When art meets money: an ethnographic approach of added value production at Art Basel
The paradox of sociology

The particular difficulty of sociology comes from the fact that it teaches things that everybody knows in a way, but which they don't want to know or cannot really know because the law of the system is to hide those things from them.

Pierre Bourdieu
The paradox of art

“A commerce in things which are not commercial, the trade in »pure« art belongs to the class of practices where the logic of precapitalist economy survives. The challenge that they offer to all kinds of economism resides precisely in the fact that they can be achieved in practice – and not merely in representations – only at the price of a constant and collective repression of the properly »economic« interest.”

PIERRE BOURDIEU
In other words: The art market is an economic cosmos which defines itself in all of its functions as a rejection of commercialism, which in reality amounts to a collective denial of commercial interests and profit. To put it briefly, we are dealing with a hybrid in which the increasingly material operations with the circulating goods can only be implemented in a veiled and disguised form, for if the price tag is simply taken as the truth on the value of the work of art, its charismatic quality suddenly suffers a demystification in view of such a vulgarization and profanization and it forfeits its symbolic capital.
The Glory of Wastefulness
The distinguishing mark of art

Of all the conversion techniques designed to create and accumulate symbolic capital, the purchase of works of art, objectified evidence of »personal taste«, is the one which is the closest to the most irreproachable and inimitable form of accumulation, that is, the internalization of distinctive signs and symbols of power in the form of natural »distinction«, personal »authority« or »culture«. The exclusive appropriation of priceless works is ... the supreme affirmation of personal excellence.
The noblesse of real love of art

"I have been sensitive to art since my childhood. My grandfather was a collector, but in the sense of the word at that time. One did not speak of collectors but of art lovers; the term collector was pejorative, like for example a stamp collector. The art lover was man with a vision, who lived with his objects. He had his own point of view, be it about his paintings, his furniture or his tapestries, etc. The view of art was not simply oriented on a discipline; it encompassed a much wider perspective; one could say the "fine arts". He was an art lover with a beautiful collection, but he regarded it as a life style."
Contemporary Art World in Crisis

As a "market for symbolic goods" without an actual "price", the art world is nowadays faced with its intrinsic conflict more than ever: since the 1990s new capital-heavy buyer groups have been established, mainly from the world of financial capital, and substantial financial capital is flowing from the emerging economies, the so-called BRIC countries, into this market causing prices to shoot up dramatically, periodic waves of heavy selling and gaps on the market are emerging and the relationships and balance of power between the different actors in this field are changing quickly and intensely.
Fine art auction sales revenue

breakdown by country

Source: ARTPRICE – Art Market Trends 2011
**Top 100 auctions performances in 2011**

