But" approach to the art market is that the moment you take its cultural camouflage away, the art market is an ordinary market, where rational, self-interested, utility-maximizing individuals respond to economic incentives. Diametrically opposed to this approach, "Hostile Worlds" adherents regard the market for art with suspicion; they question the integrity of art dealers, and fear the detrimental effects of commodification. No matter how large the differences between "Nothing But" and "Hostile Worlds" perspectives are, they share a profound neglect of the role of culture in economic life. If the premise of the "Hostile Worlds" model is that commodification is a contaminating process, and the premise of the "Nothing But" model is that commodification is a neutral process that does not warrant any special attention whatsoever, my empirical research suggests that the crucial question is not *if* artworks are commodified, but instead *how* commodification takes place. In the remainder of the chapter I show that commodification is a culturally complex and symbolically charged process. In order to understand this process, I supplement Bourdieu's structural analysis of the field of cultural production with an interpretative account. The usefulness of macro-sociological concepts such as logics, spheres, or domains turns out to be limited in this account, the reason being that there is no such thing as a stable, well-defined sphere or domain where exchange is molded according to a universal, capitalist logic. Instead, economic exchange is always socially and culturally situated; art dealers need be sensitive not only to commercial opportunities and economic incentives, but also to

legitimacy structures, social imperatives, and patterns of meaning. In particular, their business repertoire is structured along a series of Durkheimian oppositions, between the sacred and the profane, between art and commerce, between the marketable and the non-marketable. As Durkheim argued in *The Elementary Forms of Religious Life*, these dealers attempt to preserve the sacred character of contemporary art by separating it from the commercial aspects of their trade. It is this separation, as Durkheim writes, that "constitutes the essence of their sacred character" (Durkheim 1914 [1964], pp. 335–36).[12]

On the art market, this separation of the sacred and the profane can be found at different levels. First of all, it manifests itself in the clear-cut separation between avant-garde and commercial galleries, which also figures prominently in Bourdieu's theory of the cultural field. Secondly, this separation can not only be found in a radical opposition *between* avant-garde and commercial galleries, but also *within* the daily operations of avant-garde art galleries themselves. By making an architectural distinction between the front room and the back room of their galleries, by separating their (noncommercial) primary from their (commercial) secondary market activities, and by deploying two opposed sets of selling techniques, art dealers enact the Durkheimian separation of the sacred and the profane, albeit, paradoxically, within a market setting.[13]

The Front Room

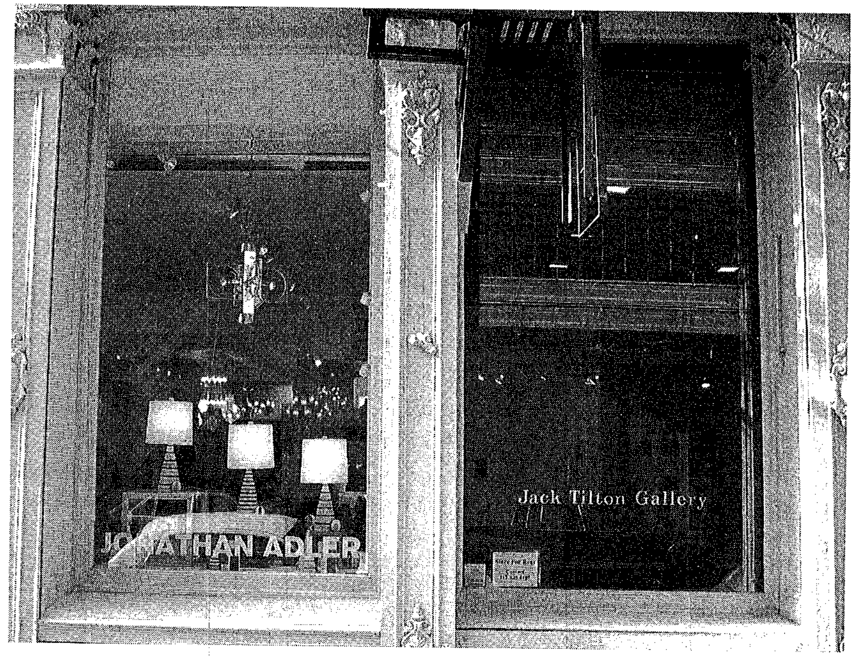
Both in Amsterdam and in New York, avant-garde art galleries are located away from shopping districts, tourist hotspots, or other high-traffic areas. In other words, when it comes to location, a separation is established between the art market and the wider economy. In Amsterdam, and, to a much greater extent, in New York, art galleries have nevertheless clustered in streets, neighborhoods, or even in particular buildings. In New York, the postwar movements of these clusters can be traced in time. As if the New York art market were a glacier that slowly moves through the city and leaves its sediments wherever it withdraws, galleries are now spread in different parts of Manhattan. On West 57th Street, where the market for contemporary art was centered in the 1950s and 1960s, and in SoHo, where the art market moved from the mid-1970s onwards, few avant-garde galleries can still be found; nowadays, most of them are located in Chelsea (some less commercial and, in Bourdieu terms, less consecrated art galleries have been founded since the late 1990s in the neighborhood of Williamsburg, Brooklyn, where many artists live and work). At the time when galleries started moving there, both Chelsea and SoHo were by and large industrial neighborhoods;

although both neighborhoods have gentrified ever since, neither of them hosted many other retail stores, bars, or restaurants at the time that the first galleries started moving there.[14]

These collective migrations of art galleries are in the first place propelled by the prices of real estate: when dealers could no longer afford the galleries they were renting or when they wanted to expand their exhibition spaces, they were pulled towards new, virgin territories because of the low rents or real estate prices they were offered there. These migrations were not only significant from an economic perspective, however. Some galleries claimed to be moving out of SoHo exactly because of the increased popularity of the neighborhood, and because of the influx of fashion stores and luxury boutiques that they did not want to be associated with. Leaving aside the motives that are involved, economic or symbolic, the location of a gallery or the timing of its relocation is in itself a source of prestige within the arts community. Art dealer Paula Cooper, for instance, has often been credited with being one of the first movers to SoHo in the 1970s, as well as to Chelsea in the 1990s; these moves speak of an adventurous, independent attitude that is appreciated by peers, artists, and other members of the arts community. Likewise, dealers that have resisted the collective migrations of their peers and have remained in areas long after other galleries have moved on to another district have been praised for their stubbornness and their willingness to resist the trend.

The threshold that dealers effectively create by means of their physical location in the city is reinforced by the architecture of the avant-garde gallery: almost invariable, a shop window is absent, while it is impossible in many cases to view the inside of the gallery from the outside because of the use of opaque frosted glass windows or because of thin curtains behind the windows. Neon signs or signboards that most other retail stores have are absent, while some galleries only display their name in small letters next to the entrance door. For smaller galleries, this entrance door gives access to the main exhibition space, while visitors to larger galleries may need to pass through a small hall or corridor before accessing the exhibition. Much like in the classical, nineteenth-century design of art museums, this passage serves to disconnect the world of art from everyday life.

