

## **The Illusion of the Global Art Market. The Case of Central and Eastern Europe**

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Nowadays the majority of daily financial transactions in the art market take place in global cities such as New York, London, Tokyo, Los Angeles, Hong Kong etc.; similar trend, or power model can be seen in the case of the emergence of global galleries such as Gagosian, David Zwirner, Pace, Marian Goodman, Hauser & Wirth, and some others. This global gallery phenomenon can be identified with the mega-gallery model, which is spread for strategically positioned geographic locations – artistic capitals – and which therefore has taken a central position of power.

Edward Winkleman has argued that the emergence of mega-galleries could be seen as a result of the Great Recession. This includes the shift from marketing individual art objects based on their quality to the marketing of any object made by a high-profile artist based on their name and demand for their work.<sup>1</sup> He believes that this push for more locations and bigger spaces has been sending ripples through the entire gallery system, contributing to rapidly rising rents in some gallery districts, and leading some great art dealers to close rather than compromise their vision.<sup>2</sup> Mega-galleries are often taking artists over from smaller galleries, which is systematically changing the role smaller galleries have played in nurturing artists' careers. It increases competition and makes smaller galleries more cautious about their working methods and choices of cooperation. For Winkleman, this "corporatization" of the contemporary art market brings the pressure on many galleries to grow in kind, even if they're not ready for it. It also has an impact on the relationships between artists and dealers throughout the industry. While affecting the artists' possibilities for self-realization and promotion; artists often in smaller galleries can see the disadvantages of working with dealers who don't get the best locations at the top art fairs, who don't have the same pull with major museums, and who cannot offer them exhibitions in multiple locations around the world.<sup>3</sup> Thus, the situations where smaller or emerging galleries might not even get an opportunity to work with fresh and talented artists take place more frequently.

The gap between successful top-level galleries and smaller galleries has increased, and this polarization is a serious problem that continues to develop. At the time when big galleries and artistic capitals have occupied strong cultural positions, art world's most critical matter should include rather focusing on areas, which are still in a stage of development; like smaller, regional galleries, and evolving or peripheral markets, in order to reduce the gap that has occurred, and to resist such centralized model. Similar weak-strong and centre-peripheral power ratio also occurs when it comes to art fairs, art centres, art markets and fields in general. A critical issue arises as specific agents have fixed their hegemonic positions so effectively; and because of this, I am interested in how such power relations have formed, what do they embody, how are they affecting the secondary parties, and what could be done to revise such relationships.

## **Peripheral Art Markets. The Case of Central and Eastern Europe**

On the basis of such still ongoing central and peripheral relationships in the global art world, I would like to analyse specific topic of the art market – the issue of peripheral markets; with the particular focus on Central and Eastern Europe.

In "Inventing Eastern Europe: The Map of Civilization on the Mind of the Enlightenment" (1994) Larry Wolff argues that after the collapse of the Soviet Union, the Iron Curtain in its physical form was destroyed, but its 'shadow' remains still, because the idea of Eastern Europe is much older than the Cold War. Already in the

age of the Enlightenment, Western Europe and its intellectual centres 'invented' the concept of Eastern Europe as its complementary side, which would define the West through confrontation and adjacency. It is a cultural construction and intellectual tool, which has created the idea of Eastern Europe as underdeveloped to highlight the advanced nature and importance of Western Europe.<sup>4</sup> Today, the East-West relationship is often primarily seen in relation with geopolitics of modernism. For some researchers, there is no doubt that one of the Central and Eastern Europe's (CEE) stereotypes is exactly the *difference* that has developed from the global order of the Cold War era into an universal fetish, applicable in any place. It is the difference between Western individualism and Eastern collectivism.<sup>5</sup> Furthermore, although a substantial part of academic knowledge is based on Western languages, memory and perception of modernity, Eastern European identities and epistemologies are often inherently contradictory in their relationship towards it.<sup>6</sup>