<table>
<thead>
<tr>
<th>Artist</th>
<th>Hammer price</th>
<th>Artwork</th>
<th>Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Qi Baishi</td>
<td>$57,202,000</td>
<td>Eagle Standing on Pine Tree; Four-Character [...]</td>
<td>22 May (China Guardian BEIJING)</td>
</tr>
<tr>
<td>2 STILL Clyfford E.</td>
<td>$55,000,000</td>
<td>&quot;1949-A-No. 1&quot; (1949)</td>
<td>09 Nov. (Sotheby's NY)</td>
</tr>
<tr>
<td>3 WANG Meng</td>
<td>$54,040,000</td>
<td>Zhi Chuan moving to Mountain</td>
<td>04 June (Poly International BEIJING)</td>
</tr>
<tr>
<td>4 LICHTENSTEIN Roy</td>
<td>$38,500,000</td>
<td>&quot;I Can see the Whole Room!...and [...]&quot; (1961)</td>
<td>08 Nov. (Christie's NY)</td>
</tr>
<tr>
<td>5 GUARDI Francesco</td>
<td>$38,256,120</td>
<td>Venice, a View of the Rialto Bridge, Looking [...]</td>
<td>06 Jul. (Sotheby's LONDON)</td>
</tr>
<tr>
<td>6 XU Beihong</td>
<td>$36,679,200</td>
<td>Cultivation on the peaceful land (1951)</td>
<td>05 Dec. (Poly International BEIJING)</td>
</tr>
<tr>
<td>7 PICASSO Pablo</td>
<td>$36,274,500</td>
<td>La lecture (1932)</td>
<td>08 Feb. (Sotheby's LONDON)</td>
</tr>
<tr>
<td>8 KLIMT Gustav</td>
<td>$36,000,000</td>
<td>Litzlberg Am Attersee (c.1914/15)</td>
<td>02 Nov. (Sotheby's NY)</td>
</tr>
<tr>
<td>9 SCHIELE Egon</td>
<td>$35,681,800</td>
<td>Häuser mit bunter wäsche (Vordattdt II) [...] (1914)</td>
<td>22 June (Sotheby's LONDON)</td>
</tr>
<tr>
<td>10 WARHOL Andy</td>
<td>$34,250,000</td>
<td>Self-Portrait (1963-1964)</td>
<td>11 May (Christie's NY)</td>
</tr>
<tr>
<td>11 BACON Francis</td>
<td>$32,957,850</td>
<td>Three studies for portrait of Lucian Freud</td>
<td>10 Feb. (Sotheby's LONDON)</td>
</tr>
<tr>
<td>12 STUBBS George</td>
<td>$32,158,000</td>
<td>Gimcrack on Newmarket Heath, with a trainer [...]</td>
<td>05 Jul. (Christie's LONDON)</td>
</tr>
<tr>
<td>13 FU Baoshi</td>
<td>$31,520,000</td>
<td>Landscapes (1964/65)</td>
<td>17 Nov. (Beijing Hanhai Art BEIJING)</td>
</tr>
<tr>
<td>14 ROTHKO Mark</td>
<td>$30,000,000</td>
<td>Untitled No. 17 (1961)</td>
<td>11 May (Christie's NY)</td>
</tr>
<tr>
<td>15 STILL Clyfford E.</td>
<td>$28,000,000</td>
<td>1947-Y-No. 2 (1947)</td>
<td>09 Nov. (Sotheby's NY)</td>
</tr>
<tr>
<td>16 Qi Baishi</td>
<td>$26,786,500</td>
<td>Landscape (1931)</td>
<td>13 Nov. (China Guardian BEIJING)</td>
</tr>
<tr>
<td>17 ALMA-TADEMA Lawrence</td>
<td>$26,000,000</td>
<td>The Meeting of Antony and Cleopatra: 41 Bc</td>
<td>05 May (Sotheby's NY)</td>
</tr>
<tr>
<td>18 PICASSO Pablo</td>
<td>$25,872,000</td>
<td>Femme assise, robe bleue (1939)</td>
<td>21 June (Christie's LONDON)</td>
</tr>
<tr>
<td>19 BACON Francis</td>
<td>$25,536,000</td>
<td>Study for a portrait (1953)</td>
<td>28 June (Christie's LONDON)</td>
</tr>
<tr>
<td>20 WARHOL Andy</td>
<td>$24,500,000</td>
<td>Self-Portrait (1986)</td>
<td>11 May (Christie's NY)</td>
</tr>
</tbody>
</table>

Source: ARTPRICE – Art Market Trends 2011
Ethnography of Art Basel: the High Mass of art consecration

At the centre of our research is the question of how the increasingly critical, or even contradictory, relationship between "art" and "commerce" which has been caused by current changes in the art world (the increasing significance of new and/or the "nouveau riche" buyer groups, the role of the market price amongst the consecration of artists and art works) is being addressed, discussed, scandalised, trivialised or eliminated by those affected and which discursive strategies to reduce cognitive and ethical dissonances can be identified.
"There are people who collect or call themselves collectors because that's the social thing to do, so to speak so that one can see oneself as having made it socially. People who buy with their ears, socially insecure people, who prefer to buy what can be recognized on the wall. It's a bit saddening if that is the main goal of collecting."

Member of an “old” dynasty of German art collectors

"With unserious, with not so important collectors, who simply [buy art] because it is good form, a status symbol, who think that in their offices they must...Or, for example, those fund managers who buy paintings for unbelievably high prices."

Swiss collector from an old family dynasty
The sacrilege of buying art works without pure love of art

Being an art buyer these days is comprehensively and indisputably vulgar. It is the sport of the Eurotrashy, Hedge-fundy, Hamptonites; of trendy oligarchs and oiligarchs; and of art dealers with masturbatory levels of self-regard. Artistic credentials are au courant in the important business of being seen as cultured, elegant and, of course, stupendously rich.

Do any of these people actually enjoy looking at art?