Inside, the most intricate symbolic attempt to separate art from commerce is a Goffmanian separation of the front and the back of the gallery (Goffman 1956 [1990]). The front of the gallery contains, depending on its size, one or more exhibition spaces. These spaces have concrete or wooden floors (carpets are hardly ever used), white walls without ornamentation, no furnishing, and neon or bright halogen lights, whose fixtures



Avant-garde galleries in SoHo, New York, are replaced by design stores. Photo: author.

resemble those of construction sites. The minimal decoration, absence of furniture, and lighting of the gallery space create an atmosphere that reinforces the autonomy of the artwork on display, and keeps commerce at bay (Moulin 1967 [1987], p. 154; Troy 1996, p. 113). The uniformity of this basic structure of the gallery space is striking. It cannot only be found in art capitals like Amsterdam and New York, but also in avant-garde galleries located in small towns throughout the Western world. Their architecture is one of the many examples of the market's isomorphism, as institutional sociologists have come to refer to it (DiMaggio and Powell 1983). The minimalist, austere architectural language links avant-garde gallery spaces on the one hand to the noncommercial world of museums and on the other hand to the commercial world of luxury commodities. Indeed, one of the well-known architects of gallery spaces, Richard Gluckman of the architectural firm Gluckman Mayner Architects, who designed the gallery spaces of renowned New York art dealers like Paula Cooper, Mary Boone, Luhring Augustine, Andrea Rosen, and Larry Gagosian, has also designed retail spaces of well-known luxury boutiques such as Helmut Lang, Yves Saint Laurent, Gianni Versace, and Katayone Adeli, as well as museum spaces for the Andy Warhol Museum in Pittsburgh, the Dia Foundation in New York, and the Georgia O'Keeffe Museum in Santa Fe.[15]

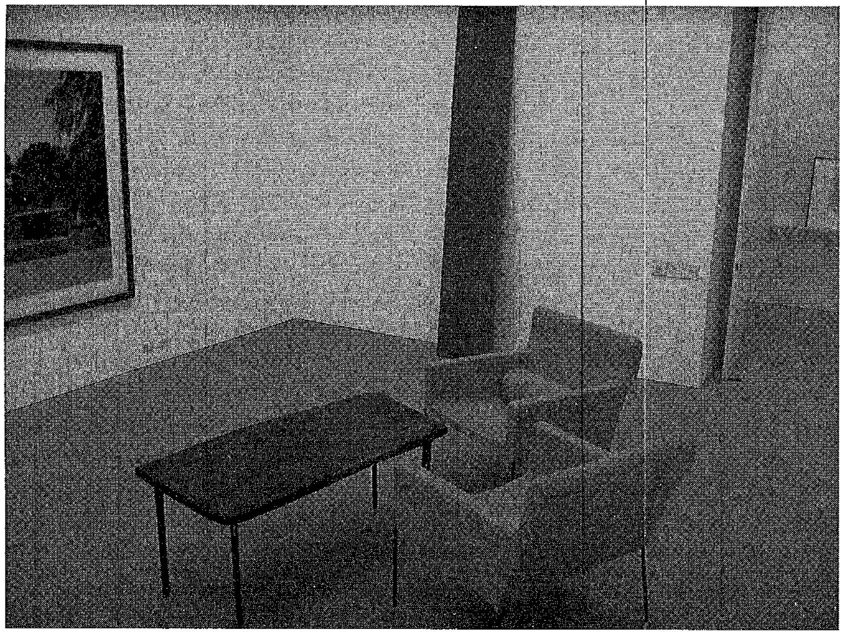
Inside the front room, price tags next to individual artworks and a cash register or a device for electronic payment are conspicuously absent. When a work has been sold, it is not removed from the exhibition (which would result in awkward situations in the not uncommon case that all works of art are sold before the exhibition even opens), but a small sticker may be put on a price list of the works that are exhibited. Although these lists are frequently lying on the desk located in the back or on the side of the exhibition space, the absence of price tags was the subject of a legal dispute in the late 1980s. In 1988 New York City decided to enforce the "truth-in-pricing" law for art galleries, which they had been exempted from since the early seventies. According to Consumer Affairs commissioner Angelo Aponte, people are entitled to buy art "without being subject to the vagaries of mystery, theater and snobbery." As a consequence of the decision, all galleries had to "conspicuously display" prices "by means of a stamp, tag or label attached to the item or by a sign at the point of display." Protests against the decision were fierce in the art world; conservative art critic Hilton Kramer argued in *The New York Times* that this law would turn galleries into ordinary retail stores. Adding fuel to "financial voyeurism," the law would make money and the "consciousness of money" even more important in the art world than it already was. Galleries themselves protested by arguing that their function was not only to sell art but also to show it; their exhibitions are open to the public without a fee. Because price would get in the way of the visitor's enjoyment of the exhibition, many art dealers refused to obey the "truth-in-pricing" law. Nineteen violators ended up paying $200 fines. Ronald Feldman, owner of an established SoHo gallery, faced a $4,000 fine when he refused to pay these fines in principle out of disagreement with the law.[16] In the end, however, the government dropped the issue, so that at the end of the century, when I was conducting my research, prices of expensive artworks in particular were only available on request; in some cases, assistants would not even be willing to mention prices on request, saying that the works "had not been priced yet."

In spite of this isomorphism, dealers have different opportunities to construct an identity of their own, and distinguish themselves from their peers. For instance, depending on the gallery's financial budget and the image it wishes to convey to the outside world, dealers may either remove or deliberately leave traces of the rough, industrial function the space most likely had in the past. Also, they can make a statement by opting for transparant glass in the front, which allows street traffic a glimpse into the gallery space. Galleries like the successful Mary Boone Gallery in New York furthermore make a point of clearly displaying price lists even for the most expensive shows they host.

The Back Room

White cubes, as the austere gallery spaces have come to be referred to, have provoked a wide range of reactions. On the one hand, Charles Simpson argues in a sociological study of the SoHo art world that these types of spaces "try to make art viewing an unintimidating secular experience. . . . The public is encouraged to look around unchallenged and without ostentatious supervision" (Simpson 1981, pp. 16, 17–18). At least, Simpson writes, these galleries provide a neutral background for contemporary art. On the other hand, the artist Brian O'Doherty wrote in an essay entitled *Inside the White Cube* that the gallery space is directed at making works of art look expensive, difficult, and exclusive: "here we have a social, financial, and intellectually snobbery which models (. . .) our system of limited production, our modes of assigning value, our social habits at large. Never was a space, designed to accommodate the prejudices and enhance the self-image of the upper middle classes, so efficiently codified" (O'Doherty 1976 [1999], p. 76).