The aforementioned aspects can be directly applied to the CEE's fields of culture and art, which encompass a particularly unique set of characteristics. These characteristics are in turn based on CEE's different experiences of historical events and cultural movements. Sarah James believes that nowadays, in the practice of CEE's art criticism, a persistent survival of the elements of modernism is apparent – not Greenbergian, but *social utopian*. Such apparently modernist Eastern European discourse ends up looking to the cultural, regional and local, while Western postmodernism – which should champion the local and different – appears as favouring universals such as the 'new' and 'global'.<sup>7</sup> More specifically, this attribute can also be noticed in the structures of Western art field(s) and market(s), which are engaging with the same values. *The Economist* has noted that in a sense, "local artist" has become a synonym for insignificant artist and "national" damns with faint praise. "International" has become a selling point in itself, and therefore, art dealers or collectors focusing on local artists are looked down upon as parochial.<sup>8</sup>

Even though some researchers have argued that mainstream contemporary art is becoming less patriarchal, increasingly global, more open to non-Western artists and art professionals, more attentive to outsider art, and more prone to rediscover forgotten artists than in past decades, London and New York still maintain their hegemonic market positions.<sup>9</sup> New art markets have recently emerged in Middle Eastern and Northern African countries, Brazil, China, Russia, and even India, but for some reason, CEE's art market has been left out of this redistribution process. Art from this region has not enjoyed much of global art world's attention. Until 2016 there were no art auctions organized by recognized platforms, which would be dedicated to CEE's art – the first one was organized on June 7, 2016, at Sotheby's and was the first-ever comprehensive CEE's art auction, titled "Contemporary East".

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It is well known that the West has created the traditional white cube gallery model, and implements it successfully until today. This model is one of the main agents of the classical (commercial) gallery system (artist-dealer representation, collector relationships, art fairs). However, because of different traditions of exhibition-making, and in a somewhat delayed formation of the curator as an independent institution, such systems may not be directly applicable to the countries behind the former Iron Curtain, which markets started to develop from 1991. Furthermore, maybe it's time to set this type of example-models, once again, into questioning. Olav Velthuis and Stefano Baia Curioni have argued: "If the globalization of art markets is seen as a teleological process, its *telos* is frequently assumed to be an art market which is organized using European/American blueprints." For emerging art markets like China or India, the assumption of both local and foreign actors is that they will remain unstable, unprofessional, wild and "immature" as long as Western models and blueprints of art galleries, auction houses, and other market units are not implemented. There emerges this belief that once they are, the market will become more transparent and stable, while trust in the value of contemporary art will be secured. Similarly to postcolonial view, such processes often take

either mimetic or normative form. Young galleries and art districts in emerging countries regularly affirm how they were inspired by their counterparts in Europe and the United States, whose practices they imitated voluntarily. In such situations, these models are always 'glocalized' – adapted to the local context.<sup>10</sup> On the one hand, such assumption directly reflects the occidental hegemony; while at the same time, *the imitators* in question are reproducing the same hegemony under discussion. Like with other emerging markets, CEE's curators, artists and critics have learned the methods of the Western neoliberal art market, and at the same time have tried – more or less – to find ways to adjust these models with the political and cultural context of their young societies. Until today, art markets in this region are still undeveloped, while arts patronage is in its initial stage. Producing and promoting contemporary art in this region often comes down to the matters of survival.

But the problem lies deeper. Until today, 20th-century and contemporary art of the former socialist states remains largely excluded by Western contemporary art history. Swiss-based art critic Simon Hewitt has investigated the Baltic art scene and has put it into the wider context of CEE. His main question is "why is Baltic art so little represented on the international scene?". When he encountered Tate Modern's Russian & Eastern European Acquisitions Committee in Moscow in 2013, hardly any of its members seemed to have an idea about art from behind the former Iron Curtain. Hewitt is referring to Western's prejudice and ignorance against CEE in general, and comes to the conclusion that the art market in this part of the world is indeed undeveloped, and taking shape only gradually. Furthermore, no artist stands out as a flag-bearer for his or her country, or for the Baltic States as a whole. The region does not have an undisputed number-one gallery, nor is there a big non-commercial event where international collectors could be introduced to the region's art. He also believes that there exists a certain geographical peripherality: "It is surely no coincidence that the only two galleries from Eastern Europe to have taken part in both Frieze and Art Basel, Gregor Podnar (Ljubljana) and Plan B (Cluj), were selected only after re-locating to Berlin, thereby gaining superficial credibility in the supercilious eyes of the Western art-world."<sup>11</sup> Despite the fact that some researchers don't see Baltic art scene as part of the CEE's art discourse, I believe that many of these fore-mentioned characteristics could be taken into account to characterize the more general situation of the CEE's art field(s) and market(s).

