Markets framed by culture

The role of local contexts in the rise of contemporary art commerce in Russia and India

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Nataliya Komarova

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Markets Framed by Culture
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Promotiecommissie

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Faculteit der Maatschappij- en Gedragswetenschappen
This dissertation is based on the following articles:

Chapter 2


Data were collected, and the first draft was written by S. Kharchenkova and N. Komarova. Subsequent drafts were written by the three authors.

Chapter 3


Data were collected, and the first draft was written by N. Komarova. Subsequent drafts were jointly written.

Chapter 4

Komarova, N. “Between the market and non-commercial art institutions: Early career strategies of contemporary artists in emerging art scenes”, under review in Poetics

Chapter 5


Chapter 6

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“This thesis by now may well be history,” - was the first attempt at an opening sentence for the introduction chapter of this dissertation, quickly dismissed as a not very promising start for a PhD thesis. Luckily, this gives me an opportunity to recycle it here, as now, indeed, is the moment to look at the last six years of my life as history: come to terms with what has happened to me and who helped me along the way.

First and foremost, I would like to thank Olav Velthuis, my supervisor, for believing in me and taking me on board of his project. I hope you still don’t regret it. Apart from giving me an opportunity to undertake a PhD project, you also opened a whole new world for me: academically, geographically and socially. As I told many people throughout these years, I actually did not know much about where I was going, but somehow I ended up in the great city, outstanding research institute and department, and amazing programme group, among curious, creative and inspiring people. Thank you! But that was just a start... I am endlessly grateful for your caring and generous supervision, always elaborate and sharp feedback, seeing the bigger picture, support and encouragement, especially in the moments when I doubted myself most.

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Next comes our little research team. Svetlana and Amanda, the three of us have divided the four countries and contemporary art markets. It was a great experience of flying apart and coming back together, learning about each other's diverse disciplinary backgrounds, sharing such similar anecdotes from the “fields”.

The “Culture Club”: I am indebted to all the members of it, who honestly read my drafts and gave feedback from a variety of perspectives. I always felt that presenting my work there allowed me to step out from the jungle that I created myself and see new possible routes to move forward. Apart
from that, seeing the work in progress of other much smarter scholars than I was one of the most valuable learning experiences I have had in the past years. This was the most enriching academic seminar that I have ever participated in. I miss the Culture Club and I hope I will be able to join again from time to time.

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Further away, in Moscow, Nail is a person to a large extent responsible for the fact I am here now and can write this little “history” of my PhD. You were the one who planted a seed of doing a PhD abroad in my head, in the first place. You read and meticulously edited endless drafts, emails, cv’s (and probably even text messages): first to get into a PhD programme and then to help me keep up the appearance of being a smart person with decent English. You were the example and the best support I could have had in so many respects.

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путешествие в Амстердам далось вам не просто! Папа, хотя бы моя защита заставила тебя, наконец, приехать ко мне!

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Temporary exhibition in the grand hall of the former Soviet movie theatre and soon-to-be private contemporary art museum (the plan was abandoned in 2014).

Moscow, December 2012
Introduction

“The situation is critical; there is no market for contemporary art in Russia anymore. And there are no signs it has a chance to come back.” — was the opening statement of a press conference that took place on April 23, 2012 at the Winzavod Centre for Contemporary Art in Moscow. The vast, gloomy hall of the former winery was full of press, various art professionals and concerned individuals, when Aidan Salakhova, Marat Guelman and Elena Selina explained their reasons for closing down three of the most established and internationally known Russian contemporary art galleries. The discussion quickly became much broader, and numerous problems of the market were debated. Not only were key galleries suddenly closing, but also the richest collectors were leaving the country, wide audiences were too conservative to appreciate contemporary art, quality art criticism was lacking, and so on. The overall mood of the gathering was palpably anxious and low. The Russian contemporary art market was perceived to be in crisis.

Back then I was just starting this PhD project – a sociological study on the emerging contemporary art markets in Russian and India. Not surprisingly, the news about closing galleries made me worry that by the time I started my fieldwork there would be no “field” left (or at best, half of it remaining). So I rushed to Moscow to attend the press conference, to collect the publications provoked by the event, and to talk to art professionals about this news and the state of the market more generally.

With hindsight, I realized that what I found that spring in Moscow was not a disappearing research object, but a developing narrative – a tool that art market actors use to make sense of their environment, justify their business strategies, and align with or distance themselves from clients, colleagues or competitors. Four years later, the Russian art market has not disappeared. Yet, it is still considered to be “in crisis” by its members and the media in general (Khomutova 2015; Kommersant 2016; Romanova 2016). This rather persistent narrative allows art market actors to reduce the uncertainty they deal with on a daily basis by putting their actions in perspective, for themselves and for others. Although international art professionals and scholars (including me) frame the Russian contemporary art market as “emerging” (McAndrew 2009; Robertson 2011) and one of the “fastest growing” (Velthuis 2015), the narrative that sustains it through the years is, ironically, the narrative of crisis.

1 This quotation, I also cite in Chapter 5.
Chapter 1

Observing this unfolding of a new narrative appeared to be crucial for my understanding of art commerce, and shaped the focus of the entire project on the role of meaning-making mechanisms in the development of new markets. This focus constitutes my contribution to the discussion about how new markets emerge – the most general question of this research. In the course of this introduction, I proceed from this question and identify a theoretical gap – a lack of conceptual tools to explain the diversity in this process. I argue that our understanding of market emergence can be improved if we compare different markets and inquire into the ways local contexts affect their development. I address the existing theories that deal with market emergence and argue that the focus on the interpretative frameworks that art market actors use to make sense of their activities can be beneficial to explain the varying effects of local contexts. I then zoom in on the case of emerging contemporary art markets in Russia and India, to explain how this case is useful for researchers interested in market emergence in different fields. I define the object of this research project – national primary contemporary art markets of Russia and India – and provide the socio-cultural context of the two countries. Then, I outline the methodology of data collection and analysis, and argue for the advantages of a comparative, exploratory, ethnographic perspective for understanding how local contexts affect market development via the interpretative frameworks employed by market actors.

The research question

Looking at the emerging contemporary art markets of Russia and India, I was interested in questions of broader relevance surpassing particular times, locations or industries. This thesis contributes to the sociological studies of markets, understood as a specifically structured set of social institutions enabling the exchange of products or services, regulated by price mechanisms (Zelizer 1988) “under capitalist conditions” (Fligstein and Dauter 2007). The most general question that this thesis aims to address is how markets emerge – a question that surprisingly has had little attention and, as such, remains open. The thesis takes the proliferation of contemporary art markets across the globe that started in the late 1980s and early 1990s as an opportunity to study these processes that for a lot of markets and in a lot of places are long gone or hard to discern due to their larger size or more complex structure. In particular, I am interested in the way local contexts shape this emergence process. I argue that to comprehend the observed differences in market emergence, it is not sufficient to look at which local contexts matter in each case. We need to study how it happens as well. Therefore, the project aims to understand how local contexts of different scales (as large as governments or as intimate as family ties) relate to the organizational structure of markets and concrete economic actions. It aims to understand this relationship by addressing the empirical puzzles encountered in the comparative study of the two art markets. For example, in Chapter 2 I wondered why similar organizational heritage, such as organizations responsible for the distribution of art prior to market
emergence, produces different institutional outcomes, with one market being more successful than another. In Chapter 3 I aimed to explain why both the presence of social, economic and cultural resources and the absence thereof serve as a motive to start commercial operations in a new market and, as such, serve as activation mechanisms of market development. Thus, the relation between local contexts and market development is complex, as similar institutional structures can lead to different market outcomes, and the other way around. This project argues that to explain how socio-cultural contexts matter, we need to identify the mechanisms that allow translating the elements of more general social order into particular market logics. In other words, this project contributes to the theoretical discussion on market emergence by answering the following research question:

*How can we explain the diversity of ways in which local contexts affect the development of new markets?*

The main argument developed in this thesis as an answer to this question is that meanings shared by actors within markets (or parts of markets) mediate the effect of local contexts on market development. Shared meanings serve as frameworks for the interpretation of these contexts, as in the example of the “crisis” narrative that I found in Russia, and, at the same time, guide particular market actions. To unpack this argument, the thesis analyzes the interpretative frameworks employed by market actors from a number of cultural sociological perspectives (primarily Bourdieu 1989, Alexander and Smith 2001, Zelizer 2010). I propose to look both at the structuring power of interpretative frameworks and at the ways they are shaped, circulated and practically used in the two markets.²

For the cultural sociology of market emergence

This dissertation’s main ambition is to expand existing approaches to study market emergence by offering a cultural sociological angle to traditionally economic sociology matters. Many economic theories do not even address this question and only focus on already existing markets. They implicitly follow Adam Smith’s classic economic theory that markets emerge naturally (Smith 1970/1776).

² While this argument is novel for market studies, it is not that new in the field of cultural sociology. Thus, Lamont and Tevenot study uneven distribution of meaning systems on a national (and intra-national) level, arguing that this allows “to have a more sophisticated approach to the concept of context” (2000: 7). They analyze the “grammars” of repertoires of evaluation that “pre-exist individuals, [but] are transformed and made salient by individuals” (Ibid: 5). Sewell argues that cultural meaning systems constitute a relatively autonomous semiotic dimension that affects human actions in close interconnection with other dimensions, such as power relations, spatiality, or resource distribution. He argues for simultaneous understanding of culture as system and practice (1999), where the analysis of one cannot go without understanding another. Griswold’s model of cultural diamond points towards analytical autonomy of expressive human culture and the social world, but at the same time at their mutual influence on each other and on the “users” of cultural objects (producers and receivers) (2012).
Economic sociology has, however, long shown that it takes a tremendous amount of effort to create markets (White 1981). The commodity status of an offered product can initially be opposed by potential consumers (Zelizer 1978). "How can one put a price tag on someone’s life?" was people’s objection to the introduction of life insurance in the 19th century. Similarly, tight connections between art and money still often cause indignation among art professionals these days (Velthuis 2003; 2011). Furthermore, in order to establish a new market, entrepreneurs need to create a shared and clear image of a new product they collectively deal in (Navis and Glynn 2010; Khaire and Wadhwani 2010) and to develop coherent rules and routines of operation (Aspers 2009). Most of the sociological studies, however, still focus on markets that already exist, and analyze why they change form and practices due to different factors (Fligstein and Dauter 2007; Dobbin 2004).

The perspectives that to a certain extent do highlight the processes of market emergence usually take an institutionalist stand and look at the development and spreading of organizational forms. As a result, existing studies analyzing market emergence in different environments have focused on growing similarities among and within markets. Thus, scholars often apply the concept of isomorphism (DiMaggio and Powell 1983) in order to explain how markets and organizations take shape and, as such, to explain why they are increasingly similar and coordinated (Guthrie 2001; Lawrence and Phillips 2004; Jyrämä 2008). Similarly, Aspers (2009) theorizes “spontaneous market making”, where the progressive stages of market emergence lead to increasing homogeneity in organizations.

The focus on similarity is especially prevalent in studies of markets which, like the art market (Bydler 2004; Horowitz 2011), tend to be studied from the perspective of globalization. Here, the emphasis on the increasing homogenization of markets in the context of post-Berlin-wall socio-political reforms (Bandelj 2009), the expansion of transnational corporations and regulating institutions (Liou et al. 2012; Neu et al. 2002) and European integration (Radaelli 2000) is embedded into the discourses of globalization, liberalization and global capitalism (Levitt 1993; Steger 2002; Polillo and Guillén 2005).

However, current views on globalization question its ubiquitous power (Robertson 1995; Berger and Dore 1996; Guillén 2001; Scott 2013) and emphasize local cultural specificities and the persistence of local institutional influences (Kuipers 2015; Nederveen Pieterse 2015). In my own case, I found that despite widely acknowledged similarities among emerging markets, art markets also “emerge” differently and undergo different processes in the course of their development. The reason is that when organizational forms are being transferred into radically new environments, they inevitably undergo considerable changes in response to available local contexts (Sato et al. 2015). For example, this project shows that the routine practice of giving a discount on a work of art to influential buyers, such as prominent museums (see more about this in Velthuis 2005) takes a
completely new meaning in India, where haggling is part of the broader commercial culture (see Chapter 6). Likewise, art galleries have different amounts of consecrating power in the Russian and Indian art worlds, as early career artists in India actively seek connections with commercial galleries, treating them as an entry ticket to the professional art world, while Russian ones often consciously avoid them (see more in Chapter 4).

The reason that these differences in market emergence have received relatively little attention may be related to the absence of the appropriate conceptual tools to study them. To fill in this gap, I aim to develop a theoretical perspective that allows us to observe and explain the diversity in the process of market development (for other exceptions see Biggart and Guillen 1999 and Guseva and Ronan-Tas 2014). Various studies do, of course, address the evident differences among institutional arrangements (see, e.g. Czarniawska and Sevón 1996; Hall and Soskice 2001; Nölke and Vliegenthart 2009). Yet, these views usually still imply that local contexts just mediate the “copying” and locate “the sources of heterogeneity primarily in the implementation process” (Beckert 2010b: 162). This thesis, however, argues that the observed differences in the process of market emergence should not be reduced to the obstacles in the way of institutional homogenization. After all, any organizational form is always inevitably embedded in a local social context, whether it is “copied” or emerges spontaneously and becomes prominent due to a good fit with the environment. Furthermore, these differences can have a drastic effect on how new markets develop, as in the case of Russia and China, discussed in Chapter 2. To explain the embeddedness of market practices in local contexts, the project turns its attention to how market actors understand them and how their interpretative frameworks are shaped. Why are artists in Russia not interested in establishing themselves in the market? Why do dealers in India offer discounts to first-time buyers? How do these peculiarities in the development of organizational forms take shape in new markets?

Another existing approach to conceptualizing market emergence suggests that new markets are created “consciously” (Fligstein 1996). Fligstein does not specifically focus on differences or similarities across markets, but on the internal processes within emerging markets. He understands markets as fields where actors compete to take a dominant position (2002). When markets are established, intense power struggles within and across firms take place. Actors seek to create hierarchies and stability within a market by enforcing new conceptions of control (1996). This thesis uses elements of the markets-as-fields perspective (in particular, in Chapter 5), yet it also shows that it is insufficient to account for the complexity of the process of market emergence.

This perspective suggests that market-making is a process initiated either by the state (Fligstein 1996; Pardi 2014) or by market actors themselves (Burr 2006; Ahrne et al. 2015 discuss many types of organizers). It sees market-making as a smooth coordinated process and as a result is not helpful
Chapter 1

to account for the early stage of market development where market identities are unclear and no actor has developed an idea of what the market should look like, or has enough power to “organize” a market (Aspers 2009). It also prioritizes the role of the state above all other social institutions in the process of market-making. Yet, local markets are affected by a diversity of social institutions (for example, family structure affects the way markets function in India; see Chakrabarti et al. 2008). Furthermore, in the case of the art markets discussed in this thesis, the state is not the main actor. My research shows that, while decriminalization of private commerce in Russia was a necessary condition for market development (Fligstein and Calder 2015), it was not enough for an art market to emerge. To understand how market-making is put in action, Chapter 3 suggests studying the motivations to start commercial operations in a new field, i.e. to focus on the agencies of market actors.

Both the abovementioned approaches, however, limit the agency of actors involved in market creation to pursuing economic rationality. For example, Lawrence and Phillips (2004: 692) argue that the agencies of individual actors are guided by entrepreneurial motivations. Similarly, Fligstein (1996) considers that the goal of market actors is to establish dominance in a new field and secure economic profit. This thesis, however, argues that agencies of market actors are informed by complex social embeddedness, as market actions are not necessarily guided only by the motivation of economic profit (Kirchberg 2007).

Market participants are embedded in multiple social groups of different size and coercive relevance. Consider an artist, who is a major supplier of the products for the art market: She is never guided solely by economic concerns, but also follows the norms of the art world (Abbing 2010; see also Chapter 4).3 This thesis shows that the local ideas of respect (Chapter 6), relationship to the state (Chapter 2), and the aforementioned family structures (Chapter 3) also play a role. Therefore, apart from the aim of ensuring economic success, market participants’ actions are guided by multiple other rationalities.

Scholars have previously related the diversity in markets organization to the social structures that they are embedded in, such as a family, class, organization, or political regime (Friedland and Robertson 1990; Hyman 2001; Hall and Soskice 2001; Ahrne et al. 2015). This thesis shows that the same social institutions can have different effect on markets depending on how actors interpret their relevance. To understand the relationship between cultural frameworks and social structures

3 Art dealers, who might be more inclined to pursue the art trade as a purely economic activity, are as well guided by the rules of the local art world and therefore are not willing to publicly advertise prices for artworks – this is a behavior that unites art dealers from Amsterdam and New York (Velthuis 2005), but also from New Delhi or Moscow.
and their effect on market development, more attention has to be paid to the cultural mechanisms
that shape the agencies of market actors.

Markets are not universally rational domains of pure competition (Abolafia 1998; Zelizer 2010). Culture matters in how markets operate (Zuckerman 1999) and if they can emerge at all (Zelizer 1979). Yet, the focus on the cultural dimension of markets’ operation does not mean looking at markets as merely reflecting national cultural traditions, values or rituals (Dore 1987; Herrmann-Pillath 2010; Klyver and Thornton 2010; Hofstede 2001). Treating culture as a coherent sets of value orientations (Nelson and Gopalan 2003) would mean accepting it as an “unproblematized black box” (Lamont and Thévenot 2000). This thesis aims for a more nuanced way of relating culture to its social environment and argues that differences found on a national level are “the result of relations between different social groups and fields” of varying scale (Kuipers 2012b: 5), one of which is a market. The role of culture in cross-national variations of markets can be explained only in its complex interrelation with political, geographic or demographic factors (see, for example, Biggart 1991; Berry, Guillen and Zhou 2010) and via inductive empirical research (Lamont and Thévenot 2000). Going beyond understanding culture as socially embedded norms and values, this thesis looks at the intense meaning-making processes that happen within and in relation to available social and material environments, and investigates the multiplicity of ways in which culture matters (DiMaggio 1990). In other words, it looks into how multiple rationalities of market actors are formed, how interpretative frameworks that market actors operate within relate to the social structures that they are embedded in and, ultimately, what the cultural mechanisms of market development are. The ambition is to contribute to what Wherry (2012b) has called a project of bridging economic and cultural sociology on the grounds of the latter.

Relationship between “culture,” as interpretative frameworks, and “structure,” as institutionalized patterns of social relationships, is still an open question within cultural sociology as a discipline. On the one hand, Bourdieusian tradition, as it is widely understood, suggests that interpretative frameworks are informed by their habitus and depend on the position that actors occupy within a particular field and the wider social fields that they belong to. This means that the way market actors understand their practices is explained by power struggles (Bourdieu 1989) within a market itself, and society more generally, and can be attributed to social class (Bourdieu 1984). Although Bourdieu was criticized for the implied universalism of the model (Lamont and Lareau 1988; Peterson and Simkus 1992), the causal relationship within the explanatory frameworks of this tradition remains the same: diversity in interpretative frameworks is caused by different social institutions that people belong to, such as race (DiMaggio and Ostrower 1990), gender (McCall 1992), or complex structural environments providing national repertoires of meanings (Lamont 1992). On the other hand, to suggest that interpretative frameworks have a mediating power in the effect that
social structures have on market development is to suggest a reversal of a causal relationship and to advocate for the “relative autonomy of culture” argument (Alexander and Smith 2001). It implies that social behavior “follows codes that it does not invent” (Alexander 2006) and that these symbolic codes have their own inherent logic and dynamics that cannot be that easily reduced to external social structures.

This thesis takes a moderate position in this argument as it aims to look more openly at how culture intersects structure. It shows, that while the “strong program” in cultural sociology suggests that after the autonomous power of cultural codes is sufficiently investigated it is time to “discover in what ways culture intersects with other social forces” (Alexander and Smith 2001: 138), it does not provide an elaborate conceptual framework to do so. This is where a more structuralist approach to understanding market as a field (Bourdieu 1984; Fligstein 2002) should be brought back in, instead of being discarded (Gartman 2007), as it allows an explanation of the distribution and development of interpretative frameworks. Therefore, in order to explore the mediating effect of interpretative frameworks the thesis proposes to integrate the structuralist and culturalist approaches. Thus, on the one hand, I am investigating the inner logic of meaning systems to understand how it refracts the effect of social structures (this angle is most clearly elaborated in the example of narrative structures analyzed in Chapter 5). On the other hand, I am looking at how these interpretative frameworks relate to the social and material environment in which they are produced and circulated, in order to understand how limited circulation of interpretative frameworks and the specific interests of actors belonging to different social groups lead to employing diverse elements of social contexts (the focus on these issues is in Chapters 4 and 6).

The broad cultural sociological perspective developed in this thesis allowed me to incorporate different approaches that, in one way or another, deal with the impact of social contexts on economic actions and the role of meaning systems in how social fields are organized. This allows for highlighting different aspects of market emergence, and considering the effects of local contexts at different levels: for the market organization as a whole (Chapter 2), for the agency of market actors (Chapters 3 and 4), for the dynamics of the market (Chapter 5) and for specific market practices (Chapter 6). Theoretically, the chapters consider the limitations of existing approaches and the avenues of productive collaborations.

The overall theoretical focus on the cultural mechanisms that shape markets allows us to fill the gap in existing views on market emergence. First, investigating how relevant social contexts shape the rationalities of market actors, viewed in a comparative perspective, allows prioritizing the diversity behind the processes of market emergence. This is a central focus of the empirical analysis and a theoretical agenda of the project (see Beckert 2010b on the advantages of comparative approaches
to understanding institutional diversity). Second, the focus on the cultural dimension of the markets’ operation allows a better understanding of the early stages of market emergence: what informs the identities of market actors and how the relationships among individual actors and organizations are shaped within local social contexts. Third, it provides a more complex understanding of the agency of actors involved in the development of new markets as it considers multiple rationalities that inform their actions.

The cultural sociology take on the issues of market development ultimately implies that to understand market emergence we need to not only acknowledge the complex social embeddedness of economic processes (Granovetter 1985), but also uncover the mechanisms that turn diverse elements of social contexts into relevant factors affecting market development, which is the main goal of this thesis. To do so, it uncovers the interpretative frameworks that market actors use to make sense of their actions and environments; it investigates how social institutions can shape these frameworks; and, in return, how these frameworks enable particular social institutions.

Showing how cultural sociology can enrich our understanding of the process of market emergence is the main theoretical contribution of this thesis. Empirically, I demonstrate it by analyzing the case of the emergence of contemporary art markets.

Studying the emergence of markets for art

In the field of art market studies, the issue of market emergence has received little attention. Since art markets deal in unique incommensurable products (Karpik 2010) they are characterized by high levels of uncertainty, which makes them a typical case for studying the questions of valuation (Lamont 2012, for examples see Velthuis 2003, Jeffri 2005, Thompson 2010, Yogev 2010, Horowitz 2011, Velthuis and Colsor 2012, Beckert and Rossel 2013). By shifting the focus of attention to the issues of market emergence and the impact of local contexts on the diversity behind this process, this thesis brings a novel angle into the discipline, which benefits not simply from asking new questions, but from engaging with new theoretical resources in the process of answering them.

So far, the discipline has generally been focused on established contemporary art markets (e.g. Moulin 1987; Plattner 1996, Crane 2009, Quemin 2006). While the claims of these studies are quite universalistic, the data are frequently limited to Western European and North American markets that have long and often common histories. Contemporary art markets outside of the West are, on the contrary, a rather recent phenomenon that must be considered separately due to crucial differences in socio-cultural contexts, their rapid speed of development, and their position within
the global economy. This thesis develops an elaborate conceptual framework that allows studying young art markets in new contexts.

Only in the late 2000s did a number of new art markets – Russian and Indian among them – gain the attention of international art communities and academic scholars under the umbrella category of “emerging art markets” (McAndrew 2009, Robertson 2011, Robertson and Chang 2008, Goodwin 2008). Yet, the studies of emerging markets often rely on quantitative data that are not sufficiently detailed to make conclusions about market operations within the countries (e.g. Kraeussl and Logher 2010). These studies also rarely distinguish between various types of art traded in the emerging markets (Renneboog and Spaenjers 2011), while the markets for modern art and/or antiques are organized differently (Bogdanova 2011) and often have different dynamics (for example, being more restricted,4 as in case of India). Applied studies of emerging markets are limited to historical listings of institutions that match the Western perspective on how art markets function (e.g. considering only the galleries that follow the international model of operation) (McAndrew 2009, Goodwin 2008).

Furthermore, the very existence of the commonly used category “emerging art markets” implies homogeneity among them. Countries with “growing economies” (Jain 2006) open up to global influences, which results in art markets following similar patterns of development towards a universal model of a global art market (Crane, 2009). Emerging art markets supposedly undergo coincidental growth, face the same challenges, such as, for example, the lack of independent consecrating institutions and art criticism, and get comparable attention from international art professionals and audiences, for instance, in the form of curated exhibitions exploring art from a new region. Yet, existing studies show that national contemporary art markets, which presumably have entered the international scene, to a large extent still remain autonomous from the global market (Quemin 2006; Baia Curioni, Forti and Pietrabissa, 2011). And while scholars (Velthuis 2015) and art market professionals (McAndrew 2009) often believe that the emerging markets of the BRICs are also organized in similar ways, this thesis aims to challenge this view as its main interest is in understanding the differences in market emergence. Thus, the empirical chapters show that, despite widely acknowledged similarities among emerging markets, art markets also “emerge” differently due to socio-cultural embeddedness of the markets: art dealers in Russia and India have different reasons to open commercial galleries (Chapter 3); the state plays different roles in the two markets (Chapters 2 and 3); the markets develop within different infrastructural (Chapters 2 and 4) and narrative

4 Any art work that is older than 100 years or is recognized as “art treasure” by the Indian government, is prohibited for export by private parties, and can only be sold within the country by a licensed organization. The transfer of ownership has to be registered by the official Central Government agencies.
environments (Chapter 5) of the two art scenes; and they embrace different elements of national culture (Chapter 6).

A small number of existing ethnographic studies have investigated the specific mechanisms and factors that differentiate emerging art markets from the more established ones, and focus on the unique processes happening within local contexts. For example, Brandellero (2015) focuses on the Brazilian contemporary art market and shows how it has developed via the long process of professionalization of art dealers. Kharchenkova (see, for example, Kharchenkova and Velthuis 2015) looks at the Chinese contemporary art market, and shows that market’s emergence is a transnational process where valuation criteria and understandings of market practices are shaped as a reaction to foreign market actors. Sooudi (2015) investigates how, with the emergence of the market around contemporary art, Indian artists are trying to reinvent their career trajectories and which moral issues they have to solve on the way. This project contributes to that body of work by looking at the processes of meaning-making that the novice art market actors of Russia and India are engaged in. This study is one of just a few qualitative research projects on the emerging contemporary art market in India (Poulsen 2012; Sooudi 2015; 2016; Vermeylen 2015) and, to the best of my knowledge, is the first one focusing on the Russian contemporary art market (the emergence of the market for antiques has been studied by Bogdanova 2011). Therefore, the empirical findings of the project extend our knowledge of the field and can be useful for art market professionals focusing on these countries.

Delimiting the object of research

This thesis studies the national primary contemporary art markets in Russia and India. By “art market” the project understands a specific institutional framework and organizational infrastructure of art distribution that connects artist-producers and collector-consumers via commercial mediators (such as galleries, auctions or art fairs) and that enables exchange of art. The project aims to explain the differences in market emergence in relation to local contexts and, more specifically, looks at the cross-national differences, as national institutions influence cultural production even in the context of spreading transnational fields (Kuipers 2015).

5 The project, thus, pays less attention to the differences related to cities, types of art, international orientation etc., in consideration of coherence, feasibility and employing the advantage of the comparative perspective (but see Chapter 6 for the exception that zooms in on the Indian contemporary art market).
Chapter 1

Focusing on national markets, the research is limited to studying commercial operations within the borders of the two countries. While some artists, dealers and collectors from both countries actively participate in the international trade, the majority of participants of the two markets never make it to the international art scene. Local market practices are often significantly different in terms of dynamics and scale. I focused only on the market operation within the national borders to ensure the methodological consistency and comparability of the two cases. International experiences and connections of market actors are taken into consideration to the extent that they influence their approach to running their businesses in domestic settings.

Apart from this methodological consideration, this research aimed to overcome the existing bias in general and scholarly knowledge about the two art markets in favor of what can be seen from afar. Studies of the Russian and Indian contemporary art markets often only look at actors that follow the internationally recognizable model of art commerce, e.g. art dealers running white-cube galleries and working with artists on a consignment basis (e.g. Robertson 2011; McAndrew 2009). Professional reports covering the emerging markets of the BRICs usually have little to say about them beyond highlighting the increasing wealth via reporting on the annual growth of the GDP or the amount of High Net Worth Individuals (e.g. Deloitte 2016). The common level of knowledge, outside the countries themselves, is limited to Russian oligarchs buying art for astronomical sums of money at London or New York auctions (e.g. Burns 2015; Davies 2017) and the fluctuating prices of star-artists, such as Subodh Gupta (e.g. Raaj 2007; Petterson 2014), due to the selective coverage of mass media. To fill the gap in knowledge, I was specifically interested in the market activities inside the two countries. I tried to unpack the variety of ways of understanding and running the two art markets within the national socio-cultural contexts (see, for example, Chapters 2 and 6 that address locally specific alternative institutions observed in Russia and India).

By focusing on primary art markets the project studies the set of relations and institutions where art works are sold for the first time, most often via galleries or directly from artists. This is different from the secondary art market, where art is re-sold from one collector to another via, for example, an auction or a dealer. These two sectors of the market influence each other, but are still quite independent.

Aiming to capture a wide diversity of commercial practices, I worked with the broadest possible definition of contemporary art ensuring the comparability across countries. The research is limited to art market actors who produce, deal in, write about, or buy what can be termed as "fine art" by living artists. While this concept may have different meanings in various contexts, I define it as visual art produced within institutional settings of (diverse and multiple) professional art worlds.
(Becker 1982) based on the ideas of authorship, authenticity and artistic creativity. There exist many content-oriented definitions of contemporary art privileging chronological, thematic or stylistic criteria (Danto and Goehr 1997; Smith 2006; Heinich 2014). They are context-specific and are often criticized for being Western-centric (Enwezor 2008; Mitter 2008). Trying to avoid this bias, I use a sociological definition of art, which focuses on the specific social practices of art production and distribution applied to newly produced art by living artists. This definition aims to exclude other art worlds that exist around popular, hobby, tourist and religious arts and crafts or design. While the borders between these different art worlds are not clear cut, for the purposes of clarity and comparability I aimed to avoid ambiguous cases (that could be of great interest, but would lead the research in a different direction).

The choice of Russian and Indian contemporary art markets as the research object of this thesis was initially motivated by their belonging to the group of the fastest growing new contemporary art markets of the BRICs (Velthuis 2015). While this particular couple may seem like an odd selection, I argue that precisely the idiosyncrasy of this choice is its main advantage. Studying two countries that are rarely brought together in one study became an opportunity to be free from pre-existing dimensions for comparisons and to stay open to unexpected results (Herwitz 2001).

Although it is hard to estimate the sizes of the Russian and Indian primary markets for contemporary art in a rigorous way due to the lack of official directories, and systematic sales data, as well as transparency of operations in both countries, limited evidence allows the suggestion that they started developing at approximately the same time and have comparable sizes. For the rest, the two countries have very distinct cultural and political histories, and the markets under consideration have quite different dynamics of development.

A brief history of the Russian and Indian contemporary art markets

A market as a legitimate form of art distribution did not develop in Russia and India until relatively recently. Compared to Western Europe and the United States, where the private art trade can be traced continuously back for at least a few centuries, with first public auction houses operating in the Netherlands and Flanders as early as the 16th–17th century (Horowitz 2011, Vermeylen 2003), and a modern gallery system spreading from France in the 19th century (White and White 1965). It was not until the end of the 20th century, that art produced in non-Western parts of the world became a focus of interest of the consecrated global art world, and began to be freely and systematically traded locally in very different countries across the world.

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6 While these terms have clear references to Western art history and art theory, I argue that they can have different meanings within different art worlds. See, for example, Chapter 4 for a discussion of how pursuing art for art’s sake orientation depends on the institutional context of an art scene.

7 Compared to Western Europe and the United States, where the private art trade can be traced continuously back for at least a few centuries, with first public auction houses operating in the Netherlands and Flanders as early as the 16th–17th century (Horowitz 2011, Vermeylen 2003), and a modern gallery system spreading from France in the 19th century (White and White 1965). It was not until the end of the 20th century, that art produced in non-Western parts of the world became a focus of interest of the consecrated global art world, and began to be freely and systematically traded locally in very different countries across the world.
early 1990s, when the two markets started developing coincidently in response to more general global processes. Yet, while the history of the two young art markets went through similar stages, there are still considerable differences in how the markets went through those stages.

In the first place, the two art markets did not develop earlier for very different reasons. Technically, in the Russian case, the art market did flourish in close connection with Western Europe up to 1917, but was completely devastated after the revolution, and therefore had to reinvent itself after 1989. During the Soviet Union rule, private commerce for art was illegal. Production and distribution of art was controlled by the government via such organizations as the Academy of Arts of the USSR and the Artists’ Union of the USSR (see Chapter 2 on the present roles of these organizations). Official artists, members of the Union, received commissions or regular salaries via these organizations (Lazarev 1979). Artists who were not part of the system, had to work and exhibit “underground” in their flats, or even in the forests, and needed to have side-jobs to survive. A very small market for this art existed since foreign diplomats were interested in it, but it was inconsistent, illegal and sometimes did not involve money when diplomats, for example, paid with art magazines or art supplies (Starodubtseva 2014).

Art commerce in India was never illegal. The modern art scene already started developing in India in early 20th century. Yet prior to the 1990s, there was not much interest in it in society (Khaire and Wadhwani 2010). The general public did not distinguish between arts and crafts, the value of authorship was low (Poulsen 2012), and art was distributed via mass-produced posters and calendars (Jain 2007) rather than encountered in museums and galleries. Thus, the art market did not develop due to the lacking conception of “fine art” that resulted in distribution of artistic forms via alternative markets. Fine art appreciation was limited to a narrow group of connoisseurs from the top echelons of the social elite. And even there, the market for art barely developed and prices remained low, since conspicuous consumption had negative connotations in the context of the quasi-socialist planned economy of post-independence India (Zitzewitz 2013; Khaire 2011).

The differences in the pre-histories of the two art markets still have an effect on how the markets are developing. For example, Chapters 2 and 4 focus on the role of infrastructural heritage of the Soviet approach to distribution of art and the lack of museums and governmental support for fine art in India.

The end of the 20th century brought significant socio-economic changes to both countries triggered

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8 Progressive Artists’ Group formed in Bombay in 1947 was the first modern art movement that got into the spotlight of the emerging art market later in the 1990s and 2000s.
by global processes, where the dissolution of the Soviet Union played a major role. In Russia, eco-
nomic liberalization was triggered by deep political transformations, society was rebuilding itself 
under new principles, and censorship of art and governmental control of its distribution of art were 
released.

India did not experience a similar political rupture (see Chapter 3 for how it transpires to be a 
relevant factor for perceiving art market emergence as a natural development), yet, economic re-
forms opened up the country to foreign investment (Singh 2005) that led to significant economic 
growth. Commercial interest in Indian art was particularly accelerated by diasporas living abroad, 
who gained the legal status of Non-Resident Indians in 1973 (Amrute 2010), allowing them to in-
vest in the country’s economy. Buying Indian art at auctions became a way to express their symbolic 
connection to their country of origin.

At the same time, Western art professionals and the public turned their attention to new art from 
different parts of the world (Buddensieg and Belting 2009). Foreign curators, auctioneers and curi-
ous collectors started frequenting the two countries in the 1980s. American and European visitors 
flooded the exhibitions of Russian art organized in major museums, curious about how art was 
produced in a “country long held to be the Evil Empire” (Friedman 2008). Exhibitions of “exotic” 
Indian art, such as “Indian Highway,” “New Narratives: Contemporary Art from India,” and “Edge 
of Desire: Recent Art in India” travelled across Europe and the United States throughout the first 
decade of the 21st century.

In this context, the first commercial infrastructure stated taking shape within the two countries. 
After the international auction house Sotheby’s organized highly successful sales in Moscow and 
New Delhi in the late 1980s, local actors realized that art had an economic value and was worth 
dealing in. New commercial galleries started opening in the early 1990s and their numbers have 
been growing ever since. In the late 1990s to early 2000s, art commerce took off: art clusters host-
ing internationally oriented galleries emerged, national art fairs were founded, and the first local 
auctions started operating. Art was selling well, prices were increasing. Yet, in Russia the growth of 
the art market was far less impressive than in India.

Despite similar trends, the Russian art market never reached the levels of prices and the volumes of sales 
that the Indian market for contemporary art embraced in 2005–2009. Contemporary art in India became 
framed as an easy investment asset, promising fast and safe returns, which created a pricing “bubble.” The 
novice Russian art market, on the contrary, seemed to resist explicit commercialization: auctions did not 
express much interest in contemporary art, and art dealers and collectors were actively engaged in financing 
and curating non-commercial projects (see more in Chapter 4).
As a result, the global financial meltdown had profound but quite different effects on the operations of the two art markets. The Indian pricing “bubble” burst immediately: investors withdrew, prices dropped, many galleries closed, and numerous artists disappeared from the scene. Galleries still operating at the time of my fieldwork (4 years after the crisis) reported low sales, but art dealers observed a positive trend and believed in the rebuilding of the market. In Russia the “decline” was, on the contrary, initially less dramatic (as was the preceding growth). Yet, the devaluation of the ruble and the country’s protracted economic stagnation affected consumers, who had to reduce their luxurious consumption. It also provoked new political restrictions, such as electoral reforms and a few high-profile criminal cases aimed at suppressing any oppositional views, which affected both consumers (who supposedly preferred to flee the country or to move their art collections abroad) and art dealers (who experienced increasing censorship on art they exhibited). This combination of factors pushed the Russian art market into a deep and complex crisis with a few key institutions closing down and overall negative expectations still being predicted when I collected my data in 2012–2013 (see more on the crises in the two countries in Chapter 5). This was the state in which I encountered my research object: reconciling a major crisis, in one way or another.9

The size of the two markets

The assumption about the comparable size of the two markets can be supported by quite limited and idiosyncratic quantitative data and, therefore, is rather based on my own research experience. International art market reports provide little information about Russia and India, apart from an overview by Clare McAndrew for the 2009 TEFAF edition (2009). The report estimated the volume of the national Indian dealer sales at around €145 million for 2007. Note that this figure includes primary and secondary private sales of modern and contemporary art, i.e. is wider than the focus of this project, and reflects the inflated pre-crisis state of the market. The report counted around 80 galleries and almost 1,000 private dealers in India, around ten auction houses, one national art fair and very few non-commercial art institutions (around five museums across the country and one private foundation). The prices of art in the private sector in India (or elsewhere) are rarely known, so auction houses usually serve as a price level estimate for the primary art market. The average

9 Both art scenes were also affected by the collapse of the global art market in the early 1990s (see, for example, Sarkisyan 2007 on the Russian art scene), the current crisis was different in one important respect. The earlier recession undermined the first attempts of art commerce that had had a rather spontaneous character, and it hit the actors who had just attempted to gain a foothold in art commerce (sometimes coming up with such ideas – unbelievable for the consecrated art world – as selling art by the kilogram). In contrast, the financial crisis of 2009 affected two developing markets with an existing ecosystem of institutions participating in the international art scene. The members of these institutions, taking their activities professionally, could not simply withdraw and maybe start from scratch some time later. Perceiving themselves as members of an art market that they built consciously and jointly (but not necessarily in a friendly way) individuals and organizations had to react as market actors: respond to the decisions of other players or come up with joint strategies in order to “save” the markets, sometimes against their own individual economic interests.
level of prices at national auctions in 2008 was around €50,000 (note, this includes modern and contemporary art).