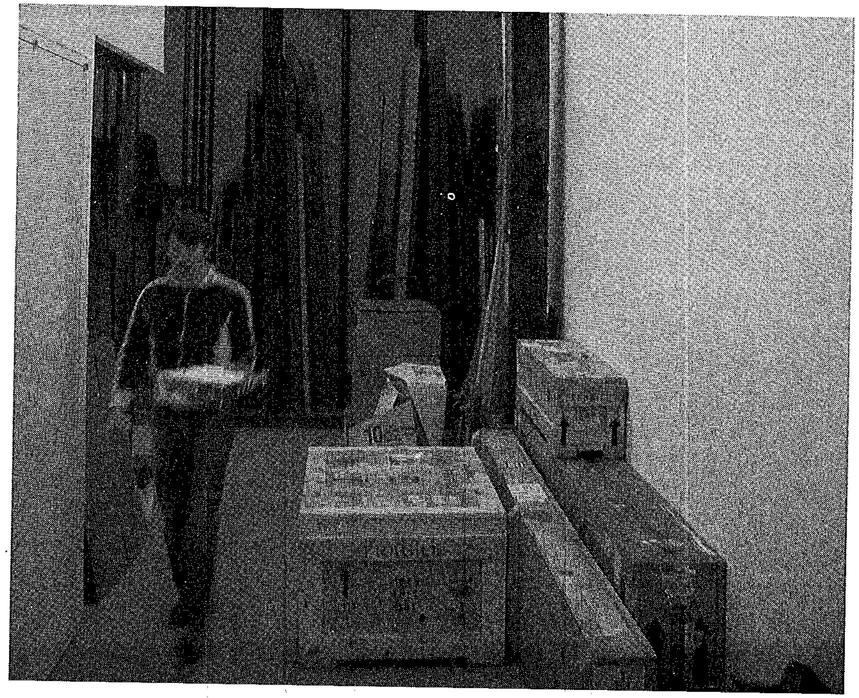
For my own purposes, it is besides the point to give a normative judgment of these spaces, whether critical or affirmative. Instead, it is important to register how the meaning of the white cube is constructed in opposition to the back room of the gallery: if the front, most visible and museum-like part of the gallery suppresses any references to the commercial function of the gallery, the back room, by contrast, is constructed as a commercial space; in other words, art and commerce are juxtaposed physically in the architecture of the modern gallery. In some cases, the back is sealed off from the front room hermetically, suggesting that the exhibition space is all there is to the gallery. Other gallery owners allow the public at least a partial view of the back space through open doors or glass windows. In small galleries, especially those located in Amsterdam, the back space may be limited to a single room or even a niche of the gallery space, where a small number of artworks are stored and a desk space is located for the owner of the gallery and her assistant. In the largest New York galleries such as the Marlborough Gallery or the PaceWildenstein Gallery located in corporate buildings on 57th Street, the back of the gallery consists of several corridors of spaces with distinct functions. These spaces may include the following: offices for the directors or dealers and, in some cases, for their personal assistants; a private viewing room, furnished with comfortable seats, where potential buyers



Private viewing room, courtesy David Zwirner Gallery, New York. Photo: author.

can look in full comfort at a small number of works they are interested in; a stock room, where (part of) the inventory of the gallery is stored—the everyday territory of the art handler, who is responsible for the shipping and installation of artworks. A general office room may have a large table where staff meetings take place, and where deals may be negotiated and arranged between the dealer and a collector, away from the works of art.

In general, the back room makes visible the permanent information streams which galleries both tap into and contribute to. Information about the whereabouts of the artworks that have been sold by the gallery in the past is stored in archives (after these works have been provided with a unique identification number), as well as price lists of past shows. Any information related to the careers of the artists that the gallery represents (books, newspaper clippings, magazine articles, catalogue texts, press releases) is kept track of meticulously, and is stored on floor-to-ceiling shelves, in computer databases, or in paper archives. If the gallery is involved in secondary market activities, auction catalogues and annual price guides published by art price information firms such as ADEC are standing on the shelves. Apart from computers, telephones, a fax, and a



Stock room, courtesy David Zwirner Gallery, New York. Photo: author.

copier are the most essential "tools of the trade" that the directors and gallery assistants make use of. The back room may not only make the information architecture of the market visible, but also the gift economy that the art market is embedded in: multiple copies of monographs, gallery catalogues, and catalogues raisonnés of individual artists are stored in the back room, which the gallery may sporadically give as presents to collectors.[17]

Two different types of activities are conducted in the back spaces: primary market operations related to works which the gallery exhibits in the front room, and secondary market operations. On the primary market, new works of a limited number of living artists that the gallery represents are sold, while the secondary market involves the profitable trade in high-priced artworks made by a variety of established, often deceased artists that have, in most cases, never been represented by the gallery. In most cases, these secondary market sales happen on a commission basis (meaning that a collector who wants to sell a work pays a commission to the dealer); sometimes, however, the dealer buys these works himself, and subsequently tries to resell them. Because of a lack of financial means, because supply and demand for works in this price bracket is limited, or

Office space, courtesy Ronald Feldman Fine Arts, New York.
Photo: Emily Poole.

simply because local market conventions prevent them from doing so, few Amsterdam galleries engage in secondary market trading. In New York, however, during interviews I heard estimates of the percentage of total art sales transacted on the secondary market ranging from 25 to 60 percent (see Velthuis 2001). Nevertheless, as I noticed during my interviews, most dealers feel reluctant to talk about this part of their business, and conduct these activities out of sight of visitors in the front room. The reason is that the trading on the secondary market is as stigmatized as it is profitable: it makes the gallery resemble commercial establishments rather than cultural exhibition spaces. In other words, the secondary market violates the dealer's self-assigned role of promoter of artists and patron of art, which I will elaborate on in later chapters. One dealer (US17) said that "you are not really cutting edge if you would touch something that is established. (. . .) You want to be perceived really . . . pure. And you are only pure if you do primary. If you do secondary you are not pure." Since secondary market activities are stigmatized, dealers who run their gallery successfully without having recourse to the secondary market tend to take a pride in this. Conversely, the reputation of a dealer may be harmed when too much time and energy is devoted to

such commerce. Larry Gagosian, for instance, a New York dealer who is known for his aggressive secondary market activities, was accused by his colleagues of "degrading the business" and "bringing the habits of a souk rug seller to a refined trade." In the media Gagosian defended himself against such allegations by saying: "Is it written somewhere that only Sotheby's and Christie's should profit from the resale of art, and that everyone else should be some kind of saint?"[18] The point is, of course, that such legitimacy structures of the art world are neither formalized nor written down, but are effective nevertheless. Even a director at one of the world's largest dealerships told me that "interestingly enough it is not something we pay too much attention to. We are mostly interested in primary dealing, meaning from the studio. (. . .) [B]y and large we prefer not to do the trading" (US2); nevertheless, during the tour of the gallery, which he gave after the interview, I spotted secondary market artworks by modern masters like Jasper Johns and Robert Rauschenberg that the gallery offered for sale.