4 models concerning the relationship between art and money

1. Enemy Worlds

2. Co-existing Worlds

3. Autonomous Worlds with interfaces

4. Two complementary faces (Janus Figure)
Art or/and Money: There’s no object without a standpoint
Representations and classifications of people inside art world

Interview with a Swiss mega-collector

Who defines 3 categories of art buyers

1. Pure art lovers
2. Main stream
3. Speculators
Art Basel: the concentrated power of symbolic added value production

The "exclusiveness" of the participants (VIP-collectors, galleries, curators, art advisors and so on) at the "Olympics of Art" concentrates the charisma of the art market, putting the entire field of the "normal" trade in art completely in the shade, and enables it to generate such an amount of symbolic added value - a fact which bears all the more witness to the collectively shared norms of this upside-down economy.
Ethnography of Art Basel: research methods and strategies

„Who is who?“: Procedures and logics of social classifications in practice at Art Basel

- Selection of 300 galleries from more than 1000 candidates by a jury of exerts
- Classification of „visitors“ in distinctive categories
  - First choice
  - Premium
  - Special VIP
  - Public
Added-value of social capital

The VIPs admitted by the gate-keepers of the event compete for the best possible positions in the various VIP categories, which are a clear sign of social classification. These are the characteristic ambivalences of an art market whose attractiveness depends on the magic of the reciprocal recognition of art and its consumers and on the renegotiation of the relationships of power between them.

The "VIP network" with its privileges, the "special welcome" and "early access to the show", the "VIP programs" and "VIP tours" calls for a subpage of its own. The "partners" are paid lavish tribute, for their "essential support" and their "fundamental acknowledgment of the arts" - and of the customers, who have a private lounge at their disposal "where collectors can meet one another away from the show floor."
The making of social capital

For me personally it's also a network. You get to know collectors. The same people are there every year. It's a ritual. You know one another. I know more or less what we spoke about the last time. A year later, maybe, an E-mail comes: At the Art Basel you had this one or that one, or, do you have something like this or that. These contacts are very important. and if you are at the Art Basel there is no discussion about whether your gallery is good and serious or not. It's simply clear, independently of the program: You belong to an elite.”

Swiss Gallerist
Chains of consecration: the collective production of symbolic and economic added value in the field of art
Ethnography of Art Basel

Of central importance is also the issue of the constitution and self-fashioning of a new global economic and cultural elite and the Art Basel providing an ideal platform for this elite for social networking and the accumulation of social capital and prestige with the demonstration of a "love of art" and its legitimisation of material wealth.

New insights into a quickly growing "market for symbolic goods", its structures and functions, communal relationship processes (Vergemeinschaftungsprozesse) and social rules are expected that will also be able to be understood to make a contribution to the diagnosis of society and of the time in a period of accelerated and radical global market socialisation.
When Money meets Art: A business-model for added value production

The economic added value of apparently altruistic expenditure, the truly ostentatious squandering of material resources for art and its social framework, can scarcely be explained more outspokenly than in the statements of the person responsible for sponsors at the Art Basel. He clearly sketches the special character and status of a business model in which the investment of large sums of money in an art event is praised as economically profitable marketing.
The making of VIPs

The Basel Classification Machine

I mean, the goal is always to make sure that the people who are at the highest level of collecting are treated like VIPs. And at the same time we have two levels of VIPs, because there are also people who are not quite there, but are still VIPs, and if the halls were infinite we could just put all the VIPs in the halls, but because they are not, we have to really figure out a way that when a VIP, you know, if you have the top of a VIP moment, then that is also the top of a VIP.” Art Basel Manager
The economic added value of “altruistic” expenditure

Every show of the Art Basel has partners, who contribute to it financially. In return they profit from a value transfer at the level of the brand because one links them with our name, because they are given a privileged place within the fair, because they can regale their customers there and especially on account of the privileged access to the show etc. And they profit from the opportunity to build up new business relationships. Our VIPs include people of niveau, collectors, people from the art world, economic leaders or entrepreneurs who come to the fair to show their passion for art. We have a fascinating and valuable clientele for companies such as UBS, Cartier, Netjets. All of them are companies which are well positioned in regard to luxury or have an interest in encountering a specific, very wealthy and cultivated clientele.