Even less is known about Russia, as “there is no consistent, verifiable information on the value or volume of art sales within Russia,” according McAndrew’s report (2009: 120). The official estimate of the national Russian art market for 2007 was between €1 and 2 billion, however the authors claim that this might be overestimated by 3–4 times. The report counted around 1,000 private art dealers and around 75 galleries mostly located in Moscow and St. Petersburg, which hints at the proportional sizes of the two primary markets, at least in terms of numbers of involved actors. In 2008, five auction houses were operating in Russia, but almost none of them dealt in contemporary art, therefore there are not even indirect estimates for the local level of prices. The institutional scene in Russia, on the contrary was relatively more developed with 3–4 art fairs and salons, an established Moscow biennale, and governmental and private museums exhibiting contemporary art.

The first systematic attempt to evaluate the size of the Russian private art market was made in 2016 by Ksenia Podoynitsyna who launched InArt, an Analytical report on the Russian contemporary art market (Podoynitsyna 2016). The report talks about the post-crisis situation in the market and counts around 50 professional galleries working with around 1,000 contemporary artists in Russia in 2015, with the average level of prices being under €10,000. Given that only 40% of galleries agreed to respond to the survey, the report does not provide any estimates of the volumes of sales.

No similar attempts have been made from within India. Hence, no comparative data on the post-crisis level of prices are available. Yet, the ArtTactic report on the South East Asian art market counted 93 modern and contemporary art galleries in India in 2016 (ArtTactic 2017).

My own attempts to collect information about art galleries and to evaluate the size of the two markets prior to the start of my fieldwork resulted in around 70 contemporary art galleries operating in New Delhi and Mumbai and around 90 in Moscow and St. Petersburg at the end of 2012. These galleries worked with around 2,800 and 1,600 artists, respectively (according to their websites). The numbers of other art institutions such as auctions, fairs, museums, foundations, art magazines, etc. were so small that they could all be counted and named (for details, see Table 5.2). The underdevelopment of a support infrastructure, which is necessary to promote artistic careers, share information about the developments in the industry or guide the attention of potential buyers, indicates that the two art markets are indeed still at an early stage of development and serve as relevant cases to study the phenomenon of market emergence.
Chapter 1

Data and methodology

This thesis addresses the question of market emergence by studying it in vivo. The case of the Russian and Indian contemporary art markets, that started developing just about 25 years ago, allows the study of the process of market emergence by observing and talking to actors who are driving the markets’ development throughout their short histories. Thus, I had a chance to inquire directly how actors learned about existing practices, how they experienced applying them to their situations, how they are still working out strategies and approaches to dealing with each other within given socio-economic environments, how their routines are evolving (see Lawrence and Phillips 2004 for a similar approach). Thus, the study employed qualitative methods of data collection and analysis.

The comparative perspective of the Indian and Russian art markets focused the attention on the differences between the two markets that otherwise would not be seen behind the globalized institutional structures. It allowed looking at how and which elements of the socio-cultural environments of the two countries fed into the differences in market development and operation. The differences caused by local contexts become particularly salient in the study of emerging art markets due to the vivid cultural differences, relatively small sizes, and short histories of the two markets. Therefore, I take the Russian and Indian contemporary art markets as methodologically conductive cases for research interested in the analysis of the cultural mechanisms of markets’ development.

Overall, I conducted 121 semi-structured interviews with 130 various art market participants (artists, art dealers, collectors, art critics and journalists, auctioneers, managers and directors of art museums, fairs, and foundations) in Moscow, St. Petersburg, New Delhi and Mumbai. While many actors in the field wear multiple professional hats, the majority of the interviewees primarily identify themselves as artists or art dealers (see the distribution of respondents per profession and city in Appendix 1). In addition, during the period of data collection (April 2012 to July 2013) I actively participated in the life of the two art worlds by attending educational events for collectors, press conferences, artists’ studios, art fairs and the openings of exhibitions and residences. Ethnographic observations from these events serve as supplementary data helping in the interpretation of interviews.

The choice of the cities was mostly guided by pragmatic considerations. The intention to gain a deeper understanding of local art scenes combined with temporal and financial constraints limited the number of cities under consideration. I did not want to focus on just one city, especially because in India the choice between New Delhi and Mumbai was not obvious. Both cities have developed commercial art scenes and have a long-standing competition for the status of the center of art
commerce in the country. Beyond these two cities, developing art scenes can be found in Kolkata, Chennai, Bangalore, and Ahmedabad, yet the number of commercial actors there is significantly smaller, and perhaps too small to consider them as alternative research locations. Moscow and St. Petersburg are also treated as the cultural centers of the country. However, in case of Russia it is clear that Moscow has a much more developed commercial scene than St. Petersburg. St. Petersburg, the “cultural capital” of Russia, is known for conservative tastes and, hence, a lack of buyers for contemporary art. The art market is less developed there, yet it is still more prominent than in the rest of the country. Other cities, such as Kaliningrad or Voronezh, rarely have more than a few commercial art galleries. While looking at the periphery of emerging markets could have been an interesting side project, both countries have two major art cities where national markets are being primarily developed: where the dominant narratives are elaborated and local norms of art commerce are established via relatively denser circuits of artists, dealers, collectors and related art institutions. Besides this, looking at two cities in each country allowed me to gain a broader picture, instead of engaging in city to city comparison. While the papers look at wider cultural frames rather than quantitative facts about the markets, I suggest that limited generalization about the mechanisms that guide market development is possible on the level of the countries.

The research had an exploratory nature due to the lack of prior studies of the Russian and Indian contemporary art markets and the goal to discover possible ways in which socio-cultural contexts affect the development of markets. I aimed at a maximum variation sample of respondents across cities. I purposefully sought diversity in terms of types of art (ranging from traditional canvas to multi-media art objects) and organizational forms, national and international orientation and recognition, time of presence in the market, location in the city (e.g. in an art cluster or ‘standalone’). Before embarking on my fieldwork, I assembled lists that included all art galleries that I could find information about in available online resources covering these art markets. At the start of my fieldwork, I contacted most of these and got an initial response and first interviews. Later I approached the actors that were in one way or another different from those whom I had already interviewed, by directly visiting a gallery or its booth at the fair, requesting recommendations and meeting at various art events. Additionally, I proceeded with all the recommendations that were given to me by previous interviewees with their own initiative. While art dealers tend to be present on the Internet for marketing purposes, artists and especially art collectors are often impossible to reach without an introduction.

The interviews lasted between 40 minutes and 2.5 hours. Interviews in Russia were conducted in Russian, and those in India, in English, which is the lingua franca of the consecrated contemporary art.
Chapter 1

art world in that country. Interviews aimed at covering a wide variety of topics (see the interview questionnaire for artists and art dealers in Appendix 2). I asked about how my interviewees organized their daily activities in the commercial and non-commercial parts of the art scenes, how they built and supported relationships with their colleagues, clients or other intermediaries, about their goals and ambitions, and how they viewed art market development in the country and its position in relation to the international art world. Yet, rather than collecting factual information (that is often imprecise in individuals’ accounts), I was more interested in how they explained and justified the strategies and decisions that they spoke about; how they located themselves within the picture they drew for me. I was looking at how they spoke about the art markets and commercial activities, which “facts” came up systematically, and how alliances and boundaries were drawn in these conversations.

The broad angle of an exploratory research allowed staying open to the potential themes that would constitute this thesis. The papers’ topics selection was done inductively during the first stages of the analysis via initial open coding. The interest in the meaning-making processes, the ways art market actors understand and justify their market practices and social relations with other market participants, was the only lens that limited, or rather focused, this coding stage. Comparing instances of emerging categories across actors (for example, artists and dealers), locations (cities and countries) and narrative contexts, I identified the themes where meaning-making activities showed the sharpest contrast and focused my analysis on them. Thus, the thematic subjects of the empirical chapters are driven by the field. The meaning-making mechanisms uncovered with regards to these subject matters are, however, of a more universal nature, and can be applied to other markets or other themes within the markets under consideration. The empirical chapters serve as explicatory cases to address the relation between local social contexts and meaningful cultural frameworks in the process of market development.

I followed an interpretative approach to the analysis of interviews. While a research interview situation is by no means a natural conversation, it provokes interviewees to tell “stories” (Maines 1993). I took the accounts produced in the course of data collection as socially and culturally situated stories (Schiffrin 1996) that tell more about art market actors’ understanding of the norms and rules of the field that they operate in rather than about their actual behaviors (Jerolmack and Khan 2014), individual biographies or history of the markets in question. In my analysis I was looking at how the stories are embedded in wider interpretative frameworks.

The empirical chapters of this thesis capture a certain period in the development of the two contemporary art markets that is commonly referred to as “post-crisis.” One could argue that the data collected in 2012–2013 can be considered historical, at best, or just simply outdated. Yet, if we look
at the latest publications in the Russian and Indian media, we find surprisingly similar frames explaining the current situation and recent events in the two art markets.

Similarly to the Russian art market, the Indian one still relies on the narrative structures akin to the ones I encountered in early 2013 in person. Arriving in New Delhi a few days before the start of the India Art Fair, I found myself in a rather agitated environment. The market talk was about “re-establishing” itself after the crisis. Artists and art dealers complained about the slow pace of commerce, but at the same time cheerfully reported growth and expected a bright future. An elaborate narrative of coping with the crisis and the beginning of a new positive trend was widely shared within the art scene. Three years later, according to the professional and general media, the Indian auctions are still showing “better results,” the attendance of the national art fair is still growing. The Indian market is still “the next big thing” (Abrams 2016), still “only just finding its way” (Gehi 2016), still recovering from the crisis. In other words, the narratives have not changed so much.

This observation suggests the persistence of meaningful frameworks that art markets actors are using to make sense of their actions and to “run” the market, allowing continuity and reducing uncertainty in the markets’ functioning. Of course, many galleries have closed and opened in the meantime, and important new art institutions have been established. For example, Moscow has relaunched a new Cosmoscow art fair to make up for the 2013 closure of the Art Moscow fair, and the Kochi-Muziris biennale has developed into a strong non-commercial art platform in India. Yet, the overarching way of interpreting the market processes has hardly changed: art market actors still seem to define the market operation via references to the crisis. Therefore, the “post-crisis” state of the two art markets in 2012–2013 may still be considered lasting as a meaningful framework that the two emerging art markets are embedded in. The persistence of interpretative frameworks underscores their importance as a mechanism of market development and for this reason justifies the choice of an analytical angle of this thesis.

The structure of the thesis

This thesis develops in five chapters focusing on the differences in the process of market emergence observed at different levels, and showing how at all these levels the structural factors influencing market development are related to cultural processes of meaning-making.

In Chapter 2 (the paper is co-authored with S. Kharchenkova and O. Velthuis) I look at how originally similar pre-existing institutional environments end up creating different market structures, by comparing the structures of art distribution of Soviet Russia and Maoist China and their role in
Chapter 1

the emerging art markets. This paper shows that official art organizations survive in Russia because they provide support for commercially disadvantaged artists and create an alternative system of economic relations. In contrast, in China these organizations turn out to be institutionally complementary with the market by conferring a high status on their artist-members and functioning as a judgment device for the art market. These differences are related to the perception of the role and status of the state in the two art worlds.

Chapter 3 (the paper is co-authored with O. Velthuis) discusses how local socio-cultural contexts serve as activation mechanisms of market development at the level of individual actors. The chapter argues that local social contexts serve as resources, on the basis of which actors shape their market identities and start commercial operations in art. In the example of art dealers’ decision to open a private gallery, the paper shows that family connections turn out to be a prominent resource present in the Indian context. In Russia, art dealers do not have this recourse, but use the turbulence in the country’s economy as an opportunity to change their career trajectories and establish an independent position in the art scene. As a result, institutionally similar art markets emerge in two countries for quite different reasons.

Chapter 4 discusses the influence of field-specific contexts by situating the commercial operation of art markets within the art scenes of the two countries. The paper focuses on career strategies of artists in Russia and India and shows that while Russian early career artists seem to follow an international anti-commercial ethos, their Indian colleagues are much more open about creating commercially viable forms of art, discussing the issues of marketing and pricing, and dealing with commercial galleries. The chapter argues that differences between artists’ understandings of success, relationships to art market actors and even the types of art they produce are conditioned by the varying institutional composition of the artistic fields.

Chapter 5 shifts the focus of analysis to the intra-market level. It develops an analytical perspective on the role of narratives in the functioning of markets. It shows that Indian art market actors have a widely shared developed narrative with a clear structure. The Russian art market, on the contrary is filled with competing and inconsistent stories. The chapter is the theoretical core of the thesis as it exposes the meaning-making mechanisms of market operation, and their dynamics and casual power. The chapter also discusses the interplay between the cultural narratives of the markets and the social context of their production.

Chapter 6 notes that art markets are not homogeneous entities and looks at the meaning-making processes within a single market. Similarly to the previous chapter, this paper also prioritizes the cultural dimension of the market operation and claims that differences in understandings of how
the market works precede social segmentation and closure within an unsaturated market. Empirically the chapter focuses on the Indian art market and shows that it can be distinguished in two circuits of commerce with a shared system of norms and values, by focusing on an under-researched phenomenon of discounts on art.

Chapter 7 (the conclusion) synthesizes the findings and theoretical implications of the empirical chapters. It shows how differences in market emergence and development are created by the local socio-cultural contexts of the two countries. I argue that relevant contexts are enacted via cultural mechanisms that operate at different levels and have their own inherent logics and dynamics of circulation. Thus the developed theoretical framework for studying these cultural mechanisms allows a better understanding of which elements of the social context affect market development and how they do so.
Street stalls selling art on the bank of the Moscow river next to the Central House of Artists.

Moscow, October 2012
Official art organizations in the emerging markets of China and Russia

The contemporary art worlds in Russia and China have undergone rapid changes over the past few decades. Until the late 1980s, commercial markets for art were practically non-existent in both countries. Although artists had been exposed in a piecemeal fashion to developments in contemporary art from Europe and the USA since at least the late 1970s, the globalization of art markets stopped at the countries’ borders. In both China and Russia, works of art were occasionally sold to foreign diplomats or businessmen in an informal manner, out of an artist’s apartment or in a buyer’s hotel room, but the official distribution of art was, by and large, controlled by state organizations (Solomon 1991). As two examples of an “Engineer State” (Hillman-Chartrand and McCaughey 1989), Chinese and Soviet governments controlled the means of artistic production and promoted art that fitted their political agenda. They did this in various ways, often through similar organizational forms: powerful artists unions and academies formulated a legitimate ideology and provided occupation (and even recreation) for artists (Lazarev 1979; Kraus 2004; Alexander and Rueschemeyer 2005). To be acknowledged as an artist, essentially, one had to be a member of such organizations.

More than twenty years later, the situation has changed dramatically. China now ranks among the largest and most dynamic commercial art markets in the world (McAndrew 2014). Works by the most well-known Chinese artists have sold for millions of dollars at auction, and prestigious art dealers from Europe and the USA have taken an interest in their work (Artprice 2013). Russia’s art market is certainly not as big and flourishing (Bogdanov 2011; Volf 2012). In fact, prominent Russian gallerists complain that the market’s development has halted (Mojst 2012; Moskvicheva 2012). Nevertheless, the commercial trade in contemporary art has also become a legitimate business in Russia.

A key assumption, which many participants, academics, and experts in both established and emerging art markets implicitly or explicitly make, is that these new markets for contemporary art deval-

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op in a teleological fashion toward a single, global market model. This global model has its origins in Europe and the USA, and consists of a set of institutions, practices, discourses, and symbolic meanings which define the way contemporary art is traded. Its central actor is the commercial art gallerist who attempts to make and maintain markets for contemporary art by promoting a group of artists. In order to do so, the gallerist tries to establish a reputation for “his” artists by getting museums directors, curators, and art critics, for example, interested in the artist’s work. This reputation enables the gallerist to persuade collectors of the work’s value, resulting in increased sales and higher prices. To put it in the terms of Bourdieu, within this market model, symbolic capital needs to be accumulated before it can be converted into economic capital (Bourdieu 1993). The model, which has also been referred to as a “dealer-critic” system (White and White 1965), would be the only legitimate, sustainable way to organize commercial markets for art. For the state organizations, which were founded before these markets emerged in the 1990s, there is no role within this model.

We do not dispute that this global model has been, to some extent, adopted in Russia and China. Post-industrial gallery districts located in former factories and resembling, for instance, Chelsea in New York, have sprung up in Beijing (798 Art District), Shanghai (M50), Moscow (Winzavod), and other cities. They are crammed with the white cube, minimalist contemporary gallery spaces, which have dominated art commerce in Europe and the USA for decades. Some art dealers who are located there have been quick to adopt the concomitant discourse, using stock phrases like “promotion,” describing the art gallery as a “vehicle for experimentation, not for sales,” and speaking of their attempts to “build up a stable, secure market” for their artists. Annual art fairs are held in Moscow, Beijing, and other cities. An infrastructure of contemporary art museums, biennials, and (independent) art criticism is developing, which is supposed to lay a secure artistic foundation under the uncertain economic value of contemporary art. In short, at first sight Russia and China seem to confirm neo-institutionalist theories in sociology, which suggest that, especially when faced with uncertainty, people are likely to imitate pre-existing organizational models. In order to establish markets that are seen as legitimate by the outside world, they copy European and American commercial templates (cf. DiMaggio and Powell 1983; Meyer et al. 1997; Meyer 2000).

These imitation processes are, however, only part of the story. Paying exclusive attention to these processes would mean that the radically different ways in which the art worlds in these countries have developed, are overlooked. In particular, it would disregard the persistence of the pre-1990s
state-controlled art organizations in an increasingly universal art market environment.2 In this chapter we show that the rise of “free,” commercial markets for contemporary art cannot be equated with the demise of what we will refer to as Official Art Organizations (OAOs). The end of the Soviet era and the beginning of market reforms in China did not mean that the art worlds in these countries started with a clean slate.

Instead, on the basis of in-depth interviews with artists, art gallerists, and officials we show that, in spite of the fact that the OAOs are viewed by some people in the Chinese and Russian art worlds as cumbersome, outdated bureaucratic structures, in spite of the fact that their organizational values are not even endorsed by all their members, in spite of the pressures exerted by cultural and economic globalization, and in spite of the fact that these organizations have only to some extent adapted to a new environment, they nevertheless survive. The first aim of this chapter is to explore the reasons for the remarkable resilience of OAOs.

Whereas OAOs were highly similar in Soviet Russia and Maoist China, they have followed diverging paths in recent decades. This discrepancy adds another layer to our analysis: the second aim of this chapter is to analyze divergent paths of change of initially similar institutional forms. To explain the resilience of OAOs and their divergent development, we focus on the influence of the state on the prestige and roles of the OAOs, on their relationships with the market, and on the concrete benefits which they provide to artists.

Although accounts of limits to globalization exist in academic literature, they have not yet been explicitly applied to art markets. Existing research either proceeds from the assumption of the global art market as an existing fact (e.g. Crane 2009; Horowitz 2011), or non-reflexively studies only those elements of the emerging national art markets that fit the universal global model (e.g. McAndrew 2009; Robertson 2011). This chapter contributes to better understanding of the institutional and organizational diversity of art markets in general, and the art markets of the post-command economies in particular. Discussions of the OAOs in the literature are limited to the pre-market context (Andrews 1994; Sullivan and Murphy 1996; Sullivan 1999), while we are rather interested in their position since the emergence of the art market.

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2 Nowadays, both in Russia and China, there are many organizations recently established by artists or companies rather than governments; they are much younger, may have fewer members and are less widely known. This chapter only focuses on the organizations that stem from the pre-art market times and that were originally established by the countries’ respective governments.
We focus on two types of OAOs in particular: artists’ unions or associations and governmental art academies (see Appendix 3 for a full list of OAOs). Artists occupy positions of either members or employees at these organizations. Educational art academies where students undergo standardized artistic training are excluded from the scope of our analysis even though they are part of the official, state-controlled art system. Geographically, the focus is on OAOs located in Moscow and Beijing. As the respective countries’ capitals, they have historically been the centers of power in most areas of social life, including arts and culture. Thus, most, if not all, of the countries’ most important OAOs are headquartered in these cities. Moreover, more than, for instance, St. Petersburg and Shanghai, Moscow and Beijing serve as the centers of the respective countries’ art markets.

Empirically, the chapter is based on eleven Moscow and twenty-four Beijing interviews with art gallerists, OAO officials of divergent ranks, and with artists from within and outside OAOs. Moreover, we have studied the organizations’ official charters, as well as archival material and secondary sources pertaining to them. We attempted to reach officials (e.g. presidents, secretaries, heads of the sections, and artist-curators of annual exhibitions) involved in most of the organizations either via public or private contact details, such as phones or emails, via references and introductions, or at events organized by the OAOs. We also discussed membership in or the functioning of the OAOs with artists and gallerists who are outsiders of the official system. Although we sometimes raised the topic intentionally, often it was so relevant for the interviewees that they emotionally elaborated on their position towards OAOs without any prompts.

In what follows, we first describe the history and current modus operandi of the OAOs as well as their contested position within the art worlds of China and Russia. We then introduce our theoretical framework, for which we draw on historical institutionalism and the varieties of capitalism literature in political economy (Hall and Soskice 2001). In the rest of the chapter we develop explanations for the resilience of the OAOs.

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3 Essentially the same organizational form is called a union in Russia and an association in China.
4 The data were collected as a part of a bigger research project on the emergence of art markets in the BRIC countries. 62 qualitative interviews were conducted in Russia and approximately 160 were conducted in China with artists, gallerists, art collectors, auctioneers, art critics, art officials, etc. These interviews provide a general context for the issues discussed in the chapter.
5 In the case of Russia, officials of one out of three Artists’ Unions under consideration responded to our request. In addition, key officials of the RAA could not be interviewed. Nevertheless, we reached artists members of all the OAOs. In case of China, of the major OAOs headquartered in Beijing, we interviewed officials representing all but the BAA, who declined to be interviewed. In addition, in China we interviewed artists who were members of all OAOs but the BAA. As field participants do not make significant distinctions between the organizations, we maintain that our findings are generalizable.
How OAOs operate

OAOs in Russia and China originate from a similar historical and socio-political context. The art academies of both countries trace their history to the Imperial Academies of Arts (founded in 1724 in Russia and as early as the Song dynasty (960–1279) in China). Although origins and histories of the academies differ, they had similar functions in the USSR and Maoist China. The unions and associations were established by the countries’ respective governments to organize and fund cultural production in Soviet Russia and Maoist China where commerce in art was officially prohibited (Andrews 2008; Reid 2006). China’s artists’ associations were originally based on the Soviet model of artists’ unions (Andrews 2008; Kraus 2004), which, in turn, were based on labor unions. These unions are not unique to communist regimes – many European countries and the USA also have artists’ unions of their own. But the difference is that in China and Russia these organizations have quickly outgrown the functions of a labor union and have become “centralized agencies controlling the means of [artistic production] and the instruments of consecration” (Sapiro 2003). Even today, the variety of activities that these associations perform, as well as their participation in the lives of artists, is much wider than their Western European counterparts.

The artists’ associations and academies allowed the governments to group and control artists and the art they made. The governments provided the artists of these organizations with a salary and/or access to artistic materials, official status as an artist, opportunities to exhibit, and studios to work in. As Toepler summarizes the role of the state in the art scenes in Eastern Europe during the Soviet era:

“The supply of artistic and cultural goods and services was plentiful, heavily subsidized, and widely accessible. Artists – as state employees – enjoyed income and employment security, and the production of the arts was – in Marxist terms – largely decommodified: that is, freed of market and economic pressures. State patronage of arts and culture took various forms, including stipends, interest-free loans, and commissions; contracts from the state, mass organizations, and state-run enterprises <…>; as well as employment in state arts institutions and schools.” (Toepler 2000, 7)

In exchange artists usually created propaganda, in addition to what looked like ideologically harmless works for decorating the walls of state organizations, hotels, etc.

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6 See for example, the list of European organizations that are members of the International Association of Art (http://www.iaa-europe.eu/information.htm).
Even when commercial art markets started developing in Russia and China, the official functions of the OAOs remained, at least on paper, by and large the same. In Russia, the main official aims of the unions, according to their charters, are providing economic, social, and legal support to artists as well as the development of cultural awareness of Russian nationals and international relationships with other cultural institutions. In China, the official aims of artists’ associations are grander, such as academic research and “serving society.” The official goals of the academies in both countries include research, educational and artistic activities, such as establishing standards for good art, creating art and organizing exhibitions (the charter of the RAA). But whereas in China OAOs are governed, among others, by the ministries and are, for example, under the Secretariat of the Communist Party’s Central Committee, in Russia this direct connection with the government has been lost. In China, all OAOs continue to receive direct state funding. In Russia, this is only the case for the academy; for the unions, direct funding has been discontinued.

In terms of their structure and governance patterns, the OAOs have hardly changed since pre-market times. All organizations continue to have intricate bureaucratic structures and remain highly hierarchical, with official positions such as presidents, vice-presidents, directors, and deputy directors. The official posts are held by artists themselves and only minor administrative positions may be performed by employees not related to the arts. Management and support staff of the OAOs (as well as artists employed at academies) receive regular salaries. Horizontally, unions/associations are subdivided into research sections or departments for different media, types of art, and/or regions. In both countries, there are official requirements for becoming a member of an association or employee of an academy, such as having an academic art education, participation in exhibitions organized by the OAOs, members’ recommendations and/or prizes awarded by the organization. Selection procedures are multilevel and highly bureaucratized. In general, membership seems easier to obtain in Russia than in China, where the organizations are more selective. All artist members of unions/associations have to pay annual fees.

In terms of the art that is produced, members almost invariably emphasized in our interviews that the OAOs have become more open towards different types of art, including experimental contemporary art forms. Artists associated with OAOs no longer have to produce propaganda. Nevertheless, most members tend to work in classical, academic, or realist styles, using traditional media.

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7 Statistical data are difficult to compare for Russia and China. In Russia, the three unions have about 4,000–6,000, 14,000, and 15,000 current members (including branches across the country). In China, the CAA (excluding local branches, only the central organization) has admitted 13,261 members in total since 1949, some of whom have since passed away (the organization has no statistics on the number of current members). Academies are more elitist: members at the country level number several hundred. The RAA has about 650 members, whereas employees of the BFAA, the oldest and most prestigious academy in China, number only thirty, due to strict selection.
such as oil on canvas and, in China, ink on paper. The emphasis remains on the mastery of technique, rather than on concepts and ideas (see Figure 2.1 and 2.3). As a result, OAO art is looked down upon by outsiders as “outdated” and “not contemporary at all.”

Not only outsiders, also their own members and staff are critical of the OAOs. In China, for instance, they blamed “the system” for problems in the art world and insisted that they do not believe in it, as it is suffocating, corrupt, and unfair. Also in Russia, many artists do not share the OAOs’ goals or values. Union members regularly describe the official art system as “rotten” and claim not to understand “what’s the purpose of it all.”

![Image of Zurab Tsereteli, head of the Russian Academy of Arts](image)

*Figure 2.1. The permanent exhibition of Zurab Tsereteli, head of the Russian Academy of Arts. The gallery space is called “Tsereteli Art Gallery” and is one of the many exhibition spaces owned by the Academy. Photo by Varvara Kobyshcha.*

**Varieties of capitalism, institutional resilience, and change**

Since the legitimacy of OAOs is highly disputed both by insiders and outsiders in the Russian and Chinese art worlds today, how can their resilience be explained? Why is convergence with the global art market model not taking place, despite the supposed inefficiency and other flaws of the organizations? To answer these questions we loosely rely on institutional theories in (historical) sociology and the varieties of capitalism (VoC) perspective in political economy (see Hall and Soskice...
2001 for a programmatic statement). These theories have drawn attention to institutional resilience and explained the persistent diversity of organizational structures in advanced democracies, welfare states or capitalist markets, despite the pressures to converge to an identical model due to, for instance, globalization or the spread of neo-liberal ideologies from the 1980s onwards (cf. Biggart and Guillén 1999; Guillén 2001; Hall and Lamont 2013).

The first explanation for the persistence of differences in institutional arrangements which we propose in this chapter is institutional complementarity, which entails that “various elements of national institutional systems interlock or fit together only in certain ways, producing a small number of stable national configurations” (Schneiberg 2007: 54). In particular, the presence of one institutional arrangement stabilizes, undergirds, or even raises the performance of, or returns available from, another institution (Hall and Gingerich 2009). As a result, the possibilities for one institution to change are slim, as long as the other institutions which it complements are stable. For instance, Hall and Gingerich have shown how on a national level complementarities exist between institutions in labor markets, financial markets, and corporate governance arrangements. As a result of these, the deregulation of labor markets is unlikely to produce positive outcomes in a situation where the organization of financial markets remains the same. A second explanation is path dependency: the notion that contingent historical events set in motion deterministic causal processes which account for the reproduction of particular institutional patterns, and result in inertia (Mahoney 2000).

While the VoC approach has been developed as a theory to explain stability, and has actually been criticized for not acknowledging or accounting for change, we develop a third explanation which shows that the OAOs’ resilience is not just related to “inherited” complementarities to pre-existing institutional arrangements, but also to their capacity to adapt to some extent to a new environment through a process of endogenous change (Pierson 2004; Streek and Thelen 2005). This adaptation process can be seen in terms of what Kathleen Thelen has called institutional conversion, which involves putting existing institutions to new purposes (Thelen 2003; Thelen 2004; Thelen and Mahoney 2009). We find that although formally the organizations did not significantly change in the last decades, informally, new complementarities to the emerging commercial art market were forged, which further enhanced the OAOs resilience.

As will become clear in the remainder of the chapter, of these three interconnected explanations for the resilience of OAOs, some are more relevant for the Chinese art world, while others are more prominent in Russia. Despite the historical similarities and organizational isomorphism of Chinese and Russian OAOs, the two countries represent two varieties of cultural capitalism in themselves. The OAOs in each country resist globalization as a result of various forces and environmental factors specific to each country.
Our understanding of OAOs is in line with sociological studies of post-socialist markets which point at the existence of parallel economic structures in Eastern Europe both in the socialist and post-socialist era. Thus, the notion of transition processes from a socialist planned economy, through an institutional vacuum directly after the collapse of the iron curtain, to a market economy according to the Western blueprint, is problematized. Instead, these studies point at “the persistence of routines and practices, organizational forms and social ties, that can become assets, resources, and the basis for credible commitments and coordinated actions in the post-socialist period” (Stark 1996: 995). In other words, what is happening with the “emerging markets” in Russia and China cannot be understood as the replacement of a defunct state-dominated infrastructure by an either more efficient or more legitimate market model adopted from Europe or the USA. The emergence of art markets amounts to more than the appearance of new actors who sell internationally recognized contemporary art. Instead, it entails mutual adjustment between the new institutional logic of the market and the old institutional logic of the state bureaucracy (cf. Thornton and Ocasio 2008).

Figure 2.2. Many cars parked outside the entrance to the China National Academy of Painting are exclusive luxury vehicles. High-end Audi models are usually perceived as the cars of Chinese officialdom. Photo by Svetlana Kharchenkova.
Chapter 2

Complementarity with state bureaucracies

One of the main reasons for the OAOs resilience is their complementarity to state bureaucracies (cf. Amable 2003). This holds in particular for China, where they continue to exist because the Communist Party remained in power and retained funding and support for these organizations.8 The connections with the Chinese state bureaucracy are so strong that the artists resemble state representatives, providing a social service on its behalf. Indeed, many interviewees associated with OAOs emphasized that serving society is one of the goals of the OAOs. This may take the form of creating paintings of, for instance, natural disasters, of “bringing art to people” by organizing exhibitions, or of providing humanitarian help with the revenue from selling artworks.

The close proximity to the state can also be observed on a symbolic level (Figure 2.2). The atmosphere of the official art shows in China resembles that of government events; some artists are hard to distinguish from officials by the way they look. It is mainly OAO artists and not the more internationally oriented artists who take part in the art and cultural events sponsored and promoted by the government (fieldwork observations). As the state and the Communist Party are still powerful and omnipresent in China, the immediate association of an artist with them commands prestige, within certain circles. An artist who retired from relatively high positions both at the BFAA and the CAA said about the latter:

> In name it is a mass organization, right? But in fact it’s official, state-funded [...] In China, all things official are quite reliable. That’s why everyone strives to be in the CAA.

The institutional complementarity between the OAOs and the state bureaucracy materializes in the artworks by OAO artists, which often serve as gifts or bribes for government officials at different levels. Art recognized by the OAOs, in other words, can function as a social grease for the state bureaucracy.9 Paintings are a safer way to bribe an official than an envelope or a watch, as the value of art is uncertain. On the other hand, since artworks of top OAO artists circulate well on the market, and their price can easily be looked up in auction results, officials may see it as a useful present, which is easily convertible into monetary value. In addition, it is a way to flatter the officials, since in traditional Chinese culture, members of officialdom were scholar-officials who were themselves highly skilled in poetry and calligraphy, among other things.

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8 Why the Chinese government continues to support OAOs is outside the scope of this chapter.
9 In her work on the Kazakhstan art world Nauruzbayeva (2011) finds similar uses for art as gift within government circles.
In contrast, in Russia the collapse of the USSR was followed by not only economic but also political reforms. The Communist Party was suspended in 1991, while regular support of the state for OAOs was almost completely dismantled: only the art academy continues to receive significant direct funding. Other organizations finance themselves through the exploitation of a wide variety of resources such as real estate (exhibition centers, residential buildings, recreation centers, artists’ studios), factories, and stores of artists’ supplies or publishing houses, as well as through applying for various (often governmental) grants. They inherited these resources in the early 1990s after the collapse of the Soviet Union, when the property of the Artists’ Union and Art Academy of the USSR was privatized. The resources provide the OAOs with a considerable degree of financial autonomy, which, in the absence of institutional complementarities, can partly explain their resilience. Their endowments shield these organizations from cultural and economic pressures, which would have otherwise threatened their survival.

Despite the absence of direct funding, all Russian OAOs still have relationships with cultural administrative organs. The structure of OAOs inherited from the past, as well as the type of art that is produced by the majority of artist members, makes them familiar and attractive subjects for various cultural policies. Thus, for example, individuals and groups of artists can often apply for a governmental grant or a studio only if they are members of OAOs. While Russian OAOs have these connections, and are perceived by the wider public to be close to the state, in contrast to China, this proximity does not confer comparable prestige on the artists, since governmental organizations are often perceived as outdated and inefficient. Moreover, symbolic links to the state are limited and only the highest OAO officials have some political capital. For the same reason, the practice of offering art by OAO artists as gifts to government officials is less widespread in Russia. Only the members of the Russian Academy of Arts and top members of the unions possess enough prestige to be acknowledged by state bureaucracy and to render their art valuable as a gift.

China: selection at the top

Institutional complementarity with the state can be seen as a heritage from the past that is being eroded (in Russia faster than in China). The resilience of the OAOs has, however, been safeguarded by the creation of a new form of institutional complementarity, in which interconnections with the market are at stake. Instead of seeing the market as hostile to, or a threat for, the survival of OAOs, we argue that, paradoxically, the market has in some respects strengthened their position. In both
countries, OAOs have become part of the market system, albeit in very different ways. While in China the OAOs are used at the top end of the market as a judgment or ranking device, in Russia, as will be discussed in the next section, the OAOs have found a role in supporting artists at the lower end of the market.

When a commercial market for contemporary art started developing in China in the 1990s, it lacked the cultural infrastructure which consecrates and legitimates art in Europe and the USA (think of art museums, biennials, or independent art criticism; see, e.g., Bonus and Ronte 1997; Bowness 1990; Bourdieu 1993; Moulin 1987). Instead of building this entire infrastructure from scratch, which is a costly and time consuming enterprise, participants in the market partly rely on pre-existing structures including the OAOs. Thus, the OAOs survival became ensured in a process of institutional bricolage, where new arrangements (i.e. a market infrastructure) were developed by incorporating parts of pre-existing arrangements.

Outside the circle of internationalized, global art, the OAOs became and to some extent still are, almost by default, the only organizations to provide structure to the market, consecrate artists, and by doing so create hierarchies among them. Those roles to some extent still cannot be readily replaced by other organizations. To put it in the words of the French sociologist Lucien Karpik, the honors bestowed by these organizations function as a “judgment device” in a market for singularities, where the quality of works of art is uncertain and buyers therefore face a “cognitive deficit” (Karpik 2010). The official positions that artists occupy in the OAO hierarchies, as well as the awards and prizes that they receive from them, contribute to reducing this deficit; they are perceived by potential buyers as quality or status signals (Podolny 2005).

The strength of the signaling effect of the Chinese OAOs was explained by an administrative worker at one of the academies as follows:

*An academy employment* has influence [on the market], a big influence. Because the academy is a brand. It is like a big brand behind an artist. *Works by* the academy’s artists are always good. This is the difference between those within and outside the system. At least, the level is different. Beijing Academy is a standard. It’s different for those outside the system. If you are outside, until they get to know you, they have no way to evaluate you. They might need a very long time to be able to evaluate whether this artist is good or bad.
Apart from facilitating sales, membership may push up prices, since they are linked to one's official position (Figures 2.2 and 2.3). Even an employee with merely administrative duties who paints in his free time admitted in an interview to having raised his prices once he started working at an art academy. The prices reflect the ranks especially well for traditional Chinese painting and calligraphy by living artists, in a coordinated, almost bureaucratic fashion. An employee of the China Calligraphers Association explained that the price for “regular members” is:

1,000 RMB per square chi.\(^{12}\) Then, one level higher there is a director […], a director is maybe 5,000. Then another level higher is a vice chairman, a vice chairman of China Calligraphers Association. A vice chairman is maybe 20,000. Another level higher there is an adviser, maybe 30,000. This is approximately the difference. If he did not enter the association, if he was not a member of the China Calligraphers Association, his calligraphy might have no value.