### **Activating the Market in CEE**

Therefore, how to activate or accelerate the development of the art market in peripheral regions, such as CEE? The main problem that occurs is that CEE has lacked a platform to introduce local art to a wider professional audience; hence the starting point would include finding ways to create such platform, which would raise the international visibility of the local art field and production. Alike to Hewitt, I believe that the art market in this region would benefit from having a focal-point. CEE is in a complicated situation, where there is no built up symbolic authority. To find a 'centre', where curators, critics and collectors would go to discover the local art production, seems to be the utmost important objective.

Furthermore, some researchers have pointed out that CEE's art field and market is not very known to outsiders, because of its too fragmented nature, which is often less conducive to success in a highly-globalized market.<sup>12</sup> The reason seems to lie in the fact that all former Soviet countries try to get by themselves, and this also results in their indistinct public image. Still, in every discourse there is a possibility of finding 'sameness in difference'; meaning, a certain symbolic direction based on shared common values could be created. This could be done for example through different forms of cooperation and dialogue. It seems that currently CEE's countries have been rather nationally shutting off from the larger circulation; most of these countries are operating alone, and there is not very much left of the *collective mentality*. This

'every man for himself' approach can however limit the regional development. To initiate change, the local fields should take some time to interpret its own nature and operating models. It is important to find common values, without losing the differences; then again, to follow that these values are from 'within', unique to the wearer, and not assigned or accredited from the outside. One should not forget that cultural distinction *is* enriching, and therefore should be – once again – appreciated.

Boris Groys would argue that communism is the only factor that sets CEE art apart within the global art world, because it was the only element of the history that wasn't part of the Western European history.<sup>13</sup> Indeed, for the development of the art market CEE has already pretty good preconditions in forms of original, independent and critical artistic production, which is based on a very specific cultural memory and experience of history. Western art practices and specifically Western modernism is often associated with aestheticization of visual culture, whereby art is depoliticized, and the criticism embedded within becomes neutralized.<sup>14</sup> Contrary to this, artists in CEE do not 'produce' for the market, because there is no such market, which would create a similarly strong demand to the West. In a sense, artists have more creative freedom for experimenting, and lots of works are rather honest and critical. Serbian curator Anja Obradovic sees this as a more legitimate artistic practice: "How many artists that you see at Frieze or Basel are actually critical? They might comment on social issues, but in a more superficial way, because the collectors unfortunately want to buy art they understand rather easily; not everybody understands certain social or political issues. Because Eastern artists are not 'contaminated' with market trends, they feel that they can be critical about the situation and talk honestly about what is happening."<sup>15</sup> Ironically, the fact that the artistic production is not dictated by the market, is exactly what could be the strength of this region in the global art market; and could thus contribute to the development of the CEE's art scene in general. In case of adjusting Bourdieu's famous approach to the field of art and cultural production as 'reversed economic field', where symbolic values are highlighted and appreciated; one could claim that artists and curators who deal more with critical social and political issues, whose purpose is not to please the audience, and not to focus on the aesthetics, but rather on the 'message', are often seen as oppositional agents to neoliberal art market mechanisms, and therefore accumulate a higher amount of symbolic capital and respect in the context of the professional art field. In the longer run, such symbolic values are often also exploited economically.

