

Day 18 - Christina Chaplin

It is interesting to note that the Art Market crash of 2008 correlates somewhat to the general globally experienced recession of the early 21st century, despite claims that the art market is unconnected from the stock markets and financial sectors. This may be coincidence, but I do believe that there is some cause and effect taking place in this case. The art market crash was not as bad as it had been predicted, partially because the bubble had grown so large that people could not expect less than total bottoming-out. Yet also this is partially due to the fact that the bubble burst was being predicted based on the previous bubble of the 1980s which had been followed by an extreme downturn when the market crashed. In fact, following the history of the art market, there have been a series of bubbles and crashes throughout history, just as there have been similar phenomena in the financial markets. It is simply a natural and cyclical progress. The difference nowadays is that these bubbles seem to be happening with increasing frequency. Some predict that this is a symptom of a distinct change in the art market from a marketing and branding standpoint with regards to the commodification of art in modern times.

A point that needs particular attention is the effect that these booms and busts are having on the quality and significance of the art being produced. The art market changed significantly when Mary Boone first introduced the idea of the waiting list for the gallery. In this system, collectors have to wait on a list to be measured against each other until works can be placed in the most respectable collections. In this practice, the market is negated and supply and demand do not rule supreme. Therefore, the art does not necessarily sell for the highest price, but it is secured in cultural value through the collection it is placed in which the dealer predicts will increase its wealth and significance in the long run. However, this often meant that collectors were given the first right of refusal, and were not necessarily buying works that they had seen but potentially buying just to have a work before another collector for prestige etc. The art can suffer in this environment. The dealer here rules both ends of the market and controls much and more. In an economic downturn, the waiting list might disappear, along with speculative buying by big moguls hoping to flip the work for a quick buck. I believe this can in fact improve the quality of work being produced by the average artist and cause consideration on the parts of buyers who can then hope to distinguish more significant works from the herd to price highly.

It seems that the market will recover, though if the past is any sign for the future, more booms and busts are likely to follow and in quick succession. We can only hope that after several economic downturns in the art market, the speculators may be replaced by a stable buying practice and prices might return to sustainable levels. This stability might even allow for more flexibility in advancement, at least decreasing if not closing the enormous gap between the average artist and the superstar branded one.

http://findarticles.com/p/articles/mi_m0268/is_8_46/ai_n31487376/pg_5/?tag=content;col1

http://www.artpractical.com/feature/the_great_contemporary_art_bubble/



www.youtube.com