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\(^{11}\) Wang is, among other positions, chairman of the BAA, vice chairman of the CAA, dean of the BFAA, and vice chairman of Beijing People’s Association of Friendship with Foreign Countries. He is also a member of the Standing Committee of the Chinese People’s Political Consultative Conference (CPPCC) National Committee, a political advisory body in the People’s Republic of China.

\(^{12}\) 1 chi equals 1/3 of a meter; 1,000 RMB approximately at the time equaled 115 euros.
Figure 2.4. Despite being far from the top of the OAO hierarchy, this artist showcases his official positions and diplomas on the door to his shop/studio in Liulichang, Beijing. Photo by Svetlana Kharchenkova.
Artists turn out to be well aware of the signaling function of the organizations. In order to advertise their official status, they put their ranks or memberships most visibly on their name cards, booklets showcasing their work, CVs, and webpages (Figure 2.4). Because of the status-effect of rank on prices and sales, and because of many other privileges associated with these ranks, many artists want to get to the top of the hierarchy. As one artist who holds no official position said: “So why do they want to become presidents of artists’ associations? Their prices would rocket.” Or as an owner of a white cube contemporary art gallery put it: “You heard about a story in Shanxi province? In the calligraphy association there is one, there is [sic] two, three, directors and 14 vice directors. 14 vice directors!”

In fact, positions at OAOs are so widely coveted, that they have become commodified and possess clear market value. As is widely known in China, and as was confirmed in the interviews with artist members and employees of the OAOs, positions in associations in particular, such as the CCA, are up for sale. The (unofficial) price for a regular membership is approximately 250,000–300,000 RMB, according to an employee of the CCA. Artists are willing to pay such high prices as an investment. Since membership increases prices and sales for Chinese OAO calligraphers, they earn their money back “in no time.”

The commodification of positions within OAOs indicates that artists regard them in a rather opportunistic way. Indeed, many who hold or covet such positions, do so without endorsing the OAOs’ organizational values. They may even be highly critical of them. In some cases, internationally successful artists become involved with the OAOs because it enables them to, for instance, be affiliated with art schools or to remain on good terms with the government. One internationally famous Chinese artist, who has had solo shows at such top contemporary art events as the Venice Biennale, is also a member of an artists’ association, as he mentioned rather casually during an interview. He became a member in order to accept a post at an art academy some years ago and has remained a member since:

*It doesn’t matter, I forgot about this, forgot about this. It’s like when you go to a restaurant, and sometimes you spend a bit more and they give you a VIP card, a membership card. And then someone asks, are you a member there? This is not important, right? [...] At the time it had its use, and if you go to that restaurant again, they will give you a discount.*

---

13 At the time, approximately 30,000–36,000 euros.
Note that the status signal of membership in an OAO may not be permanent. Once the artist leaves the academy, for instance, because of retirement, or is not re-elected as a president of an association, the signal in many cases fades and his price level plummets. Moreover, the signal has far from universal value within the Chinese art world but is confined to the official, government circuit. It is, however, shared by the majority of the general public, to whom the OAOs are much more familiar than the museums and other organizations of the global art world. This is because of historic reasons and because of the wider presence of the OAOs in general Chinese media.

The strength of the status signal is determined partially by its scarcity. During the interviews, representatives of several Chinese OAOs emphasized the very strict selection processes for membership, involving multiple committees and complicated procedures. Moreover, the signaling function is confined to artists’ organizations that are linked to the government. Newly created non-governmental organizations, established by artists or companies, such as Gongbi Painting Association and Rongbaozhai Fine Arts Academy, do not come close to commanding the same prestige as OAOs.

For these very reasons, the Russian OAOs fail to provide an elaborate system of status signals for the art market and do not function as a judgement device for buyers of art. As previously stated, the link with the government has been loosened in Russia, while the number of signals sent by the OAOs are abundant. First of all, the unions openly claim an inclusive policy of membership and even compete for numbers of members among each other. As a result, membership itself is hardly considered status-enhancing. Moreover, the medals and awards that unions and art academies in Russia give out, or the governmental titles that they apply for on behalf of their artists, are hardly exclusive either. As a president of one OAO expressed it:

Through our Artists’ Union people obtain the titles: “Honoured Artist of Russia,” “People’s Artists of Russia.” We can apply for any governmental awards, diplomas, for any highest awards and our requests are put in the list of requests, which are considered and complied with.

In December 2012, while working in their archive, we observed the pre-New Year’s Eve meetings of several sections in one of the artists’ unions. The frequent topic of lively discussions was medals and diplomas. It sounded as if they were dividing corporate New Year presents available for everybody. Artists were ironically shamed for not applying for a medal or for forgetting to collect it on

14 We do not expect this to happen to artists whose careers do not depend on their official positions only, such as the realist painters Wang Yidong and Ai Xuan.

15 It is no coincidence that both the BFAA and the CAA interviewees talked with pride about China’s Prime Ministers’ role in establishing these organizations, which, according to them, showed the official endorsement.
time. This bestowing of awards in Russia seems to be primarily a matter of common ritual, whereas it is part of a strict selection process in China. As a result, awards from Russian unions send out weak status signals. Their impact on sales and prices is therefore weak as well. Only the highest positions in the Russian OAOs, occupied by artists who seem to have rather active art markets, do provide considerable status and commercial benefits.

Figure 2.5. The building of the Central House of Artists (on the right), owned by the International Confederation of Artists’ Unions (the former USSR Union of Artists). Its exhibition spaces are regularly rented out to a variety of events, for example, pet exhibitions (above). Recently renovated stalls called “Vernissage” (on the left) are used by artist members of various unions to sell their artworks. Photo by Alexandra Pisareva.

Russia: welfare at the bottom

Why do Russian artists remain affiliated with the OAOs, in spite of the fact that ties to the government have been severed and membership hardly confers prestige? The main answer is that they provide a variety of everyday, mundane benefits for their members. The majority of Russian artists, and in particular the “official” artists who were educated and started making art during the Soviet era, cannot support themselves in the market alone. Therefore, they have remained actively involved with the OAOs. It is, in other words, the market’s very weakness that has provided the OAOs with a continued reason for existence. Thus, the logic of art associations in Russia resembles that of welfare organizations, based on entitlements of artists to at least some minimal form of support. Indeed, the social insecurity of the artistic profession is still the central organizing idea for
the Artists’ Unions in Russia, as it used to be for their forerunners in the Soviet era (Lazarev 1979: 107-109). Economic resources owned by OAOs enable them to realize their main function, which is not to provide status on top of the hierarchy, but to provide support at the bottom. A functional type of path dependency here safeguards the reproduction of the OAOs. The organizations are embedded in a larger system (i.e. the Russian art world) in which they play functional roles (Mahoney 2000: 519).

One of the main sources of support that the OAOs provide is exhibition opportunities (Figure 2.5). This is important for their members since most of the new, Western-style commercial galleries, which have opened in Russia since the 1990s, are not interested in their work. As an Artists’ Union official mentions: “For many of the artists this annual exhibition may be the only one during the year. So they try to invite everybody they know with the hope to sell anything” (head of a section in an OAO). Union members also tend to exhibit and sell their work in salons operating at municipal exhibition halls, which retain strong relationships with OAOs and almost exclusively exhibit (and sell) art by union members. The salons are not private, and municipal halls have to ask for permission from the local department of culture to open a commercial office. Artworks sold there represent the lower end of artistic production, approaching the level of artworks sold on open stalls near tourist attractions.

Regular membership in a union, moreover, provides access to various kinds of resources, including commissions from the state or publishing houses, legal support, assistance in applying for grants, free studios or travel passports and visas, and entries in catalogues, which the unions print on a regular basis. In addition, the OAOs provide a sense of community and companionship with like-minded people who are critical of the directions contemporary art has taken in Russia. A specific understanding of what good art is – realist paintings made using traditional, academic techniques – serves as a foundation for the “we-feeling” of OAO artists, and enables these artists to engage in boundary work vis-à-vis artists working in contemporary avant-garde styles (Lamont and Molnár 2002). Even just getting together in the unions is considered to empower otherwise weak individual artists to overcome “common hardships”: according to OAO officials, sometimes artist members pay themselves for renting exhibition spaces and for publishing catalogues. In these cases, what one artist cannot afford, an “association of thousands” can afford easily and “of better quality”.

Although not strictly operated by the OAOs, art produced by the artist members of the OAOs today is often sold through galleries specialized in union-art. These galleries use extensive regalia of artists as their marketing tools and are frequently run by the members of the unions. They often buy art from artists instead of working on a consignment basis. These galleries prefer to work with paintings (or graphics) and present a mix of works made by nineteenth- or twentieth-century deceased artists as well as contemporary artists working in similar styles.

16
Official art organizations in the emerging markets of China and Russia

Membership also functions as a proof of official artistic status, which in turn makes artists eligible for a variety of activities. As an artist and vice-president of an OAO explained:

Many artists need to get commissions at some other regions than in their towns. For this they must have some tangible proof that they are artists [...] In a way our Union gives the only possibility for many of them to regularly and frequently exhibit in different regions of Russia and to publish their works [in catalogues]. [...] With publications in such albums they already can go to their local governments and say: "Yes, I am an artist, my works are published, here is everything about me." With this they appear as real and functioning artists.

Like their Chinese colleagues, some Russian artists approach the OAOs in highly opportunistic terms, without endorsing their values. Some artists continue to participate in the OAO exhibitions in order to receive some of the organizations’ benefits. When one of the most commercially successful artists in Russia was unexpectedly elected as a member of the Russian Academy of Arts, he “did not turn down” the new position because he thought it might somehow be useful in future. Or as another artist, who has been a member of an OAO since 1997, explained:

Well, through the Moscow Union of Artists I try to get a studio. This is why I always participate in their exhibitions, though it is all horribly boring and I have to overcome myself all the time, anyway. [...] These vistavkomi [exhibition committees] are something monstrous. There sit all these boring greybeards, all moth-eaten, who say: "I don’t like your work." I mean those who select artworks for these exhibitions. They need a place to play big bosses. Horrible, even flies die there.

Discussion and conclusion

The overarching argument of this chapter has been that the world of art commerce is not flat, to put it in popular terms. Local contexts, in our case populated by organizations that existed before the emergence of commercial art markets, continue to be part of art worlds. In spite of the pressures of cultural globalization, in spite of the diffusion of the very notion of contemporary art, and in spite of the proliferation of a global market model dominated by white cube gallery spaces, glamorous art fairs, and high profile art auctions, these organizations have managed to survive.

Inspired by a rich tradition in political economy, we advocate a “varieties of cultural capitalism” approach to art markets. The upshot of such an analysis is that convergence in the way commerce in art is organized and coordinated is unlikely to take place. Instead, varieties of organizational models and coordination schemes are resilient in local art markets because of path-dependent processes and institutional complementarities.
Although the two countries studied in this chapter are similar, given the shared socialist/communist background of the OAOs and their isomorphic organizational set-up, they represent two varieties of cultural capitalism in themselves. The reasons, as we show in this chapter, have to do with different local contexts, which in turn result in different institutional complementarities and path-dependent trajectories. While in Russia, complementarity of OAOs with the state is limited, in China it is more pronounced. OAOs enjoy a different degree of prestige in Russia and China. This affects the opportunities that they provide to their artist members and their positions vis-à-vis the art markets and the broader art worlds. In China, the official art organizations are closely related to the state, which commands prestige and becomes a powerful resource of the OAOs. Chinese OAOs position themselves as exclusive and strictly academic, denying any direct links with the art market. However, because Chinese artists affiliated with these organizations enjoy high status and are very successful in the market, the OAOs have been reconsidered and appropriated as a judgment device by groups of buyers. The irony here is that while a commercial market has developed, actors fall back on the bureaucratic logic of OAOs in order to valorize the work destined for this market. Within this logic, a higher official rank can be equated with higher artistic and economic value.

In contrast, in Russia, where access to organizations is easier and relatively informal, and links to the state do not necessarily provide prestige, affiliated artists generally play a marginal role in the market. Therefore, the role and status of the state in the two countries indirectly (rather than directly through laws and regulations) influences the market opportunities of particular artists and the functioning of the market in general. In Russia, OAOs create a supportive environment for artists with poor market possibilities and at the same time offer a range of benefits, even for those artists who do not share their values. Despite the weak position of OAO artists in the Russian art world, the organizations survive as they are financially sustainable and can function rather autonomously from the outer art world, creating an alternative internal system of economic relations. Finally, in both Russia and China, artists support the resilience of the OAOs by being involved in them – actively (while pursuing their goals) or passively (by simply staying).

The resilience of OAOs does not mean that they have not changed at all. In fact, their survival is partially conditioned by adaptation: new complementarities involving OAOs have developed as institutions actually begin to partially alter their functions for individual artists and the art system as a whole. We cannot exclude the possibility that in the future the change mechanisms may outweigh the path reproduction mechanisms, which would result in structural changes for the organizations themselves. For instance, during our fieldwork in China, we heard rumors that the government was thinking about stopping funding for the OAOs and making them financially self-reliant, in line with many other Chinese cultural industries. But as the Russian example shows, this is unlikely to result in a sudden demise of those organizations.
Although the OAOs of the two countries we have focused on in this chapter may be rather specific because of their socialist/communist origins and bureaucratic nature, it is safe to say that to some extent each region, country, or in some cases even city, may have its own variety of cultural capitalism, i.e. its own institutionalized ways of conducting and organizing commercial transactions in art. Indeed, artists’ unions are to be found in many countries in Europe as well and, at least historically, managed to exercise some influence on the organization of local art worlds. Varieties of cultural capitalism may also result from a wide variety of factors including specific legal frameworks governing the art trade, wider business cultures and ethics, import and export restrictions regarding art, welfare state arrangements, which impact (the formation of) economic elites, or the historical dominance of specific intermediaries such as auction houses in local art markets. The resilience of these institutions and organizations may be attributed to thick, heavily institutionalized ties to and complementarities with powerful organizations, but may also be attributed to “thin,” everyday, banal reproduction processes related to the costs and benefits that they have for participants.

The current discourse about art commerce, whether in the media, among academics, or among market participants themselves, is dominated by the glamorous global art market, characterized by multimillion dollar prices, populated by high net worth individuals, located in New York and London, and is manifested in thrilling auction sales and powerhouse dealers such as Larry Gagosian or David Zwirner. By contrast, the upshot of our analysis is that to understand how art is traded around the globe, more attention to local varieties of cultural capitalism is warranted.
Opening night at a contemporary art gallery.

New Delhi, February 2013
Local contexts as activation mechanisms of market development

Contemporary art in emerging markets

How markets emerge remains one of the central questions of economic sociology, marketing and management alike (see e.g. Geiger, Kjellberg, and Spencer 2012; Aspers 2011). In this paper, we address this question by studying the emergence of art markets. Before the 1990s, contemporary art markets outside of Western Europe and United States were practically non-existent. Then they suddenly started emerging or re-emerging (Joy and Sherry 2004) in different corners of the world, such as China, South Africa, Vietnam, Russia, India. Scholars usually put these markets in a general category of ‘emerging art markets’ and analyze common trends in their development (McAndrew 2009; Kraeusl and Logher 2010; Robertson 2011). These common trends concern either the socio-economic changes at the macro-level that drive art markets (e.g. liberalization of economies, lasting periods of fast economic growth, the coming into being of new cultural and economic elites with a taste for art), or the highly isomorphic organizational forms that art markets adopt in these countries, of which commercial art galleries, auction houses, and art fairs are the three most important ones (Velthuis and Baia Curioni 2015). If and how local contexts contribute to the development of art markets, and influence the shape they take, has so far hardly been analyzed. In this paper, we aim to look at the ways in which local contexts motivate prospective art dealers to enter an emerging market. We coin these factors as ‘activation mechanisms’ of market emergence. We define an activation mechanism as a resource, or set of resources, which enable actors to exploit latent market opportunities, and thereby can turn favorable socio-economic conditions at the macro-level into actual market emergence at the micro-level.

This influence of local contexts can be seen by studying the lived experience of key mediators, whose decision to start a commercial activity is crucial for the emergence of a market. In the case of art markets, these key actors are art dealers. Thus, in this paper we seek to understand how dealers came to the decision to open an art gallery and, by doing so, contributed to the market’s emergence.

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The opening of a gallery is a crucial step in an art market’s emergence, since galleries are the market’s main intermediaries that match supply and demand of art (Caves 2000) and contribute to constructing its value (Smith Maguire and Matthews 2012). They function as gatekeepers to the art market by selecting a limited number of artists whose work they seek to market (Bystryn 1978; Moulin 1987). Also, they actively seek to ‘make markets’ for new art. In order to do so, they have exhibition spaces where they regularly organize solo and group shows. They develop networks among curators, critics, museum directors and others who, to put it in the terms of the French sociologist Pierre Bourdieu, possess the symbolic capital to consecrate art, or to produce belief in its value (Bourdieu 1993). Only once this belief is produced, and an artist establishes a reputation, are art dealers able to sell their work and increase its price (Joy and Sherry 2003). In short, both for the valuation and for the intermediation of art, art galleries perform crucial roles. Thus, the opening of commercial galleries is one of the constitutive processes of an art market’s emergence.

Empirically, the paper takes a comparative approach and focuses on two countries – Russia and India, which are among the main art markets to have emerged globally over the last three decades. The two countries were selected because they make for an illuminating comparative case. On the one hand, both countries’ economies are characterized by high economic growth and by profound economic restructuring processes occurring in the 1990s; for these reasons, they were grouped together with China and Brazil in the now widely used BRIC-acronym. The way the art markets are organized in these two countries, approximately 25 years after the beginning of profound economic reforms, is highly similar as well, with commercial art galleries as the market’s main intermediaries. But on the other hand, the two countries are strikingly different when it comes to, among others, social stratification, socio-political history, cultural repertoires or the involvement of the state in arts, providing different local contexts in which their art markets are embedded (cf. Joy and Sherry 2004). Comparison of these two fast-developing contemporary art markets, with their radically different socio-cultural national contexts, highlights the multiplicity of ways in which a similar market practice can be enabled. Moreover, the recent nature of the two art markets is a methodological advantage in studying market emergence: actors who have played important roles in this process can still be interviewed, unlike art markets, for example, in Europe and the United States.

Thus, in this paper we show how, within the unifying process of cultural and economic globalization, variations in local national contexts structure the ways in which actors decide to open up a commercial art gallery. In India, art dealers frame their decision to open a gallery by-and-large in terms of continuity: they talk about it as an easy, ‘natural’ thing to do. Their interest in the art market is, in multiple ways, activated by repertoires and resources that are linked to their family backgrounds. In Russia, however, no such repertoires and resources stand out. Russian dealers present their decision to open an art gallery as a ‘contingent event’ in their biography. Nevertheless,
Local contexts as activation mechanisms of market development

opening a gallery is activated, albeit negatively, by local, pre-existing institutional settings, and the dominant role of the state in the cultural field in particular, which our respondents seek to develop an alternative for. Also, they refer to the turmoil of Russian society that destabilized pre-existing career trajectories and life courses, and forced them to reinvent themselves and look for new professions. Thus, the trajectories of actors who started a commercial art gallery are characterized by continuity in India but by change in Russia.

The paper contributes to the literature on how new markets are ‘built’ and how culture has an impact on market emergence (for an overview, see Geiger, Kjellberg, and Spencer 2012). Our study suggests that market emergence cannot be limited to studying the institutions that enable actors to engage in transactions and competition in predictable and coordinated ways (Fligstein 2002); nor can it be limited, as more recent Callonian approaches to market emergence suggest, to studying market devices which enable actors to shape market practices and valuation procedures (for an overview, see Muniesa, Millo, and Callon 2007). It should include the motivational side of market emergence as well, in order to understand why, on a micro-level, actors decide to ‘enter’ markets and thereby contribute to their emergence. Or, to put it in the terms of Callon, what is it that puts individual actors in motion, that turns passive bystanders into active agents within markets (Cochoy et al. 2016).

In particular, we show that local contexts, including cultural resources, are key in this decision-making process. That local contexts matter is obviously far from a new insight in the literature on market making or market emergence (Geiger, Kjellberg, and Spencer 2012). A steadily growing body of literature indicates that global economic flows and global markets, which at first sight seem strikingly footloose, are locally embedded (Tonkiss 2006). The shape that local markets take, is determined by pre-existing institutional settings including the role of, for example, labor unions and employer’s organizations (Hall and Soskice 2001), national cultural repertoires (Lamont 1992), the state, or the strength of traditional institutions such as the family and the church, which each operate according to their own institutional logic (Greenwood et al. 2010; Thornton 2004). These logics may either conflict with the logic of a nascent market (Greenwood et al. 2010), or, instead, may be incorporated into this logic and serve as a resource for nascent firms (Biggart and Guillén 1999). Either way, the result is that the homogenizing effects of global market forces and disembedded financial capital are partial at best; comparative studies of industrial organization across different regions almost invariably show persistent variation and, over time, only limited convergence of organizational models (Scott 2007; Amin and Thrift 1995; see Marquis and Battilana 2009 for an overview). Indeed, globalization may itself be a source of diversity when it comes to organizational models (Nederveen Pieterse 1995; for empirical examples from different markets see Guseva 2005; Guillen 2001; Stark 1996; Kuipers 2011; Sato, Haga, and Yamada 2015).
Our argument differs in an important respect, however. We show how local contexts matter for market development even in the situation where market structures are highly similar and organizational forms are strongly isomorphic. In the case of contemporary art, there is an international market model, which has been by-and-large adopted in emerging countries around the world. For instance, Brandellero (2015) shows how different isomorphic mechanisms have contributed to the emergence of an art market in Brazil, where foreign practices of art commerce were brought into the country by international art dealers, and, later on, Brazilian art dealers copied foreign practices as a result of travelling abroad. Thus, in our case, local contexts do not have a profound impact on market structure; they do not shape unique organizational forms or significantly influence organizational behavior. Nevertheless, we claim that local contexts play an important role in starting up a new market by functioning as an activation mechanism for market emergence. Akin to Fourcade-Gourinchas and Babb’s (2002) study of the rise of neoliberalism in Mexico, France, the UK and Chile, the outcome was highly similar, but the trajectories to get there differed radically in Russia and India.

A second contribution of our study is to show that not only the presence of stable, pre-existing institutional structures, but also their very absence, may assist in market emergence. In other words, not only social organization, but also social disorganization can be a resource in market emergence. In our case, relatively stable family networks and the absence of government support (in India), socio-economic disruption and too dominant an involvement of the state in contemporary art (in Russia) prompted actors to open a gallery. However, in the long-run, our case suggests that while social disorganization may stimulate entrepreneurs to become active in the market, it may not assist them to become successful and may actually hinder further market development. In other words, local contexts may have different impacts at different stages of market emergence: social and economic disruption may initially contribute to market emergence but may hinder further development at later stages.

Finally, we contribute to theories of market emergence by linking these to Bourdieu’s notion of capital. While previous research has, from a Bourdieusian perspective, studied the ways in which cultural intermediaries contribute to the reproduction of cultural inequality (see, e.g., Bourdieu 1993; Durer and Miles 2009; Smith Maguire and Matthews 2012), we instead ask how the ways in which intermediaries themselves take a position in a newly emerging ‘field’ is co-determined by resources that allow both understanding the possibilities of a new practice, and exploiting these possibilities and taking the risk of failure (cf. Buchholz 2016). These resources can take the form of cultural, economic and social capital (Bourdieu [1986] 2010). To what extent an actor does indeed have access to these resources depends, in turn, on her structural position in wider social fields (such as economy and power), as well as on the class background or, as Smith Maguire and
Local contexts as activation mechanisms of market development

Matthews phrase it, on ‘his or her place within the conditions of existence’ (Smith Maguire and Matthews 2012: 553).

At the same time, the two empirical cases hint towards the limits of the Bourdieusian interpretation of “position taking” in an emerging market. We observe that a composition of the different forms of capital served as an activation mechanism for Indian art dealers, while in the Russian case, access to similar forms of capital might have been limited and did not play such a prominent role in their decision to open a gallery. Yet, the market has started and some art dealers entered it throughout the past 25 years. Other activation mechanisms, including negative ones such as socio-economic disruption, which we observed in Russia, cannot be completely accounted for within a Bourdieusian perspective.

Table 3.1. Sample composition

<table>
<thead>
<tr>
<th>Location</th>
<th>Moscow</th>
<th>Saint Petersburg</th>
<th>New Delhi</th>
<th>Mumbai</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>N art dealers</td>
<td>18</td>
<td>11</td>
<td>23</td>
<td>13</td>
<td>65</td>
</tr>
<tr>
<td>Dealer gender female</td>
<td>39%</td>
<td>73%</td>
<td>57%</td>
<td>69%</td>
<td>57%</td>
</tr>
<tr>
<td>N galleries</td>
<td>15</td>
<td>11</td>
<td>21</td>
<td>12</td>
<td>59</td>
</tr>
<tr>
<td>Gallery age</td>
<td>minimum</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>maximum</td>
<td>25</td>
<td>19</td>
<td>78</td>
<td>52</td>
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<tr>
<td></td>
<td>average</td>
<td>14.5</td>
<td>9</td>
<td>16.5</td>
<td>16</td>
</tr>
<tr>
<td>National art fair²</td>
<td>12</td>
<td>5</td>
<td>17</td>
<td>9</td>
<td>73%</td>
</tr>
<tr>
<td>International art fairs³</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>22%</td>
</tr>
</tbody>
</table>

Methodology

This paper is based on qualitative interviews with 65 art dealers from 59 galleries in New Delhi, Mumbai, Moscow and Saint Petersburg, conducted between October 2012 and June 2013 (see Table 3.1). The study had an exploratory character. Therefore, the selection of interviewees was informed by a maximal variation sampling strategy. In approaching gallery directors or founders for interviews, diversity was actively sought in terms of the age of the gallery, the location (two

² These galleries participated at least once in Art Moscow (2007-2013) or the India Art Fair / India Art Summit (2008-2013).

main art market cities were studied in each country and within each city we interviewed dealers from galleries located in various art districts as well as ‘standalone’ galleries), the type of art that is exhibited and sold (galleries very rarely specialize in just one medium, but some prefer to focus on traditional formats such as paintings, drawings and sculptures, while others also exhibit more alternative media such as installations and video art), participation in international events, and local peer-recognition. Thus, for example, the majority of art dealers in both countries never made it to prestigious international art fairs, such as Art Basel, but most of them have participated in their main national art fairs over the years. While some represent artists with strong international reputations and commercial success, most represent artists who by-and-large have local careers. The gender of interviewees was not one of the selection criteria, yet the resulting sample shows diversity in this criterion as well with, on average, slightly more female art dealers (58%) than male. Only in Moscow more male art dealers (61%) were interviewed. Yet, we have not observed significant gender differences in the factors that influenced the decision to open a gallery raised by art dealers. While we do not claim that our sample is fully representative of the gallery worlds of Russia and India, we suggest that the diversity within the sample allows us to grasp the variety of experiences of art dealers and their perspectives on the functioning of art markets in four cities.

While aiming for maximum variation among interviewees, the selection was limited to those galleries that market contemporary art, defined as art produced by living artists, and most closely described as fine art, i.e. made by visual artists who consider themselves professional, and recognized as art within the art worlds (Becker 1982). Ensuring the comparability of data collected in Russia and India, we intentionally excluded other forms of art commerce that exist around popular and religious arts, crafts, tourist memorabilia and design objects.

As a result of this sampling strategy, there is a lot of natural variation in personal accounts of opening a gallery. Galleries under consideration opened in different cities, in different decades, by dealers with different backgrounds, etc. These factors have some influence on which elements of the accounts are more prominent. Nevertheless, there was a striking similarity in answers from art dealers in each country. In both India and Russia, some country-specific themes were repeated in practically every interview. This paper highlights and analyzes these themes, but does not delve into differences within the countries. The aim of the paper is primarily to find patterns in the accounts of art dealers, and to see to what extent these patterns are country-specific.

The interviews lasted between 40 minutes and 2.5 hours and covered a range of topics on how art dealers run their business, and organize their relationships with other key players in the market (mainly artists and collectors), and what their marketing strategies, aims and ambitions are. Every interview started with a general inquiry into what brought them into this business in the first place:
how, when and why they decided to open a commercial gallery. These accounts serve as the primary data for the analysis, accompanied by relevant information from other parts of the interviews. In addition, since this paper is a part of a larger project on the globalization of high art commerce, we draw our interpretations from ethnographic observations conducted in the same period. During the period when the interviews were conducted we attended a variety of art events: vernissages, art fairs, artists residencies, press conferences, special events organized by art dealers for collectors, etc., had a number of informal conversations with art participants, and followed the media coverage on the art markets in general and our interviewees in particular.

Individual recollections of past events can hardly be a reliable source of information. Yet, the art markets that this paper focuses on emerged recently and are still in the process of development. This means that, on the one hand, there is a lack of more structured or historical sources of data that would allow for other approaches to the analysis of the markets’ emergence. On the other hand, it means that the key players taking part in this emergence are still available for interviews, which justifies the chosen methodological approach.

Since our respondents may not be conscious enough to acknowledge or remember all the factors that motivated them to open a gallery, the accounts of art dealers are not taken as a source of factual and historical information about the development of the art market as such. Instead, the paper takes an interpretative approach to the analysis of interviews and understands these accounts as socially and culturally situated stories (Schiffrin 1996) that build on art dealers’ shared understanding of the environment and processes relevant for market development. By taking an interpretative approach, the paper reconstructs the lived experience of dealers with the help of ethnographic observations and secondary literature. It relates these accounts to social and cultural characteristics of art worlds and of the societies which art markets are embedded in.

Market development in Russia and India

The two contemporary art markets in question have distinct pre-histories. During the Soviet era, the art trade in Russia was officially forbidden. Since art played an important role in the Soviet society as an ideological, educational and recreational tool, the distribution of it was controlled by state organizations (Lazarev 1979; Toepfer 2000; Yankovskaya and Mitchell 2006). Artistic production was also censored by the government (cf. Joy and Sherry 2004). The official style was so-called soviet realism, but classical realism and, to a lesser extent, some forms of abstract art were also tolerated. Unofficial (non-conformist) art was, with a few sound exceptions, exhibited underground, in private apartments or at outdoor happenings (Kholmogorova 2014; Slovaeva 2014). Nevertheless,
there was an unofficial market for this art: foreign diplomats as well as some members of the local intelligentsia bought artworks from these apartment exhibitions. Because of its clandestine character, this market was small, unstructured and hardly institutionalized (Starodubtseva 2014). In Russia, until 1988 no single private commercial art gallery existed. Although some of our Russian respondents represent artists who were part of these unofficial movements, the respondents themselves were not active in them.

Until the 1990s, the art market in India had not been developing either, but for different reasons. The first private art galleries opened as early as 1936 (Dhoomimal Art Gallery in New Delhi) and a small number of established elite families had been known for being art connoisseurs, patrons and collectors for centuries (Joshi 1985). Art societies, based on the model of French art salons were introduced in India during the British rule (the first one was established in 1873 in Pune). They promoted the Western style of realist painting and aimed at the substitution of personal patronage by institutional support (Mitter 1994). However, their importance had ceased by the 20th century. More importantly, a group of young artists with a strong modernist, European orientation, the so-called Progressive Artists’ Group, gained relative prominence shortly after India’s independence (Kapur 2000; Brown 2005). Yet, until the late 1990s, they had had only limited commercial success. While the art trade was legal, art itself had a relatively low societal status (Jain 2007). The audience for art exhibited in galleries was small and formed a closed group; public conspicuous consumption had negative connotations (Brosius 2012). The number of commercial art galleries was limited to less than a dozen in the late 1980s (Kapur 2000).

Similar global trends

Since the late 1980s, both India and Russia underwent deep structural economic changes. Both countries embraced, with different levels of enthusiasm and to different degrees, capitalist markets as the main economic model. To that purpose, after the collapse of the communist regime and the subsequent disintegration of the Soviet Union, government companies were privatized and markets liberalized (Blasi 1997). Although these changes were less dramatic in India, under Prime Minister P. V. Narashima Rao profound economic reforms were introduced from 1991 onwards (Kaushik 1997). These entailed, among other things, the opening up of the country’s economy, resulting in an explosion of foreign direct investment in the country (Singh 2005). While the Indian economy had been characterized by prolonged periods of economic stagnation until the 1980s, between 1999 and 2014, GDP growth was 7.1 percent on average. In Russia it amounted to 4.7 percent according to World Bank data. In both countries, the economic reforms contributed to the formation of a rich upper class with enough disposable income to be able to afford to buy art. Indicatively, the number of billionaires in Russia rose from 0 in 1996 to 101 in 2011. In India, the number rose from 3 to 55
For art markets to emerge, the rise of these economic elites is *sine qua non*. As with other luxury goods, buying art requires a high disposable income. Moreover, new, aspiring elites tend to look for status goods to position themselves (Brosius 2012; Veblen 2007/1899). Alongside other luxury goods, such as branded commodities, expensive wines, and resort holidays, ‘a burgeoning middle class with increased disposable income’ has singled out art, and contemporary art in particular, in order to construct new identities (Sooudi 2015: 266). While emerging art markets specifically cater to the needs of the nouveau riche (Jakobson, Koushtanina and Rudnik 2000), collecting art enables the elites to display taste and wealth simultaneously (Bourdieu 1984).

Thus, on a macro-economic level, the emergence of art markets in both countries was similarly enabled by economic reforms, followed by fast economic growth and the coming into being or expansion of economic, status-conscious elites (cf. Stallabras 2004). Moreover, in the same period, the art market itself globalized, creating interest from Western dealers, auction houses, and collectors in art produced in new regions (Belting 2009; Khaire and Wadhwani 2010; Joy and Sherry 2004).

This combination of local and foreign interest in Russian and Indian art enabled art markets to emerge in both countries. This happened by-and-large through the adoption of international models of art commerce. Western firms looking for new business opportunities played a symbolic role in this process (Crane 2009; Horowitz 2011). Already before the collapse of the Soviet Union, in 1988, the originally British auction house Sotheby’s organized in Moscow a highly successful and well publicized sale of underground art produced during the Soviet era (Solomon 1991); Sotheby’s held a highly successful charity auction for the newspaper *Times of India* in 1989. In neither country, however, did Western auction houses establish a strong local presence until very recently.

The two seminal sales marked the beginning of the process of market emergence. Afterwards, the number of commercial art galleries started rising steadily in both countries (according to our database of galleries opened between 1987 and 2012, and still operating in 2013). Like their counterparts in Europe and the United States, these galleries usually represent a limited group of artists. They are often located in neighborhoods which seem hardly appropriate to contemporary art (with unpaved roads, street vendors and outright poverty on the streets in New Delhi, or in non-descript, grey residential areas in Moscow) and act as the early seeds of gentrification. Inside, these galleries also look highly similar to those found in New York, London or Berlin: the exhibition spaces are designed minimalistically, with white walls, little furniture and neon lighting. References to commerce such as price tags, advertising or cash registers are mostly absent (Velthuis 2005).
Although some references to local contexts are visible (such as Buddha images or the sari’s often worn by female gallery owners in Indian galleries), the overall organization of art galleries by and large follows the established, international model. Moreover, because of the strikingly similar ways in which these dealers talk, the cosmopolitan lifestyles they embrace, the references they make (for example, to prestigious museums in the United States and Europe, the Biennale of Venice and the German art exhibition Documenta, which are undisputedly seen as the global art world’s main taste-making institutions), and the sheer endless travels they undertake, these dealers form part of the same ‘cosmopolitan tribe’ (Kuipers 2012a) with a shared ‘professional ethos.’ In fact, these travels (such as visiting contemporary art galleries in, for example, London, Berlin or New York, participating in international art fairs, attending art events such as the Venice Biennial) constitute one of the ways in which Indian and Russian contemporary art dealers learn their craft. Such travels were repeatedly mentioned in our interviews.

As in American and European art capitals, the galleries are frequently centred in gallery districts, such as Lado Sarai in New Delhi, and Colaba in Mumbai, or in the premises of a former wine factory, Winzavod, in Moscow. The latter, in particular, resembles the European and American gallery districts in derelict industrial areas such as SoHo or Chelsea in New York. Later on, another organizational form was adopted from Western art markets: the international art fair, an annual event where local and foreign galleries gather for four or five days, show works by the artists they represent, and try to sell these to the thousands of visitors to the fair. From the 1990s onwards, these fairs have spread rapidly across the world (Baia Curioni 2012). Art Moscow was established in 1996, and, with the exception of 1999, took place annually until 2014. In India, the Indian Art Fair was established in 2008 (see Vermeylen 2015 for more details); in 2012 two European art fair entrepreneurs, who earlier had started an art fair in Hong Kong, took a stake in the fair. Moreover, both India and Russia saw the establishment of non-commercial biennials (the Moscow Biennale of Contemporary Art in 2005; the Kochi-Muziris Biennale in 2012), which further integrated both countries into the global art world (cf. Bydler 2004).

In short, the organizational forms of these emerging art markets are highly isomorphic. This is especially striking given the different social, political and cultural contexts in which these markets are embedded, or, for that matter, the differences with the contexts of Europe and the United States from which these dealers take their organizational cues. A thorough analysis of the reasons for this organizational convergence goes beyond the scope of this paper, but our data suggests that a combination of mimetic and coercive isomorphism is at work. Coercive pressures are exerted by international art fairs such as Art Basel, Frieze London, or FIAC in Paris, to which many art galleries aspire to being admitted, because of the institutional recognition this bestows on them and because of the sales opportunities that they think participating in those fairs offer. In order to gain access
to these fairs, galleries need to conform to the international model of art commerce when it comes to, for example, the type of art that is marketed, the way it is marketed or the discourse that is used to mediate it (Posthofen et al. 2015). Mimetic isomorphism, i.e., copying pre-established organizational models, is a means for these actors to deal with the uncertainty associated with establishing a new market for goods whose value is highly instable (Beckert and Rössel 2013). Moreover, the European and American gallery model is attractive because of its seemingly de-contextualized and disembedded character: it symbolizes the cosmopolitan ethos and the aura of internationalism of contemporary art. It has strong ideological roots in the notion of art’s autonomy, and serves to create a symbolic boundary between (pure) art and the commercial market (O’Doherty 1976; Velthuis 2005).