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Obradovic believes that in order to bring CEE's geography to the West's consciousness, either institutionally or through the market, there needs to be a certain educational system. This process could be amplified through either publications, or interdisciplinary modes of entertainment, e.g. linking different industries through their collaborations.<sup>16</sup> In this context, it is again important to think of CEE specific direction(s) of interest(s), to create and develop its own discourse, which could be then integrated into the international contemporary art discourse.<sup>17</sup> In addition to publications, public institutions' programmes and museum exhibitions, it is also important to think about private funding and collectors.<sup>18</sup> Much work related to this issue has been done by *Viennacontemporary*. The fair strongly focuses on promoting art created in CEE countries, while creating and consolidating a market for it. It provides access of commercial art galleries to a network of collectors and connoisseurs; and helps to create a stronger global identity for Eastern European artists and their diverse aesthetic approaches.<sup>19</sup>

In fact, because art of CEE is not so well investigated, many of the Western galleries are starting to look for new artists exactly from this region. The overall growing interest of the Western institutions in art from former Soviet countries has in part also grown as a result of the trend to enlarge the Western canon,<sup>20</sup> and to create alternatives to the already existing situation.<sup>21</sup> On the one hand, this is a step forward, because with the recognition of Eastern European artists, the entire region receives more positive attention, which

in turn could lead to the institutional strengthening of self-consciousness, and growth in information exchange. But on the other side, this affects directly the work of local galleries, having 'less material' to work with. Hence, it will definitely raise competitiveness in the whole regional art scene.

### **The Illusion of the Global Art Market**

When one looks at the status of CEE in a wider context of international art scene, it becomes curious that art professionals often talk about the globalized art world and market. In the context of the latter, one could place the aforementioned mega-galleries, the top one percent collectors, and some of the most established artists, who are usually also known for the non-art audience. But step forward from this, the concept of 'global' loses its meaningful basis, and the exclusion of CEE from the main discourse is a strong example describing this situation. It characterizes this slightly idealistic vision of integrated and well-functioning globalized art world, which is often introduced in the art language. In "Cosmopolitan Canvases" (2015) Olav Velthuis and Stefano Baia Curioni have analysed the state on the art market and the notion of its globalization. They argue that exactly those important political and cultural events of 1989 in Europe, supposedly set the globalization of contemporary art in motion. However, the globalization of art markets is not a new phenomenon, as it has taken place before, so instead of representing the globalization of art markets as a recent, new era in the market, one should speak about waves of globalization.<sup>22</sup> Overall, global art sales are dominated by three countries only: UK, the US, and China. Moreover, of all the world's exports of art and antiques, 65 percent originate in the US and the UK. The reason is that the main art auctions continue to take place in New York and London, where the top segment of the art market is centred and where record prices are set. Even for the most globalized countries, the UK and the US, 80 percent of the art is sold domestically.<sup>23</sup> Therefore, up until now, a unified and single global market for contemporary art remains a utopia.

### **Future Possibilities**

In the *utopia* of the global art world all art scenes and cultural identities of different geographical regions are connected by shared values and productive 'sameness', which does not make one better or worse, more advanced or less advanced. There is no valuation based on difference, and there exists a perfect model of co-operation. Thus, will it be the utopia or dystopia that arrives in the future? And do we even long for this kind of *utopia*?

The further expanding of mega-galleries could push even more galleries out of the market, hence the art world would lose some of its diversity, and the market would contract even more. With less galleries, finding a way to professional recognition and sales will get more difficult, and will therefore raise competitiveness. Still, Velthuis and Curioni believe that despite everything, intense redistribution process of symbolic power is taking place as the art market is expanding to the East: "As a result of this shift, artistic reputations are no longer exclusively made by a limited group of prestigious museums and art centres located in Europe and the United States, but by a plethora of – relatively new – organizations in other regions of the world."<sup>24</sup> Hopefully, in the near future CEE will become more important player in this transforming system. It is important to remember that this participation is also affected by larger scale of factors, for example by the political situation. As the intellectual elite in Eastern Europe is gradually being repressed by far-right and conservative nationalistic political parties, the governments are, step-by-step, taking control over cultural creativity, production and funding. This is directly affecting the artistic production, but it also affects the state of the market. Artistic production which goes hand-in-hand with the ideology of the government is promoted more actively, and to make such art works also highly appreciated

on the market could be seen as one goal of the local 'cultural governments'. Of course, artists and art professionals try to counter this strategy. This is the reason why some public or semi-public institutions are rejecting the government's funding, and why lots of private galleries and alternative independent art institutions are working together. In a sense, private galleries have become the most autonomous and critical entities of the art institutional landscape. The situation where the autonomous power and substantial resistance has accumulated into the private sector, could also give quite interesting, or even positive results in relation to the art production and institutional operating models. Galleries' programmes could turn out to be more self-conscious and critical, while they move away from their traditional commercial functions. This in turn may trigger unexpected transformations in the local art fields.