In order to counter this stigmatization, different strategies exist. The New York art dealer David Zwirner, whose main gallery is located in Chelsea, separated the primary and secondary markets to some extent by opening another gallery on the wealthy Upper East Side of Manhattan; this gallery, co-owned by the Swiss art dealer Ivan Wirth, is exclusively devoted to the secondary market.[19] In my interviews, I frequently encountered attempts to legitimate the secondary market dealing in different ways. Dealers told me, for instance, that they use the revenue of secondary market activities to finance the promotion of innovative, experimental art. They said that they could hardly keep their doors open when they would restrict their business to the primary market: an art dealer that feels committed to promoting new, innovative art in the front room can only do so by creating revenue from secondary market activities in the back room. "You don't survive on the shows," as one dealer put it bluntly: "The primary market is small, and it is much more the labor of love. (. . .) So if I want to do a money-losing show in the gallery, I could support it by selling a painting of Gerhard Richter, or something of Bruce Nauman" (US16).[20] Another frequently encountered argument to legitimize secondary market activities is that the artworks that are involved in these activities provide a cultural and historical context for the artists that the gallery represents on the primary market. Secondary market activities may also be considered legitimate as far as they lend credibility to the work of young artists who do not have a reputation yet. To that purpose, some dealers say they only buy work on the secondary market which "makes sense" and "does not look odd" next to the work of "their" own artists (US17).

"Make Me a Pink One"

Although a dealer may talk intensively with the artist about the development of her work, the artistic choices that an artist makes in her studio are considered to be beyond the dealer's control: it is taboo to ask an artist to create works in a particular style, color, design, subject matter, or even size which the dealer expects to sell more easily (cf. Abbing 1996).[21] "Of course I will tell an artist what people think of an exhibition and which works they appreciate in particular," a Dutch avant-garde dealer admitted, "but you have to do it very carefully. Otherwise you intrude on artistic integrity. So you have to use very 'artistic' language in order to get away with that. I will never say that they should make more of certain works" (NL4). "Make me a pink one" was an insider's joke that was passed on to me during an interview. It underscores that the studio is explicitly removed from the demands of the market.

For the same reason, the transition of artworks from the studio to the gallery is a precarious one, no matter how carefully the front room of the gallery is defined as a noncommercial realm. This first-time transition of an artwork into a commodity phase, in the words of the anthropologist Appadurai, is made all the more precarious because of the modern notion of "the man-and-his-work": one of the stronger conventions of the art world is that a work of art can ultimately not be separated or alienated from the artist who created it.[22] It is therefore noteworthy that this transition into the commodity phase is highly ritualized. Gallery shows on the primary market usually open with a *vernissage*. Contingent on the resources of the gallery and the number of people invited, visitors to these opening parties are treated to wine or beer and appetizers. More than serving sales, these openings are social gatherings where the artist may celebrate his artistic achievements with friends and clients of the gallery. The moment that a collector has decided to make an acquisition and an artwork is about to leave the commodity phase is frequently celebrated as well, albeit on a smaller scale: the dealer and collector may have a drink and make a toast on the acquisition. "Every sale gives rise to a dance of joy; always I appreciate it if somebody thinks it is worthwhile to acquire an artwork, it remains magic," as a Dutch dealer explained this practice (NL6).

In between the opening of a show and the possible closing of a sale, no ostentatious efforts that are customary on other retail markets are made to sell the art. The shows that the gallery hosts are advertised regularly in art magazines and newspapers. But whereas advertisements for most consumer goods actively and blatantly aim at seducing and persuading consumers to purchase these goods, advertising activities on the art market are restricted to providing the most necessary information such as the

Opening of an exhibition at a gallery in Chelsea, New York. Photo: author.

name of the artist who is exhibiting, the title of the show, and the address of the gallery, all printed in sober black and white design and sanserif font. Images and compelling texts, so customary in advertisements of most retail stores, are often absent.

During the exhibition, an assistant or, in the case of a small enterprise, the owner is sitting behind a desk in the front room, unlikely to approach a visitor with information or explication of the art that is exhibited. Information about the exhibition is available in the form of a press release, newspaper clippings, and, in some cases, an exhibition catalogue that are lying on the desk. The dominant exhibition practice is to present solo rather than group shows, which usually last five or six weeks. The variety of works on display is thus restricted, which obstructs "shopping" or "browsing" behavior on the part of consumers. On a regular basis, a gallery may show work that is difficult or impossible to commodify, like installations, video art, and performances. I also visited gallery exhibitions where a large number of works were not even for sale, but only served to complement the exhibition or were exhibited as "conversation pieces."[23]

Like promotion (sober advertisements, absence of sales rhetoric), place (the covert location of the gallery), and product (no influence of the dealer on the production of the art), price is not conceived of as a legitimate marketing tool on the art market. For instance, when I asked a dealer if he ever used evidence of past auction prices for an artist's work in order to persuade a collector to buy a work in the present, he answered: "if people ask you that kind of question, that is indecent. You either like the work or not." Also, end-of-year sales, temporary offers, or so-called "just-below," "threshold," or "odd" prices like $999 or $1990, which sellers on other markets set to make expensive consumer goods seem cheaper, are explicitly avoided by art dealers (cf. Blinder et al. 1998, p. 25; Huston and Kamdar 1996). Instead, artworks are almost invariably sold for "round" prices. Table 1.1 shows more precisely that the ten most frequently encountered numerical values of prices for contemporary artworks sold in the Netherlands in the 1990s are all multiples of 250 (I come back to these data in chapter 4, where I analyze determinants of prices of art). The interpretation I suggest in light of the other evidence presented here is that the round gallery prices serve a symbolic purpose which is to suppress the commercial connotations of art on the market.