But if local contexts hardly matter in the organizational models that are introduced during market emergence, we find in our analysis that they do matter in the trajectories to attain these models. Here, strong differences between the two countries appear.

Opening a commercial gallery: family driven natural urge vs. unforeseen constellation of factors

India

In the accounts of the Indian art dealers we interviewed, opening a gallery was recurrently framed as ‘a natural thing to do’ (I8). By this, our respondents did not mean that they were eager to exploit market opportunities provided by India’s rapidly expanding upper middle class. A new demand for art was never mentioned in the accounts as a reason to open a gallery. More generally, in talking about their decision to open a gallery, the socio-economic changes that have shaken up their country since the early 1990s, hardly surfaced. Instead, they presented their decision to open a gallery in terms of continuity rather than rupture with the past. Opening a gallery was something ‘that probably shifted into my consciousness’ (I6), one of them said, while another emphasized that ‘aesthetics and attractions towards colours are embedded in me’ (I7). When we asked them to elaborate what ‘naturally’ exactly meant to them, their answers almost invariably revolved around the families that they grew up in. They suggested that it was their own family’s interest in the arts which had steered them, from an early age onwards, in the direction of the art market. Indeed, answering the question ‘how did you open a gallery?’ a family member was staged in the first or second sentence in two thirds of the interviews with Indian art dealers.
Chapter 3

We identify three distinct mechanisms linking family backgrounds to the opening of an art gallery, which can be seen in Bourdieusian terms, as the provisioning of three forms of capital within those families: cultural, economic and social capital (Bourdieu [1986] 2010). First of all, our respondents credited the families in which they grew up with supplying them with cultural capital: generating an interest in, knowledge of, and (high-brow) taste for art (Bourdieu 1984). They would recount how their parents took them to exhibitions or would describe the works of art hanging on the walls of the houses where they grew up:

Well, actually, how art happened to me was my mom, [who is] an interior designer. And since I was a child, we would, you know, watch art and we would see great masters’ art come home. I was never so interested in art as a child. And when I would see art coming home, I would just look at it and you know, just kind of not really look into it. And I think it all started in 2002, when I started, you know, folding the pages of important artworks in catalogs. So that’s when my mom noticed that and she said, “You know, you’ve got a really good eye for art.” (124)

Before the 1990s, apart from a small group of foreigners, only the members of old elites were the connoisseurs and collectors of modern art in the country (Ciotti 2012). Some of the art dealers we interviewed were raised in those elite, ‘old money’ families that continue to be highly influential in Indian society and the economy (Morck and Yeung 2004). As a result, they were able to appreciate art since childhood and were able to accumulate the cultural capital that they could put to use as beginning art dealers. As one of them phrased it:

I am a textile designer by profession and my father is a very big collector. He has been collecting for the past 25 years because of which I have always been seeing art around me and that is the reason I got into the dealing of Indian contemporary art in 1993…. Really from the early 90’s, when nobody knew about Indian art and nobody was buying. It was really tough. If we sold one work it was a big thing, like that. (14)

In fact, following the example of their elder relatives, many art dealers started out as collectors and only subsequently ventured into the market themselves. In other words, within these families, younger generations were enabled to convert the ‘inner drive’ to appreciate and collect art into an institutionalized activity. As another one put it:

It started with visiting galleries as a child with [my mother] and eventually a lot of artist friends who were her mentors and who were her friends got me more hooked into this field. I opened the gallery in 1997, but for about four-five years before that I was collecting art. (16)
In some cases, starting a gallery was even presented as an instrument to pursue their collecting interests. Opening a gallery would give them better access to coveted works of art, or would enable them to develop their skills in judging the quality of contemporary art. The purpose of opening a gallery was, in other words, not confined to earning a living within the art world: ‘Also to be at the helm of affairs and collect great art is another reason why we wanted to pursue the gallery.’ (I7)

The second mechanism linking family background to the opening of a gallery resides in family wealth, or, to put it in Bourdieusian terms, economic capital, which many of our Indian respondents could draw on. Because of the economic capital which their families provided, art dealers would not need to survive on the basis of gallery sales alone. The Indian art business is in this respect not unique. Inherited wealth still plays an important role in Indian economic development more generally (Petras 2008). For beginning dealers, it meant that they could often survive from selling parts of their or their family’s private collection, or use family money generated by other businesses. Due to this ‘Indian familism’ (Orenstein 1961), starting galleries could, at least to some extent, be sheltered from market forces. As a result, for some of our respondents, the commercial sustainability of their gallery did not seem to be a primary concern. In some cases, the opening of a gallery was even framed as a philanthropic rather than a commercial decision:

*My parents have been ardent art collectors and so is my father-in law. As a family, I got married into an industrial family and they believe in a lot of community service. [...] Me and my husband have decided that we should support young artist in the country, in whatever little way we can. That’s the reason we started the gallery primarily.* (I7)

Likewise, another respondents talked about opening a gallery as a means to ‘care and share’ (I22). This philanthropic frame should be interpreted against the backdrop of a lack of other forms of support for fine art. The government by-and-large neglects the contemporary art field (Adam 2014, Ciotti 2012, Kirpal 2015); as a result, artists have few opportunities to either generate income or to exhibit their work. By opening a gallery, dealers claimed that they hoped to achieve both for the artists they worked with.

Finally, the third mechanism linking the family background of our respondents to the opening of a gallery regards the social networks their families were embedded in, or, again in Bourdieusian terms, social capital. This capital mostly concerns artists with whom their parents were befriended, and who would visit their homes. This social capital was partially transferred from parents to children. The children, in turn, could convert this capital (Bourdieu 1986/2010) into an *emotional, professional, symbolic and commercial* resource when opening a gallery. Emotionally, some of the artists were credited by our respondents for instilling in them a passion for art, and for stimulating
them to open a gallery:

*I think I came into art because of destiny. ... I have got to say that, [it happened] because MF Husain designed my home. And he said – his friends said, “Why don’t you start a gallery?” And that’s how we started a gallery.* (127)

Apart from functioning as a source of inspiration and motivation, these family networks also turned out to be a professional resource. For instance, artists would provide them with advice and would bring their own friends to a newly opened gallery. One artist in particular was frequently mentioned: MF Husain, one of India’s most successful post-war artists, who was part of the aforementioned Progressive Artists’ Group. Husain has been depicted, in the media, as an artist with a glamorous lifestyle, who enjoyed courting rich patrons, and was disposed of limitless energy (Guha-Thakurta 2011). His work has been consecrated and is commercially highly successful (for example, MF Husain’s work ‘Untitled’ made in 1956 was sold on June 10, 2015 at Christies auction in London with a hammer price of € 1.223.730). Other artists of his generation, such as, for example, Akbar Padamsee, Krishen Khanna, SH Raza, FN Souza, were mentioned by our respondents in a similar context, but much less often. And even if no names were mentioned, involvement in the* artistic circles* of the previous generation is something that art dealers would emphasize.

The family ties to artists of the Progressive Artists’ Group also function as a source of symbolic legitimacy for our respondents in opening their galleries. From the 1990s onwards, this group gained prominence in the artistic field and came to be seen as an important symbol of national identity (Kapur 2000; Brown 2005). By emphasizing the ties that our respondents had with this group of artists, they suggest symbolic continuity between the culturally consecrated and commercially successful modern Indian art of the past, and the risky contemporary Indian art of the present.

Thus, emerging art dealers seek to lend credibility to their own business venture (see Khaire and Wadhwani 2010 on how creative work of a various of actors, such as art critics and auction houses, shaped a commercially viable category of ‘modern Indian art’, that gave a boost to the market development). As one of them put it:

*I have not been able yet to create a Souza of my time, which is something I would like to do. Because, of course, it is very good to sell the expensive works, which have been promoted by our parents (...) [...]hey have got the signature value.* (146)

Finally, the ties to these artists assisted art dealers commercially: some of the consecrated modern Indian artists had produced a significant body of work (according to estimates, MF Husain made 40 thousand paintings during his lifetime - Guha-Thakurta 2011). For some of the new galleries,
Local contexts as activation mechanisms of market development

selling their paintings, or, in lower price segments, their prints and drawings, provided a relatively secure source of income. Therefore, art dealers are often keen on acquiring art in a wide variety of formats by Indian masters. ‘As I mentioned earlier I have Hussain toys, I have Hussain paper works, prints also, lithographs also, so I do focus on all, everything,’ is how one of our informants explained this business strategy. (I15)

Our understanding of the ways in which family relationships have functioned as an activation mechanism, channeling new economic wealth and latent demand for art into the actual emergence of a gallery scene, fits into the much wider, well-documented importance of family ties in Indian society (See, e.g., D’cruz and Bharat 2001; Manikuttty 2000; Patel 2005). The persistence of extended families or ‘Indian familism’ (Orenstein 1961), does not cease with industrialization and urbanization (Owens 1971; Conklin 1988) and continues to be important at the beginning of the 21st century among those working within the art market. For instance, it is still common in India for more than one generation to live together and/or to have joint budgets or businesses (Harriss-White 2003). Thus, especially in New Delhi, art dealers sometimes organize their white-cube spaces in the basements or annexes of their familial mansions, where they live with their parents, spouses and/or children. Despite legal prohibition on running commercial enterprises in residential areas, enforced by the Delhi High Court in 2006 (Tribune India, February 16, 2006), a lot of art dealers still keep ‘offices’ or ‘show rooms’ at their homes.

The close historical connection between exclusive wealth and art appreciation (Ciotti 2012; Mitter 1994) became a fertile ground on which the art market could develop in India. When the Indian economy started growing and public consumption of art became a legitimate way to expose new wealth (Brosius 2012), family networks enabled a group of people to start the commerce of art: they had elaborate skills of art appreciation; they relied on pre-existing wealth which made them relatively independent from the revenues of the rather uncertain art business; moreover, they had access to collections of art that could be their first commodities and connections with both artists and wealthy potential buyers. All of these features were, to a large extent, inherited from the art dealers’ families. However, they did not have a lasting impact on the organizational forms that the art business would assume. Instead, in choosing their organizational models and designing their galleries, art dealers rather eradicated local influences, and instead, by-and-large adopted the international model of art commerce.
Table 3.2. Different paths to market emergence

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Russia

The family ties, which figure so prominently in accounts of opening a gallery in India, hardly surfaced in our interviews with Russian art dealers (for an overview of the differences, see Table 3.2). Famous, newly wealthy “daughters” or “wives”, often featured in the media on the Russian contemporary art world, preferring to engage in patronage – a recently rediscovered tradition abandoned during the Soviet period – instead of opening their own private art galleries (Milam 2013). At the same time, currently active contemporary art dealers in Russia are rarely members of the lasting Soviet economic and/or cultural elite families. On the contrary, the contemporary art market in Russia exists as a parallel, rival institutional structure to the system of government-sponsored Artists’ Unions and Art Academies, which persist as a remnant of the Soviet art world (see Chapter 2 for more details). Within this official system, the cultural elites of the Soviet Union still participate and ‘familism’ is vivid and easily observed. For example, the son of the head of the Russian Academy of Art is the director of the Moscow Museum for Modern Art. Another example is the annual Artists’ Unions’ exhibitions, where up to three generations of artists participate in the same exhibition.

Currently active contemporary art dealers rarely ‘grew up among art.’ And even if they did (more common among marginalized galleries selling ‘traditional’ or ‘decorative’ art or if a gallerist herself happened to also be an artist, which is not very common), family members did not have the role of art collectors, but, more likely, of artists. This background could serve as a basis for acquiring social or cultural capital, but hardly as economic support for running a business. Similar to India, some of the art dealers mentioned that they started as collectors, which enabled them to accumulate some cultural capital necessary to work as art dealers. But unlike their Indian counterparts, their families did not socialize them into art appreciation and a passion for collecting. Instead, they spoke about the first mistakes that they made as novice collectors on the way to opening a gallery. Some art dealers decided to work directly with artists (by opening a gallery) after they realized that nothing they had been collecting had any artistic value. In relation to this experience, one of the most famous Russian art dealers describes in his personal online blog the decision to open a gallery as an outcome of a sequence of random deceptions and contingencies. Other collectors went abroad,
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got introduced to contemporary art, and decided to switch to this genre after having collected more traditional art. All-in-all, the decision to open a gallery is often presented as being caused by the coincidence of seemingly unrelated circumstances: the road towards opening a gallery was paved with ‘casual causalities’ (I99), as one of them put it. Another art dealer stressed that there was not much consideration behind it:

[The gallery] emerged completely spontaneously. I mean, it wasn’t decided through suffering or some cherished idea, something I was long preparing for – no, completely the opposite. (192)

That Russian art dealers can hardly rely on family support or see opening a gallery as something that happened to them rather than the result of some reasoned decision, is due to a complex set of reasons related to the transition from the Soviet to the Russian system of art distribution. While the 1980s and 1990s were an era of profound change, both in Russia and India, political transformations in Russia covered not only the country’s economy, but all domains of social life. It challenged existing hierarchies and broke down pre-existing correlations between social strata and cultural taste (see in Shevchenko 2002).

Unlike their Indian colleagues, who emphasized that they could directly build on the past, art dealers in Russia had to break with it in order to construct an art market. In our interviews, they stressed that the opening of a gallery was ‘contingent’ instead of ‘natural’. Most of the art dealers mentioned straight away that they were initially involved in other types of business, or had taken an educational degree in other fields. They stumbled upon art they liked or met artists rather ‘by chance’, which completely changed their ideas about art. These artists later gave them the opportunity to sell their works, or even hinted at opening a gallery. For example, see the account of one of the art dealers:

It happened unexpectedly out of my acquaintance with an artist, [name of the artist]. I suggested to him to publish his catalogue, because I liked his works. <...> Out of this everything, a sort of alliance has developed. (192)

Note that, unlike their Indian counterparts, the artists mentioned by dealers as being influential in their biographies are very diverse. They do not belong to the same artistic group, and are not necessarily well known within the national or international art scene.

We argue that for these dealers, economic and societal turmoil functioned as the main activation mechanism. Russian society, which first witnessed the dramatic collapse of the Soviet Union, then the transition to capitalist markets, and at the end of the 1990s, a deep financial crisis, forced its middle class citizens to adjust their life trajectories, re-invent their biographies (Giddens 1991), and
look for new business and employment opportunities. Although this turmoil created deep uncertainties and destabilized the livelihoods of many Russian citizens, it also prompted some to try their luck in other fields. For a small group, this other field was the art market. The specific turmoil, which dealers referred to in order to explain how they came to open a gallery, differed depending on the age of the gallery. We distinguish three ‘generations’ of art galleries opened in the three decades of the Russian contemporary art market. The most experienced art dealers in the country, who opened their galleries in early 1990s, recalled the late 1980s when they got new opportunities to organize their artistic activities. Those opportunities emerged predominantly because, after the Soviet Union dissolved, the state no longer controlled the production and distribution of art:

In 1989, the circumstances took shape in such a way, that I decided not to do theatre, cinema, business, oil extracting ..., but to open an association of independent artists with my friends. ... The state by that time actually didn’t do anything. The Artists’ Union dissolved and everything was in ruins. ...

Instead, the generation of art dealers who became active in the early 2000s, saw the end of the 1990s as the crucial time of change for them. They experienced these years as an era of economic uncertainty in the country, which forced them to come up with alternative business activities in order to make a living. Because of the economic turbulence the country was going through in those years, they ended up exploring commercial initiatives in art:

And then [in 1998], I had such a moment, [I didn’t know] what to do, and I went into art. Knowing artists informally helped me a lot, it changed my idea about artists. (I130)

As with their Indian counterparts, social capital within the field of cultural production, to put it in Bourdieusian terms, assisted them in opening their galleries. Finally, the youngest generation of art dealers, who opened their galleries only a few years ago, also stressed the moment of change, which prompted them to open a gallery, but see it in the present:

I suggested [to my partner] to open a gallery of contemporary art in order to be at the cradles. All right, in order not to offend anybody: not at the cradles, but at the turning point. Because all these galleries that opened [in the past], they are in apathy... If to do anything here, we have to do it now <...> in the moment of crisis. (I100)

Younger art dealers stress that by opening a gallery they want to bring change to the Russian art scene – engage younger collectors, change dominant practices of art commerce, and promote different art: young, more conceptual, or on the contrary, more commercially viable. In their accounts,
opening a gallery is presented as a possible remedy for the existing problems of the contemporary art market in Russia. They argue that there is a different way of running an art market: that it should address wider groups of consumers and their tastes and follow explicit rules. Here the references to some Western standards are often made. Education abroad (not necessarily art related) combined with exposure to the international art world are seen as cultural capital which suffices to make normative statements about the “right” art market practices. The turmoil, which made them decide to switch from passive observers to active art dealers, was the cultural turmoil of the art market itself (professional discussions about the stagnation of the Russian art scene are ongoing since 2008; see, for example, Douglas and Russeth 2012; Kamensky 2015), not the economic turmoil of the late 1990s, or the political turmoil of the Soviet Union’s collapse in the late 1980s. Thus, while the type of rupture with the past varies, these three ruptures have in common that they have prompted people to become active as art dealers.

The second activation mechanism in the Russian art market, apart from the cultural, political and economic turmoil, is the state and its cultural policies. The state has historically participated in the cultural sphere in Russia in active ways. During the Soviet era, governmental institutions (Artists’ Unions and Art Academies) dominated cultural production and were the only legitimate agents for the distribution of art (see more in Lazarev 1979; Reid 2006). Thus, our respondents, regardless of the age of the gallery, frequently referred to Artists’ Unions, which are still functioning in Russia (see Chapter 2 for more details), as something they wanted to move away from by operating a private gallery. Artists in these unions ‘didn’t feel necessary and important, and couldn’t fulfil themselves,’ as one of them put it (I132).

With the collapse of the Soviet Union and the cultural liberalization accompanying economic and political reforms, new forms of art (as well as new forms of private art organizations) became legitimate (Dyogot 2012), yet the state did not completely quit its ambition to participate in the production and distribution of contemporary art (Budraistkis 2015). It did so, among other ways, by trying to impose the value of ‘conservative modernisation’ in the local art scene (Chukhrov 2011), by opening a number of federal and municipal contemporary art museums and by creating contemporary art departments in some of the classical, prestigious state museums (see Ruutu 2010 on municipal cultural policies in Moscow and St. Petersburg). Moreover, in some cases the government wants to have a say in what is allowed and what is not allowed in the field of art, as a number of scandals have made explicit (e.g., the exhibition ‘Forbidden art – 2006’, the arrest of Pussy Riot in 2012, and the recent lawsuit against the political artist Petr Pavlensky; see Johnson 2015 for more on art and politics in contemporary Russia). This strong government involvement and the disturbing aspects of government policy have rendered working in public museums less attractive, leaving opening a private gallery as a viable alternative:
The gallery allowed me to do many things and I don’t depend on anyone. This is the most important for me, because many times I was invited to work in state run organizations [museums]. I am not interested in this. (I108, opened in early 2000s)

As opposed to the hostility of the government, the gallery world is characterized by our respondents as ‘autonomous’; those inside it are ‘friends’ (I110), and private galleries are ‘island[s] of freedom, where you are independent from everyone and can do anything you think is right’ (I133). Thus, for Russian art dealers, the governmental cultural policy serves as an activation mechanism to motivate them to open a private gallery as it entails a political act of resisting the dominant power of the state. This comes as a noteworthy difference to the Indian case, where the state also figured in some of the interviews, but rather as lacking any interest in contemporary art. As a result, opening a gallery is more likely to be seen by our Indian respondents as a philanthropic act, meant to compensate for the lack of government support (Ciotti 2012).

In short, art dealers perceive their entrance into the market as a contingent event that was driven by political and economic turmoil as well as by their willingness to create alternative opportunities for themselves and for artists. The state’s political transformations and economic crises on a larger scale, as well as intrusive cultural policies at the level of the art field, play an important role in creating the environment that motivates art dealers to open a private gallery. In other words, the art market of Russia was presented by art dealers as continuously being built from scratch in a hostile, instable environment.

In contrast to their Indian colleagues, Russian art dealers clearly underplay the role of the resources necessary to open a gallery. Quotes by a few art dealers hint at some social or cultural capital they possessed when opening a gallery. Anecdotal evidence also suggests the importance of economic capital – Russian art galleries rarely survive on the profits from selling art and employ external resources of other art dealers’ businesses or wealthy patrons (related to, for example, real estate or the financial sector). We interpret this difference by arguing that while opening and operating a gallery normally requires significant resources, in the Russian case these were not serving as activation mechanisms that motivated actors to enter the emerging art market. Thus, while in India established elites were the only group in society that had a long history of art appreciation, in post-soviet Russia, the link between being rich and being interested in fine art was something that had to be established (by the art dealers themselves).
Activation mechanisms and market performance

Once art dealers ‘got activated’ to open a commercial art gallery in Russia or in India, their efforts were funneled into highly similar organizational forms in both countries. Nevertheless, the question arises if one activation mechanism has been more conducive to market development than the other. While our research design does not allow us to answer this question in detail, we hypothesize that the Indian case, in which dealers were provided with social, cultural and financial capital, is more prone to be a stable market environment than the Russian case, in which the main activation mechanism is to distance oneself from the state and its old cultural elite families. Russian dealers in our interviews admit that they had to learn by doing, and could not build on the symbolic legitimation, resourceful networks, and financial support provided by previous generations. As one of them put it:

Frankly speaking, for me the first one and a half, or maybe two years, this was more like ‘first attempt at writing’. I didn’t put any objectives, I wanted to understand how it works, in general. I always worked in business, so I had an idea how it works, how to organize everything, that this is not a problem. <...> But I didn’t have any connections or imaginary about all this [art marketing]. (I95; former CEO at a non-art related business)

Available evidence suggests that, ever since its emergence, the Indian art market has indeed been performing better than the Russian one. While both art markets observed rapid development and international interest in the early 1990s, in Russia it has slowly evaporated, whereas the Indian art market has continued with a steady rise, resulting in an impressive investment boom in the mid-2000s. Hit by the financial crisis, the Indian contemporary art market bubble has, in the meantime, burst, and has not yet returned to the pre-crisis volumes of sales and levels of prices (see Chapter 6 for more details). Nevertheless, the Indian market still seems to be more stable and sizable than the Russian one. For instance, while in Russia the domestic auction market for contemporary art is practically non-existent, India has at least three local auction houses active in the market. Novice Russian auction house Vladey had two sales in 2013, with a total revenue of €1.8 million according to media reports. In comparison, the three biggest Indian auction houses (SaffronArt, Pundoles, AstaGuru) had a total revenue of more than €13 million in 2013, and a 23% share of the global sales of Indian modern and contemporary art. In 2014 this share increased to 34% (Kumar et al. 2015). Moreover, Art Moscow, which had been the main international art fair in Russia since 1996, closed after the 2013 edition, after steadily falling numbers of participating galleries (40 in 2011, 34 in 2012, 20 in 2014). In contrast, India Art Fair, founded in 2008, had 98 participating galleries in 2013.
Quantitative indicators of the performance of the so-called primary market (the market where new works of art are sold for the first time) are unavailable, since no public sales data or official directory of art galleries are available in either country. Nevertheless, the closure (or change of format) of the three oldest and most established Moscow galleries in April 2012 (Guelman Art Gallery, Gallery XL and Aidan Gallery) was widely seen as a sign of crisis in the Russian art market.

It is hard to single out the factor or set of factors, which lie at the heart of this crisis. One frequently mentioned factor is an unstable socio-political situation that does not promote wealth exposure in the form of buying contemporary art within the country (see Tolstaya 2012; Drobinina 2014). This paper suggests, however, that specific socio-cultural contextual factors in Russia may have hindered the development of a stable art market from the very beginning. Opening and running a gallery is often presented as an act of defiance against the existing institutional structure and dominant artistic trends, which means that, instead of ‘fertile ground’, Russian art dealers feel that they are working in a hostile environment. While this environment does activate people to enter the market, it does not foster this very market’s further development. In India, by contrast, family involvement and a high overlap between consumers and mediators of contemporary art may have been a more productive driver of the art market development.

Conclusion

This paper aimed to further our understanding of market emergence. While existing studies on this issue often focus on formal and informal market institutions (see, e.g., North 1990; Fligstein and Dauter 2007), market devices (Muniesa, Millo, and Callon 2007), diffusion mechanisms of market models (cf. Powell and DiMaggio 1991), or agencies, such as governments or non-governmental regulators, which assist in stabilizing a market order (see, e.g., Fligstein 2002), what has often been left out the analysis of market emergence is what prompts or motivates novice entrepreneurs to enter new markets and try their luck. To put it in Callonian terms: what type of ‘agencing’ of markets is it that transforms people from passive bystanders into active, agents within markets (Cochoy et al. 2016)? These motivations, our research shows, go beyond a mere profit orientation.

In particular, we have looked at the way local contexts co-determine the ways in which new markets emerge. We show that even in markets, such as those for contemporary art, which are internationally oriented, highly globalized and are characterized by a homogeneous institutional infrastructure, local contexts still matter. We single out the moment of influence of local socio-cultural contexts on markets’ emergence that has not been studied before, namely the moment when prospective market actors get activated to start a new commercial activity, when they make a decision to enter the market.
By focusing on the lived experience of key mediators in the two emerging art markets – Russian and Indian – this paper shows that various local contexts can serve as activation mechanisms of market development. As our study suggests, the emergence of markets in developing countries is not a matter of seizing the opportunities created by prolonged periods of high economic growth, and the rapidly expanding upper middle classes with their latent demand for new forms of conspicuous consumption. In fact, in their accounts of how they came to open a gallery, our respondents hardly even alluded to these straightforward commercial concerns. Instead, from their accounts it became clear that what had activated them were local contexts, which differed considerably between India and Russia: family resources and the absence of a supportive state in the first case, socio-economic turmoil and the presence of a dominant state in the second case. We find that while there is continuity between past and present in the Indian art market enabled by the families of current art dealers, past and present are by-and-large disconnected when it comes to the Russian art market. The Russian case is interesting in particular, since it suggests that social and economic disruption may not, in the short run at least, hamper market emergence, but may actually contribute to it by motivating potential entrepreneurs to explore and enter new markets. Yet, in the long run, these moments of social and economic disorganization still seem to hinder market development by depleting entrepreneurs of the resources needed to become successful. Indeed, in our interviews, the Indian art dealers were, on average, more confident about the future of the market than their Russian counterparts.

Overall, this paper argues that local socio-cultural contexts function as (positive or negative) activation mechanisms for the processes of cultural globalization in the art worlds of the two countries. Our two research sites are highly specific in terms of, for example, the goods that are traded, and the societies in which they are embedded. Yet, because of our research design, we cannot infer to what extent this embedding impacts the type of activation mechanisms we identified and the ways in which they function. Using the interview data and an interpretative approach to its analysis has certain limitations in relation to the argument that we make. While the study has a comparative setup, we are only able to interpret what is “present” in the data but not estimate to what extent the elements observed in one case are prominent or absent in the other. Therefore, the conclusion about the possible impact of observed activation mechanisms on relative market performance can only be formulated as a proposition that requires further research. Moreover, our study had an explorative character. Future research could either study activation mechanisms in a more systematic, quantitative way, for instance by using measurements of different forms of capital of previous Bourdieusian studies of cultural fields (see, e.g., Anheier et al. 1995; Dumais 2002), or delving into the mechanisms with even more richness and depth by taking a biographical approach to the actors involved. A final limitation is related to our focus on existing cultural intermediaries, which could be seen as an instance of sampling on the dependent variable; by interviewing only those who did
decide to become dealers, we know little of those who considered opening a gallery, but in the end decided not to, or of those who failed to be affected by existing operating activation mechanisms.

We think that emerging contemporary art markets are a good case to study the activation of markets due to their recent history. Yet, the relevance of the paper goes beyond the context of art. We believe that the argument can be potentially spread to other consumption markets. This paper highlights the active role of intermediaries in markets’ development. By focusing on the factors that influence the decision of key market actors to enter (or not enter) emerging and developing market sectors, we study the role local cultural resources play in the process of marketization. In doing so, from a Callonian perspective, other agents involved in the production, commercialization and consumption of goods, and therefore contributing to agencing the market (Callon 2016), could also be studied. For the case of art markets, these would also include the availability and specific use of market devices, such as gallery spaces, art price databases or judgement devices, which are used to evaluate contemporary art artistically and economically (see, e.g., Herrero 2010; Velthuis and Coslor 2012). Finally, future research should address the impact that different activation mechanisms have on the further development of markets. For instance, in our own case, the fact that the development of the Russian art market would stall in the early 2010s, while the Indian market continued to develop even after a short-lived crash, may be related to the relatively haphazard ways in which Russian dealers came to the trade, as opposed to the relatively structured ways (structured by forms of capital) in India. Thus, studying the lived experiences of key market actors in relation to local socio-cultural contexts can improve our understanding of market dynamics.
Open day at an artists’ residency.

Mumbai, April 2013
Between the market and non-commercial art institutions

Early career strategies of contemporary artists in emerging art scenes

Patterns of career development in the field of art have become an important topic among social scholars due to the seeming arbitrariness of artistic success. Individual genius is not what lets one break through the high entry barrier of the art world and make it to the top of the ladder. One needs to be well connected to influential cultural intermediaries and institutions (Mulkay and Chaplin 1982; Giuffre 1999; Penet and Lee 2014), be based in one of the art world’s centers and actively engage in the social life of an art scene (Plattner 1996; Oberlin and Gieryn 2015), be ready to come to the assistance of your peers (Scott 2012), or just have an “apt” gender (Schmutz and Faupel 2010; Braden 2009).

Most of the studies on artistic careers focus on established Western art scenes and create a homogeneous picture where artists seek connections to prestigious gatekeepers and exhibition possibilities both in the market and in the non-commercial art scene. Institutional recognition and market success seem to go hand in hand, with exhibitions in (and, even more so, acquisitions by) important museums being crucial milestones in artistic careers, which increase prices that an artist can command (Vander Gucht 1991; Velthuis 2005; Khaire and Wadhwani 2010; Rodner and Thompson 2013). An advanced institutional infrastructure of museums and professionally run non-profit art spaces lends credibility to an art market (Bonus and Ronte 1997) and legitimizes the relationship between artistic and market values (Moulin and Vale 1995). This understanding of artistic success embraces the logic of the art field structured between the “pure” and “commercial” poles (Bourdieu 1996). In order to be successful, but not be considered a sellout, artists and the quality of their works need to be justified by disinterested judgments of influential peers and institutions, while commercial interests are consciously underplayed (Velthuis 2005). Art dealers, critics and non-commercial art institutions together run the consecration machine of the contemporary art world.

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1 The chapter has been submitted to Poetics as: Komarova, N. “Between the Market and Non-Commercial Art Institutions: Early Career Strategies of Contemporary Artists in Emerging Art Scenes”
Artistic career strategies outside of the established art scenes of the United States and Western Europe, discussed here using the example of India and Russia, do not follow the same logic. Instead, contemporary artists’ aspirations differ greatly and depend on the institutional composition of an art field. Thus, the habitus expressing disinterestedness in economic success is contextual rather than universal for the field of high arts, whereas early career artists in India do not have these considerations in mind and openly aim at commercial exhibitions and sales as indicators of success. On the other hand, the interest of artists in generating at least some income from the production of art is often considered as one of the indicators of professionalism (Finney 1993; Karttunen 1998; Throsby 2001) and as an indicator of success that is sometimes strategically played by Western artists (Velthuis 2011a; Penet and Lee 2014). This paper shows that in the Russian art scene this interest is not only actively downplayed, but is also practically absent for early career artists.

By comparing the two cases this paper argues that the institutional composition of an art field shapes artists’ understandings of success, their relationships to various art market actors and even types of art produced by them. It analyzes the effects that the market and non-commercial art institutions (such as museums) have on artistic production and on career strategies in emerging art scenes. It does so by studying artists from Moscow, Saint Petersburg, New Delhi and Mumbai, with the Russian and Indian art scenes representing two contrasting cases for the analysis.

Contemporary art markets that started developing only in the late 1980s and early 1990s are characterized by rapid economic growth and the rise of new elites that use art consumption as a marker of their social status (McAndrew 2009). Because private art collecting, inspired by exposure to cosmopolitan lifestyles, grows faster than governmental involvement in contemporary art, commercial art institutions often also develop quicker than the non-profit art spaces in non-Western countries. The Indian art scene can be taken as a typical example of such developments, with minimal governmental involvement and a boom in commercial art organizations (Poulsen 2012), such as art galleries, auction houses or hedge funds. Russia represents a rather atypical example of an emerging art scene: it has more limited, yet still impressive economic growth, an underdeveloped secondary art market and more prominent and varied non-commercial institutional art scene of museums, non-profit exhibition centers and art foundations. The two art fields differ in the relative prominence of commercial versus non-commercial art organizations and therefore make a good pair for comparison aimed at broadening the understanding of possible artistic career strategies.

To understand the interrelation between the institutional composition of an artistic field and career strategies, this paper looks at early career professional artists, who are already recognized by relevant gatekeepers (and thus have experience of participation in exhibitions), but are yet to reach the heights in their careers (or fail to do so). Their peculiar position in the two art scenes makes
them sensitive to the structuring power of the field. On the one hand, they are not strangers just aspiring to become artists who might not have a clear understanding of how an art world operates. On the other hand, they are not the established successful artists whose status could allow them to violate the general rules of the art world without negative consequences. Thus, early career artists understand the “rules of the game” in the respective art scenes and adjust their agencies in accordance with the environment they need to succeed in. The focus is on their subject-trajectories in the making (Bourdieu 1993).

This paper contributes to the empirical literature on artistic success by focusing on artists in the early stages of their careers. While a high entry barrier is widely recognized by scholars focusing on gatekeeping in cultural fields (e.g. Bystryn 1978; Janssen 2001; Joy and Sherry 2003; Bergsgard and Vassenden 2015), empirical studies of artistic careers and patterns of recognition mostly focus on artists who have broken through it long ago (e.g. Mulkay and Chaplin 1982; Braden 2009; Schmutz and Faupel 2010; Penet and Lee 2014; Oberlin and Gierlyn 2015).

This paper also contributes to the discussion on heteronomy and autonomy of artistic production and processes of cultural consecration (Bourdieu 1993; Featherstone 1992; Lipstadt 2003). It shows that embracing the economic logic in striving for success does not necessarily result in moving towards the heteronomous pole of cultural production and renouncing symbolic capital. It argues against the unifying inclination that is often subsumed by the Bourdieusian theoretical framework and suggests how this perspective can be useful in exposing differences in artistic fields.

In the rest of the paper, I first position this study within the existing literature on artistic career patterns, and discuss the relationship between market and non-commercial art institutions in the art world. Then I introduce the Indian and Russian art scenes, present the methodology and empirical data that I analyzed for this paper. Finally, I present the two cases showing how artistic career strategies are closely inscribed in the available institutional infrastructure of the two art fields. I reconstruct the available, aspired to, and taken artistic positions in the two fields from the perspective of early career professional artists.

Artistic career as a social process

Extensive research has been done into the structural characteristics of artistic fields and the valuation mechanisms employed by gatekeepers who make some artists more successful than others (e.g. Giuffre 1999; Rawlings 2001; Braden 2009; Schmutz and Faupel 2010; Penet and Lee 2014). The general argument about the social determination of artistic success (Giuffre 1999) follows the
famous “weak ties” rule (Granovetter 1973) and suggests that artists engaged in loose networks throughout their careers have more chances for success than those who have limited connections and remain faithful to their close social group. Yet, the mechanisms that stand behind this relationship remain unclear.

An assumption is that artists and institutions mutually influence each other’s prestige (Giuffre 1999; De Nooy 2002), which causes the fluidity of networks in the art world. Actors who perform gatekeeping functions are personally interested in the success of selected artists (Mulkay and Chaplin 1982; Penet and Lee 2014). In order to understand how social connections contribute to artistic careers, one needs to consider the interests of the different parties involved in the process of artistic production and promotion.

Stressing the importance of the configuration of an individual’s social network for artistic success, Giuffre (1999) does not question the configuration of an art field as a whole. Frequent change of representing commercial galleries can be beneficial for photographers in the thriving New York art scene, but in an art scene with a limited number of commercial galleries, social networks of different configurations may play a role. Local art scenes have different material and institutional affordances in terms of exhibition possibilities or proximity to key gatekeepers, and therefore can have a different influence on artistic success (Oberlin and Gieryn 2015: 28-29). The success of art depends on a certain composition of an opportunity space (e.g. a fast developing economy and newly wealthy people), resources within an art world (institutional affordances of an art scene) and discursive framing strategies, which are all closely interrelated (Baumann 2007).

The majority of studies that analyze artistic careers from a field perspective look at success retrospectively (e.g. Schmutz and Faupel 2010; Braden 2009; Quemin and van Hest 2015; Penet and Lee 2014; Oberlin and Gieryn 2015). While this approach allows the analysis of rich quantitative data, it can take into consideration only the artists who have already achieved considerable success, at least to the extent that they have a long-term contract with a gallery, exhibitions in important museums, and are reviewed by important critics, etc. The majority of artists, however, never make it into art history. If only because they are the main population of the art world, their career patterns deserve attention. This approach also does not take into consideration agencies of artists who are currently active in the art scene, have their aims and ambitions, and need to shape their careers within the available settings.

Few exceptions that focus on artists having marginal positions in the art world study the perspectives of artists themselves. Bergsgard and Vassenden (2015) study Norwegian performing artists with migrant backgrounds and Scott (2012) looks at DIY music producers in New Zealand who...
lack economic capital. These studies suggest that the career strategies of under-researched groups participating in artistic production differ from those at the top of the ladder (or “sandpile”). Based on the Bourdieusian theory of capitals, their approach highlights individualistic rational calculation and emotional experiences, but does not question the structural influence of the particular fields in which they are trying to succeed.

Plattner (1996) discusses careers strategies in relation to the specificity of a regional art scene and the different values artists can have. Variation in ambitions, and aiming for subsistence from art, shape different career patterns and expectations. This perspective can be developed by conceptualizing an art scene as a field where artistic agency is shaped by the relationships with other actors relevant for artistic production. Thus, I focus the attention of this analysis on artists’ understandings of the roles that gatekeepers play, and on the structural possibilities and constraints that they encounter.

Composition of a contemporary art field

In the Western art world, artistic careers depend on the dense networks connecting market and non-commercial art institutions. New art of living artists is constantly in need of an independent body that could legitimately evaluate it (Galenson and Jensen 2002, Rojas 2012). With the rise of the dealer-critic system, the art market also became a source of recognition, replacing the State and the Art Academy (White and White 1965; Vander Gucht 1991). Yet, artists still need to gain a reputation that exceeds the market; otherwise, they are in danger of being seen as commercially driven, rather than interested in art for art’s sake. “Denegation of the economy” as a formative principle of an artistic habitus defines the scope of acceptable actions, in terms of art production, relationships with commercial and non-commercial institutions and aspirations. This principle becomes a mechanism of market legitimation (Bourdieu 1993, Velthuis 2005; Graw 2012). Symbolic capital, which is accumulated over time via active practicing of disinterestedness, is a resource that can later be converted into economic profit (Bourdieu 1980).