Head of Sponsorship of the Art Basel
“Our VIPs include people of niveau, collectors, people from the art world, economic leaders or entrepreneurs who come to the fair to show their passion for art. We have a fascinating and valuable clientele for companies such as UBS, Cartier, Netjets. All of them are companies which are well positioned in regard to luxury or have an interest in encountering a specific, very wealthy and cultivated clientele. There are, of course, many different kinds of people under the VIPs and collectors. And it is true that we are very careful in choosing our sponsors. We don't want companies we bring together with such people to be totally commercial in their conduct. Netjets is a company which sells shares in jets. That starts at a minimum of 500,000 US dollars, for which one can fly around the world. But every time a hiring fee per flying hour has to be paid etc. In the end the cost can amount to two million dollars a year and one has to be able to afford that.”

Art-Basel-Manager responsible for sponsors
"Business” at Art Basel is not simply "business"

“But the people at Netjets have been trained as engineers, the salesmen as well, and they haven't the slightest idea about what happens in the art world. So when we introduce them to this milieu they are completely lost and we then come to their help. We help them to translate what they actually want to do, so that they can make contact with the VIPs. But what really matters in the end, and we have now realized this, is that as sponsors of the event they enjoy automatic credit, what I call a "hard share" in English. Emotionally a transfer takes place – one is grateful. When the UBS invests a lot of money in the love of art, the art collectors and the philanthropists appreciate the UBS. And so the people from UBS do not have to walk up to a collector and say: 'Well I sell real estate mortgages. Are you interested?' That would be a catastrophe!"

Head of Sponsorship of the Art Basel
The wedding of art and money at the Art Basel.

“So we sell them this access for hard cash and in return they can associate their names with ours. That is the essence of our sponsorship. There are many business negotiations for every contract and every relationship that is established; we fulfill obligations, provide catalogs, advertising space, presence on our internet pages, all of these things. That is an important dimension because they have a substantial share in the turnover achieved at the fair and, what is more, when Cartier comes, it brings its customers with it.”

Head of Sponsorship of the Art Basel
On Discomfiture in Art
The dissolution of a traditional configuration

"Yes, as I've said, they're a debatable issue, these fairs. This is something that in recent years – you know this as well as I do – something that has acquired a new dimension in recent years. Since art has become a part of the entertainment industry fairs and auctions have taken on proportions which one must enjoy with a certain, yes, with a certain degree of reserve. But nonetheless there's no escaping it. And I can't escape it either. In the meantime there are, well, one could go to an art fair somewhere every week. It's all a bit overvalued. It's become a social game, all the art, the entire art scene. And that's why we have to offer it to our customers as well. There are some to whom it means nothing and others who like going to the fair but definitely not to the opening, because they don't want to see all those people, all the hustle and bustle. And we, when we go to the fair, we do that as well, also with a certain degree of criticism. When we are at a booth I sometimes say 'Look, they work together with these and these other people' And 'The three pictures you see here, I'm looking at them for about the twenty-fifth time' Or: 'That picture was bought only last week at Sotheby's and I don't understand why it should cost fifty per cent more in the meantime'. This is just as an example. So we do point out all the aspects of this kind of art fair. And so it's quite alright to go as long as one says that. Because that happens to be the reality. “

Art consultant of a Swiss bank
Effects of a globalized Art Market – concentration and uniformization

These processes of concentration result at the same time in a striking uniformization of the products on offer – "fairs art" is transformed into "branded goods". As in the entire art market "quality" is also a key category for art fairs. In markets for symbolic goods, however, there are no precise or objective criteria for the judgment of a valuable product, in regard to either the aesthetic or the financial aspects. Instead, the value of a work of art is constructed in a social process by the actors in the market
Market Conformity

The tendency towards conformity described as "art fair art": format, content and form are more or less clearly adapted to meet the expectations of the customers, "these works (...) are moderate in size, which makes them easy to transport and fit into fair's booth, and are in tune with dominant market trends. In addition, the best works are selected for the fair. The gallerist Zwirner remarks: "Back in the days, we used to hold back pictures for openings. Now they are being held back for the fairs"."
Dynamics of a globalized Art World: Fairs both drive the market and restructure it