As with all universal systems, one should also approach the utopia of fully globalized art world as rather dangerous phenomenon. In general history, the East has always been the one who 'learns' from the West, trying to find the best ways to integrate. Perhaps it is time to reverse this habitual relationship. East could deal with its own unique internal values, and create its own 'white cubes', as there already exists so much potential soil. In addition, for the West, it would be fruitful to explore the art from CEE. Firstly, artistic creation from this region is very rich and diverse; and secondly, it would give an opportunity for the West to revise its basic values; to be more critical about the art production, criticism, curating ideologies, arts promotion, and market structures in general. East offers the West a critical and sharp filter, which in Western aestheticized and market-driven art world has unfortunately remained thin. As Sarah James has summarized: "Examining post-communist artistic production allows us to deepen our understanding of art's relationship to the social and political. Surveying the still emergent art worlds of Eastern Europe offers art professionals a way of critically reapproaching and making visible the ideological mechanisms of power that define the production and consumption of art in the West. Overcoming the theoretical 'iron curtain' that still divides East and West enables us to figure the future of art in a global market where, as Groys recently announced, the balance of power between economics and politics in art has become horribly distorted."<sup>25</sup>

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<sup>1</sup> Winkleman, Edward. 2015. "Introduction." *Selling Contemporary Art: How to Navigate the Evolving Market*, by Edward Winkleman. Allworth Press, NY, vi.

<sup>2</sup> Winkleman, Edward. 2015. "The Rise of the Mega-Gallery." *Selling Contemporary Art: How to Navigate the Evolving Market*, by Edward Winkleman, pp. 35.

<sup>3</sup> Winkleman, Edward. 2015. "The Rise of the Mega-Gallery," pp. 32-37.

<sup>4</sup> Wolff, Larry. 1994. *Inventing Eastern Europe: The Map of Civilization on the Mind of the Enlightenment*. United States of America: Stanford University Press. pp. 3-5.

<sup>5</sup> Rander, Tanel. 2016. "The Discourse and Three Displays of Eastern Europe". *Archives and Disobedience*, edited by Margaret Tali, Tanel Rander. Estonian Academy of Arts Press, pp. 110-111.

<sup>6</sup> Tali, Margaret; Rander, Tanel. 2016. "Introduction." *Archives and Disobedience*, edited by Margaret Tali, Tanel Rander. Estonian Academy of Arts Press, pp. 12.

<sup>7</sup> James, Sarah. 2008. "Behind a Theoretical Iron Curtain. Sarah James." *Art Monthly* 317.

(<http://www.artmonthly.co.uk/magazine/site/article/behind-a-theoretical-iron-curtain-by-sarah-james-june-2008>).

<sup>8</sup> Velthuis, Olav; Curioni, Stefano Baia. 2015. "Making Markets Global." *Cosmopolitan Canvases. The Globalization of Markets for Contemporary Art*. Oxford Press, pp. 4.

<sup>9</sup> Acuña, Alvaro Santana. 2016. "Where Does the Value of Art Begin? (Part One)." *Books and Ideas*.

(<http://www.booksandideas.net/Where-Does-the-Value-of-Art-Begin-Part-One.html>).

<sup>10</sup> Velthuis, Olav; Curioni, Stefano Baia. 2015. "Making Markets Global." *Cosmopolitan Canvases. The Globalization of Markets for Contemporary Art*. Oxford Press, pp. 13-14.

<sup>11</sup> Hewitt, Simon. 2015. "Why Is Baltic Art So Little Represented On The International Scene?" *Arterritory*.

(<http://www.arterritory.com/en/texts/articles/4946-why-is-baltic-art-so-little-represented-on-the-international-scene/>).

<sup>12</sup> The future of the global art market: emerging art scenes of today and tomorrow. Art Media Agency — April 30, 2015.

(<http://www.privateartinvestor.com/art-business/the-future-of-the-global-art-market-emerging-art-scenes-of-today-and-tomorrow/>).