Museums and non-profit art institutions are the closest possible examples of necessary disinterestedness, and have a significant consecrating power that creates reputations, canons and hierarchies (Rawlings 2001; Fyfe 2006). “Placing” an artwork into a museum exhibition is often considered the “ultimate promotional activity” of a gallery. Yet it has to be employed with caution, not to expose economic interests or threaten the autonomy of curators (Winkelman 2009: 37). This widely acknowledged “relative heteronomy” of the contemporary art world (Graw 2012) represents a troubled yet symbiotic relationship between the market and non-commercial art institutions. Artists
aiming for recognition and success need to find balance in their actions and aspirations between market and non-commercial art institutions.

Disinterestedness in economic success is a natural element of an art world in which market and non-commercial art institutions are empowering each other. Yet, this relationship itself can differ from one art scene to another. Since the established art scenes of the Western world are so closely interconnected (While 2003; Crane 2009), the differences between the compositions of the global art scenes in New York, London or Paris seem to be small. Nevertheless, specific national regulations (such as subsidies for artists and institutions) inevitably affect local art scenes and artistic careers (Kuipers 2015). However, even though scholars have shown that the opportunities of artists differ greatly if they are at the center or the periphery of the art world (Quemin 2006), comparative research into differences in artistic career strategies in relation to different art scenes is practically absent. This paper aims to fill this gap by looking at the art scenes of Russia and India.

The emerging contemporary art scenes of Russia and India

In the past 20 years a number of new contemporary art scenes in different parts of the world have attracted the wide attention of the international art communities and academic scholars (Stallabrass 2004; Goodwin 2008; McAndrew 2009; Robertson 2011). The Indian and Russian art markets are considered to be among the fastest-growing and largest emerging contemporary art markets in the world (Velthuis 2015). Yet, just some 25 years ago, private commerce and an institutional infrastructure for contemporary art were practically non-existent there.

While the two contemporary art scenes are seemingly undergoing similar developments, with the opening of commercial galleries and non-profit art institutions, and the establishment of national art fairs, auctions and biennales, the relative intensity of these processes differs due to the different socio-economic histories and government involvement in this sector.

Before the dissolution of the Soviet Union, official art production and distribution was controlled by the state, while private commerce for art was forbidden (Lazarev 1979). The artists practicing official styles were commissioned via Artists’ Unions, were exhibiting in the spaces of the Academy of Arts of the USSR, and sometimes were given salaries from these institutions. In India, since the period of the British rule, artists grouped into “Societies” that had similar functions to the Soviet Artists’ Unions, organizing large-scale and personal exhibitions, awarding prizes, helping with commissions and studios. In 1953, the Indian government established the Lalit Kala Akademi – the national academy for fine arts structurally similar to the Academy of Arts of the USSR. Yet, the
Indian government never forbade commerce for art or controlled the artistic output to a similar extent as in the Soviet Union. In fact, the first of the still-existing private art galleries in India opened as early as 1936 (Dhoomimal). Market activity and the economic value of art, however, remained very low for decades of the post-independence planned economy (Zitzewitz 2013) that promoted a “quasi-socialist frame of thinking” and disapproved of any forms of conspicuous consumption (Khaire 2011).

Despite these basic infrastructural similarities, fine art appreciation and consumption in post-independence India were confined to a narrow group of elites (Poulsen 2012), while in Soviet Russia (official) art was considered a public good and an ideological tool, being both highly promoted and regulated (Groys 2003). While both countries entered the last decade of the 20th century with small-to-non-existent contemporary art scenes (in the Western sense of the term), the “opportunity space” (DiMaggio 1992) for the new art scenes to develop was different. Even nowadays, in India the term “art” in the popular perception refers to traditional handicrafts and temple art, and fine art museums are rare (Poulsen 2012). Russia, on the contrary, met the turn of the 20th century with a wide infrastructure of museums and exhibition spaces, visited as a popular leisure activity.

Both Russia and India underwent significant transformations at the end of the 1980s and the beginning of 1990s. With the change of political agenda, the Russian government also changed its taste in art, and reoriented infrastructural resources to accommodate contemporary forms of art. The now privatized Artists’ Unions support artists who conform to the old tradition of realist painting (Kharchenkova et al. 2015). The Russian Academy of Arts has an infrastructure of five exhibition spaces in the Moscow Museum of Modern Art, and the Moscow House of Photography was transformed into the Multi-Media Art Museum, to give just a couple of examples. Quite a few new governmental museums have opened (e.g. the National Centre for Contemporary Art, with eight branches across the country), while established fine art museums have opened contemporary art departments (such as the Tretyakov Gallery in Moscow, and the Hermitage in St. Petersburg). Finally, there is an elaborate system of municipal exhibition spaces, recently refurbished, to focus on consecrated contemporary art (previously they exhibited hobby art or the realist art of members of Artists’ Unions). Although it does not always have positive consequences (Bernstein 2014), the Russian government has an active contemporary cultural policy. The Indian government, on the contrary still has relatively little interest in contemporary visual culture, focusing its cultural policies on traditional art forms and cultural heritage (see, for example, Government of India RFD for Ministry of Culture, 2014). Thus, India has just one governmental art museum, the National Museum of Modern Art.
Chapter 4

Gallery of Modern Art (New Delhi) that opened the new building devoted to 20th and 21st century art in 2010.\(^3\)

The liberalization of economies has brought changes to the private sector of the art scenes, since it has led to the emergence of new wealth and, hence, new art consumers. Both in Russia and India, art consumption has become a marker of distinction for the new rich, along with other forms of luxury consumption (Brosius 2012), which gave a boost to the development of the commercial infrastructure of galleries, auction houses, and art fairs (Komarova 2015). Yet, these developments are uneven in Russia and India on the side of both sellers and buyers.

Even in the lack of formal directories or comparable databases of commercial art organizations in the two countries, it is possible to argue that the commercial side of the Russian art scene is not doing as well as the Indian one.\(^4\) The key commercial mediators in the Russian art market, namely galleries, art fairs and auctions, show signs of crisis, with three out of the four leading galleries (Guelman, XL and Aidan galleries) announcing their closure in 2012, and Art Moscow – the main national art fair – closing in 2014. The only auction house for contemporary art, Vladey, opened in 2013 and has an annual revenue of about €2 million (both in 2013 and 2015). While the Indian contemporary art market also experienced serious troubles after the global financial crisis of 2008, the secondary market of auction sales is still more active. The biggest auction houses dealing with contemporary art (SaffronArt, Pundoles and AstaGuru) had a revenue of €13 million in 2013 (Kumar et al. 2015), and Saffron Art is considered to be one of the world's largest online art auctions (Khaire and Wadhwani 2007). Christie's opened a permanent sales room in Mumbai in 2013, and had a revenue of €13 million from its first sale. With an almost complete absence of governmental involvement in contemporary art, the commercial sector drives the development of the art scene (Sooudi 2015) not only via auctions, but also via commercial galleries often run by wealthy upper-middle-class collectors (Ithurbide 2010).

While wealthy Indian collectors tend to prefer private art consumption, or to open a commercial gallery (which gives them an opportunity to sell pieces from their collections as well), prominent Russian collectors seem to be more often involved in public support for art via the opening of private art foundations and museums (Milam 2013). The only private Indian museum of contemporary art, Kiran Nadar Museum of Art (New Delhi), opened in 2010. There is also one influential

\(^3\) Other branches of the Gallery are exhibiting contemporary art irregularly.

\(^4\) At the point of data collection for this project (2013), the maximum number of functioning commercial art galleries dealing with art produced by living artists that I managed to collect from multiple local and international sources was about 90 for Moscow and Saint Petersburg and about 70 for New Delhi and Mumbai. These galleries were working with approximately 1,600 and 2,800 artists, respectively (according to their websites).
private art foundation, Devi Art Foundation (Gurgaon), which was founded in 2008. However, simple counting of the Russian non-commercial contemporary art outlets run by private collectors shows greater scope for similar activities. Nowadays, Moscow and St. Petersburg have seven private art museums. The Garage Museum for Contemporary Art (Moscow) opened in 2008, and is the most internationally known among them. Russian collectors also run private art foundations that support individual artists, organize educational programs, and sponsor Russian representation at international art events such as the Venice Biennale. There are at least seven private art foundations visible in the non-commercial contemporary art scene in Moscow and St. Petersburg.

The Russian art field is characterized by a relatively well-developed infrastructure of governmental museums and exhibition spaces, and high involvement of private collectors in the public support of contemporary art. The Indian contemporary art field, on the contrary, seems to be developing more on the commercial side. As is common for emerging art worlds, the Indian contemporary art field has an undeveloped infrastructure of non-commercial art institutions, both at the governmental level and at the level of private sponsors, which is acknowledged by most of its participants. This paper studies the career strategies of artists within the given compositions of the two art fields.

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5 Few exceptions are worth mentioning. One is the International Artists Association – KHOJ (New Delhi) – opened in 1997 as an annual workshop and expanded into all-round art institution with internationally recognized Indian artists. Another is the Kochi-Muziris Biennale, launched in 2012 by Bose Krishnamachari and Riyas Komu.
Methodology

Table 4.1. Characteristics of artists included in the sample.

<table>
<thead>
<tr>
<th>Country</th>
<th>N</th>
<th>Age (min-max)</th>
<th>Number of years</th>
<th>Known level of prices, EUR</th>
<th>ArtFacts ranking</th>
<th>Solo shows</th>
<th>Group shows</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Since last art degree</td>
<td>Since the first solo exhibition</td>
<td>Between graduation and the first exhibition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>9</td>
<td>36 (29–50)</td>
<td>10 (3–16)</td>
<td>4 (0–8)</td>
<td>7 (1–23)</td>
<td>300–24,000</td>
<td>No–100,000</td>
</tr>
<tr>
<td>Russia</td>
<td>8</td>
<td>33 (28–43)</td>
<td>6 (3–12)</td>
<td>6 (3–12)</td>
<td>1 (-1–4)</td>
<td>3,000–30,000</td>
<td>3,001–100,000</td>
</tr>
</tbody>
</table>

Notes: Average (min-max), at the end of 2012. Retrieved from public sources, including personal CVs and websites of artists, galleries and auction houses, international databases, online selling platforms.

This paper is a case study of two groups of actors whom I identified as early career artists in the contemporary art scenes of Russia and India. The primary data for the analysis are a sub-sample of in-depth interviews with 17 artists (8 from Russia and 9 from India – see Table 4.1) selected from over 130 interviews with various members of the two art scenes (primarily artists and art dealers), conducted in Moscow, St. Petersburg, New Delhi and Mumbai during the period April 2012 to June 2013. The interpretation is also based on secondary data about the artists’ educational backgrounds, exhibition and sales histories collected via C.V.s, public interviews and reviews, international on-

6 An invited solo exhibition marks recognition as a self-standing artist by gatekeepers of the respective art scenes.
7 For artists without formal artistic education the number of years is calculated between the first mentioning of intention-al artistic activity in their bios and the first invited solo exhibition.
8 Known level of prices is a vague category that depends on a number of factors. Apart from auction sales prices on art are usually covert. Top prices in this table are record prices from pre-2008 auction sales (as reported at ArtPrice). Lower levels of prices are from online selling platforms that are widespread in India and are practically non-existent in Russia. Prices also depend on the medium. Many Indian artists in the sample do works on paper, which are cheaper than installations and complex media objects practiced by Russian artists.
9 ArtFacts ranks artists according to a (publicly unavailable) algorithm that assigns point to artists for participation in commercial and non-commercial exhibitions around the world (weighted for their status on the international art scene).
10 From personal websites of artists, from the websites of their galleries or publicly available C.V.s at online art platforms (several were compared, if available, and the most extensive one – considered).
11 Two artists in the sample don’t have an artistic education. They are not included in the calculation here.
12 The age variation among artists is quite big in both countries (28–44 for Russia and 29–50 for India), so early career artists are not necessarily young.
line databases (such as ArtFacts and ArtPrice), and ethnographic observations at various art events (such as open studio visits or art fairs) conducted in the same period.

By “early career artists” this paper understands artists who began their careers not more than 10 years ago (graduated from an art academy or had their first exhibition) and who have had at least one solo exhibition in a commercial or non-commercial space. I only count events when the exhibitions were not organized by artists themselves; I take this to mean that they are recognized as artists by artistic communities. Born between 1963 and 1984, these artists have participated in one to fifteen solo exhibitions during their careers and up to 36 group shows (see Table 4.1). While prices in the art world are often negotiated in a covert way (Velthuis 2005), publicly available sources suggest that the value of their work varies between €300 and €30,000.

The larger project had an exploratory nature, therefore I aimed at maximal variation in terms of types of actors, their status in the two art worlds, and types of art they work with. In both countries I had a number of interviews with established and internationally known artists (also those who had just graduated from art academies). Yet, my attention was attracted to artists who are active members of the two art scenes but have not yet achieved the same heights in their careers, due to the striking contrast in their experiences, aspirations and ideas of success.

This group of artists is particularly valuable due to their specific sensitivity to the structuring power of an artistic field. Actively working on establishing their position in an art scene and the development of their careers, early career artists are perceptive of the properties of an art scene in which they wish to succeed. They are not yet universally recognized, and still have to overcome possible obstacles to work out the best strategy and their own perspective. Early career artists were vocal about their relationships with relevant actors in the art world, their perception of possible career development in their country and abroad, and their understanding of the role of commercial and non-commercial art organizations in artistic success. They are still nationally bound in their professional careers. In comparison, artists who have just finished art school and have hardly any exhibition experience were also very vocal about their hardship in getting the attention of gatekeepers, but their strategies may as well be naïve and misleading. On the other hand, established and internationally known artists are less dependent on the national art scenes, which this paper focuses on. Moreover, discussing the functioning of an art scene with established artists produces results which

13 While 10 years is a somewhat arbitrary cut-off point, it was informed by extensive fieldwork and my judgement that allows extraction of a group of artists possessing the specific characteristics analyzed in this paper.

14 Both in Russia and India, it is possible to “rent” an exhibition space owned by the state for your own exhibition. Exhibitions in these spaces (with some exceptions) have marginal status in the perception of the local contemporary art scenes.
Chapter 4

pertain to the past rather than present. Therefore, the selection of early career artists for this paper represents a purposeful and theoretically oriented sampling strategy.

The two groups of artists may seem hardly comparable: when the interviews were taken, artists from Russia, on average, had more years of exhibition experience (6 vs. 4 in India) and scored higher in the Artfacts ranking15; artists from India on average had received their last art degree earlier (10 years ago vs. 6 for Russian artists), and took longer to get spotted by gatekeepers after graduation. Yet, I argue that these differences are caused by the institutional composition of the field and therefore are crucial for the analysis in this paper and allow drawing conclusions about the relationships between the institutional composition of an artistic field and artistic career trajectories.

There is a relatively loose framework that unites artists from these two groups: on the one hand they are already recognized by local gatekeepers (more likely commercial art dealers in the case of India, and non-commercial museums or foundations in case of Russia), on the other, they have only limited international exposure (with Russian artists having more than Indian) and limited market success (with Indian artists scoring better than Russian). Importantly, I argue that they take an intermediate position on the artistic success ladder within each country.

The number of artists analyzed for this paper is not sufficient to make generalizations about the art scenes of the two countries. The aim of the paper is to show the relationship between artistic practices and understandings of success, on the one hand, and institutional composition of the two art fields, on the other, and to suggest an adjustment of the existing theories and their application with regards to the structuration of the artistic field between the commercial and autonomous poles. A strong homogeneity in narratives of artists in each country, despite significant heterogeneity in artistic experiences (see Table 4.1), suggests that comparison of the two cases provides a robust foundation for this argument.

Importantly, the initial selection of artists for interviews (for the larger project) was guided by the same strategy in both countries: since the focus of the project was on the development of the contemporary art markets, artists were primarily approached via commercial galleries. Therefore, the much stronger involvement of Russian artists in non-commercial art projects (as discussed further) should be interpreted as an empirical finding rather than a sampling bias.

15 ArtFacts is a well-known international database that ranks artists according to their exhibition history. Exhibiting in internationally influential art institutions ensures higher positions in this ranking.
Indian case: the central role of commercial galleries

Indian early career artists are a rather diverse group. They have different levels of education: some are self-taught, some have studied in various colleges across India, others obtained degrees abroad. After graduating they tried working in a variety of cultural professions (PR and design, publishing, decorating, filmmaking) before they decided that they wanted to pursue an artistic career as their primary activity. This decision was informed either by becoming disillusioned or bored with more applied professions, or by getting finally spotted by a commercial gallery. What unites these artists is that they all have a relationship with a private gallery, are commercially active, and even if they do not directly participate in sales, have a position concerning prices, collectors and selling strategies.

Discussing the beginning of their artistic career, most artists focus on a solo show in a private gallery and the circumstances under which it became possible. Some had years of striving to get spotted by an art dealer, sending out their portfolios, others had the financial means and network connections to rent a space in a commercial gallery. While trajectories towards the first solo show differ, it is still a symbolic moment that marks entering the professional art world. An artist, who studied in Europe and returned to India to pursue his artistic career, strategically organized his first solo show himself:

*The decision to have my first exhibition was the defining moment, when you say you are an artist by profession, [it] was about 8 years ago. That is when I had my first solo show here in New Delhi at [gallery name].* (113)

Exhibiting in a commercial gallery was a way to become visible in the Indian art scene – to announce his presence to the network of prospective art collectors.

Artists see a gallery as a crucial gatekeeper and a kick-starter of their careers. If foreign curators come to India, they go to “prime galleries, they do not want to go to other places” (119). Artists notice that if you are not from New Delhi or Mumbai it is hard to get into an art world guarded by dealers. An artist from a remote Indian city explained that initially she was not aware of the gallery world at all and that is why her artistic career stagnated:

*[For] four years, I was not into Indian scenario at all, because when I shifted to Delhi <...> I was not aware of galleries at all, because [city name] was another place, which was not aware about the galleries. <...> After four years, there was a gallery that asked me for a show. And from there I got to another gallery, and the gallery scene, and the works got sold...* (119)
Commercial galleries are crucial agents for professionalization and recognition in the field. Those who are not able to establish necessary connections with art dealers often try to organize gallery-like initiatives themselves. Renting an exhibition space at a private gallery is one strategy, another is to collaborate with each other and establish a permanent space where they can exhibit and sell their works.

Moreover, artists are generally ready to adjust their works to fit into the market and to get spotted by a gallery. One artist explained that he produced different artworks to see which ones worked better with art dealers:

\[\text{[It is] useful initially for an artist, who is young into the market, to have that variety [in his artworks] to allow the galleries to choose upon. }\ldots \text{ So that [the gallery] created a certain identity for an artist and if it works then the artist can perhaps take on that and build upon that a portfolio of similar art works.} \] (I5)

While other artists can be more concerned about the integrity of their artistic production, they also reflect that initially their art may have not fit the gallery format (I19), before they became assimilated into the art world. They claim to have appreciated extensive conversations with their art dealers, who shared their knowledge of the art world, and gave tips on how to better present their work (I39).

Working with the format that a commercial gallery would appreciate, artists think in terms of market demand: what collectors are more likely to buy, what their unique selling niche is, how to produce a marketable artwork. A Delhi-based artist, who had a solo show during the time of my fieldwork, explained why his art was interesting for the public:

\[\text{I work in paneling. I do not think a lot of people are working in paneling. But that is my unique selling proposal. I work with paneling completely, which takes a lot of time, a lot of detailing.} \] (I14)

Due to market orientation, most artists are confined to small formats that can be easily put in living rooms. While there are Indian artists known for large-scale installations, as well as internationally oriented Indian galleries that exhibit such works and support grand public projects, the most popular artistic form is still canvas, followed by sculpture and objects of a convenient size (Vermeylen 2015). This Delhi-based artist, for example, acknowledged that he had to limit the scale of his works:

\[\text{If I had my choice, I would create paintings which are 10 feet by 20 feet. I don’t have anywhere to put that and no one will ever buy that. It doesn’t become viable and creating work is also very expensive.}\]
So there are a lot of factors that have to go under consideration before a work is being produced. (I13)

Artists who deviate from the easily marketable format, make this choice consciously and have to deal with the consequences of this choice. An artist creating technologically advanced art objects described how she had to reduce their size to make them accessible for private collectors. She also worked out a system in which she had a prototype work for prospective collectors, who would then decide if they wanted an artwork and would finance its production. She came up with a mixed financial model combining sponsorship and commissioning:

[I am] thinking in terms of business now, because in India it is a unidirectional funding [from private collectors], so I cannot support myself from any other funding. Because I am working in a medium which is electronics, right now, it has made me think in terms of market economics. <...> I cannot keep producing without selling, because each [object] takes me a lakh\(^6\) and a half rupees to produce, just production costs. (I77)

The production of large-scale or technically complex objects is rarely financed as an independent exhibition project in India. Since there are almost no museums or foundations, artists who wish to work with these mediums have to search for commissions. Installations and site-specific projects can be commissioned by corporate clients and placed in their premises or used as a public promotion campaign.

In the lack of non-profit exhibition spaces that regularly display contemporary art, the houses of art collectors are the only spaces where artworks can have some long-term visibility after being sold. Therefore, artists are often trying to keep track of who buys their works and how they are handled afterwards:

I think my pieces should go to good houses, the collector may be small. But sometimes a big collector just stacks up [artworks in a storage space] and I am not interested in that. So these smaller collectors with good houses is my intention. (I77)

This artist even explains that her choice of medium makes it more likely that a work would be kept on display at home. Her artworks are kinetic, slowly deteriorating, and demand more-or-less regular maintenance, so storing them in a warehouse does not make sense.

\(^{16}\) 1 lakh = 100,000
In the discourse of many Indian art market participants, the audience of contemporary art is equated to its potential buyers. For example, a Delhi-based artist explained to me his idea of career growth, where exhibiting was indistinguishable from sales:

“You would display your work, you sell your work, people start appreciating your work and you start getting a much bigger audience. Demand for your work increases.” (I14)

Artists cherish an opportunity to get exhibited at an art fair, which is seen as a chance to be spotted by collectors outside of the network of a particular dealer, and also as a way to establish connections with other galleries, since exclusive representation is not a wide-spread practice in the Indian art market. Thus, a Delhi-based artist was very proud to be exhibited in more than one booth:

“I participated in the IAF and I [also] had a solo exhibit [along with] senior artists who are dead and their galleries were showcasing their works as solo shows. There were thousands of people who came and we had a fabulous feedback. <...> I was not expecting to sell anything at the IAF. It was more for me recognition and to get my name known as an artist, but I sold the work and was so happy.” (I13)

If a gallery or a private house has the limitation of very small numbers of daily visitors, an art fair is a source of maximum possible visibility for an artist in India.

The substantial power of art dealers can also be seen from the amount of discontent expressed towards them by various other players in the field. They are criticized for curating exhibitions in their spaces, thus devaluing professional curatorial skills and presenting their tastes as objective evaluations of quality, and for paying for publications on their artists in key magazines, thus devaluing independent art criticism, etc. Early career artists see art dealers as the only powerful consecrating actor in the art scene who can promote their careers. Therefore, they adjust their strategies and even the art that they produce to the demands of the art market.

Young artists in Western art markets are also often spotted by commercial galleries first. Yet, the more prominent role of art criticism and the potential of getting invitations to curated shows or biennales inevitably affects their career strategies and makes them more keen on downplaying commercial interests. In the dramatically different situation of the Russian art scene, we will see how the active presence of non-commercial art institutions affects the agencies of early career artists.
Russian case: non-commercial art in the heart of the art scene

Early career artists in Russia who are in the spotlight of the current art scene seem to be a rather homogeneous group. Many of them have studied in the private Institute of Contemporary Art (Moscow) or the governmental Rodchenko Art School (Moscow), and have later participated in exchange programs abroad. They may have had exhibitions in private art galleries, but more often they tend to work with art foundations. Their works are not only exhibited, but are also in the collections of the main Russian museums. They have already won some key Russian contemporary art awards. Most of them have participated in more than one biennial in Russia, and some have exhibited at the Venice Art Biennale or at Documenta in Kassel. Thus, they have received substantial recognition from the field and in fact, they already consider themselves successful, at least at the national level, yet, they claim to have hardly had any sales and to be unable to sustain themselves by making art. Russian artists seem to have gained fast recognition and critical acclaim, but it does not have any influence on their sales. How is this possible? How do their careers develop?

Artists themselves characterize the art that they produce as “non-commercial grant art [that] deals with large sums of money, but is free from current demands of the public” (I103). It takes the form of large-scale installations, video art, or site-specific projects. These forms of art are promoted by contemporary art schools, run by established artists, critics and curators. These schools do not prepare artists for participation in the market, but introduce them into the network of art critics and curators, and promote conceptual thinking rather than commercial art. An artist, who first studied at a classical art academy, said that going to the Institute of Contemporary Art (Moscow) was an “existential choice.” Education there allows “to look at yourself from the outside, how you and others think, on different [art] forms and habits, <…> which decisions you make in art.” For this artist, life is divided into “before and after ICA. These are two different worlds” (I119).

Such art is not easy to sell (“not a fast commodity”), but at the same time, artists do not seem to need the market to fulfill their goals. They claim that the art market “causes tremendous damage” to art history, because art that stays in art history is biased by market forces (I103, I119). They consciously stay away from the market, but somehow are able to sustain themselves, produce art objects and develop their careers.

Note that all these possibilities barely exist in India, with the first and only biennale launched in Kochi in 2012, no national pavilion of India in Venice, the main award for contemporary art in India closing down after the 2012 edition and only two comparatively young and small awards existing for early career artists.
Avoidance of the market does not mean that artists do not have any relationships with art dealers. Some of them have never had any contact with commercial galleries; others have a gallery that represents them exclusively. While this form of artist–dealer relationship is widely recognized in the international art markets, in Russia it often does not involve any commercial profit from sales:

*My gallery, even though it is the most powerful and top gallery at the moment in Russia, anyway cannot provide for normal subsistence. ... For them, I am rather an image-making artist. Only the top artists get sold, younger artists can only sell small articles.* (1103)

The term “image-making artist” implies that a gallery is interested in an artist as a source of status in the art world rather than a source of income. By promoting young talent and exhibiting cutting-edge works, galleries increase their symbolic capital. Art dealers sponsor the production of art works, negotiate the participation of their artists in important non-profit events and exhibit their projects in their gallery spaces.

Large-scale art objects produced by young Russian artists are almost impossible to sell, so an artist usually does not get any income from working in the form of installations. Yet, these artists do not want to produce smaller commercial artworks or do not know how to do it:

*I work on it [small-scale artworks] all the last years. But still [I] did not succeed in it yet. I mean I try, especially this year I wanted to adapt my large-scale works, to do some replicas maybe or something else, but it did not work out.* (1107)

In the Russian art market, dealers rarely can survive from commercial sales alone. They are known to have other sources of income (such as private sponsorship, a jewelry business or real estate) that support the operation of the gallery and allow them to focus on non-commercial projects. The outcome of such artist–dealer relationships is that a gallery provides artists with connections and an artist allows the gallery to increase its status as an innovative art space.

The artists rarely see private galleries as a driver of their career development and are focused on non-commercial forms of artistic recognition. As one artist stressed:

*Of course, I wish international recognition, but I have serious doubts that in my case it will develop via galleries. It will be rather the opposite, via some institutional exhibitions and other activities the art will gain value and might begin to sell, but also rather in a more museum format.* (1103)

While museums are more often seen as drivers of career development, the commercial side of re-
Between the market and non-commercial art institutions

relationships with them is problematic. Artists mention that if they have had any sales, these were to museums. Yet, museums in Russia do not just expect the usual institutional discount (Komarova 2015), often they demand the works for free or simply withhold them after exhibitions. As one artist complained:

Horrible, [museum name] is just a Mordor¹⁸, because they did not even suggest buying my work, but took it and asked for a gift certificate. <…> I had a difficult situation then and I did not have a studio, I had no space to store the artwork, so it was a complete marauding. <…> I did not sign the document, but they still have my work. (1119)

Artists bitterly notice that museums have a bargaining advantage, because they are the only agent that has the capacity to store large-scale installation works:

My works are very large; it is very hard to store them. Gallery [name] does not have a large storage for works. So that they do not rot in the country house, a number of works have been gifted, only because otherwise they would have been spoiled. (1107)

An artwork exhibited and sponsored by a private party often ends up in a museum, which increases the artists’ visibility among large audiences. The artists’ public success is to a certain extent caused by the format of the works: they are less reluctant to give away works, because they do not have space to keep them. Yet, the capacity of museums is also limited, as one artist explained. Normally museums are not willing to take more than one large artwork by the same artist:

That is it. [Now] artworks are in all museums and there is no urgent need [for museums] to buy more. <…> And I think that there are practically no works of mine in private collections. (1103)

While public museums and private galleries have their own interests in working with non-commercial forms of art, it is private foundations that most often finance the whole industry, including exhibitions in their own spaces, and national and international public museums and biennales. Established by collectors, foundations rarely participate in the market for these young artists as buyers of artworks. Instead they perform a wide set of services for selected artists, who literally feel nurtured and do not see the necessity to deal with any other “service providers” of the art scene. An artist explained why she does not look for a gallery:

“I like what the foundation [name] does, so far. <…> The foundation did a lot in order for the artwork

¹⁸ In the Tolkien’s “Lord of the Rings” Mordor was the region controlled by the evil powers.
to get produced, meaning production, transportation, publications, work with media. They communicated (with the media). I would not be able to do it [myself]." (I119)

This artist has a long-term relationship with an art foundation that introduced her to the curator of one of the most influential international non-commercial art events. Others get support for a particular project and sometimes do not even know where the money came from:

*I had a bright event in my life. <...> The production of [my] work was financed, we got an enormous budget from a private foundation that wished to stay anonymous. [Gallerist name] probably knows, but I do not.* (I107)

Yet, artists complain that such organization of artistic production has a disadvantage: the budget for the project rarely includes any fee for the artist. Among the actors involved in the production, transportation and exhibition of work, they are the only ones who do not get any money. Although the budgets of their projects are often enormous, artists rarely live from their art and survive with the help of spouses, by renting out apartments, by selling a car, etc. Yet, instead of trying to enter the market and make more commercially viable art, they cherish the creative freedom that non-commercial institutions allow. The art market for these artists has nothing to do with professional identity:

*If [an artist] can survive with the help of some grant support or any other sources of income, then [the market] is not necessary.* (I103)

In evaluating their careers, artists clearly distinguish between institutional and market success, “symbolic and material capital” (I120), and acknowledge that, in their case, there is no direct link between exhibitions in museums and sales:

*I consider myself a successful artist, because I have many projects and I am mainly busy with professional activities, exhibiting artworks here, going somewhere abroad and so on. Yet, on the other hand, I cannot sustain [myself] from my work.* (I107)

The system of non-commercial art institutions in Russia creates a situation in which all the involved actors can benefit from each other without the urgent necessity to buy and sell artworks. Contemporary art schools promote non-commercial forms of art that do not fit the tastes of regular art buyers. Artists have freedom to produce these works because museums, foundations and even commercial galleries are interested in them. Museums easily get these artworks as gifts because they have a capacity to store large-scale installations. Commercial galleries work with art that they
cannot sell to increase their symbolic capital. Private foundations sponsor the production and exhibition of such works, promote artists, and connect them to international curators. Thus, the whole process bypasses the commercial exchange of art. A relatively big number of museums and foundations create an art scene for the type of art that cannot be easily consumed, in terms of buying, by wider audiences of potential private collectors who are interested in art that one could hang above a couch or put in a living room.19

Conclusion

The different institutional composition of the two art fields affects artistic career strategies on different interrelated levels of analysis. Artists in India are focused on commercial galleries as promoters of their careers that ensure legitimation in the local art scene. Artists in Russia instead build networks of connections with foundations, museums and curators. The careers of professional artists unfold differently in the two countries: Indian artists strive to get spotted by a commercial gallery after graduation; Russian artists get recognition from gatekeepers and start participating in a variety of art events early on (they make connections while still studying). This, in turn, is related to the type of art that is produced by artists in each country. Indian artists see customers of art galleries as their ultimate audience and produce commercially viable forms of art. Russian artists exhibit in public spaces, the production of artworks is sponsored by private foundations that perform as producers rather than end consumers. Artists are less confined by marketable formats.

The distinctive composition of the two art scenes results in different meanings that artists attach to artistic success and autonomy. In India early career artists do not “shy away” from the market and have elaborate ideas about how to make their art commercially viable. The principle of “disinterestedness” does not play a big role in an art scene where art dealers control access to local, non-commercial projects or international exhibitions. In Russia, the active presence of non-commercial institutions creates an alternative economy (Zelizer 2006) that provides alternative self-sufficient tracks for artistic recognition, which do not translate into market sales. The explicit anti-commercial orientation towards art (reinforced during the Soviet period when art commerce was officially forbidden and nurtured early in art schools) promotes resistance identities among early career artists, who refuse commercial success as an indicator of their professionalism. Indian artists are, of course, also aware of the international discourse of “poor artist” interested in “pure art” and can

19 This path of consecration is perceived as dominating the contemporary art scene in Russia, yet it is not universally accepted. Middle-range artists, who more actively engage in selling their works, criticize the Russian art scene for its tendency to promote non-commercial art (193; 194).
easily use it, when asked directly. Interest in commercial success does not mean that artists are not making art “for art’s sake.” They just do not have any other way to perform it in a given art field. Quitting applied jobs is their expression of artistic autonomy, mediated via market institutions.

Focusing on one dimension of institutional dissimilarity, this paper has paid less attention to other structural elements of an art field. For example, the influence of art education institutions could be studied in more detail. Poulsen (2012) shows that classical art academies become the epicenters of emerging art scenes outside the main art capitals of India (instead of museums, more common for the Western art worlds). The Russian case discussed here also suggests the strong influence of contemporary art schools, however I do not have sufficient data to elaborate on this. This paper also does not touch upon another important gatekeeper of an art scene – art critics. The main reason for this is the choice of artistic perspective as the primary data for analysis: artists themselves did not discuss the role of art critics in their careers. Looking beyond my two empirical cases, the generous governmental support for artists that existed in the Netherlands until 2008 affected their strategies of participation in the private art market, while subsidies to “top artists” were an important form of artistic recognition (Rengers and Plug 2001). Developing a research agenda on the interrelation between the institutional composition of art fields and artistic career strategies should take into consideration the multidimensionality of art scenes and the relative importance of various actors and organizations in artistic fields.

This is related to the more general argument of this paper that artistic fields differ. While the Bourdieusian approach to analysis of artistic fields looks at them dynamically (Bourdieu 1996) and therefore potentially allows for (at least temporal) diversity, existing empirical research based on his theoretical perspective usually applies a universal bipolar structure of artistic fields that defines modes of production, relevant gatekeepers and types of audiences. To be considered art, such different domains of culture as architecture, rock music and cinema need to follow the same rules of the autonomous pole of cultural production (Regev 1994; Lipstadt 2003; Heise and Tudor 2007). Visual artists in consecrated contemporary art worlds are supposed to show little interest in commercial success and have an orientation towards “art for art’s sake,” and if they do not observably adhere to these principles they apparently “play” with the rules of the field (Cook 2001, Grenfell and Hardy 2003). This paper, on the contrary, shows that consecrated contemporary art worlds can have different “rules” depending on their institutional composition; that the ideal of “disinterestedness” in direct economic benefits is closely related to structural possibilities available to artists; that artists confined to the commercial scene as the only available source of artistic legitimation can develop a different understanding of “artistic autonomy.”
Russia and India have substantially different cultural histories and institutional systems, which makes a good case for comparison and for an exploratory study into the relationship between artistic careers and institutional compositions of artistic fields. Yet, I propose that the perspective presented in this paper can be applied beyond the developing art scenes as it allows for a more sensitive approach towards the contextual specificity of artistic careers in various art scenes, including the central ones. Cross-national differences may be less prominent in the Western art scenes due to their greater openness to international collaborations. Thus, Quemin (2013) shows that artists from some of the main Western art scenes (e.g. UK or Germany) still prefer to move to New York in order to have better career opportunities. Nevertheless, historically strong national specificities, such as the rich and geographically dispersed institutional diversity of the German art scene (Rüter 2006) or the long history of governmental support for artists and the art market in the Netherlands (Rengers and Velthuis 2002) still create different opportunity spaces for artists starting or residing in these countries and affect their career strategies.

Finally, this paper questions the idea that a developed system of non-commercial art institutions is an unconditional prerequisite for the smooth operation of an art market, as it resolves the radical uncertainty of the valuation of an artistic product (Moulin and Vale 1995, Plattner 1996, Beckert 2009, Velthuis 2005). The Indian case suggests that in a field that lacks non-commercial art institutions, this uncertainty is resolved within the market. Art dealers get into the privileged central position as the main gatekeepers of a developing art field. My interviews with art collectors in India suggest that they closely follow the opinion of art dealers in their aesthetic judgments. This situation intensifies market operation, but in the long term, may create a highly unstable market (as was exemplified by the collapse of the contemporary art market in India after the global financial crisis of 2009; Komarova 2015).

At another extreme of developing art scenes, an elaborate institutional system, in the case of Russia, substitutes for the market. This can be interpreted as the proliferation of mediators, rather than the symbiosis between the market and non-commercial art scene that art theorists and professionals advocate for. Thus, at least in the early stages of the development of an art scene, disproportionally strong non-commercial art institutions may resolve the uncertainty of artistic value, while at the same time hindering the development of art commerce.

The development of this proposition will require taking a closer look at the strategies of other art scene participants in relation to non-commercial art institutions, while comparison with the established Western art markets could clarify the limits for generalization beyond emerging art scenes. Participants of both art markets, well aware of the dominant discourse of artistic consecration, claim that their markets are “immature” and hence believe that their markets will eventually fit the
“Western model.” Yet, the current institutional compositions of the two art scenes create a complex balance of power relations, individual interests and aspirations, available infrastructure and even the material properties of artistic products. Therefore, it can be more resistant to change than is commonly expected.
Alternative contemporary art fair for younger galleries.