As the number of fairs grew the galleries came under increasing pressure to change their business practices and to achieve increased international attention for their artists, so that they could extend the relatively small circle of their national or regional regular customers. As the important actors in the art market such as the collectors, museum directors or curators who, alongside the art market, decisively influence the "value" of art, are more likely to be encountered at fairs than in galleries, participation in the fairs becomes increasingly more important for the galleries and art dealers for more than purely economic reasons. A large part of the trade in art has long left the traditional local premises in the galleries in the direction of the market place. As many galleries also regard participation in renowned fairs as an investment in their own reputation, the pressure increases.
Hustle and bustle: the fairs marathon

“Yes, the fairs have become essential for the gallerists. I believe there are many gallerists who make 90% of their sales at the fairs. That's the reason why the fairs have become so essential for the gallerists. Anyone who can't participate doesn't get a share in the cake. And that's also dangerous. But as there are so many fairs which offer the collectors everything in a concentrated form, they of course have said: I can't manage to see so much all at once anywhere else. I would have to run around the galleries for weeks. On the other hand, let's be honest: the fairs are an intolerably chaotic mess. Everyone has his rabbit hutch. Where is the order? Where are the formative powers? A good gallerist doesn't just sell for his artist; he also tries to position him. He tries to find the right museums. But I don't think that in art you can just hang up a picture somewhere on checkered wallpaper. There's a need for a moment of contemplation at some point. You don't find the time and leisure. To reach a deeper understanding you really need time for contemplation. And how do you find that at these annual funfairs?” German Curator
Double binds
The new contradictions of art trade

"Some of the dealers are also groaning. One can have very interesting and widely differing talks with the participants at the fair. They say again and again: I have to be here; it's very important for the cultivation of contacts; I meet new people here. But at the same time they also say: I can't carry on with this circuit, attending yet another fair and yet another one. A friend of mine who was in Maastricht a few years ago and then stopped going said: I've been going to it for many years, but now I don't need it anymore. But he only stopped for a year. The next year he was there again. And that really says a lot. Once you're a part of it it's very difficult to stop. Because, of course, many customers then come and ask: What's up. You weren't at Maastricht; aren't you doing well? So it's difficult to make a step backwards, so to speak."

A renowned Swiss art dealer
Manifestations of disgust

"It's intolerable. Well these fairs are fundamentally, most of them are intolerable. Well really, this entire system...One feels truly sorry for the artists. Because a piece is hanging up somewhere or other fully, fully decontextualized and you think to yourself...after all that's not what it's all about; it's all about selling the piece. I only ask myself sometimes, how can it be sold if it's shown like that, but there it is."

Director of an important entrepreneurial collections
The two Faces of Art

Art is the most sublime form of cultural capital. It exists in two different forms: on the one hand as a material cultural good (paintings, sculptures, books and so one) and on the other hand as a cultural ability of “reading” and “understanding” the material cultural good.

The pure material possession of art goods as such is not sufficient for obtaining its symbolic value and the reconnaissance of one’s cultural legitimacy.
What money (alone) cannot buy

“Pure” love of art as a symbolic capital requires more than the investment of money, it also needs time and work for one’s education, accumulation of knowledge and esthetic competences and the successive and successful incorporation of this cultural capital into a distinguished and distinctive cultural habitus.
The new market logic seen by visitors in Miami Beach 2011

60% agree, that market prizes are becoming more and more the most important indicator of quality of art objects.

60% think that the arrival of very wealthy new art buyers determines the explosion of market prizes.

Only 8% think that this could be due to higher quality of contemporary art.

90% say that prizes of contemporary art are exaggerated.
The love of art as functional equivalent of religion at the age of late modernity: statements of Art Basel visitors in Miami Beach 2011

And I think, if I wanted to talk about, purely about money I would be in real estate or finance, but I am not in real estate or finance, so these conversations where people say, yes, this is a hot artist, he is going to sell for that much, it is, it is just not an interesting conversation. And also I mean, they, it is, it is a pretty shallow class of people, let's say, you know. But the speculators, I mean, you'll get this answer from everyone, the speculators are not well-liked, because, you know, they are tending to make money that other people would, I mean, you know, like the galleries who rather hold on to the work. I mean, the problem is that often these people sort of cloak what they are doing, you know. They say they are building a museum. They say they are building that, and then later on it turns out that they are just trying to buy pieces and sell them for a profit very quickly and not really caring what happens to the artist's career, the artists market or to the galleries that they worked with, etcetera. But I mean, I think people are, have a pretty strong radar for it, but still they get tricked all the time. The new ones you never know.