Waiting versus Brokering Game

It has been noted before that the art market is a communication market, in which gossip, word of mouth, and permanent access to information are key to survival (Klein 1994); the relevant information may be related to emerging artists that deserve closer attention, to upcoming shows in

Table 1.1
"Round" prices for Dutch works of art

	Selling price (guilders)	*Frequency*	*Cumulative*
1	1,250	567 (3.5%)	3.5%
2	12,500	524 (3.3%)*	6.8%
3	4,500	485 (3.0%)	9.8%
4	3,000	463 (2.9%)	12.7%
5	2,500	459 (2.8%)	15.5%
6	3,500	456 (2.8%)	18.3%
7	4,000	431 (2.7%)	21.0%
8	5,000	419 (2.6%)	23.6%
9	1,500	404 (2.5%)	26.1%
10	6,000	307 (1.9%)	28.0%
N	16,110		

*This price level coincides with the initial upper limit of the loan arrangement.

museums and other nonprofit spaces that artists of the gallery may want to participate in, or to artists that the gallery may be interested in representing in the future. To these informational ends, dealers and directors not only spend large amounts of time talking to other members of the art world, they also tend to visit many parties, openings, and other social gatherings. The front room of the gallery is not the dealer's daily habitat, although he does appear there on request or by appointment. His presence there is hardly even called for, since making sales on the primary market is by and large staged as a *waiting game,* in which the artwork supposedly has to sell itself. The prewar art dealer Kahnweiler expressed this ideology a long time ago in his autobiography: "I don't have any secrets. I know only one way to sell paintings, which is to get hold of some and wait for people to come buy them. No mystery about it . . . It's all so simple" (Moulin 1967 [1987], p. 45). Likewise, one of my respondents compared selling art to finding a partner for a romantic relationship—"[i]t is a matter of the right person for the right painting"—while others talked as if certain works are predestined to end up in the hands of a specific collector.

The dealer's role in this waiting game is not the role of a salesperson but of a critic, who judges with the artist which works of art are worthy of being exhibited, and of an educator, who tries to advertise a specific artistic program, and create a particular aesthetic sensibility among the collectors that frequently buy from him. Therefore, as far as rhetoric is used to market art in the front room, it is the rhetoric of the cultural expert: a mastery of critical discourse is a key asset for an art dealer in the avant-garde circuit (cf. Bystryn 1978, p. 402). Also, art dealers actively stimulate critical acclaim for their artists by inserting their work into the art world's taste-making machinery: they induce critics to write about the shows, they try to interest museum curators in exhibiting the artist's work, and they ask influential collectors to recommend the artist's work to others. Persuasive efforts are, in other words, as much directed at potential collectors as they are at experts. Subsequently, dealers pass the expert's judgments on to collectors, thereby attempting to translate critical acclaim into commercial success.

The business repertoire of the secondary market is less restrained. As opposed to the passive waiting game of the primary market, the secondary market is an active brokering game. In order to be successful on this secondary segment, an art dealer therefore needs to have another set of skills. Instead of being able to produce critical acclaim for the artists she represents, she needs to have access to a dense information network, to financial resources, and to a network of clients that are able and willing to buy these works. Tapping into this information network, some dealers seem to talk endlessly on the phone in order to negotiate a profitable transaction. Also, they only acquire secondary market works if they have strong expectations that they will be able to sell them within a reasonable amount of time for a profit. In order to make that happen, sales rhetoric is blunt and does not fail to elaborate on the solidity of the economic value of the work. The same dealer who refused to talk prices in order to make sales on the primary market, remarked about the secondary market: "you have to do that, you have to substantiate a price, you have to say this is this much because that is that much. Auction records are important here" (US16). Another dealer explained: "The game of brokering paintings is all about putting the buyer together with a seller. And sometimes things are hard to sell or hard to find. (. . .) [Y]ou just have to start lifting up the rocks and see what you can find" (US15).

This does not mean, however, that anything goes as far as business practices are concerned on the secondary market. Even this brokering game has its own "dos and dont's," its legitimate and illegitimate ways of conduct. For instance, some dealers claim that secondary market activities should be limited to buying works from and selling them to collectors that are already affiliated with the gallery. Others maintain that they only want to do business with collectors on the secondary market when these transactions are instigated by one of the three D's, as jargon has it: death, divorce, or debt. In order of appearance, dealers consider these the most legitimate reasons for a collector to sell some of his holdings.[24] Still others say that if they know a collector owns works by an artist that the gallery represents, it is acceptable to approach this collector even if it was not the gallery itself who sold her these works. Dealers consider it to be illegitimate, by contrast, to call strangers repeatedly, and to "bark an offer into the phone" for a work the dealer has only seen in an art history book or heard about from others. The general rule is that the weaker the tie to the collector, the less legitimate secondary market activities are; this explains why some masterpieces that appear on the secondary market go through the hands of a series of dealers, who all receive a small commission, before they end up with their new owner.

Wrong and Right Acquisition Motives

The opposition between the sacred world of art and the profane world of commerce is not only homologous with an opposition between the front and the back space of the gallery, and between the waiting game of the primary market and the brokering game of the secondary market, but also with a distinction that dealers make between two types of acquisition motives. Neoclassical economists have argued that collectors are willing to pay for an artwork for different reasons: because of the aesthetic qualities of the work (aesthetic value), because the owner derives status from its possession (social value), or because it is a sound economic investment (investment value) (Grampp 1989). Although neoclassical economic theory is ultimately indifferent to what motivates a collector to buy the work, the motive has been almost exclusively concerned with is investment. Indeed, in the many studies that economists have conducted in order to find out how investing in art compares to investments in ordinary portfolios consisting of stocks and bonds, the implicit assumption is that art is a financial asset which functions as a store of value, and can be resold at a later point in time against a higher price (for an overview of these studies, see Frey and Eichenberger 1995). In fact, aesthetic motives only come into these studies as a residue. Upon discovering that returns on paintings are lower than on other investments, neoclassical economists have argued that art is bought for other than just speculative reasons. Since buyers of art, like other economic agents, are maximizing utility, some other, non-monetary revenue must have compensated the lower rate of return on their investments in art: they derive utility from looking at the painting. In this interpretation, the difference in return between investing in art or in other financial assets becomes a measure of the aesthetic utility that paintings yield on top of their monetary returns.[25] As John Picard Stein put it: "Any superior performance derivable from paintings can be attributed entirely to the viewing pleasure they provide, not capturable by speculators" (Stein 1977, p. 1035; Fase 1996).