Moscow, May 2013
Ups and downs of art commerce
Narratives of “crisis” in the contemporary art markets of Russia and India

Market actors tell stories: how they are better than their competitors, how a product is of an outstanding quality, how a company or industry is developing. These stories are aimed at customers, competitors or even themselves (and researchers), and serve as sense-making tools. Exploring the production and circulation of meanings (Velthuis 2005; Zelizer 2010), or limited rationalities of social actions in markets (Abolafia 1998), scholars often use stories or narratives produced by market actors as a methodological tool. But it is only recently that narratives in a market and the role they can play in economic processes have become a more deliberate focus of attention (e.g. Blinder et al. 2008; Fligstein et al. 2014). Thus Alexander (2011) argues that shared narratives enable particular agencies of market actors and create certain expectations for their audiences. This paper builds on this proposition and develops an analytical perspective to study the role that narratives play in markets’ development. It suggests that a close analysis of a narrative structure, and the conditions in which market actors succeed (or fail) to produce a narrative, allows an understanding of how cohesion and stability are achieved in a market. This paper argues that there is a relationship between the structure and composition of narratives produced by market actors and market dynamics.

In order to develop the methodological framework to study market narratives, this paper builds on the two theoretical streams of market studies – the one that approaches markets as cultures (Fourcade and Healy 2007; Wherry 2014; Zelizer 2010) and the one that regards markets as fields (Bourdieu 1989; Fligstein 2002; Beckert 2010a) – arguing that, taken together, they allow for a comprehensive approach. It further employs the tools of the narrative tradition in social analysis (Maines 1993; Alexander and Jacobs 1998) and the field of organizational studies, where narratives have already become a common object of research on formal organizations (Cunliffe et al. 2004). The focus on narratives is essential for understanding organizations as systems of meanings (Morrill and Fine 1997). And while there is a growing awareness that markets and formal organizations share many characteristics (Ahrne et al. 2015), market scholars have not widely looked at narratives to understand how meaning making affects economic processes or specific markets (see Beckert 2013 as one of a few exceptions).

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Chapter 5

To illustrate the work of the proposed analytical framework, this paper considers an empirical case of emerging contemporary art markets presuming that it will illuminate the role that narratives play in markets more generally. It proceeds from the assumption that due to the extreme levels of ambiguity that these markets are exposed to, more than in other contexts, they depend on narratives that allow coping with the fundamental uncertainty of economic action and create confidence in market development (Beckert 2013, Alexander 2011). Art markets are not just dealing with incommensurable unique products (Karpik 2010), but in the early stages of development, status hierarchies are easily contested, organizations are relatively young and their routines are not yet stabilized.

More specifically, the paper looks at the emerging art markets of Russia and India, where I did my fieldwork between April 2012 and June 2013. Every art dealer or artist I met in Russia and India during that period had an opinion about the art market being in a state of crisis. The “crisis” was a point of reference in explaining what was going on. In a way, an art market crisis became a sense-making tool and cultural phenomenon within the two art worlds (in the same way that the financial crisis of 2008 became a cultural phenomenon in the wider globalized society, see Roitman 2014). Therefore, due to the prominence of this topic in the studied environments, I have narrowed down the focus of the paper to the different stories about the crises filling the two art scenes, and the way they are related to the development of the markets.

The aim of looking at market narratives in the two contexts is not comparison per se, but rather observing the possibility of diversity in the way narratives are developed and the performative work they do. Thus, the structures of crisis narratives in the two countries differ significantly. In India one shared narrative with a clear sequenced structure can be found. In Russia, on the other hand, there are at least two competing ways to speak about the country’s art market crisis that each largely lack narrative structure, and actors are often ambiguous. While in India the stories about the crisis have a “happy ending,” there seems to be no end to the “crisis” in the Russian art market.

Although the focus on crisis narratives in the two emerging art markets, as a specific instance of a market narrative, was coincidental and imposed by the field, mainly serving the function of an illustration of the work of the analytical framework developed further, the paper makes an empirical contribution to the body of empirical research on the role of crisis in the contemporary art world (and other domains of economic life more generally). The crisis in the global art market has been an important topic discussed in many professional media and industry reports (see, for example,

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2 The terms “narrative” and “story” are used somewhat interchangeably in this paper. Yet, the first concept refers to specific theoretical perspective developed further in the paper. Whenever the term “story” is used it is likely to indicate the lack of properties required to treat it as a narrative is the strict sense.
in Artprice 2009; 2011; ArtTactic 2009; Evans 2008; Hernando 2011; McAndrew 2010; Velthuis 2011b, etc.). These publications understand crisis as a sudden drop in volumes of sales and levels of prices, and employ auction sales figures to draw their conclusions.\(^3\) This perspective, however, can hardly say anything about what a crisis means for the actors of an art market themselves and for their activities. Instead of looking for an objective measure of an art market crisis, this paper proposes an interpretative approach that looks at variations in perceptions of crisis among art market actors and shows the relation between the different narratives about the crisis and the dynamics of an art market.

Finally, this paper also contributes to existing studies of emerging art markets. While a number of new contemporary art markets from different parts of the world attracted wide attention from the international art communities during the past twenty years (see, for example, Goodwin 2008; McAndrew 2009; Robertson 2011), in-depth academic research into how these new art markets develop is still limited (see, for example, Poulsen 2012; Ithurbide 2014; Komarova 2015; Sooudi 2015 – for India, and Milam 2013; Kharchenkova, Komarova and Velthuis 2015; Komarova and Velthuis 2017 – for Russia). By looking at the Indian and Russian art market narratives, this paper shows how actors of emerging markets make sense of their environment and recent history.

**Narratives in markets**

Economic views on markets that consider them exclusively in terms of pure competition and spontaneous interrelations between demand and supply have been questioned many times (cf. Fligstein 1996; 2002). A market is “organized” (Ahrne et al. 2015): there are hierarchies and rules within markets, and they have systematic and more-or-less formalized relationships among producers, suppliers, customers and governments (Baker 1990). One of the central questions of economic sociology is how these diverse social relationships and specific social structures affect market processes and economic output (White 1981; Granovetter 1985; Fligstein 1996; Dobbin 2004). Thus, understanding market as a social field (Bourdieu 1989; Fligstein 2002; Beckert 2010a) focuses on hierarchies and social actions of market participants within a system of domination necessary to stabilize the market (e.g. eliminate pure price competition). “Conceptions of control,” which are dominant interpretative frameworks that structure perceptions of how a market works, are a crucial element of these systems of domination. While this perspective acknowledges the importance of “collective

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\(^3\) While public auction sales reflect the performance of the art market, they disregard the primary market, i.e. of gallery sales where the biggest part of contemporary art is circulated. Moreover, often there are no auction data on a national level, as the biggest auction houses operate internationally. Thus, these numerous articles and reports do not sufficiently shed light on the experience of crisis in the contemporary art sector or within different countries.
fications” (Beckert 2013; Wherry 2014) in market organization, it rather focuses on the contexts in which these symbolic systems are produced, but often overlooks their embeddedness in wider cultural realms (Wherry 2014) and internal structuring logic that result in their relative autonomy and causal power (Alexander and Smith 2001).

An alternative markets-as-cultures perspective emphasizes the role of “meaning systems of norms, rules and cognitive scripts” in the structuring of markets (Abolafia 1998, p. 69). It pays attention to the local rationalities of markets under consideration in order to explain the variation in configuration of markets of various goods and services (cf. Almeling 2011; Chan 2009; 2012; Velthuis 2005), in different places (cf. Wherry 2008), at different times (cf. Zelizer 1979). It shows how myths, symbols and beliefs shape markets, and influence actions in markets (Wherry 2014). Such a focus allows attention to be paid to stories filling the markets via media publications, written artifacts of the market or in-depth interviews with market participants (see, for example, Anteby 2010; Bandelj 2008; Khaire and Wadhwani 2010).

In spite of the frequent use of narratives as a subject of analysis, the sociology of markets rarely explicitly focuses on the role of narrative in the market, its formal properties and dynamics. Few exceptions exist. For example, McCloskey looks at economic theory as a peculiar form of narrative circulating in markets (1990). Similarly, Fligstein et al. (2014) show how the dominance of macroeconomics as a main interpretative framework and inability to construct a new narrative that would embed unfolding events caused the inadequate reaction of financial regulators to the economic crises of 2008. From a more theoretical perspective, Beckert discusses one function of market narratives, i.e. narratives’ possibility to construct fictional expectations in the economy necessary to manage the uncertainty that is natural to economic exchanges (2013). Theorizing the importance of the cultural dimension of market functioning, Alexander proposes to understand any market as a narrative where “actors engage in performances that project meanings” for each other as well as audiences of potential buyers, investors and art collectors, etc. (2011, p. 484).

Although these works raise relevant issues and provide methodological tools for the study of a market narrative, none of them has developed an elaborate analytical approach. This paper, in contrast, proposes that such an approach would allow a deeper understanding of meaning making processes in markets and market dynamics. Developing this framework the paper brings together the markets-as-cultures perspective that prioritizes narrative structure and the markets-as-fields perspective that focuses on the conditions of production of a narrative. To elaborate, I use insights from literature on organizational studies that has a deeper and longer record of engagement with narrative analysis. Though markets and (formal) organizations are often opposed to each other in scholarly literature, they share a lot of characteristics (Ahrne et al. 2015). Thus, markets get “organized” via construction and performance of narratives.
Narrative as structure and action

Narratives are important elements of “cultural structure” of any community (Alexander and Smith 1993). In organizations they serve as sense-making tools both for participants of these organizations (or narrators) and their audiences (Abolafia 2010). Participants of markets – sellers, mediators and buyers, also find themselves in a situation of uncertainty and cognitive deficit and have to make sense of the processes around them by producing or perceiving a narrative. Elements of a story form a narrative in the case when they are “culturally salient material[s] generally agreed upon by members of the producer’s culture to be self-evidently important and true” (Polanyi 1979, p. 207). Therefore, a narrative should be grounded in meanings shared by a relevant community. Narratives can be analyzed either as structures (Boje 2001) or as actions (see, for example, Cunliffe and Coupland 2012; Smith 1980).

Narrative structure requires attention, as narratives are not just stories. They demand a certain rationality of coherence (Fisher 1985). One of the most important properties of a narrative is its sequenced nature (White 1980) that implies casual relationships between the elements of a story (Riessman 1993). A limited number of relatively simple plots serve as containers to sort an otherwise incomprehensible flow of events (White 1973). A narrative suggests an observant position of a speaker, and thus it is often told in the third person. A complete narrative ends with a new state of the situation (White 1980). This rigid structure allows making sense of a constellation of events and transactions and reflecting on one’s own position in relation to them and therefore provides “a sense of historical continuity” between the abstract events that constitute a narrative and the actions of a narrator (Alexander and Jacobs 1998, p. 23). At the same time, the universal properties of a narrative allow “for intersubjectivity and cross communication between different publics” (Ibid.).

Since a narrative with its rigid structure shapes speech in a certain way, this means that it is inevitably a selective representation of experiences. Therefore, it is also important to analyze it as an action (of selection). Narratives are perspectives that include the ideologies of narrators (Gee 1991). A narrator constructs the story to explain his/her point of view about market development using some facts, while neglecting others (McCloskey 1990). The collective act of narrative construction prioritizes one interpretation of events over all others (Abolafia 2010). By choosing a collective narrative to elaborate on, an actor relates to a certain (imagined) community and its set of values. This allows having an opinion and evaluating ones’ actions even if they didn’t participate in the key events that constitute a narrative (Alexander and Jacobs 1998). Thus, a narrative “makes sense,” but also “gives sense,” by legitimating and normalizing a certain attitude (Cunliffe and Coupland 2012, p. 66). In this respect, what remains untold is also a meaningful part of a narrative.
Chapter 5

Just as “social actions, movements and identities are guided by narrative understandings” (Alexander and Jacobs 1998) embedded in “stories, plots [with] beginnings, middles, and ends, heroes and anti-heroes, epiphanies and denouncements, dramatic, comic and tragic forms” (Alexander and Smith 1993, p. 156), a shared narrative guides actions in markets. Narratives are “powerful because we utilize them to determine, justify, and guide our lives” (Cunliffe et al. 2004, p. 263). The sequenced structure of a narrative creates a temporal perspective for market development. Performances of a market narrative “are accepted as promises” by their audiences and therefore they allow markets to function successfully (Alexander 2011, p. 484). According to this approach, the construction of narratives creates expectations about the future as “known present and the opaque future can become connected by the proper narrative arc” (Ibid.). In other words, fictional expectations about the future (Beckert 2013), retranslated in a narrative form, supposedly allow coping with the fundamental uncertainty of economic action and create confidence in market development.

**Narrative production**

But is there always a single coherent narrative to be performed by a market actor and analyzed by a researcher? In his paper about market as narrative (2011) Alexander emphasizes the performativ function of a narrative and proceeds from the assumption that it is always there. Yet, organization studies scholars argue that a narrative takes time and effort to be constructed (Abolafia 2010). Therefore, unlike in fiction, stories performed in an organization or a market are not necessarily complete narratives: the plot might be unspecified, heroes and villains not determined, and facts and events not yet linked in a compelling way. Moreover, more than one narrative can compete for dominant interpretation of events and win or lose over time, which affects the strength of its structural elements (Alexander 2002).

The ability to produce and support a coherent narrative is related to social hierarchy and power. When no agent has sufficient authority to impose a certain interpretation of events over the whole organization or market, then multiple narratives are possible and different communities of interpretation exist (Cunliffe et al. 2004, p. 265). And when those who are just striving for a more prominent position in a community (or market) are having a chance to engage in a symbolic struggle over imposing an alternative legitimate vision of the world (Bourdieu 1989), a conflict of narratives becomes more explicit. This creates a polyphony – “multiple, alternative and contested narratives and stories” (Cunliffe and Coupland 2012, p. 64). When actors have different competing stories to tell about the same event, or create different causal links to explain them, existing interpretations are harder to fit into a narrative form. As a result, polyphonic stories can have some properties of a narrative but lack others.
Narrative as a rigid communicative form is often opposed to various “others” that are not so demanding: for example, a story or a discourse. Thus, to distinguish between complete narratives and fragmented stories we can look at the distinction made by Hayden White, who introduces the concepts of the discourse that narrates, and the discourse that narrativizes, i.e. produces a coherent story. The former is linguistically subjective, while the latter demands objectivity. Narrativizing discourse doesn’t have a narrator, i.e. “events speak for themselves” (White 1980). When shared by a community, a narrative becomes uniform and its elements are repetitively reproduced. “The absence of narrative capacity or a refusal of narrative” is “an absence or refusal of meaning itself” (Ibid., p. 6). Thus, when a story lacks coherence or a clear plot, its capacity to sustain shared meanings and guide consistent actions in the market is also limited.

As another alternative to a linguistically demanding narrative, Boje suggests a concept of antenarrative (2001) to study fragmented stories that do not have a clear narrative structure. Antenarrative is both before the narrative and something that resists it. It is ambiguous, plurivocal, non-linear and non-complete. In order to study an antenarrative one has to re-contextualize it and pay attention to time, place and the intentions of a storyteller, in other words to look at the field in which it is being produced. Boje is interested in the intertextuality of stories, as the relationships between the stories of different communities symbolically unfold their social positions and political stands.

Nevertheless, this analytical distinction is too strict in itself and therefore can be misleading. Maines claims that “all narratives are ultimately incomplete” (Maines 1993, p. 21-22). There is no need to distinguish between a narrative and its opposite, since all the analyzed speech acts contain some elements of a narrative and lack others, and rather than being a dichotomy, this distinction can be seen as a continuum of possibilities. Therefore, this paper suggests that any story can be studied from within (its narrative structure or the lack of it) and from the outside (its context and relationship to other stories).

Moreover, “narratives exist at various levels of scale, ranging from the personal to the institutional, to the cultural” (Ibid.). In the example of civil society, Alexander and Jacobs (1998) argue that the general shared narrative dominates over personal narratives when a field that produces it has (or demands) sufficient autonomy. Thus, the extent to which a narrative observed in a market is shared and consistently reproduced by its actors can indicate the level of development and autonomy of the market from wider spheres. At the same time the lack of a general shared narrative would therefore indicate a lack of market coherence and autonomy, since shared meanings cannot be distributed through this narrative. Such a market would be filled with incommensurable or conflicting understandings of its functioning and multiple market cultures would coexist (Zelizer 1999). These market cultures can be analyzed from the “antenarrative” perspective, which suggests a focus on
the interrelationship between existing stories and on the contexts of their production. Whether a market consists of independent circuits of commerce (Zelizer 2010) or undergoes a struggle for domination (Fligstein 2002) becomes a matter of empirical inquiry via studying the stories that structure these markets.

The empirical case analyzed in this paper aims at illustrating the theoretical framework developed above. Two contemporary art market narratives differ in the degree of consistency – one market performs a developed structured narrative, while the other lacks a single narrative and instead is filled with multiple incomplete stories. Therefore, the focus of the analysis of the two narratives also differs. The example of the Indian art market narrative is taken from a more internal perspective of analysis that shows how actors historicize market development, distinguish between heroes and villains, create positive expectations of the future. The example of the Russian contemporary art market provides the possibility to look at competing stories and the context of their production, thus emphasizing a more external perspective.

**Narratives in art markets**

The contemporary art market is a vivid example of what Aspers (2009) calls a “status market” in which there is no universal standard for evaluation of a product defined by market authorities. Instead, evaluation depends on the relative position of actors (their status rank) involved in a transaction. This type of market requires high levels of social involvement in its coordination, and intensive knowledge production. Thus, starting from the classical studies of art markets, scholars have emphasized that, in contrast to the markets for established art, the markets for the works of living artists are commonly characterized as markets with a high degree of uncertainty (Moulin 1987; Peterson 1997; Horowitz 2011; Beckert and Rössel 2013). Ever since the market became a dominant form of distribution of new art, the criteria for what constitutes good and valuable art became vulnerable and contested, since evaluating and gatekeeping power has moved from one central agency (such as the Art Academy) to multiple independent market actors (White and White 1965). Apart from being a necessary element of creativity and innovation (Menger 2014), uncertainty forces all art market actors to perform additional work to sustain themselves. High occupational risks and uncertainty of the outcome of artistic labor forces artists to implement “insurance devices” in their career strategies (Menger 1999). The value of unique artworks has to be constituted *in situ* and consequently depends on social relations and shared meanings, established conventions and multiple judgment devices (Becker 1982; Velthuis 2005; Karpik 2010). Emerging markets are supposedly exposed to even higher levels of uncertainty, since conventions and routines still have to be estab-
To reduce this uncertainty, art market participants are constantly engaged in the production and support of narratives in many ways. They give interviews, and publish numerous press releases, catalogues, and news reports, etc. They produce narratives about artworks by constructing provenances about artists’ biographies, about gallery brands, and about the art market in general. All these activities contribute to the construction of market narratives that should embody “knowledge and confidence about the future,” which are culturally necessary to stabilize a community and enhance actions in the market (Alexander 2011, p. 484). Art dealers tend to “believe in their artists,” see “new aspiring collectors” coming in the market or a lot of “potential” in the art market, etc.

Yet, existing studies of art markets rarely focus on the processes of meaning making (for exceptions see, for example, Khaire and Wadhwani 2010; Komarova 2015). An exemplary analysis of narratives in the art market can be found in Velthuis’ study on pricing strategies in Amsterdam and New York (2005, p. 132-157). He distinguishes an “honorable,” a “superstar” and a “prudent” narrative about the way artworks should be priced. Different narratives have different plots. They are performed by different communities (more consecrated and avant-garde vs. more commercially oriented art dealers) and dominate the market in different times: thus, a “superstar” narrative gains prominence during boom periods of the market, while a “prudent” narrative is more salient in recession periods (Velthuis 2010).

While Velthuis discusses the functions of the narratives that he identified, he does so descriptively, at the level of narrating individuals. He understands narratives as sense-making tools for art market participants. Narratives that art dealers perform and defend allow some and limit other possibilities of pricing approaches in correspondence to the shared values of a community expressed through them. Narratives allow people to identify themselves through shared moral standards, and at the same time distinguish themselves from others. Velthuis does not look at the role that narratives play in the market as a whole (its performance and development) and therefore does not discuss relationships between the identified narratives. For instance, protagonists of one narrative can be the villains of another, or the same actors can perform different narratives in different times. Therefore, the relationships between the narrators have to be unpacked in detail. Why do narratives differ? What are the power relationships that art market participants defend in these narratives? In addition, the perspective elaborated above requires a closer focus on the structure or coherence

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4 The lack of qualitative research on this topic does not allow for making a stronger claim, however, during my fieldwork, artists, art dealers and even art collectors from both Russia and India kept repeating that they had to learn “on the go,” that the market is “wild” and unregulated, that norms and rules from established markets “do not apply here,” etc.
of the stories found in the art market. Stories that art market participants tell can be fragmented, non-linear, and without a clear plot and identifiable characters. Do such stories fully perform the function of a sense-making tool? Do meanings expressed in such stories guide actions or create some form of cohesion in the art market? The lack of a temporal dimension in a story, for example, may not allow for formulating possible expectations of the future, and may affect the dynamics of the market.

Despite frequent arguments about the progressing globalization of the contemporary art world (e.g. Bydler 2004; Crane 2009), empirical research still shows dramatically unequal access of artists from the majority of (and especially emerging) art scenes to the centers of art commerce and valuation (Quemin 2006). The homogenizing effect of the global art world is overestimated (Velthuis and Curioni 2015). With exception of the top artists and art galleries, art scenes and markets remain primarily domestically bound and undergo their own dynamics. Therefore, it is not very useful to study these markets from a universalizing perspective that looks for global trends and compares the performance of presumably similar institutions, as do the majority of professional accounts that look at emerging markets (see, for example, McAndrew 2009; Robertson 2011; Kraeussl and Logher 2010). This paper, instead, argues that the specific dynamics of national art markets (both established and developing) can be uncovered from within: by looking at the product of the meaning making activities of art market participants, i.e. by analyzing the structure and coherence of the stories that “explain” the market.

The narrativizing power of crisis

The empirical part of this paper focuses on stories about crises in the two developing art markets that arose as dominant interpretations of the ongoing events. While the choice of this plot can be seen as arbitrary, there is also evidence that the concept of “crisis” can be a particularly convenient sense-making tool. Thus, Roitman (2014) argues that narratives of crisis in contemporary societies become devices “to understand how to act effectively.” She explains the power of the concept through its impelling rhetorical structure: “Evoking crisis entails reference to a norm because it requires a comparative state for judgment” (Ibid, p. 4). Crisis always suggests a certain structure of temporality since it establishes a turning point and a reference to the previous non-crisis situation. “Crisis-claims evoke a moral demand for a difference between the past and the future” (Roitman 2014, p. 8), hence discourses of crisis imply normativity. Finally, crisis discourse contains a question: “What went wrong?” The question implies a critical judgment and puts the speaker in the position of an observer. All these properties of the notion make it particularly suitable for narrativization. As a result, stories of crisis have become powerful in contemporary society in general (Roitman 2014) and salient in the art markets of Russia and India as well.
The data analyzed in the empirical part of this paper were collected 4 years after the global financial crisis of 2008. Yet, participants of the two art markets still very frequently interpreted the ongoing processes in these markets in relation to the effects and aftermath of that crisis. This larger crisis was a universally shared starting point to elaborate on specific dynamics of the crises in the markets. Alexander and Jacobs (1998, p. 23) explain that narrative elaboration of crises, understood as social dramas, “is crucial for providing a sense of historical continuity in the crisis bound, episodic constructions of universalistic solidarity that continually form and reform civil society.” At the level of a market crisis, narratives serve the same function. The sense of historical continuity is something that especially emerging markets are lacking due to the short period of their operation and absence of official meta-narratives produced by scholars, experts, and media.

In their empirical analysis of the crises narratives, Alexander and Jacobs (Ibid.) focus on diverging emplotment of characters and events shaped by different common codes of higher level. In a similar vein, an approach developed here is interested in shared or oppositional readings of markets’ development by their participants. Therefore, this paper is not looking at prices and volumes of sales, and drawing conclusions about the objective state of the art markets in Russia and India. Instead, it analyzes the perceptions of market crises and argues that they are telling something about the “real” crises in the studied contexts only to the extent that they have performative power and are guiding actions of market participants.

Narrative data and narrative method

This paper analyzes two cases of market narratives in the emerging contemporary art scenes of Russia and India. The selection of cases can be seen as being theoretically driven, as the two contexts represent, to a certain extent, opposite narrative situations, and therefore allow highlighting the dual nature of the developed theoretical framework. Thus, in one case, it is easy to observe a shared and coherent narrative with an elaborate structure. In the other case, several interpretations of the crisis oppose each other, and observed stories are not well structured. Performers of alternative stories are not always consistent in which perspective they adhere to. The analysis of the first case pays most attention to the narrative structure and the role it plays in the interpretation of market events. The analysis of the latter case focuses on the lack of narrative structure, and on the context of production of opposing interpretations of the market crisis and related market strategies.
This analysis mainly draws upon qualitative interview data collected in the centers of art commerce of two counties – New Delhi, Mumbai, Moscow and St. Petersburg – between April 2012 and June 2013. I draw from a pool of in-depth interviews with about 130 various art market participants (such as artists, art dealers, collectors, art critics and journalists, auctioneers, and directors of art museums, fairs and foundations). In this paper I primarily focus on the production side of the primary art market and analyze interviews with those whose primary profession can be identified as artists or art dealers (for the exact number of interviewed artists and art dealers per city see Appendix 1). In addition, in the same period, I also carried out ethnographic observations in these cities. In particular, I attended educational events for collectors, press conferences, art fairs, and the openings of exhibitions and residences. These secondary observations help in interpretation of the interview data.

The overall project had an exploratory character. Therefore, the selection of interviewees was informed by a maximal variation sampling strategy. I started with an initial list of galleries I wanted to approach in each country (around 70 in Moscow and Saint Petersburg and around 90 in New Delhi and Mumbai). Due to the lack of official art market directories in both countries, the list was compiled based on a number of publically available sources, ranging from international databases (such as ArtFacts.net) to local travel guides. Prior to my fieldwork, I emailed every gallery on the list and began interviewing based on the initial responses. While in the countries I asked for recommendations, approached artists, art dealers and their assistants, at a variety of art events, such as art fairs, open days at art schools and residencies or exhibition vernissages. When approaching artists and art dealers I aimed for diversity in terms of type of art (more traditional canvas paintings vs. multi-media installations), length of presence in the market, and national and international success. Therefore, this sample includes internationally known artists, who exhibited at such events as the Venice biennale, and artists who have just graduated from an art academy and have had their first solo exhibition in a municipal vanity gallery. The galleries vary between those that have been operating for over 50 years and have participated in the Art Basel fair, and those that had opened within the half year before the interview or were only aimed at local buyers.

The interviews lasted between 40 minutes and 2.5 hours and focused on a number of topics, such as individual strategies in the art scene and the market, relationships with other key market participants, aims and ambitions, as well as their views on the overall market development. While the

5 As often happens, in many cases art market actors in these countries share multiple professional identities. Varying numbers of interviewees are mostly caused by practical constraints. Thus, I’ve spent twice as much time in New Delhi than in Mumbai and the same goes for Moscow and St. Petersburg. Moreover, St. Petersburg data collection fell for the summer season, when the art scene was practically sleeping and most of the potential interviewees were away on holidays. Yet, St. Petersburg commercial art scene is considerably smaller than the one in Moscow, which also explains the number of interviewees.
primary focus of the interviews was on the individual practices of the interviewees, they naturally interpreted them in the light of wider events of the art markets in order to explain their position. These data are the focus of the analysis. Interviews in Russia were conducted in Russian, and those in India, in English.6

The interviews were analyzed in Atlas.ti. First, I distinguished all the instances when interviewees made references to wider market processes to explain their opinions or individual strategies. At this moment it became clear that the idea of crisis (events preceding it and effects that it has) was the main organizing point of most of the stories. After that, I looked for the elements of the narrative structure in these descriptions (such as particular temporality of accounts, elements of a plot, heroes and villains, etc.). In the end, I looked for similarities and differences in the accounts in order to evaluate the coherence of interpretative frameworks in each market.

Using this procedure, I aimed to observe the “cultural work” (Pugh 2013) done by participants of the two markets. I was not so much interested in the accounts of individual particular practices given by my interviewees, but rather in how they embedded them in a more general framework. In this way, I was looking at the narratives about crisis as an example of a particular “cultural schema” that organizes art market participants’ perception of their environments and I zoomed in on this “schema” by focusing on its structure. In other words, the aim was “to understand the kinds of work the term “crisis” is or is not doing in the construction of narrative forms” (Roitman 2014, p. 3) and the influence of this work on the dynamics of two markets. With the last step of analysis I was trying to figure out how widespread a particular version of a crisis narrative was, and therefore to make a move towards Vaisey’s approach to cultural analysis that values the potential of generalizations (2014) (and to claim that, albeit constrained by the qualitative interview data, I can still generalize for a tight community of participants of emerging markets). Yet, for me the observation of coherence throughout the market (or the lack of it) was not an end goal, but the point for interpretation of a condition that the market was in.

It is also important to reflect on the interview situation. First of all, an interviewer invites respondents to a “storytelling situation” (Maines 1993, p. 21-22). As any research method, interviewing has its own implications for participants (Law et al. 2011). The situation of a research interview is a social performance (Lamont 1992; Alexander 2004) of participants, rather than a neutral tool to collect facts and opinions. I follow the ways interviewees present their actions as meaningful in

6 While English is not necessarily the first language of the Indian interviewees, it is generally known that English is the lingua franca of the consecrated contemporary art world in India. Besides one artist, who started his career in New Delhi very recently, but quite late in terms of age, I did not observe anyone having trouble to express themselves in English. My own difficulty was to adjust to the wide variety of accents.
Chapter 5

conversation. I focus on the embedded narrative performances (Cunliffe and Coupland 2012) about the art market that respondents construct during the interviews.

Second, Maines claims that any speech act “contains at least some elements of narratives” (1993, p. 21). In the situation of an interview, people are provoked to be more explicit and reflexive than in conversations between each other. Respondents need to articulate their assumptions and background knowledge in order to create meaningful discourse. Thus, more elements of a narrative come forth. Through the elaborate narratives about the art market, respondents performed their expert position in the field. This provided rich and culturally thick data for the analysis.

At the same time, “narratives do not necessarily describe what is real, but are imaginative constructions of order” (Cunliffe and Coupland 2012). Narratives are multiple and vary according to “situation, audience, individual perspective, and power/authority relations” (Maines 1993, p. 21-22). Narratives performed during research interviews are, in some ways, inevitably different from the narratives performed in different situations. Nevertheless, the rigid and objectifying narrative structure demands a certain level of repetition. Presenting events in the form of a story is a natural impulse (White 1980, p. 5) necessary not only for the presentation of them to the listener, but also for the speaker herself in order to make sense of her actions. If a narrative would considerably change each time it is performed in a new situation, it would lose its main function as a sense-making tool. Therefore, I assume that I do not analyze any unusual stories invented just for a researcher or outsider. Giving interviews is a typical activity of many art market actors. In fact, as a social scientist, I was often confused with and sometimes treated as a journalist. Articles in the general and professional media published during the period of my fieldwork contain similar narrative elements. Thus, they support the reliability of the analysis.

7 There are no official public directories or sales data for art markets in both countries. Therefore, it is hard to provide a quantitative overview of them. The information presented in the table was collected by the author as a preparation for fieldwork from multiple different sources and is often an estimation rather than the exact number.

8 India Art Fair (former India Art Summit), New Delhi, est. in 2008


10 Saffron art, Mumbai, est. in 2000; AstaGuru, Mumbai, est. in 2008; Pundoles, Mumbai, est. in 2011; Osians, Mumbai, 2000-2013; Art Bull, New Delhi, 2012-2014

11 Vladey, Moscow, est. in 2013

12 National Gallery of Modern Art, New Delhi, contemporary art wing since 2010
Empirical case study: two versions of crisis narratives

Table 5.1. Institutional infrastructure of the contemporary art markets in the central cities of Russia and India

<table>
<thead>
<tr>
<th>Institutional Infrastructure</th>
<th>New Delhi and Mumbai</th>
<th>Moscow and St. Petersburg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contemporary art galleries</strong>&lt;br&gt; (in 2013)</td>
<td>≈ 70</td>
<td>≈ 90</td>
</tr>
<tr>
<td><strong>Contemporary artists</strong>&lt;br&gt; (Working with these galleries, according to their websites)</td>
<td>≈ 2800</td>
<td>≈ 1600</td>
</tr>
<tr>
<td><strong>Art fairs</strong></td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td><strong>Auctions</strong></td>
<td>310</td>
<td>111</td>
</tr>
<tr>
<td><strong>Governmental museums</strong></td>
<td>112</td>
<td>813</td>
</tr>
<tr>
<td><strong>Private museums and exhibition centers</strong></td>
<td>114</td>
<td>815</td>
</tr>
<tr>
<td><strong>Private foundations</strong></td>
<td>116</td>
<td>617</td>
</tr>
<tr>
<td><strong>Professional print media</strong></td>
<td>418</td>
<td>319</td>
</tr>
</tbody>
</table>

13 The State Tretyakov Gallery, Moscow, contemporary art wing since 2001; The Moscow Museum of Modern Art (5 buildings), est. in 1999; Multimedia Art Museum (former House of Photography), Moscow, rebranded in 2006; The National Center for Contemporary Art, Moscow, est. in 1994; Moscow Museum and Exhibition Association Manege, 6 museums est. between 1989 and 2010; The State Hermitage Museum, St. Petersburg, contemporary art department since 2007; The Russian Museum, St. Petersburg, contemporary art department since end of 1980s; The State Russian Museum and Exhibition Centre ROSPHOTO, est. in 2002

14 Kiran Nadar Museum of Art, New Delhi, est. in 2010

15 M’ARS Centre for Contemporary Art, Moscow, rebranded in 2015; Garage Museum for Contemporary Art, Moscow, est. in 2008; ART4.RU, Moscow, est. 2007; The Institute of Russian Realist Art, Moscow, est. in 2012; The Winzavod Centre for Contemporary art, Moscow, est. in 2007; Cultural Centre – Loft Project Etagi, St. Petersburg, est. in 2007; The New Museum, St. Petersburg, est. in 2010; Erarta Museum and Galleries of Contemporary Art, St. Petersburg, est. in 2010

16 Devi Art Foundation, Gurgaon, est. in 2008

17 Ekaterina Cultural Foundation, Moscow, est. in 2002; Stella Art Foundation, Moscow, est. in 2003; BREUS Foundation, Moscow, est. in 2007; V-A-C Foundation, Moscow, est. in 2009; Pro Arte, St. Petersburg, est. in 1999; Airis, St. Petersburg, est. in 2008

18 Marg, est. 1949; Art India, est. in 1996; Art and Deal, est. in 1998; Take on Art, est. in 2009

19 Artkhronika, 1999-2013; Khudozhestvenny Zhurnal, est. in 1993; ArtGuide, est. in 2009; The Art Newspaper Russia, est. in 2012
Background of the two narrative situations

While direct comparison of the Indian and Russian art markets performance is not the main goal of the paper and its empirical section, they may still look like an unlikely couple to bring together in one paper. I argue that these art markets have both a lot of similarities, that allow the claim that the two cases represent the same type of an “emerging” market, and a lot of differences, that provide fertile ground for observing the potential diversity of narrative situations. While non Euro-American case studies are usually singular or regional, looking at two peripheral markets with very diverse socio-cultural backgrounds may bring unexpected results, since the criteria for comparison are not yet established (unlike in the situations when a new or peripheral case is studied from the perspective derived from the existing knowledge about central and established prototypes) (Herrwitz 2001).

The Russian and Indian contemporary art markets are similarly framed as “emerging” or “developing” by professionals and academics (McAndrew 2009, Robertson 2011, Velthuis 2015). Even though rare sales of art happened in both countries, the art markets were practically non-existent there before the economic liberalization of the late 1980s to early 1990s (see more in McAndrew 2009). Today, the volume of the Russian domestic art market is estimated to be around $25 million (the latest figures are for the outcome of 2016, from ARTInvestment.RU 2017).20 The contemporary art sector is considered to be just a small fraction of the whole art market: experts estimate its size to be around €2.5 million (InArt 2016). Domestic sales of South Asian art at Indian auctions amounted to $58 million in 2016, with contemporary art constituting only 5% (i.e. around $2.9 million) (ArtTactic 2017).21

In the meantime, the two young art scenes underwent similar development, with the opening of internationally oriented commercial galleries and auction houses, and the establishment of new art clusters, fairs, magazines, biennales, etc. (see Table 5.1 for an overview of the existing contemporary art infrastructure). The markets are also said to have a lot of similar problems: an underdeveloped infrastructure and legal framework, and the relative absence of collectors, professional media and/or criticism, state support, contemporary art museums, etc. In both countries these issues were systematically raised during the interviews. Yet, while on the surface the similarities are numerous, they are limited due to the significant differences in socio-cultural contexts in which they occur. Simultaneous development of the two new markets has become possible in the context of liberalizing

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20 This estimate includes domestic auction and private and gallery dealers’ sales that include all fine art by artists born in the Russian Empire, Soviet Union and contemporary Russia.

21 The estimates for gallery and private sales in India are not available.
national economies, but the background of these transformations is not the same.

The dissolution of the Soviet Union brought not only new market possibilities, but also significant political and social changes that affected the daily lives of the majority of the population. Many, including novice art dealers, took this rupture as a possibility to start a business from scratch (see more in Komarova and Velthuis 2017). The new government relinquished control over private commerce for art (that was previously forbidden) and over legitimate artistic styles (that were previously censored via an elaborate system of official art organizations – see more in Kharchenkova et al. 2015; Yankovskaya and Mitchell 2006). Thus, no commercial gallery existed in Russia until 1988 and unofficial art could only be exhibited underground (Kholmogorova 2014; Slovaeva 2014; Starodubtseva 2014). The emerging market for contemporary art, therefore, to a large extent started as an opposition to existing tastes, and social and institutional hierarchies.

The economic transformations in India around the turn of the 21st century were sound, but they did not have such a profound effect on artistic production and did not challenge existing social structures. In fact, the oldest of the still functioning private art galleries (Dhoomimal Art Gallery in New Delhi) opened in 1936 and the most celebrated art movement in the current art market – Progressive Artists’ Group – was established in 1947 (Brown 2009). Many of the current art market actors are at least the second generation of art connoisseurs from established elite families (see more in Komarova and Velthuis 2017; Poulsen 2012; Joshi 1985). The economic reforms of 1991 opened up the country’s economy (Kaushik 1997) and ended the long-lasting spirit of disavowal of conspicuous consumption (Khaire 2011). As a result, art suddenly became a commodity, and an expression of wealth and a new modern identity (Brosius 2012). This gave a boost to the newly emerging market, without challenging the historically strong stratification system (Vaid 2014).