<sup>13</sup> Calderon, Josue Lopez. 2016. "Can Central and Eastern Europe be United? Yes, Sotheby's Knows How." *The Huffington Post*. ([http://www.huffingtonpost.com/josue-lopez-calderon/can-central-and-eastern-e\\_b\\_10251920.html](http://www.huffingtonpost.com/josue-lopez-calderon/can-central-and-eastern-e_b_10251920.html)).

<sup>14</sup> Tali, Margaret; Rander, Tanel. 2016. "Introduction." *Archives and Disobedience*, edited by Margaret Tali, Tanel Rander. Estonian Academy of Arts Press, pp. 13. According to Rander and Tali, the attempt to aestheticize continues to be a major practice in the contemporary art field, where its prevalence has increased – there is a big commission for it among art institutions etc. These

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commissioners are never interested in approaching art as process, but primarily as a product that can be contextualized in a way that new meanings can be applied. (Tali, Margaret; Rander, Tanel. 2016. *Archives and Disobedience*, pp. 13).

<sup>15</sup> Interview with Anja Obradovic. January 2017, Barcelona.

<sup>16</sup> Interview with Anja Obradovic. January 2017, Barcelona.

<sup>17</sup> Edit András has argued: "The truth is that in order to get attention one should work for it. It is almost a commonplace that the product must be specific, local, because today nobody is interested in a mainstream product, which has only been added some local colour. However, the content, the issue, the message to be communicated, must still participate in the global public discourse and even if it has to do it from local positions, the language must also be comprehensible for outsiders. But the mediating action of cultural translation, the exploration of the local cultural context, cannot be avoided." She believes that the participation is possible, but not by means of a 'second hand, low tech imitation of today's tendencies or trends of an imagined center'. (András, Edit. 2012. "The Ex-Eastern Bloc's Position in the New Critical Theories and in the Recent Curatorial Practice". *Idea - art+society*, #40. Cluj Napoca, Romania, pp. 44-45). ([http://real.mtak.hu/19962/7/the\\_ex\\_eastern\\_blocs\\_position.pdf](http://real.mtak.hu/19962/7/the_ex_eastern_blocs_position.pdf)).

<sup>18</sup> In CEE the aftereffects of the Soviet era are still somewhat present in the structures of funding; there is not much private money in the arts sector, and funding is largely controlled by traditional and public organizations, which therefore play greater role in the creation of artists' careers. For this reason, these art scenes are not always so flexible, and artists often don't have enough money for production.

<sup>19</sup> Matzal, Andra. 2016. "Eastern European art is now becoming very attractive for Westerners." *Scena 9*. (<http://www.scena9.ro/en/article/vienna-contemporary-art-fair>).

<sup>20</sup> Michalska, Julia. 2015. "Collectors emerge from behind the Iron Curtain." *The Art Newspaper*. ([http://theartnewspaper.com/reports/Art\\_Basel\\_2015/stars-of-the-east-collectors-are-starting-to-emerge-from-behind-the-iron-curtain-/](http://theartnewspaper.com/reports/Art_Basel_2015/stars-of-the-east-collectors-are-starting-to-emerge-from-behind-the-iron-curtain-/)).

<sup>21</sup> However, Sarah James believes that the West's engagement in the post-communist art of the East is not simply a matter of expanding art history's reach, nor is it a new commodity waiting to be curated; instead it is a necessarily political project that reveals the artificiality of the Western art market and the market-orientated ideological nature of Western art and criticism.

<sup>22</sup> Velthuis, Olav; Curioni, Stefano Baia. 2015. "Making Markets Global." *Cosmopolitan Canvases. The Globalization of Markets for Contemporary Art*. Oxford Press, pp. 5-7.

<sup>23</sup> Velthuis, Olav; Curioni, Stefano Baia. 2015. "Making Markets Global," pp. 16-18.

<sup>24</sup> Velthuis, Olav; Curioni, Stefano Baia. 2015. "Making Markets Global," pp. 20.

<sup>25</sup> James, Sarah. 2008. "Behind a Theoretical Iron Curtain. Sarah James." *Art Monthly* 317.