Art dealers, however, do care about the motives of collectors, since they may affect the future biography of artworks; they make a distinction between collectors who buy for the "right" and those who buy for the "wrong" reasons. Collectors who buy for the right reasons are those who claim to be motivated by love for art, and who act accordingly. They think about art as an "intellectual pursuit"; they have "dialogues" with the work, want to get together with the artist, and follow the gallery in its artistic choices; they travel to openings of shows in which the artist is represented and have an interest in the artist's career. Moreover, these collectors are willing to buy work that is difficult to commodify such as installations. What is crucial for art dealers is that the collectors do not consider reselling the works they have bought, even when such a resale would be profitable. In the United States, collectors who buy for the right reasons ideally donate (part of their collection) to museums, or, in a rare case, fund a museum of their own. Such donations, like direct sales to museums, are attractive because of the credibility or legitimacy they lend to an artist's oeuvre as well as to the gallery itself; indeed, for artists and collectors, the number of works that they either directly or indirectly manage to sell to museums is a source of status. Another reason for art galleries to be pleased with collectors who donate work to museums is that the work of art, once part of a museum collection, becomes, in the words of the anthropologist Igor Kopytoff, a "terminal commodity": unless the museum decides to deaccession the work, which happens only rarely, it will never enter a commodity phase again (Kopytoff 1986, p. 75; Thompson 1979).[26]

By contrast, the wrong reasons for buying art are reasons that have to do with investment, speculation, status, or, to a lesser degree, decoration. Both in the hands of status seekers who see the price as something admirable about the work, and in the hands of speculators, the artwork fails to get rid of its commodity character after leaving the commodity phase. This is deplored by dealers, since they "want the work to function properly, to provide a good context for it, and to prevent it from becoming an object of financial speculation (. . .), from getting in touch with money again," as a Dutch dealer phrased it (NL11). Says another dealer: "You can tell a speculator very quickly. (. . .) Just the kind of questions they ask, and what they ask for. It is almost like they are wearing a sign. A speculator would come, and look at your gallery program, and ask for the two things that are most sure to increase in value. (. . .) When we see each other, they know exactly what I think of them, and they know they cannot buy here, no matter what they want to buy" (US16). Renee Steenbergen has shown in her dissertation about Dutch collectors of contemporary art that collectors among themselves make a similar distinction between buying for the right and buying for the wrong reasons; buying art for profit is explicitly condemned among collectors. One of Steenbergen's respondents compared a collector who sells an artwork to a husband who ditches his wife. The only legitimate reason to sell is to "upgrade" the collection or to generate resources that can subsequently be used to buy work by young, emerging artists who are in need of support (Steenbergen 2002). In short, whereas economists assume that acquisition motives are irrelevant, dealers as well as collectors seem to care a lot about these motives. Of course, the extent to which these discursive distinctions can be enacted in practice depends among others on material circumstances; in case of excess demand for an artist's work, an art dealer can permit himself to be more selective about customers than in weak financial times.

The reasons why dealers are so concerned about the motives of collectors is summarized as follows by an Amsterdam dealer I interviewed: "I believe it is important to place the work well—it is like putting your kid in the right hands, or if you have a pet and you place it with a good person" (US13). In fact, some works of art will long remain within sight of the dealer as well as the artist, who both try to keep track of them meticulously even after the first gallery sale. This is made easier when the works circulate within an arts community of which the artist herself is a part. Dinner parties organized by the dealer or a collector as well as the numerous other social occasions where a select company of artists and their patrons meet, cancel out the alienation of an artist from his work to some degree. When Michel Callon argues that "to transform something into a commodity, and two agents into a seller and a consumer, it is necessary to cut the ties between the thing and the (. . .) human beings," this does not seem to hold on the art market. When an art work is sold, it is only partially decontextualized, dissociated, detached, and disentangled from its maker (Callon 1998, p. 19; Thomas 1991). Frequently the artwork remains entangled with the dealer who sold it and the artist who made it. In fact, by seeking to be in contact with the artists whose work they bought, collectors who buy "for the right reasons" actively re-entangle these works with their makers.[27]

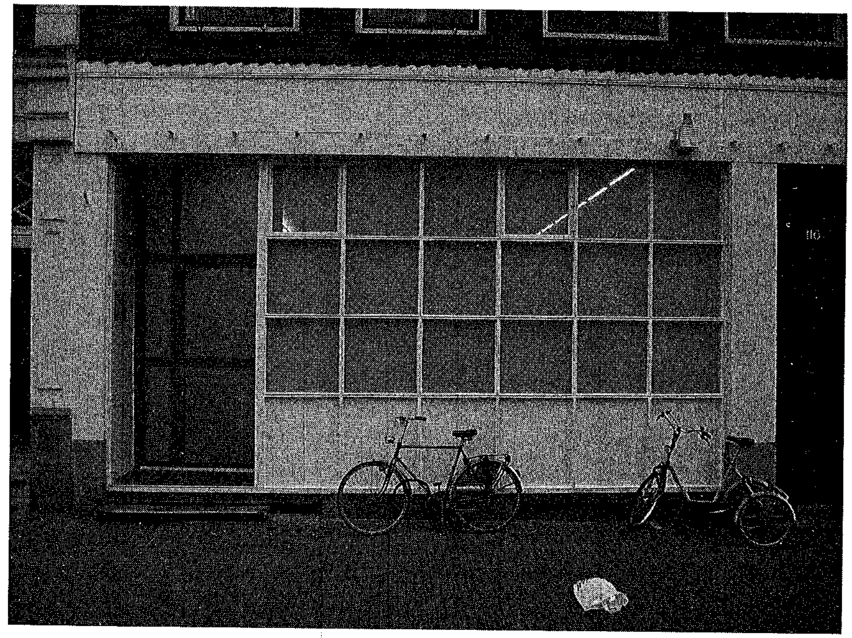
The Dignity of Selling Traditional Art

An opposition between art and commerce does not just structure the avant-garde art gallery internally; it also structures the art market in its entirety. As Bourdieu and others have noted, the art market is characterized by an opposition between an avant-garde and a traditional circuit. More than just profits are at stake in this opposition. Ultimately, Bourdieu argues, it coincides with an opposition between two social classes, between the dominated and the dominant fractions of the dominant class: those with cultural power but less economic wealth are affiliated with the avant-garde circuit, while those with economic power but less cultural wealth are affiliated with the traditional circuit. In other words, a class conflict between two fractions of the dominating social class is transfigured in the form of a "conflict between two aesthetics" (Bourdieu 1993, pp. 101–2). What distinguishes the two circuits, however, is not just the type of art that is sold, or the disparate amount of institutional recognition that artists and their dealers receive from well-known museums, national newspapers, or major art magazines, or the social background of the members of each, but also the business repertoire of either circuit.