These historical differences also have an effect on the different intensity of governmental involvement in the arts. While post-Soviet Russia released the bans on private commerce and quit the rhetoric of a single official art style, the new government has not lost its interest in defining the country’s cultural policy. It has redirected quite some infrastructural resources to accommodate contemporary art movements. At times, it still wishes to play a role of Big Brother, and have a final say in what is appropriate or not in the field of art (Bernstein 2014). As a result, art market actors still see the state as a natural (sometimes annoying, but sometimes helpful) participant of the art scene. In India, on the other hand, contemporary art is mostly a business of private entrepreneurship and private consumption. The Indian government has limited interest in contemporary visual culture. Instead, it targets its cultural policy and resources at maintaining the national cultural heritage, that is perceived as a crucial element in building the national identity (see, for example, Government of India RFD for Ministry of Culture, 2014).
Finally, one reason why I find differences in narratives about crisis in the two countries, may be related not to the perceptions of the art market environments, but instead, more generally, to the differences in narrative traditions in both countries. However, I suggest that this explanation can be disregarded since scholars have argued that the narrative traditions of the two countries both have similar roots and differ a lot. Thus, Halliday (2014/1933) argues that all Indo-European folk tales have a common stock of plots: “If a representative collection of folk-tales from any two countries between Iceland and India be examined, a large proportion of the tales will be found to be common to both” (p.13). Importantly, the similarities that she observes come not only in content, but also in patterns – the structures of stories. On the other hand, researchers on Indian narratology have shown examples of Asian narrative tropes that are not characteristic of the Russian narrative tradition (e.g. there is a tendency for serialization, i.e. creating a never-ending series of episodes not necessarily temporally sequenced – see more in Jindal 2016; Ayyappa Panicker 2003), that is closer to European examples favoring a clear temporal dimension over a spatial one.

Disregarding which position we take, several points are to be made. First, even if the Indian narrative tradition was originally different from the Western one (that is a source of theoretical arguments about the narrative structure), it was considerably altered during the colonial period (Goebel and Schabio 2013). Second, with cultural globalization, the proliferation of international media, and the global dominance of Hollywood movies, narrative structures all over the world have become more homogeneous (Olson 1999). Finally, the developed analytical framework is grounded in a structural approach to narrative analysis (Alexander and Smith 2001) that looks for universal elements of narrative grammar, such as structural roles of heroes and anti-heroes or persistent emplotment of selected events, but does not deny a possibility of context-specific narrative tropes within this grammar.

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22 We are talking about the ethnic Russian narrative tradition that became dominant in the period of the Russian Empire and spread further with standardized mass education during the Soviet era. There are ethnic minorities in Russia with distinct narrative traditions.

23 The dominant Russian narrative tradition is usually not seen as being different from the European one. For example, the classical analysis of Russian tales developed by the Russian scholar V. Propp is generally taken as a forerunner of the structural approach to narrative analysis (Dundes 1997).
India: boom and crisis rhetoric

In India, people with diverse social backgrounds, occupying different social positions built a surprisingly homogeneous image of the art market’s development. Neither performance in the art market, nor international and local recognition had an impact on the general narrative structure of the stories I recurrently heard during fieldwork. The narrative about the Indian art market crisis had a clear, sequenced structure, and a plot comprising of references to the glory of the past, a contamination point, a critical external rupture that allows for later moral restoration, and positive evaluation of the market’s prospects. Different elements of the same story appear across interviews and rarely contradict each other. All my respondents placed the crisis in the past. In particular, they used the term “crisis” to describe the immediate drop in auction prices during the period 2008–2009. “Crisis” was something that happened, but did not last. The period after the crisis was seen as a slow but steady improvement in the market in times of economic recession. The global economic crisis was presented as an external rupture that unexpectedly influenced the local art market, but artists and art dealers generally shared an idea that the crisis in the art market “should have happened at some point” anyway (I27_dg)24 because the market boom (preceding the crisis) “was very artificial” (I12_da). Thus, respondents argued that major problems in the Indian art market date back to, “when suddenly this so-called boom came”. Rhetorically a story about the “crisis” always starts with references to the “boom” accompanied by what Sooudi (2015) describes as a “moral crisis” in the Indian art world. Thus, a narrative about crisis encompasses a lot of moral claims about the Indian art market via references to improper attitudes and behaviors dominating the art world of this period. But let us look in more detail at the main structural elements of this narrative.

Boom, “moral crisis” and the contamination power of money

The boom is said to have started between 2002 and 2005. The Christie’s auction in New York on September 19, 2002 is often named as the symbolic mark of its beginning (I32_dg). Back then, the triptych “Celebration,” by Tyeb Mehta, was sold for more than $300,000. It had remained the most expensive piece of contemporary art from India sold in a public auction25 for about three years, when a work of the same artist, “Mahishasura,” hit a new record of $1.58

24 Here and further in the text I use codes instead of the names of my interviewees. The first part indicates the number of an interviewee in the overall database. The second part indicates the city (d – for New Delhi, mu – for Mumbai, s – for Saint Petersburg, mo – for Moscow) and the position of the interviewee (a – for an artist, g – for a gallery).

million on September 21, 2005\(^{26}\) (Christie’s auction in New York). Consequently, Tyeb Mehta has become one of the symbols of the boom. Art market participants perceive the rise of prices for his works as dramatic and often over exaggerate it by adding several extra zeroes in their stories (I13_da).

This extreme escalation of prices is presented as one of the key characteristics of the “boom.” Words that are used to describe this period are “ridiculous,” “crazy,” “scary,” and “tough.” A successful Delhi based artist, with an impressive record of collaborations with galleries across the country recalled:

> It was very interesting time, but also very, very scary, because an artist like me, I could not increase my prices [with no reason]. <...> So it was a very, very tough period to keep our morale. <...> For us, I think it was a great change.

To explain the change she proceeded with a story that reveals the shift in attitudes in the art world:

> I was giving my resume to one of the shows and it was very funny and they said: [Artist’s name], you’ve been painting for 30 years, but can I write 20 instead? <...> I said: Why? I’ve been painting for so long! She said: But you actually started selling [20 years ago]. And I said: Okay you are talking about the time when I became a seller. It is not about when I became an artist <...>, so it was a very sad moment! (I30_da)

According to many participants of the art market, people who are interested in the commercial side of the business are not interested in art itself. Such active “denegation” of economic interests (Bourdieu 1993) fits a contamination model according to which art and money represent two hostile worlds (Zelizer 2000b; see more about it in Velthuis 2003). It means that becoming an actual market (during the “boom”) with fast growing supply and demand supposedly damaged the art world. Another established artist from New Delhi explained that period:

> Then suddenly this so-called boom came, <...> because what happened was, it brought in investors. And the actual collectors shrunk. Because the prices went [too] high. Because these investors they would buy 20-40 paintings and then they would increase the prices artificially in the auctions. And you see a lot of auctions came [in]. <...> And in the auctions the prices went sky high, absolutely, because the investors wanted to make money. And there was no other business or no other shares or anything which could command such a fantastic profit. It was 20 times, 30 times of what you put in.

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And they didn’t even know the artist they were buying and they didn’t know anything about art. In that sense it was very bad for the art. (I12_da)

The sudden inflow of money in the art market attracted the “wrong” people to the industry simultaneously pushing out the “right” ones, because prices went beyond the reach of real art lovers. With an emotion of despair a rather young, but successful dealer, who opened her gallery in Delhi when the boom was already over, claimed that during this “nasty” period “everybody was an investor, everybody.” “Nobody was a collector, a collector became an art dealer soon” with an interest in making quick money by selling their collection (I20_dg).

Thus, the main villains of this dramatic narrative are the numerous newcomers to the Indian art scene – investors. Furthermore, money has seemingly spoiled many other participants of the art world. Artists (even the most honorable of them) also have changed their objectives and agenda. For example, according to one of the longest operating art dealers in the country, who claims to not fall for the market logic and therefore has operated at a loss for the past thirteen years, artists suddenly started arguing for better prices and destroying longstanding friendships; moreover, they significantly increased their production speed:

I knew that this would create a bubble and that was dangerous not only for the commercial side of the art but for the aesthetic side of the art. The art, the artist started producing instead of one work a month they started producing 30 works a month. That’s bad for the quality, that’s bad for everybody. (I37_dg)

Rhetorically, the blame for the boom and for the following crisis is always assigned to some third person (investors, artists, auction houses), as the following quote exemplifies (emphasis added):

I was in London years back when the boom time started, all [hedge] funds were opening left, right and center. In India there were five people who started a fund in Bombay, I know of some in Delhi also. They would start a small fund and then they would pull in money and then they would buy [art]works. So now they wanted to exit with the fall – falling of the market, but they didn’t know what to do. Now, they don’t buy, they all disappeared. They must have distributed the works amongst themselves. (I27_dg)
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The villains of the art market are usually abstract; they have no names, with the only exception being the Bodhi Art Gallery\textsuperscript{27}, which is often mentioned as a key actor of the boom time and the symbol of all the evils that have happened. Closed right at the point that the art market bubble burst, it is remembered as an “extremely hyper aggressive commercialist” (I57\_mug) actor that contaminated many others with the spirit of investment, short-term planning and large-scale projects. But the Bodhi gallery has closed, and all other anonymous villains of the story seem nowhere to be found nowadays – dubious galleries have closed, greedy artists are forgotten, investors and speculators have vanished – “they are [shut] down, nowhere around on the scene now” (I27\_dg).

Thus the narrators take an observant position in the story about the crisis, and disassociate themselves from events of the boom period. These are the stories of winners who survived the crisis; their narrators are in a privileged position from which they can interpret the situation in their own terms. Thus, the “I’s” and “we’s” of the narrative are the ones who didn’t fall for the lure of money. Instead, they supposedly “warned,” did not inflate prices without a reason, turned down dubious business suggestions that promised big and quick money, knew from the very beginning that it was all wrong and just a bubble, etc. This rhetorical distancing shows that such behavior is considered morally improper today. As an established art dealer from Delhi explains, now they are the ones who are rebuilding the market, when the villains have vanished:

\begin{quote}
And that’s why people like us get frustrated and get irritated with that whole thing of buying and how, you know, we should be in business now, or how we should improve it, or how we can’t really contribute more. (I27\_dg)
\end{quote}

While art market participants perceive the pricing crisis as something that came from the outside – “the big correction to the market in 2008” – it is always linked to the “boom,” or the moral crisis in the market, which embodies all the internal problems of the art world of the time. As art market participants argue, the link between the “moral” and “economic” crises of the Indian art market is contingent – “if the Western markets didn’t fall the bubble should have burst at some point anyway” (I36\_da). Nevertheless, this link is still very strong, as the “normal” pre-crisis state of the market is to be found before the boom. The present state of the art market is compared with the pre-boom “dream time” of the art world.

\textsuperscript{27} An art gallery that existed between 2004 and 2009, and had branches in Mumbai, New Delhi, New York, Singapore and Berlin.
“Dream time” of the past and the present of new beginnings

Art market actors consistently contrast the crisis times with the 1990s and preceding years, which are presented as being representative of a more normal functioning of the art market. Both artists and commercial art dealers recall this time with warm feelings, when only “enthusiasts” were in the business, and artists were getting “great support.” As a Delhi artist with over 30 years of experience in the local art field shared:

*Indian market had not opened up but it was the most exiting period – there was no hurry to reach anywhere, there was no art market; there was nothing that I was looking forward to as per a market or as an audience.* (I30_da)

Similarly, an influential Delhi dealer started an art gallery in the late 1980s because he “loved the romance involved with art.” To explain the peculiarity of these early years in the art world he explained the following about prices:

*At that time we never spoke about prices. Prices were not an issue. <...> I would join [artists] and it was all about art and it was all about aesthetics. <...> So I call that a honeymoon period for the gallery, and once we “got married” in 2002–2003 to this money.* (I37_dg)

This period is characterized by the slow pace of business, and rare sales, as well as the relative independence of India from the world financial turbulence, and steady economic growth. Surprisingly, the absence of the market seems to be the time that is valued most positively in the narrative of the market. In comparison to this “dream time,” the time “after the crisis” that is still present in the narrative is described very similarly. Art market participants can easily accept that there is no market nowadays, or that commerce has almost vanished, and can still paint the positive picture of the new beginnings. For instance, an internationally recognized Mumbai art dealer cheerfully informed me that there are “like zero buyers for Indian art. So we have to start all over again” (I57_mug). Another art dealer from Delhi added to this that artists finally have time to “think and reflect” about their artistic practice again (I27_dg) and many artists note that some old collectors, who exited the market during the boom, “return” nowadays (I12_da; I36_da). The Indian art market has “turned to the new cycle” and is again “at the beginnings of a trend” (I56_mug).

While the story of the Indian art market narratively seems to return it to the original state, some things have changed, which allows me to consider this narrative complete in White’s terms (1980). The boom and later crisis have taught the market some “lessons”: the “art market [is] becoming more mature, the art scene [is] becoming more mature” (I27_dg). The new heroes of the narrative
have emerged to save the market from the crisis – “a new generation” of young collectors, who “are buying from their heart and not driven by the monetary value of what they are buying or the investment value of it” (I18_dg). There is a widely shared belief in this group of people:

Because this younger generation, they’re [in their] 30s and 40s, and awareness [about art]... the thing is that awareness has become I would say a thousand times more than [just] the buying capacity. (I27_dg)

These new collectors embody the opposite characteristics to the villains who are blamed for ruining the market: they are interested in art and not money, they come to see art at exhibitions and they educate themselves, “their tastes are growing,” – they are supposed to bring the market to a bright future. Thus a young Delhi-based second-generation art dealer reconstructs the transition of the market through these periods in a few sentences:

[The market] is more stable, because of what happened in the boom, there was a lot of not so good art that was piggy backing on the great art and everything was doing well, everything was selling.<...>
Also because collectors in India that time [before the boom], it was an innocent market, they were naïve, there wasn’t that much exposure, but now collectors are so much more aware, they’re educated, there are two private museums in Delhi, so all of those things that actually contributed to making collectors more aware and more careful with the choices that they make. (I34_dg)

In fact, this capacity to tell the short and condensed history of the Indian art market indicates that this experience has been successfully historicized – put into a narrative form and performed even by actors who were not personally involved.

The narrative about the Indian art market revolves around facing and coping with moral and economic challenges. The rigid structure of this narrative, reproduced in multiple individual stories, performs a certain work in the market. The temporality of the narrative produces a perspective for assessing the market development and for building expectations of the future. In the case of India, these expectations are invariably positive, disregarding the generally acknowledged shortage of sales. This is made possible by a symbolic linking of the current low state of a market to the “dream time” of the Indian art scene, when everything was “still fine.” Thus, low prices and volumes of sales are justified by attaching positive moral judgments to behaviors that do not prioritize commerce. Some art dealers finish the story with an overly optimistic prognosis, predicting that the Indian art market will reach the size of the US market within the next 5 years (I18_dg). While such promises are unlikely to come true, they follow the logic of the narrative that creates what Beckert calls “enjoyment by anticipation” (2013).
The experience of crisis expressed in a narrative form has a bonding effect for the Indian art world. According to the narrative performed by art market participants, the crisis has purified the market. It rhetorically suggests that only actors who share similar values are still active in the market. Thus, by employing this narrative (even without being present in the market over the course of its span) actors send a message to the audience that they are not those “dubious investors” who are in the market with a short-term interest. You can trust them, and poor economic outcomes are only the proof of it – art for art’s sake is their main goal.

The narrative of crisis has a productive function in the Indian art market – it creates cohesion and produces a perspective for the future, which is necessary for the market to operate. A consistent model of market development allows collaboration between art dealers and reduces uncertainty for potential buyers – new, young collectors whom everybody wishes to attract.

**Multiple Russian art market crises**

Art market participants in Russia also refer to a crisis when explaining the way the market is developing. However, while Indian market actors place the crisis in the past, their Russian colleagues are convinced that the market is in a state of crisis in the present. As a result, the stories about the crisis in the art market in Russia lack a temporal dimension. It is hard to find any time points in the stories. Sometimes interviewees mention 2007–2008 as a critical moment when art market activity changed; however, most often, the discussion of the crisis is just formulated in the present.

In addition to the lack of temporality, the stories about art market crises in Russia lack a clear plot. They are much closer to what Boje (2001) calls “antenarratives” since several fragmented stories about the crisis fight for public recognition. Being less structured, two versions of the possible narratives are nevertheless analytically distinct, even though their use by various art market actors is inconsistent. While some actors take only one standpoint, others often contradict themselves and create a mixture of the two.

The oldest operating players in the art market – art dealers, who have actively participated in the art world since at least the early 1990s – develop the first understanding of a crisis in the Russian art market. This focuses on the external problems (political and social situation in the country) and contextual factors (general tastes in art, museum policies, etc.) that do not allow the market to develop. These dealers are by far the most established players in the market. Younger actors of the market, who entered it in the early 2000s, actively blame the oldest players in the field for the current crisis in the market, and thus develop the second version of a narrative about the art market crisis in Russia. This mainly focuses on the internal, structural problems of the market (pricing...
principles, regulations in the market, relationships among art market actors, etc.). Nevertheless, while advocating for this understanding of the crisis, they rather often also use the arguments of their opponents.

The depth of this contradiction was exposed in April–May 2012, when three out of the four oldest and most famous contemporary art galleries in Moscow simultaneously announced their closure (Guelman Gallery, Aidan Gallery and XL Gallery) and organized a press conference at the Winzavod Centre for Contemporary Art to discuss the reasons for this decision. What was really going on with the galleries was unclear, but the event caused many debates about the state of the contemporary art market in Russia, and revealed the two contradictory positions with regards to this issue. A year later, the debates about the crisis state of the Russian art market have not ceased. The global financial crisis of 2008, being an external shock for the art world, was only loosely related to the problems in the Russian art market that some participants of the market called a “collapse.”

External crisis in the art market and a unique model of development

The first story about the art market crisis was most prominently emphasized by the art dealers who initiated the press conference, and was supported by artists who had been active in the field since the emergence of the Russian art market in the late 1980s or earlier. The opening statement of one of the art dealers at the press conference in April 2012 reflects the general mood:

*The situation is critical; there is no market for contemporary art in Russia anymore. And there are no signs it has a chance to come back.* (1139_mog)

Instead of explaining what was present before the market “collapsed,” the story focuses on the reasons for the poor state of the art market, listing the (seemingly endless) problems caused by the socio-political situation in the country and blaming various external institutions relevant for the art market functioning. This way of talking about crisis not only lacks a temporal dimension and a structured plot, but also does not have clearly defined villains, or heroes who can pull the art market out of the crisis.

Among numerous problems, two other general and independent crises are most often considered to have had a major impact on the Russian art market: the global economic crisis of 2008, and the political crisis in the country, which is said to have started with a new election cycle in the autumn.

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28 Only one gallery has officially stopped selling art, but people in the art community say that it is still possible to buy art there.
of 2011, and the consequent mass protests. Two Moscow art dealers had very charged views on the negative effects that the current political situation is having on the art market, so for about an hour during the interview we spoke only about this (I140&I141_mog). Another Moscow art dealer explained the impact more directly: in his view old collectors of contemporary art “have flown away [from the country], and the new rich – the bureaucrats – are not willing to show off their money, thus they will not collect art” (I89_mog). He went on to give some figures:

> Around 80 percent of all the collectors of contemporary art have left the country. <...> The collapse of the art market is directly related to the increased level of corruption and general atmosphere. (I89_mog)

The art dealer makes a point that the general atmosphere is unfavorable to the type of contemporary art that internationally oriented art galleries work with. As a result, there is no development of the wider art world infrastructure, which is necessary to support a stable market. Artists and dealers in Russia can list the contextual elements that are lacking or malfunctioning almost endlessly: art critics do not write about exhibitions, museums are not interested in contemporary art, production services are very expensive, their quality is very low, etc.

While the pioneers of the Russian art market consider the type of art they are working with to be international, the problems of the market are presented as being specific for Russia. Thus, the art market in Russia is said to be developing in its own way, differently from the rest of the world. Art dealers claim that “the Western gallery model is not working here” (I139_mog), so adoption of the international practices of art commerce cannot help the Russian art market. In particular, there is a widely shared view that the “sustainability of a commercial gallery is impossible in Russia” (I86_mog).

Therefore, to overcome the crisis, art dealers claim to search for some “unique” mechanisms of external support. As an example, the commercial galleries that initiated the press conference decided to switch to, or refocus on, various non-commercial activities (such as curating non-commercial shows, providing artistic education, or supporting regional artists). They explained that a non-commercial status allows art dealers to “ask for sponsorship” from private or even governmental organizations for their projects, while requesting such support as a commercial organization is illegitimate or even legally impossible. The strategy of coping with the crisis as understood in this story is to attract an external influx of money.

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29 See more about the political crisis of 2011–2012 in Russia in Monaghan 2012; Yanitsky 2013.
Chapter 5

It is generally known within the art community that contemporary art galleries in Russia had other sources of income that supported their existence from the very beginning. Several of my interviewees claimed in informal conversations that there is still not a single gallery that is sustainable from commercial sales of art alone. Thus, external sponsorship of the art market can indeed be perceived as a “normal” way of functioning. The lack of such support is what these art dealers consider a crisis.

This understanding of a crisis is shared, and actively elaborated, by an easily identified group of actors. Yet, it is not put in a structured narrative form. This version of a story about the crisis in the Russian art market has only some elements of a narrative. For example, there is a distinction between the pre-crisis state and a current crisis in the market. Only some general ideas about the causes of the crisis are formulated: the villain is rather abstract, and normative claims are vague. Although art dealers observe a negative trend, there is no clear sequence of events that is creating it, no plot has been developed, and no (possible) ending of the crisis is identified.

**Internal crisis in the art market**

A different view is presented by younger players in the field. Their story is characterized by a relatively clear villain. A range of art market actors elaborately blame the oldest art dealers, who established the market in the early 1990s, for all the current problems. In contrast with the Indian case, art market participants very often mention specific names or use generalized names for these people such as “these oldest galleries,” or the “curatorial dictatorship of the art dealers in the 90s” (199_mog). While these art dealers are recognized as “fathers” of the market, they are at the same time blamed for not being able to build a proper market, for their attitude towards its functioning today, and for their approach to art commerce. Thus, they are blamed for the deep structural problems in the art market. Within this version, the crisis is apparently rooted in choices made by the pioneers of the market early on. Therefore, there is no clear beginning of the crisis in this story, and it is not clear if the Russian art market was ever in a non-crisis state.

The most elaborate part of this narrative is a discussion of the reasons for the crisis in relation to the villains, who caused it. According to these younger players, one of the main “faults” of the villain art dealers is their *elitist* approach. The art community is blamed for overlooking some talented artists, who could be successful, but do not fit their agenda. It is depicted as a small closed art fraternity (‘tusovka’) with “Napoleonic habits, meaning that ‘I am the king’ and everybody else is servants.”

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30 For example, one art dealer has a political background, another started an art gallery in order to build a corporate collection for his bank. Often family business can support the running of a gallery (e.g. jewelry retail).
The aesthetic, intellectual and social closure of the group prevents the market from developing. Whereas the market needs “new blood,” it is “dying out” instead (I96_mog). Art dealers that produce this type of story claim that the supply side of the market should be interested in what the audience is looking for and can appreciate.

Such an elitist approach is often rhetorically linked to another problem of the market within this story: unrealistically high prices. A young art dealer, who intentionally decided to stay away from the Moscow art cluster, explained that these art dealers just do not work with low prices, believing them to be below their status:

As we all know, some galleries just didn’t consider selling art below a certain sum [of money], because [for them] it is too petty and strange. But then there were cases that after a while a work went to an auction and was sold five-times cheaper. (I100_mog)

This discussion of unjustified prices is very common in the art community: the prices are said to indicate the status of an art dealer rather than an artist. Hence, they are often too high, especially for young artists. The oldest art dealers are blamed for their unprofessional and speculative approach to pricing. The price is even said to be determined according to the appearance of a person who enters a gallery.

Multiple instances of what art market participants describe as “misbehavior” are perceived so outrageous, mainly because the accused art dealers supposedly consider these practices normal. “Newbies” in the art market are “shocked” when they hear that all the problems and lack of regulation that they observe are taken for granted and are advocated as a “special” way of development of the Russian art market (I101_mog). Thus, the founding fathers of the Russian contemporary art market are accused of supporting its current malfunctioning. A successful young artist, who decided to build his career without gallery support, explains that:

All this [questionable] system was naturally built in the 90s and keeps working in an automatic mode. Apart from new galleries, everything else is the business of the 90s. 31 (I103_moa)

Artists and art dealers who narrate this story of the market crisis are often visibly angry and pull no punches. They claim that the crisis happened because the oldest players in the field do not really care about the market in general, and instead “build their own careers,” “wish to make big money,”

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31 The reference to the business of the 90s has negative connotations in Russia as this period is generally regarded as the “wild” time of legally dubious economic practices and short-term planning.
“work only for their own interests.” The announced closure of the three big galleries and the way they explained their decision in public media is perceived as “whining,” unprofessional behavior, and even as a betrayal of the industry. A Moscow art dealer complained about the performative effect that the press conference had had, as follows:

This April so-called closure of the galleries. Very strange. It was a great PR event for them, of course – tell everybody and everywhere about them. <...> But, you know, when such an ominous front page comes out with a title “I gave birth to the art market and I am the one who will kill it.” <...> first of all, this is just not nice <...> masses read this. And all the time it is just critique, critique of artists, critique of everybody around. (1100_mog)

The claims that there is no art market in Russia any longer are said to have overshadowed the galleries that did not close, and to have scared off potential buyers.

This story of the crisis implies that the rules of the market prevailing in Russia were initially wrong: the market operated in the grey zone, prices were not clearly established etc. Therefore, coping with the crisis requires “repairing the art market” by building it according to other, new rules. While the actors performing this story make moral judgments, the source of normativity cannot be found in the past – they need to look for other exemplary models for running their businesses. Art dealers and young artists advocate for clarity and openness of information, taking their limited European experience as an example. The normativity in this story comes from outside of the Russian art market. In order to succeed and cope with the crisis, art market participants are required to adopt the “Western” approach to art commerce, which they can learn either from personal experience of participation in the international art market (via art fairs, collaboration projects or branches in other countries) or, in the case of this young Moscow art dealer, only from books:

We try to inculcate very basic things that you can find in the book “How galleries operate.” Everything is written there. So if anybody forgets something... you shouldn’t really [forget]. (1101_mog)

This story of the art market crisis has a clear villain, but no temporal dimension or sequenced structure. The normativity is derived from the outside of the market. Therefore, the emplotment of such story is problematic. Nevertheless, this understanding of crisis stands in clear opposition to the one developed by the pioneers of the art market. While the first story about the art market, in which the crisis comes from the outside, is aimed at defending the existing rules of the market, the second one – that is stressing the internal problems – is contesting them. Art dealers who relate to this type of story demand change.
While the two understandings of the market crisis are in opposition to each other, and thus can be analytically distinguished, two parties are not equally consistent in following them. The oldest players in the field are rather consistent with their emphasis on the external problems that do not allow the market to develop. Younger actors, who are often very negative about the behavior of particular art dealers and emphasize internal malfunctioning, on the contrary, easily switch to discussing the negative environment that they have to operate in, and can endlessly list the same external problems, which makes their own perspective less convincing.

A clear example is the opinion about contemporary art and its public perception. On the one hand, the younger actors blame the pioneers of the market for a very narrow and specific understanding of art that they impose on the audience. This type of art is sometimes called “filth,” “shit,” “ugly,” “repulsive” and rather often “incomprehensible.” Since these are the most well-known art dealers in Russia, they get most of publicity and they shape the public opinion about contemporary art in the country. An art dealer operating from a gallery space in the famous Moscow art cluster, where all the oldest galleries are located, says:

*Normally people come [to the gallery] with a big dread. Because for most people contemporary art is something at least incomprehensible, and sometimes even scary or repulsive. There are some provocations, there is some dirt, something horrible, unaesthetic, etc.* (199_mog)

He believes that the art he works with is more open for audiences and is more aesthetically pleasing. On the other hand, in another part of the interview, the same art dealer can start blaming the increasingly “obscurantist” atmosphere of Russian society, and claim that the majority of the Russian population does not understand contemporary art. Art dealers then explain that in the general media, contemporary art is often contrasted with the “authentic” traditional values of Russia, and emphasize that this opposition is promoted by governmental institutions (turning to the logic of argumentation that takes external factors as the causes of the crisis in the market).

Similarly to this example, young artists and art dealers sometimes start talking about the peculiarity of the Russian art market and its development not long after arguing that it is in no way different from the rest of the world. As a result, a narration is even less structured and has fewer chances to form a complete narrative.

Symbolic struggle over the dominant crisis narrative

These stories represent two conflicting positions in the field of Russian art commerce and can be explained from the perspective of a market as a field. This conflict represents a symbolic struggle
over the dominant interpretative frameworks for the Russian contemporary art market (Fligstein 2002; Bourdieu 1989). While the oldest art dealers of Moscow have built the art market on the basis of available resources, and have created the norms prevailing in the market, the other dealers entered it when it was already set up in a certain way. Thus, older art dealers identify external reasons for the current crisis in order to defend their position and the existing market set up. At the same time, younger galleries demand recognition in the field and do it via constructing an alternative narrative. This narrative does two things: first, it explicitly identifies dominant galleries as the villains of the market, second, it suggests an alternative source of normativity from outside of the market and claims that art dealers know the solution to the current problems and therefore can lead the market out of its crisis. The rupture in the market routine, exposed by the performed event of the once powerful galleries’ “closure”, has opened up the possibility to activate this alternative interpretation and to question the existing hierarchy. Thus, it gave others an opportunity to claim their right to reconsider existing norms. It explains why the group of art dealers performed an active narrative work by enthusiastic participation in the discussion of the closure of the older galleries and publishing a lot on the topic of the crisis in the media.

The stories of the art market crisis performed in Russia are not helping in the consolidation of the field. In their efforts to privilege their own interpretation of the market crisis, actors produce a polyphony, and send mixed signals to the audience. Both of the stories lack some of the crucial elements of a narrative, and as a result, their performative power. A temporal perspective is important to reflect on market development and to produce expectations about its future. Historization of the Russian art market apparently has not (yet) happened within the community. There is no reflection about the market as a whole and no shared history, as each of the parties denies the legacy of the other. Moreover, there are no expectations for a stable future unless one of the perspectives “wins.” In other words, there is no complete narrative and no (happy or any other) ending to the market crisis.

Further elaboration of any variant of a crisis story could allow clearer strategies of action and interpretations from the side of the audience. Thus, several prominent Moscow art institutions and market actors that defend the view of the external origin of the crisis, have started a project aimed at understanding the processes of the 1990s via large-scale exhibitions and elaborate catalogues (Seliina and Obukhova 2013). The early 1990s are formulated as a possible “dream time” for the art market narrative. However, the effect from these undertakings for the art market is yet to be observed.
Conclusions

The global financial crisis of 2008 is frequently related to crises in other fields, often by imputing a direct causal connection. Existing research has shown, however, that the effect of this crisis on national economies varied due to specific cultural environments (Campbell and Hall 2015). More specifically, context-specific, collective normative ideas about economy have influenced the public framing and perception of the crisis and, as a result, the strategies for dealing with it (Lindstrom 2015). Therefore, the crises in national economies and specific markets, that followed the financial crunch, naturally have their own dynamics (for art markets, see Velthuis 2015). Focusing on the case of art markets, the empirical part of this paper can be seen as example of a close analysis of market-specific crisis dynamics that has a broader relevance. I believe, for example, that the evolution of the financial crisis around the world can be understood better if we refocus our attention on the meaning-making processes that frame it within distinguishable cultural domains (be it product-specific markets or national economies in general).

An interpretative approach proposed in this paper looks at the phenomenon of a market crisis via the analysis of narratives performed by market actors themselves. While the crisis rhetoric was an organizing idea that explained the market development in the two countries, the analysis has shown that rather than being a major concern, the global financial crisis has become an occasion to reflect on more crucial problems in the art markets of the countries.

Indian art market actors have reinterpreted the global burst of the economic bubble in a positive vein – as a remedy for the “moral crisis” (Sooudi 2015) that the art market got into due to the influx of investment activities that treated art as any other financial asset. This narrative provides currently operating art market actors with a moral justification for their activities, despite weak economic outcomes, presents them as trustworthy to market consumers, and reaffirms the status quo norms of the market.

In Russia, the narratives about the art market crisis are more blurred. Two competing views have been developed by different groups of actors. In the first story about the market crisis, which defends the current state of affairs, the economic recession is just one of the external forces that have a negative effect on the art market, along with political processes unfavorable to contemporary art and its conspicuous consumption. The second version of the crisis story does not focus on the financial meltdown at all, but instead blames the key actors of the industry for market malfunctioning. For the proponents of this story, the economic turbulence was rather an opportunity to bring up their dissatisfaction about the prevailing market norms and question the existing hierarchies.
In the case of the two art markets in question, the atmosphere of crisis and coping with it was an overarching idea that dominated the narratives about market development. Nevertheless, different markets can “narrativize” other aspects of their functioning. The main contribution of this paper is the development of a narrative approach to the study of markets, which is aimed at a broader scope of application. Therefore, the analysis of the two cases is an illustration of how narrative sociology can approach markets in order to understand their dynamics and development.

The observed differences in narratives about the Russian art market crisis, and the interrelationship between them, open up social dynamics that are hard to grasp otherwise. Thus, people from the same social circle produce two conflicting stories about the Russian art market crisis. “Rival” art dealers often rent spaces at the same art cluster and can work with the same artists. The symbolic confrontation between them is revealed only in professional communication. The absence of a shared narrative in Russia reflects the existing competition for domination in the contemporary art market. The polyphony of voices and perspectives makes the stories about the Russian art market fragmented. They lack a clearly defined plot and a temporal dimension. This does not allow actors to create any expectations for the future and, therefore, leaves the market highly uncertain.

The shared and structurally elaborate narrative observed in the Indian case, is possible in a situation with rather indisputable authority and legitimate interpretations that are accepted by the majority of players in the field (even those who suffer from them). A universally shared narrative of the Indian art market does not necessarily signify complete peace in the social circles of the Indian art world. As art market participants mention, the most prominent art dealers of Delhi “cannot stay in the same room for long” (eh_dg). Nevertheless, their shared narrative suggests that none of the art market actors contests the existing hierarchies and rules. The Indian market aims at projecting stability as if art market reputations are produced “naturally.” Art market actors operate in a similar meaningful framework, which allows for cooperative action. Definitions of villains and heroes allow moral justifications for activities. The temporal dimension of the narrative creates projections for the future that can serve as a source of certainty and create stability in the market. A narrative of the market does not only convey meanings among art market participants, it becomes a source of cohesion that makes economic action possible, alongside institutional structures and long-term social relations.

The work that performed narratives do in the two markets clearly differs. These differences can be interpreted with reference to the broader cultural contexts of the narrative situations. In India, the contemporary art market is seen as a continuation of earlier developments, and rests on pre-existing social hierarchies. Thus, the art dealers of the “new money” – usually wives of newly rich entrepreneurs dealing in, for example, real estate – are often distanced from the consecrated
top of the art market, not only socially, but also geographically (with their galleries being located outside of famous art clusters). Nonetheless, they also perform the same narrative, not questioning the existing market layout. In Russia, the contemporary art market is a clearly a post-Soviet project that began by defying exiting rules and hierarchies, and at the same time denying the possibility of any long-term culturally and institutionally rooted legitimacy. As a result, all the norms had to be established from scratch and were (and apparently still are) open to contestation. This persistent questioning and contestation may also explain why the crisis framework is so appealing in this context. Thus, Shevchenko develops a concept of “permanent crisis,” and argues for the totality of the crisis framework in post-soviet Russian society (2008).

This paper proceeds from the strong cultural sociological claim that a narrative acts on itself (Alexander 2011). Alexander argues that a market is a narrative, suggesting that agencies of the actors in the market are shaped according to the narrative that the market performs. Alexander’s assertion that cultural dimension of the market shapes the rationality of the market and guides economic action has to be studied in detail as analytically separate from other dimensions of economic exchange. Having said that, Alexander’s approach suggests that any market has a narrative (2011) or a few narratives in competition (2002). Yet, it overlooks the fact that a narrative has to be produced, as experiences “do not offer themselves as stories” and their narrativization doesn’t happen automatically (White 1980, p. 8). Therefore, the context of narrative production deserves attention alongside the analysis of its structure and its effects on actions. The analytical framework developed in this paper aims to pay attention to both.

In order to not imply too much coherence, it looks at several “others” of a narrative, such as a narrating discourse that lacks capacity to “narrativize” events (White 1980), or an “antenarrative” (Boje 2001). The latter concept suggests that in order to interpret plurivocality and intertextuality of stories in a market, the conditions of their production should be taken into consideration (such as time and place, intentions of storytellers, or their political stands). The framework that employs the tools of narrative analysis, but suggest that any empirical case is positioned somewhere on a continuum between a coherent and structured narrative and non-linear and inherently incomplete antenarrative, can be seen as a bridge between the approaches that study markets as fields (Fligstein 2002) and those that focus on markets as cultures (Zelizer 2010).
Lado Sarai art district.

New Delhi, February 2013
Meanings of discounts in contemporary art markets
The case of India¹

In spite of the fact that discounts on prices are a universal marketing tool, little research has been conducted on the topic. In this paper, I study the use of discounts in an art market, where its occurrence, although perhaps unexpected, is still pervasive. Bargaining over a presumably priceless piece of art may seem ridiculous, but anecdotal evidence show that the practice is common in the most prominent art galleries around the world (see, for example, Grant 2013; Kleinfield 1993; Velthuis 2005).

Existing marketing research on the perception of discounts focuses mainly on “buyers”, with “suppliers” implicitly modelled as rational economic actors who always aim at utility maximization. As a consequence, how market actors decide to give (or not give) a discount remains largely unresearched. Filling this gap and arguing that suppliers of markets are also culturally embedded actors, this paper focuses on the norms about making discounts. Drawing on interviews with contemporary artists and art dealers in New Delhi and Mumbai, it looks at how art market actors understand what kinds of discounts are appropriate and when. What, in the perception of an art dealer or an artist, is an appropriate situation in which to give a discount? What does giving or not giving a discount mean to them? Which social relations are enacted by discounts? What boundaries do art market participants (wish to) draw? In order to answer these questions, the paper considers discounts as a pricing mechanism that organizes a market by coordinating demand and supply, communicating messages to colleagues and potential buyers, and differentiating between sellers, buyers and products. Discounts are, in other words, a powerful relational tool.