Contrasting with the covert location of galleries in the avant-garde circuit, the most prestigious galleries in the traditional circuit are located in wealthy tourist towns or in fashionable urban areas such as Beverly Hills, Palm Beach, and Santa Fe. In the New York art world of the 1990s, these galleries established themselves firmly in SoHo, in between expensive furniture stores and exclusive designer boutiques. They filled up the spaces that galleries active in the avant-garde circuit left when these moved north to Chelsea. Their Amsterdam counterparts are heavily concentrated in streets close to the Museum Quarter, where they intermingle with exclusive antique stores. For people who are not "insiders" to the art world, these locations make the galleries more easily accessible. The less consecrated and less expensive versions of these businesses, which often rely on selling frames and posters as their major source of revenue, settle for shopping streets throughout Amsterdam; in the United States, they are also found amidst other retail stores in shopping malls (cf. Fitz Gibbon 1987, p. 113).[28]

Gallery spaces in the traditional circuit tend to be dimly lit. They have lush carpets, or shiny, polished wooden floors, and a comfortable chair or couch to flip through expensive-looking catalogues; prices are displayed next to the works of art, or a price list is available at the entrance of the gallery. The almost invariably transparent shop window of the gallery contains an attractive artwork, which may serve as a test case for what catches the attention of passers-by. In SoHo, many dealers leave their doors open in order to make clear that all visitors, not just insiders, are welcome. With classical music or Muzak playing in the background, they resemble other retail stores more closely than museum spaces. Says Martin Blinder, director of a chain of art retail spaces in the United States that operates at the lower end of the art market: "Our galleries are very invit-

Storefront of traditional gallery Elisabeth Den Bieman de Haas in Amsterdam. Photo: author.



Storefront of avant-garde gallery Paul Andriesse in Amsterdam. Photo: author.

ing places. If nothing else, they provide a respite from a busy shopping day."[29] The gallery personnel are well dressed and pay attention to customers entering the gallery; men may combine their immaculate suits with artistic details like a risqué tie, symbolizing the values of customer-friendliness and artistry at the same time. The tone of conversation is mild, while the stateliness of the gallery owner may be underscored by a pretentious accent. Promotion is accomplished by informative, persuasive advertising, glossy information leaflets, and, in some cases, special promotional offers.

Often the galleries on the traditional circuit do not represent a small number of artists exclusively. Instead of organizing solo shows, they may have exhibitions with an eclectic, wide variety of works in different media, subject matters, and styles. This enables customers to browse through different types of art, rather than coming to grips with one single oeuvre. Sometimes the gallery has an electronic database that is searchable for artworks with the help of criteria like the name of the artist, the size of the work, the subject matter, and the price. Just as on the avant-garde circuit, no homogeneity exists in the type of work that is offered for sale. In terms of visual characteristics, the artwork tends to build on traditional genres like landscape, portrait, or still life (cf. Moulin 1967 [1987],

p. 26). Almost always figurative, the style ranges from seventeenth-century realism, to impressionism and expressionism (Fitz Gibbon 1987). Some of the artists that are represented have a following of their own, and sell their work for four-digit prices. Apart from original works of art, dealers on this circuit may also sell prints made in edition sizes of 50, 100, or 200, enabling people to own a work of art without paying the concomitant price.

Both in the United States and in the Netherlands, the non-consecrated fraction of the traditional circuit—the lowest end of the art market when it comes to both prices and recognition—is well organized. Trade organizations exist which publish their own trade magazine; annual or semi-annual trade fairs take place where retailers can buy prints as well as posters, postcards, and frames from wholesalers or publishing firms that often operate internationally; the work that is sold ranges in wholesale price between €50 and €1,000. At these trade fairs, salespeople make an aggressive effort to sell their merchandise to retailers and to bulk buyers such as restaurant and hotel chains, treating the works they offer for sale as ordinary commodities. Wholesale traders openly call work "commercially interesting" and recommend specific works as "easy to sell for retailers." In the case of originals, which seem to constitute the minor part of their trade, the artworks they offer for sale have been made "by the dozen" (Moulin 1992, p. 34); the studios where these types of paintings are made employ several artists, whose joint annual output can be several thousands of paintings. The production of these works is often located in countries such as China, where artists can be found who not only have traditional skills, but are also willing to work for relatively low wages. The production process is highly rationalized: each painter may have his own specialization and make ten or more paintings of the same kind a day; or several painters might work together on one series of identical paintings subject to a strict division of labor in order to increase labor productivity, one of them focusing on painting the background, another on the scenery, and so on (Moulin 1992, p. 37).

Competition on the wholesale market for art is largely based on price; quality concerns are almost completely absent in the sales rhetoric of this market. Indeed, one immaculately dressed salesman, with whom I interacted as a participant observer, admitted bluntly that "I would not want to have the majority of this art in my own house." Prices and market conditions are frequently mentioned in conversations, for instance in order for the dealers to distinguish themselves from competitors. In an attempt to persuade a retailer to buy wares from him, I overheard a wholesaler emphasize time and again how strong the retail market for art was at that moment. For the wholesale market, however, times were more difficult, since "competition from Taiwan is fierce" (NL18).

Retailers within this non-consecrated fraction of the traditional circuit tend to have unassuming spaces. Their main source of income is usually the business of framing works of art, photographs, and prints that customers bring themselves; they supplement this income with the sale of prints as well as original paintings. If not bought at the wholesale market, these originals are often made by local artists who, apart from some attention in the local press, have careers that go by and large unrecognized.[30]

The sales rhetoric that is used on the traditional circuit is highly ambivalent. Apparently not just dealers on the avant-garde circuit, as Bourdieu argues, but also traditional art dealers constantly walk a "tightrope," as Heather Fitz Gibbon calls it in one of the rare studies of this circuit, between catering to the demand of the public and maintaining the aura of unique, individually created artworks (Fitz Gibbon 1987, pp. 122–23). On the one hand, their sales rhetoric draws on mundane arguments: they claim that the work is a bargain, that it has a high decorative value, and point out which artists are "investment-worthy." As an announcement for a show at a Dutch gallery in this circuit reads: "The art investment world is currently highly interested in the work of [this artist] because of the favorable quality price ratio, and the expectations for the future." In spite of such claims, however, this investment value is questionable, since a secondary or resale market often does not come into being for the work of artists sold on this circuit. Auction houses are either unwilling to put them up for sale, or if they do, these works only raise a fraction of the original retail price.[31]

On the other hand, dealers on the traditional circuit incessantly invoke artistic values like "originality," "craftsmanship," and "unbridled creativity" when making sales. The painters whose work they sell command an "almost flawless artistic intuition," resulting in paintings which offer "emotional and spiritual stimulation." Dealers emphasize that the authenticity of the works they sell is "unconditionally guaranteed," and do not fail to prove that by means of a certificate. They draw up biographies of artists which mention that the creator is "as refreshing and spirited as his paintings," that he "communicates the nobler side of man's endeavors and issues a call to humanity, challenging us to recognize truths that are universal to all creation—whether it be organic or geologic in nature," or that he is a "deliberate provider of perspective on our modern lives."[32] These biographies also connect the artist's work to masters in the history of art like Cézanne, Van Gogh, and Rodin, who are said to have served as a source of inspiration. To further lend value to the art that is exchanged, this circuit has given rise to its own legitimating institutions, which insure that artists have a museum record of their own, are internationally acclaimed, see their work represented in major

Shoppers at a traditional gallery in SoHo, New York. Photo: author.

collections, and have received "prestigious prizes" (cf. Fitz Gibbon 1987, p. 115).[33] Prints in large editions by modern masters like Chagall, Dali, Miro, and Picasso, which the gallery offers for sale, are supposed to lend further credibility to the program of the gallery.

Art dealers within this circuit negotiate their apparent commercial identity by invoking not only artistic values, but also moral ones. In my interviews I encountered a strong discourse of resistance against the avant-garde circuit. Commercial dealers repeatedly accused their avant-garde colleagues of arrogance and snobbery, claimed that the avant-garde definition of art and quality is narrow-minded and artificial, and brought out their own straightforwardness and honesty. In order to enact these moral values, some dealers within the traditional circuit present themselves as missionaries who make art accessible to a wide audience. They state that they explicitly reject the cold, hostile atmosphere of gallery spaces of the avant-garde circuit, and instead like to give people a warm introduction into the world of the arts. With respect to taste, dealers in the traditional circuit see a virtue in selling pictures that can be appreciated and comprehended with an untrained eye, without anybody telling the viewer, as one dealer put it, "if it is good, what it means, or why it is significant" (US19). Or as another dealer put it in an interview with the magazine *American Artist*: "[w]e use simple language here, and we don't try to impress anybody with our vast knowledge of art history. My employees and I simply love paintings."[34]

My findings suggest that the art market is structured not just along a commercial and an artistic axis, but also along a moral one: whereas dealers on the avant-garde circuit seek to monopolize an aristocratic notion of artistic worth, their colleagues within the traditional circuit invoke a notion of moral worth. In that respect, my findings resemble those of Michèle Lamont in her study of working-class people entitled *The Dignity of Working Men*. Lamont found that members of the working class distance themselves from the upper classes by means of moral standards. In their perception, the upper classes lack integrity and straightforwardness (Lamont 2000). Likewise, the traditional dealers I interviewed claim that there is a dignity in promoting art for above the couch.

Conclusion

In order to come to an understanding of everyday commercial practices on the market for contemporary art, it does not make sense to reduce this market to an ordinary retail market, where action is governed by a capitalist logic exclusively. Likewise, one misses the point by endorsing compartmentalized views of society that see art and commerce as entirely separate worlds. Although such views have flourished in social science during the twentieth century, it is now time to acknowledge that reality is more complex than compartmentalized models of society allow for. Indeed, what makes the art market an interesting case from a sociological point of view is exactly that it is a site where two contradictory logics, those of the art world and of the economy, conflict. In their everyday economic life, dealers not only need to match supply and demand, they also have to mediate two contradictory logics.

The upshot of this chapter is that it is too simple to equate a work of art in capitalist society with a commodity (cf. Huyssen 1986, p. 151). As Fred Myers has argued in his discussion of the way aboriginal art has circulated in different regimes of value, artistic meanings and values may become temporarily subordinated once a work is in the commodity phase, but that does not mean these meanings and values are erased entirely (Myers 2002, p. 331). And if commodification is a solid, discrete category for those who endorse Hostile Worlds points of view, my findings suggests that the question *how* art is commodified deserves at least as much attention as the question *whether* it is commodified. The highly ritualized way in which contemporary art is marketed is not just a matter of cultural camouflage, it is the heart of what the art market is actually about. Therefore it makes sense to study how dealers talk when they conduct business, how they represent themselves, how they try to legitimize their own action, or how they market art. To put it in fashionable terms: when marketing art, dealers are simultaneously making meaning. To study these meanings I have supplemented Bourdieu's structural account of the field of cultural production with a symbolic reading.

Like Bourdieu, I have distinguished an avant-garde and a traditional circuit within the market. Both circuits do not (or not only) differ in economic respects such as profits and prices, or in the wider societal stratification that the opposition between the two circuits makes manifest, but also in the different business cultures that flourish in each of them: the marketing repertoire that dealers rely on differs significantly between the two circuits. Dealers in the traditional circuit present themselves as missionaries who aim at making art accessible to a large, non-elite public; they derive a sense of identity by distinguishing themselves from the "snobbery" of the avant-garde circuit (cf. Lamont and Molnar 2002), and find a dignity in selling artworks which members of the avant-garde circuit think of as kitsch. Dealers within the avant-garde circuit, by contrast, seek to suppress the commodity character of contemporary art. For them it is illegitimate, as a young dealer phrased it, to do business like "used car salesmen showing Basquiat and Warhol all the time, from stock" (US6). In order to separate art from commerce, these dealers divide the front and the back of the gallery architecturally. Whereas the front rooms are constructed as an exhibition space, the back rooms function as the commercial nerve center of the gallery. The opposition between the sacred and the profane thus does not inhibit the marketing of art, but is incorporated within the very marketing apparatus.

Chapter 2

Exchanging Meaning

Vincent and His Brother

During his lifetime, Vincent van Gogh hardly sold a single painting. Unable to support himself with his art, and unwilling to let sidelines keep him from his work, Van Gogh was fortunate to have a brother who supported him generously. From the early 1880s, when Van Gogh started to focus on his art fanatically, until his death in 1890, Theo van Gogh sent his brother amounts such as 50, 100, or 200 French francs once or twice a month. The character of these monetary transfers seems straightforward at first sight: they were *gifts* from Theo, who made a decent living as an assistant at the famous Parisian art dealership Goupil, to his older, unmistakably destitute brother.[1] These gifts being an expression of brotherly care, no reason seemed to exist to reciprocate. Vincent apparently felt comfortable asking for the money when he needed more, or when Theo delayed his payments. By writing his brother sentences like "Thanks for your letter and the enclosed fifty franc note," which he repeatedly did, the issue seemed to be settled.[2] Indeed, to date, the majority of artists manage to continue making their art with the financial support of a spouse, kin, or intimate friends (see Abbing 2002). Together they are the small-time successors of yesteryear's illustrious patrons of the arts.

However, from the many letters that Van Gogh wrote to his brother, a more complicated picture arises. The monetary transfers were a frequent, often heated subject of dispute between the two brothers. This led Van Gogh to define and redefine the monetary transfers that he received from his brother on a number of occasions. First of all, he certainly did not conceive of them as voluntary gifts that need not be reciprocated. Instead, Van Gogh was aware of the debt he was accumulating with his brother, and of the possibility that this debt would have spillovers to the personal domain (letter no. 360; Van Gogh 1980, p. 229); judging from his letters, the more money he received, the more guilty and dependent he felt. The gifts even restrained him in his private life. This became apparent for instance when Vincent took good care of a prostitute during his stay in The Hague in 1883, and Theo, disapproving of this seemingly promiscuous relationship, asked him to break it off. In anger, Vincent wrote in a letter that "the rein of money is drawn in to let me feel that it 'is in my own interest' to conform to your opinion" (letter no. 358, p. 233).