The paper begins from the assumption that any market is embedded in local culture and socio-economic context (Zelizer 2000a), which means that similar actions (such as proposing a discount of 10%) may have different meanings and effects in different markets (e.g. mass markets or markets of singularities) or even in different circuits (Zelizer 2004) within the same market. Existing studies on pricing and valuation, however, pay relatively little attention to the cultural differences in pricing

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(and discount) strategies, mainly because they focus primarily on Western markets (e.g. Beckert and Aspers 2011; Hutter and Throsby 2008). This paper addresses this imbalance, unpacking the differences by focusing on the contemporary art market in India, which is often labelled as “emerging” or “developing” (Kraeussl and Logher 2010; McAndrew 2009). Through the study of an art market that operates in a different socio-economic context, it thus highlights the diversity of market cultures within and across countries. Focusing on discounts serves to develop the paper’s argument about the role of culture in organization of markets. Elaborating on the Zelizer’s theory of circuits of commerce, it argues against understanding circuits as autonomous and homogeneous entities.

While public price-cuts in standard markets are often researched (Grewal et al. 1996; Lichtenstein et al. 1991), the role of discounts in status markets (Aspers 2009) is rarely studied. The example of the market for contemporary art shows the richness of meanings of discounts in such markets where the status of actors plays an important role in a decision about a purchase. This paper also contributes to the cultural sociology of art markets through its analysis of the Indian art market, by distinguishing two circuits of locally and internationally oriented actors. While artists and dealers in both circuits have a shared understanding of the socio-economic context that forces them to give discounts, their attitudes towards this practice differ. In the locally oriented circuit, the ideas about proper discount practices are shaped by actors’ understanding of Indian norms of conduct, so artists and dealers actively use discounts as a tool to support relevant relationships in the market. The attitude towards discounts in the internationally oriented circuit is, on the other hand, very negative, shaped by what its members perceive as global art market norms and rules. Artists and dealers in this circuit believe that discounts diminish the aesthetic value of art and symbolize lack of maturity in their business approach.

Discounts across cultures and markets

Although empirical studies about the perception of discounts are rare, there are several relevant domains of research within anthropology and marketing studies. Anthropologists traditionally focus on the system of discounts that exists in the so-called “bazaar economies” of non-Western traditional cultures (J. Alexander and P. Alexander 1991; Beals 1975; Geertz 1978; 1979).2

In this literature, bargaining is a key element of a “bazaar economy”, and is generally understood to be a cultural universal of traditional societies that supposedly disappears at certain levels of economic development and industrialization. Following this developmental argument, many anthropologists...

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2 The structure of the bazaar, which implies a large number of sellers of a similar product of unknown quality, presupposes bargaining as a rational activity for both parties of the exchange.
Meanings of discounts in contemporary art markets

Anthropological studies proceed from the idea that bargaining is ethically approved in non-Western cultures, while in, for example, the USA the practice does not fit the national values of egalitarianism (P. Alexander 1992; Brookhiser 1997; Herrmann 2003).

Comparative marketing research on standardized sales also finds cross-national variation in how consumers perceive price discounts. In countries where collectivistic values prevail in the markets, a discount from a listed price is perceived as a reduction of quality, while in countries with individualistic markets, discreet discounts are perceived positively (Jo and Sarigollu 2007). Like anthropologists of bazaar cultures, marketing scholars explain the difference in the perception of discounts by referring to shared national values. Knowledge about these values, however, rarely comes from empirical investigation, and culture remains a black box that is not specified in relation to empirical phenomena. Consequently, this approach essentializes cultural differences through references to the phenomena of “national” or “traditional culture” as ultimate explanations for observed behavioral differences (Jonasson and Lauring 2012). J. Alexander and P. Alexander’s study of the Javanese market is the only exception that studies language as a manifestation of culture and looks at the differences in meanings behind comparable linguistic concepts of different origin (J. Alexander and P. Alexander 1987). They show that, since meanings behind presumably similar concepts differ significantly in English and Javanese languages, the practices labelled by these concepts are also different (J. Alexander and P. Alexander 1991). A price in the Javanese market is thus understood in terms of “range” and bargaining is a practice of finding the “right” price within this range (J. Alexander and P. Alexander 1987). Following on from their research, this paper argues that the meaning of a certain pricing strategy needs to be a matter of empirical investigation.

This paper also questions the idea of national cultural homogeneity in relation to market processes. Studies of discount practices in different markets (not only national, but also markets of different products) suggest that the meanings that discounts have for market participants are not necessarily formed by national values. In contemporary Western societies there are markets where bargaining is an acceptable form of behavior, such as garage sales (Herrmann 2003), flea markets (Sherry 1990) or real estate markets (Merlo and Ortalo-Magne 2004). In art markets, bargaining and discounts are also common, even though it is not publicly advertised (Grant 2013; Velthuis 2005). Thus, the “propensity to bargain” varies not only among nations, but also across markets and market sectors. In the only empirical research discussing discounts in art markets, Velthuis proposes a typology, distinguishing between courtesy, museum, and flexibility discounts (2005). “Courtesy discounts” serve as gifts that are necessary to build and support relevant networks in the market. Such “gifting” is a symbolic action that can transform a situation of “market exchange into an act of care and support” (Velthuis 2005: 64). “Museum discounts” are often expected by non-profit art institutions because placing an artwork in a museum collection supposedly increases its aesthetic value and
advances an artist’s career. Finally, “flexibility discounts” are those given in the periods of market recession as the only legitimate way of responding to market fluctuations without damaging the perception of quality among the customers (Thaler 1985; Velthuis 2005).

While the Velthuis study shows that discounts can have different functions in the art market (e.g. relational, economic, symbolic), it does not discuss how artists or dealers understand these functions and which of them are relevant in a particular situation. In order to understand why discounts are given (or not), this paper considers the meanings they have for the parties involved.

The culture of markets

The paper starts from the theoretical perspective of markets as cultures (Abolafia 1998), and proceeds from the assumption that any economic action is culturally embedded in a set of meaningful social relations (Zelizer 2000a). Culture is thus a system of meanings shaped by norms, myths, symbols and beliefs shared within a particular community. Meanings that people learn, mutually construct, and share within markets, guide economic decisions and outcomes (Wherry 2014). Any market is only partially autonomous of a wider society: while an art market has the capacity to establish its own norms of operation, its actors also share the morals of the community they live in. Art market actors also have to rely on an available infrastructure and react to the economic, political or even environmental situation in their country.

Within a country, the culture of a market is also not homogeneous. Art markets consist of separate worlds divided on the basis of division of labor, distribution of power, location, and style differences (Becker 1982; Bourdieu 1983; Moulin 1987; White 1993). While agents’ interpretations of commerce within these segments influence how they operate (O’Neil 2008; Velthuis 2005), there has been less focus on the cultural aspects of market segmentation. In order to fill this gap, this paper looks at multiple market cultures (Zelizer 1999) in the Indian art world, using the concept of “circuit of commerce” (Zelizer 2004).

A circuit of commerce is “a set of relations among social sites” that “incorporates somewhat different understandings, practices, information, obligations, rights, symbols and media of exchange” (Ibid.: 124). Circuits of the same market vary in understandings of morality (Antebey 2010). Their members “share mutual understandings of value” (Mears 2011: 156), create trust relations and enhance reciprocity but, at the same time, organize “exclusion and inequality in relation to outsiders” (Zelizer 2006: 34). This “multiple markets” model (Zelizer 1999) shifts the research focus from markets in general towards distinct social relations and economic activities (Zelizer 2006).
A study of the meanings behind a single practice reveals the multi-layered cultural system of a market. In the case of art markets, discounts are an especially pertinent example because, despite the taboo on reducing an official price of an artwork dominant in the Western art markets, giving unlisted discounts is a widespread practice (Velthuis 2005). Pricing decisions are meaningful for market participants and are part of a symbolic system within a market. Giving (or not giving) a discount reveals relations relevant to a particular circuit. In addition, how art market participants make pricing decisions about their “commodity” exposes the normative standards and values dominant in a circuit that they belong to. Ideas about the functions of a discount and decisions about granting it can arise from the social, cultural and economic values of a seller, and vary across different art market circuits.

The notion of circuits is, however, used with caution in this paper. While Zelizer provides examples of circuits that already exist, and so presents them as homogeneous and autonomous communities, in the context of the developing art market, it is not really possible to talk about stable networks and clear-cut boundaries. On the other hand, the evolving nature of social relations in a young market provides an opportunity to make the concept more nuanced. While Zelizer acknowledges that circuits are built on networks (2004), she does not take into consideration key properties of networks. It is very rare for a person to be a member of only one network (and circuit). Networks are also rarely homogeneous: they have central and peripheral actors and often brokers, who link otherwise autonomous communities. In addition, location within a network is related to the extent to which its members “share” or “use” each other’s values (see more about it in Pachucki and Breiger 2010). These structural characteristics need to be taken into consideration when addressing the issue of configuration of circuits.

Methods

This paper is based on 51 qualitative interviews with artists and art dealers conducted in January–April 2013 in New Delhi and Mumbai. Due to the lack of previous ethnographic research on this art market, I undertook an exploratory approach and tried to make contact with a diversity of actors: interested in the international and local art scene, established and beginning, more and less commercially oriented, working with different styles and media. I followed the recommendations of my interviewees but also strategically tried to make contact with actors who differed significantly from those whom I had already interviewed. In addition, I used notes from a number of informal talks at a diversity of art events, such as the national art fair, open days at art residencies, and openings at art galleries and museums. With my informants, I discussed the topic of pricing (and giving discounts) in relation to such issues as the current state of the market, marketing strategies to attract clients
and to convince them to buy or sell an artwork, preferred or disgraced clients and artists, normative standards about “do’s” and “don’ts” in the market.

In this paper, I limit the understanding of “art market” to actors who create, buy or deal in what is commonly called “fine art”, i.e. authorized, professional, institutionalized and recognized as visual art (versus craft, design, religious artefacts and tourist memorabilia). Since, in India, the boundaries between these domains are often blurred, I interviewed people who clearly met my definition. Here, the term “contemporary” includes all visual art produced by living artists, irrespective of their style, medium or technique. Note too that this paper analyzes only the primary art market of gallery sales or direct sales from artists, and excludes secondary resale of art at auctions or by collectors.

Even though New Delhi and Mumbai are considered the centers of art commerce in India (Poulsen 2012), this paper does not make generalizations about the extent to which the phenomena discussed are typical across the country, but rather reconstructs the variety of meanings that discounts can have for art market participants.

“Developing” market and its post-crisis state

The Indian art market is often described as “emerging” or “developing” (Kraeussl and Logher 2010; McAndrew 2009; Robertson 2011). Before the early 21st century, Western curators, auction houses and the public largely ignored art from India, or put it in the general category of Asian art (Khaire and Wadhwan 2010). In recent decades, however, there have been the growing numbers of auctions devoted to Indian art, and exhibitions of Indian contemporary art in major Western museums, and Indian modern artists now appear at the top of various international art rankings.

Although a local art scene existed previously in the country, with the first private art galleries operating in India in the 1930s, the commercial relevance of these undertakings was limited. According to interviews with pioneering art dealers (or their successors), sales were rare and prices were low (e.g. in Zitzewitz 2013). Art was mostly treated as an element of decoration, and the distinction between fine art and craft was not strong, resulting in a low value for authorship, uniqueness and artistic expression. The driving force behind the development of the commercial art market came

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3 The first galleries in New Delhi were Dhoomimal (1937) and Kumar art gallery (1955); the Chemould and Pundole art galleries both opened in Mumbai in 1963.
from the international auction houses, which targeted Indians living abroad, i.e. wealthy non-resident Indians, who, supposedly had been exposed to the Western culture of art appreciation, and could perform their nostalgic connection with their country of origin via art acquisition.

In the early 2000s, the Indian art market began to strengthen, and prices rose rapidly at the international auction houses. By the mid-2000s there was a “boom” in the Indian art market, and in the contemporary art market, in particular. As one of my interviewees said, “a million dollar possibility suddenly dawned” upon the participants of the market (I30, Delhi art dealer), attracting people interested in the investment side of the business into the sector. A number of new galleries, auctions and art funds emerged, “everything was doing well, everything was selling” (I27, Delhi art dealer). The boom continued until late 2008, when the global financial market crashed, and the Indian art market bubble burst. The contemporary art market sector suffered from this crisis more severely than the sectors of modern art or Indian masters.

During the period of my fieldwork, the Indian contemporary art market had still far from recovered to pre-crisis values in terms of prices or volumes of sales (Petterson et al. 2014: 5). Everybody acknowledged poor sales and a scarcity of resources. The boom was over and demand had fallen considerably. The issue of discounts became especially disturbing for the participants of the market. Many people tried to get rid of what they considered low-quality works, depressing the general price level of the market. Artists and art dealers complained that they had to make enormous efforts to sell anything, and that they were forced to bargain, as this Delhi artist describes:

> Now the situation had completely changed and [irresponsible dealers] started selling at 50–60% discounts. The buyers – even for the real artist [interested in art rather than money] like me, [...] whose prices didn’t go up crazily – they expect a discount from me also of about 50–60%, which I cannot give. So, the market has really become spoil. So, people, when they buy, firstly say “okay, what is the discount you are giving me?” (I11)

4 The first commercial auctions devoted exclusively to modern and contemporary Indian art took place in London (Christie’s) and New York (Sotheby’s) in 1995.

5 The category of NRI, introduced in 1973, established a legal and symbolic connection between the country and its diasporas (Amrute, 2010).

6 Herrero (2011) provides an elaborate analysis of the interrelationship between national values and the selling and buying of art at auctions, using the example of Irish art.

7 In 2002, the triptych “Celebration” by Tyeb Mehta sold for more than $300,000 at a Christie’s auction in New York. Just three years later, a work of the same artist, “Mahishasura”, hit a new record of $1.58 million (Christie’s auction in New York).

8 Here and henceforward, I will use codes instead of the names of my interviewees.
Although almost nobody admitted to being involved themselves, many people believed that others in the market were giving discounts of 40–60%. The issue of this paper is not, however, whether big discounts were indeed given or not; this poor situation of the art market is the context in which art market actors formulated their attitudes and made decisions about giving discounts. Everybody acknowledges discounts as inevitable, but art market actors frame this knowledge and justify other instances of granting or not granting a discount very differently.

The following sections lay out two circuits of art commerce whose members, despite their shared understanding of the socio-economic context, have divergent understandings of the role that discounts have in the art market. I first present two groups of actors with different approaches to art commerce, then I zoom in to analyze circuit-specific understandings of discounts in order to show meaningful differences between circuits.

Two circuits of the Indian art market

The accelerated development of the Indian art market, heated up from abroad, has shaped two distinctive approaches to art commerce. As Poulsen puts it, only a small fraction of Indian contemporary art market actors organize their activities in ways similar to those in the art markets of Europe and United States, “the vast majority of galleries in India function merely as shops, […] aiming to have something for any taste” (2012: 189).

Art dealers from the first, smaller, group, who organize their commercial practices in ways similar to Western art markets, tend to work with a limited number of artists. They represent these artists, aiming to promote their careers through a wide variety of practices: organizing international gallery exchanges, studio visits or residencies for their artists, participating in international art fairs, preparing elaborate publications, working with curators and museums. Their intention is to establish and support the aesthetic value of the art that they sell and to convert it into prices. As a result, these art dealers are selective about their collaborations, artists and customers. Members of this group have a global vision of their practice, are actively oriented towards the international art scene, and claim to have more buyers abroad than in India. They form what I call “an internationally oriented circuit.”

The second group consists of art dealers and artists who target local buyers. These actors have a very different marketing strategy, tending to sell artworks of a wide variety of artists (catering to any taste) and organizing many “solo shows” and frequent group exhibitions. Other than that, they do not actively participate in artists’ careers. These actors often perceive the first group as snobbish
and argue that local art scene deserves attention and needs to be developed by attracting as many buyers as possible or by providing exhibition space for early career artists. I call this group of art market actors “a locally oriented circuit”.

The depth of difference between the two groups becomes clear in the meaningful frameworks that guide their giving of discounts. While I proceed from the assumption that analysis of virtually any other market practice will reveal differences between two circuits, I argue that in the post-crisis context of the Indian market for contemporary art, discounts become one of the most salient cases.

**International circuit: discounts under control**

Art dealers and artists from both groups insist that there is a general cultural craving for discounts in India and a habit of haggling about price, no matter whether in a grocery or a gallery. They perceive their “national culture” in terms close to “bazaar economy” theories. In the words of a Delhi art dealer:

> In India, if you enter into this system of discounts, then there is just no going back, you could just be giving an artwork for free by the end of it. So, it is just feel-good-country-discount that people want. And that’s what we give. (I18)

A “good-will discount”, as I have heard it called several times, is a norm to which artists and dealers from the two groups respond very differently. While members of the local circuit consider this situation as a given, and shape their professional activities following this “norm” of bargaining, in the international circuit the condition is presented as problematic and harmful to the art world. The latter circuit has developed an elaborate discourse about discounts needing to be brought under control. Explaining her negative attitude towards the Indian habit of attracting everybody with discounts, a dealer from Mumbai exclaimed:

> This is not some vegetable shop or some grocery shop! So we have that dignity. The principle of respect is there always on art. (I53)

In the Western art markets, refusing a discount is often considered a sign of strength on the part of an art dealer, since it is a performance of high status in the art world, a message about aesthetic and economic independence that shows that market demand for an artist’s work is so strong that no discount needs to be given (Velthuis 2005). While the international circuit of artists and dealers in New Delhi and Mumbai also has a negative attitude towards discounts, they acknowledge that sales these days are significantly less frequent and that foreign interest in Indian art is less strong than
during the “boom” period. Consequently, in order to align their negative attitude towards discounts to the realities of the current market, the dealers build a discourse of controlling their pricing policy. None of my interviewees claimed that they never give discounts. Instead, they discussed, in detail, how to approach this practice with sufficient “dignity.”

There are a number of different strategies to “control” discounts. Most often art dealers explain that they try to keep them minimal, since giving discounts of 50% “just speaks really badly of the market” (I27, Delhi art dealer). Limiting discounts to a small percentage – keeping them “fair” and “fixed” – is a strategy that was quite often discussed. Art dealers from Mumbai have also developed an additional strategy to control pricing and discounts, forming an informal association that (amongst other things) empowers them against bargaining collectors. So, when the crisis hit the market, members of this association informally agreed on a joint pricing policy: keeping the prices above the minimum “appropriate” level instead of cutting a price to beat another gallery’s offer (I46, Mumbai art dealer).

Art dealers and artists of this circuit do not want to get into a situation of bargaining where they might not have enough social and symbolic power to defend their position. In the context of a low market, resisting a discount is framed not as imposing status over a buyer, but as an attempt to keep the morals in their business approach. A dominant discourse about the “boom” period in the Indian art market focuses on unreasonable price increases that were produced artificially by investors not interested in the aesthetic value of art. Consequently, giving a big discount today would suggest that one has previously participated in “heating up” prices. In order to distance themselves from that, art dealers condemn such behavior: “we don’t hike prices in the boom, and we don’t give too much of cutting in the recession” (I53, Mumbai art dealer). They claim that if you give big discounts, you admit that your prices are not “correct” and collectors “lose faith in a gallery” (I27, Delhi art dealer).

The idea of a “correct” price for art arises from the belief that a price reflects the quality and the aesthetic value of an artwork. Giving up this price too quickly means that your works are not good enough. Similar reasoning can be found in the Western art markets, where there is a taboo on reducing listed prices of artworks to avoid acknowledging low demand or sending negative quality signals to other buyers (Velthuis 2005). Members of the international circuit of the Indian art market have similar concerns about giving discounts too frequently. If discounts become the norm rather than an exception, they could be interpreted as a way of reducing a listed price. Art dealers therefore try to avoid these situations.

In the international circuit, giving (big) discounts is perceived as a short-sighted approach to art commerce and the preference of individual economic interests over the more legitimate aim of de-
veloping an overall art scene. Artists are keen to keep their prices high and assert that people who are passionate about art should spend an appropriate amount of money on it:

_They spend [money] on so many other things like jewelry, or clothes, or travel. They should learn to respect art and respect money._ (I11, Delhi artist)

Artists share these attitudes with their dealers, who believe that bargaining about price reduces the aesthetic value of an artwork. They express a high degree of selectivity about who is worth giving a discount to and claim to never give discounts to “first time buyers [they] are not sure of” because it is not clear “where [a] relationship is going to go” (I46, Mumbai art dealer).

**Local circuit: discounts as a tool in social relationships**

In both circuits, cutting listed prices is perceived as a tool to “keep up relationships” with clients. Still, the perception of which relationship is worth keeping varies across the market. Unsurprisingly, close friends of artists or loyal collectors and regular customers get discounts in any circuit. However, beyond that, opinions about a proper situation for the giving of discounts diverge. While members of the international circuit present themselves as highly selective about the situations where discounts are possible, and try to control them, members of the local circuit portray themselves as much more open-minded about this issue:

_If it gives [a collector] pleasure to get a little discount, then why not?_ (I39, Delhi art dealer)

Consequently, art dealers from the local circuit often mentioned that they give discounts to establish a social relationship: “When you sell someone for the first time, you want that person to come back” (I5, Delhi artist and dealer). Giving discounts even to first time buyers is informed by an idea of respect to customers, as this Delhi-based dealer explains:

_We have to give respect. [...] If you go somewhere and you give them respect – you call it a discount, you call it a bargaining, but we call it respect. If I want to make a relation with anyone I have to give them a deal, I have to give them a best price._ (I40)

For art dealers in a local circuit, a respectful way of running a business is one that primarily values social relations rather than art itself. They believe that bargaining about price is a favorable way of economic behavior in India and the fact that a negotiation is about art makes little difference. Unlike the members of the international circuit, they accept this norm. Not providing the chance to haggle would be considered rude in the local circuit, and securing a purchase by suggesting a dis-
count is a normal practice. As a Delhi-based dealer with a long-term investment plan for his gallery puts it, he is eager to give his “buyer a chance to make money” too (I14). A discount in the local circuits thus symbolizes a personalized approach to each customer that informs the professional ethics of art dealers.

Even stronger positive framing of giving discounts presents it as an altruistic gift to true art lovers and those in need. A New Delhi artist explained to me that true appreciation of art deserves a discount:

*If somebody just likes a painting, and a person says that he doesn’t have sufficient money to buy, then he disappoints me. But if he says that he doesn’t have enough money, though he could afford this much, because he really loves the painting, I will say “okay” on this, since he appreciates the painting just like I do.* (I1)

For artists like her, reducing the price on an artwork does not threaten its aesthetic value and, more importantly (and contrary to the ideas shared by the members of the international circuit), this position signifies that they are not in this business for the monetary profit.

Artists from the local circuit are usually involved in less binding relations with galleries. They often give only some of their works to a number of art dealers, retaining others, which they are free to sell themselves. These artists often have a more active pricing approach. As a result, they might feel the need to negate their economic interests more actively than artists from the international circuit, who usually avoid personal involvement in sales of their works. In doing so, these artists combine the discourse about discounts as social grease with an idea that true love for art transcends economic constraints. As another artist from New Delhi explains:

*For me money comes and goes. It’s not the constant in my life. I have given away a lot of paintings. I have friends who can’t afford to buy my work. They come to my house and say: “We love that”, I say: “Take it!”* (I12)

His personal financial assistant added that they had almost gone bankrupt because of this altruism. Artists from the international circuit, in contrast, appear to lack such altruistic attitudes. Art dealers often also present discounts as a way of caring about an artist. Those in the local circuit often emphasized that they can easily give a discount if an artist is in “urgent need of money” (I7, New Delhi). Thus, in the local circuit, sentiments about true love for art and caring about artists support the legitimacy of discounts.
Strategies of giving discounts within the local circuit appear to reflect social hierarchies traditionally relevant in wider Indian society, such as, for example, “a deep respect for elders” (Lamb 2005: 82). Seniority therefore plays a role in decisions about giving discounts, and younger artists (or their art dealers) feel obliged to give discounts almost by definition: “bottom [default] discount is always a given for a young artist” (I13, New Delhi). Another Delhi-based artist, who is able to afford a solo booth at the national art fair, makes the point that he is very happy to sell artworks at a 40% discount, which is “a huge deal” for a young artist like him (I12). Following the same norm, an art dealer who specializes in senior but overlooked artists finds herself in a difficult situation with regard to pricing and discounts. She emphasizes that she cannot ask a moderate price and give big discounts because she works with senior artists, whose prices should reflect respect for their seniority (I6).

In the local circuit, discounts do not threaten the aesthetic value of art. In fact, decisions about giving a discount apparently ignore the artwork itself. Artists and art dealers within the local circuit are thus sensitive to social hierarchies and norms informed by the wider Indian society.

**Relationships between the two circuits**

Although this analysis of the two circuits may have created the impression that they are autonomous of each other, while there are clearly two groups of actors who share considerably different values, the Indian art world is relatively small and the market is not saturated enough to form independent market sectors. Galleries from the two circuits are sometimes located in the same art clusters, like Lado Sarai in New Delhi. Close physical co-presence creates tensions. For example, all galleries, regardless of their approach to art commerce, are invited to participate in the India Art Fair. The fair would not be able to continue on its ambitious scale if it only selected galleries from just one circuit. Members of the international circuit (who are also on the selection committee of the fair) are quite critical of art dealers who do not organize their booths according to international standards of exposition (limiting the number of artists and artworks) but instead try to exhibit as much as they can. Nevertheless, they have to coexist under one tent and build a joint image of Indian contemporary art for potential buyers.

The overlap is caused not only by the geographical proximity of galleries, but also by the small number of collectors who regularly buy art. Besides, art dealers from the local circuit often sell artworks of the artists from the international circuit that they have in stock.⁹ Consequently, art dealers and artists form the core of the two circuits, while collectors, on the other hand, serve as “brokers” who

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⁹ Since dealers from the local circuit strive to provide a wide variety of choice for buyers, they frequently buy artworks of artists who are officially represented by galleries on the international circuit.
connect them and provoke constant indirect communication between them.

Lack of physical and social autonomy intensifies symbolic boundary work (see Lamont and Molnár 2002: 186) performed by the cores of the two circuits. Contradictory attitudes towards the practice of giving discounts create meaningful distinctions between circuits, whose members are not ignorant of the norms and values of their counterparts. On the contrary, explaining their position, artists and art dealers often refer to the others, who have a “wrong” approach to art commerce: they discount prices too much or keep the prices too high, they sell art indiscriminately or are too cautious about the artists and collectors that they deal with, and so on. The discourse of controlling and limiting discounts, developed in the international circuit, implies a criticism of the members of the other circuit, who are considered more interested in short-term economic profits rather than in art itself. The discourse of generousness developed in the local circuit, in turn, implies a critique of the “snobbish” and “disrespectful” attitudes of the members of the international circuit. Thus, the meanings of discount are shaped not only by the shared values of art market actors, but also by the juxtaposition of the two circuits in the Indian contemporary art market.

The distinction between internationally and locally oriented circuits follows the pattern of the cultural contradiction between “modern” (i.e. Western) and “traditional” or “pre-modern” (i.e. originally Indian, in this context) cultural values (Parsons 1951: 180-200, for more see Inglis and Thorpe 2012), which are also found in other sectors of the Indian economy (Nadeem 2009). I argue that this opposition is a crucial characteristic of the Indian market for contemporary art that allows identification of the patterns behind the different understandings of discounts. However, other meaningful divisions also exist in the market. For example, Mumbai art dealers claim that there is a difference in pricing strategies and organization of the art scene between Mumbai and New Delhi. While internationally oriented Mumbai art dealers have formed an informal association to communicate with each other, they claim that that would be impossible in Delhi (I46), where key art dealers presumably “cannot stay in the same room for long” due to long-standing hostility between them (I38). While the strategic sociability of Mumbai art dealers seems to have little effect on the understanding of the role of discounts in the market, division between circuits related to the location of a gallery in either of the cities can be more relevant to the analysis of other market practices, such as, for example, exclusive representation of artists.

Conclusion

This paper offers a cultural sociological perspective on the study of art markets. It argues that, in order to understand how a market operates, it is necessary to grasp the meanings behind the
practices of art market actors. Empirically, it analyzes how culture organizes the Indian market for contemporary art in the example of justifications for giving (or not giving) discounts, discovers the potential richness of meanings of discounts in art markets, and reveals patterns in the diversity of these meanings for the Indian art market. While market actors perceive discounts as inevitable due to the economic recession, the legitimacy of discounts varies across the market. This paper distinguishes between two circuits, the internationally oriented circuit, with explicitly negative discourse about discounts, and the locally oriented circuit, whose members approve of discounts as a legitimate marketing tool.

In the international circuit, members are preoccupied with defending the aesthetic value of art, and so develop a discourse of controlling discounts, which presumably threaten it. In the local circuit, on the other hand, artists and dealers shape their activities based on the social norms and values of the Indian society. Developing and maintaining social relationships between artists, dealers and clients is what informs their market practices. As a result, they frame discounts in the discourse of caring for and respecting participants of the market.

The empirical findings of this paper show significant differences in the Indian art market compared with how discounts are framed in the art markets of United States or Western Europe (for more about these markets, see Velthuis 2005). While members of the internationally oriented circuit aim to organize their art market practices in a way similar to their colleagues in the West, the meanings of these practices transform in accordance with the local context. One example of this is how a negative attitude towards discounts in India takes the place of the taboo about reducing listed prices that exists in, for example, the United States and the Netherlands (Ibid.). Another striking difference is that discounts are often framed as gifts (also common in the Western art markets) in the local but not in the international circuit. These differences show that internationally acquired cultural norms are always transformed in local settings and that local rationalities emerge. Thus, looking at the variety of meanings behind observably similar practices (of giving or not giving a discount, in the case of this paper) allows both a better understanding of the composition of the market within the national borders, and also provides a more complex view of the position of its members in relation to the international norms of art commerce.

At the level of theory, this paper contributes to the literature on circuits of commerce. While Zelizer (2004) proposes that circuits of commerce are self-contained, this paper suggests that, first, the composition of circuits, i.e. their relation to each other, affects the meanings shared within circuits, and that two contradictory discourses about discounts allow members of different circuits to engage in boundary work referring to each other. Second, this paper proposes that crucial differences in the understanding of similar practices are possible even in the situation of circuits not existing
autonomously from each other. In India, “multiple markets” coexist on the same terrain of art fairs, art clusters and white cube spaces. Art collectors, who often buy art from members of different circuits, bridge both circuits. This ultimately suggests that circuits of commerce are not homogeneous, and that it is possible to distinguish between the core and peripheral members of circuits. While core members actively develop and defend circuit-specific values and understandings of market practices, those on the periphery serve other functions, such as transmitting information across the market and generating awareness about each other’s norms and values. These three arguments have not yet been explicitly addressed within the literature on circuits of commerce or illustrated with empirical research (see, for example, Antheby 2010, Mears 2011, Velthuis 2005, Wherry 2012a, Zelizer 2004), and taking them into consideration will broaden the scope of applicability of this research perspective and help refine its tools.
Arthur Bunder Road, Colaba art district.

Mumbai, November 2016
Chapter 7

Conclusion

The black box of the white cubes

Three successful internationally known contemporary art galleries are hidden in the photograph on the previous page. Another three are located in the adjacent building, but did not fit into the frame as the street is was narrow to step back far enough. This is Arthur Bunder Road in Colaba, the main art district in the South of Mumbai. If one does not know that the galleries are there, one would never notice them. If visiting these galleries was your prime goal, it would require some effort to find them every time you called by. This also happened to me, a sociologist studying contemporary art galleries in India and Russia, more than once.

The secret is that galleries are not located on the ground floor. They have no grand banners or wide showcase windows that one would expect from an established commercial gallery. To end up in a fancy gallery, first, you need to enter one of the passages squeezed in between the local eateries, kitsch tourist shops, wedding garment parlors and dazzling jewelry stands. Then you take a dilapidated flight of stairs and go a few floors up to end up in front of a massive and invariably locked door. You ring the bell and wait short while for a servant to open the door. Finally, you step into a space that may look familiar to you if you have visited contemporary art galleries in other parts of the world: the so-called white cube, an austere, museum-like space with little furniture, bright white lighting, and white walls. In the meantime, the servant is switching on the lights and air conditioning, just for you.

There are multiple reasons why the prime galleries of Mumbai are so hard to get in. Some are rather practical: art dealers mention extremely high real estate prices in the city. The upper floors of the buildings on the Arthur Bunder Road in the prosperous tip of the Mumbai peninsula, which used to be brothel rooms, are as much as they can afford. The heavy locked doors are there for security purposes. Paying a servant is cheaper than paying high electricity bills for constant lightening and air conditioning. But apart from these clearly utilitarian concerns, the cultural aspect of the role that contemporary art plays in Indian society also has an impact on the way art galleries position themselves in the city. Art appreciation in India is an activity traditionally limited to the higher strata of the well-educated wealthy social elite. Being interested in contemporary art and, even more so, buying it, has become a means to distinguish oneself, and not just to show off prosperity and express intelligence in general, but also to symbolically separate oneself from the old elite, who
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are mainly interested in traditional Indian art or Old Masters. Contemporary art in India is a sign of new wealth with a modern mindset, and is therefore strictly exclusive.

Talking to artists and art dealers in India and later listening back to the interviews, I was surprised to realize that for many of them the audience for contemporary art equals the buyers of it, while broader potential audiences, without this buying capacity, rarely feature in their ideas about what it means to be a successful artist or a well-known gallery (as discussed in Chapter 4). This has an effect on how a commercial gallery space is set up: art dealers are not so interested in attracting a steady flow of visitors and, hence, do not need to be visible from the street. They care more about appearing exclusive than welcoming (although this is, of course, not a unique feature characteristic only of Mumbai galleries) and, therefore, can create the chic ambiance appreciated by the privileged few by invitation to the secluded upper floors of buildings. Moreover, the same idea of what your audience is, also influences wider marketing strategies of Indian art dealers, such as preference for commercially viable formats, including relatively small paintings that one can easily hang at home, or less interest in collaborations with (practically absent and largely empty) contemporary art museums.

Difficult-to-access galleries are just one example of what fascinated me throughout the project: the interconnection between social structures (such as a highly hierarchical society) and multiple interpretative frameworks (both abstract, such as economic rationality, and particular, such as an idea of an audience for art) that I encountered during my fieldwork. These interconnections allowed me to explain the observable peculiarities of social conduct or material constellations. They helped me understand how this particular market operates and how it develops. Therefore, it is the interplay between culture and structure in the process of meaning-making that I tried to tackle in the empirical chapters of this dissertation.

This thesis argues that in order to understand the emergence of contemporary art markets in Russia and India we need to go beyond the persistent ad hoc approach, which would look, for example, at why rich people start buying art or how local governments increase (or decrease) the control of the cultural sphere. The empirical chapters of this article-based dissertation address a number of empirical puzzles that can only be solved if we look at the social relations of market actors from a sociological perspective that goes beyond a single focus on the fields of art or economy. Thus, Chapter 5 shows that both art markets suffered from the global economic crisis of 2009, yet the impact of it on the two countries was drastically different. How can we explain this? Or, Chapter 4 delves into the issue of governmental support for art and the non-profit art infrastructure. Usually seen as a pre-requisite for a strong art market (Bonus and Ronte 1997; Moulin and Vale 1995), this seems to have an opposite effect in the Russian context. In order to explain these and other peculiarities in the development of the two contemporary art markets, this thesis develops a comprehensive
analytical framework that can ultimately be applied beyond the empirical case under consideration. This was the main theoretical goal of the dissertation.

Undertaking the comparative study, I aimed to understand the differences between the two art markets and to theorize how local contexts affect market development. For example, I looked at why Indian artists are more commercially oriented than their Russian counterparts, or what is the effect of a strong presence or lack of governmental involvement in the field of art. I argue that these differences cannot be understood as a simple task of connecting inputs, such as governmental involvement in the arts sector, level of education or economic development, to outputs, such as the level of prices and volumes of sales, the ways art organizations operate or the level of integration into the international art world. The emphasis on “how” means that my interest is in the black box in between. This dissertation shows that this box does not have one simple mechanism inside. Different aspects of local contexts (economy and politics, family structures, wider organizational composition of the art scene, national values, etc.) can be relevant in multiple ways. For example, as contexts for interpretation of market processes, as resources that allow for starting one’s own business, as justification of one’s decisions, and probably many others. This inevitably makes the task of this thesis, to some extent, heterogeneous. The empirical chapters look at the different levels at which local contexts turn out to be relevant in market development. Yet, they do not represent an ultimate model of levels hidden inside the black box, connecting local contexts to market outcomes, or an exhaustive list of the ways in which local contexts can have an effect on market development. The discovered “mechanisms,” relevant in each particular case, were the result of an empirical investigation that was by itself contextual and situational, as it was provoked by a particular research interest. At the same time, this does not mean that the result of this thesis is idiosyncratic. The main contribution of this research project, with its interest in the diversity of the mechanisms of market development, is that it identifies and shows the characteristic that all these mechanisms share: their nature is cultural. Furthermore, it develops an analytical framework for analyzing these mechanisms.

In what follows, I show how the empirical chapters allow me to elaborate the theoretical argument of this dissertation. First, I show why we need to pay attention to culture when trying to understand how market development is embedded in local contexts and explain the role of interpretative frameworks as activators of market development. Then I address the two reasons why interpretative frameworks have a mediating effect. I show why they refract the influence of structural factors and suggest which theoretical resources are helpful in studying this phenomenon.
Mediating effect of interpretative frameworks

First, the main argument of this thesis is that the effect that local contexts have on the development of markets is not direct, but is mediated via the interpretative frameworks that market actors use in order to make sense of their actions and environment. The comparative perspective employed in this thesis allowed me to show how similar local contexts, such as governmental involvement in the art sector and pre-existing institutional structures of art distribution, can lead to different outcomes in terms of organization and even speed of market development.

Thus, comparing the art markets of Russia and China in Chapter 2, I discovered that the state, which was initially directly hindering the development of the private art markets in the two countries, ended up playing a very different role once the art markets actually started developing. In China, the state is seen as being actively involved in art market affairs and as an influential actor: being associated with the state, via membership of governmental art organizations, signals recognition that is translated into high prices and successful sales. In Russia, the government also often intervenes in the art world (Johnson 2015), yet commercially successful artists see the official state-supported art organizations, such as Artists’ Unions, as a relic from the past that have to be opposed. Membership in these art organizations is not valued by the market; on the contrary, artists whose art brings no commercial profit tend to form the majority of the members. Proceeding from the varieties of capitalism perspective (Hall and Soskice 2001), the chapter explains the resilience of governmental art organizations via theories of path-dependency (Mahoney 2000), institutional complementarity (Schneiberg 2007) and conversion (Thelen 2003). Yet, the peculiarity of the case is that the “varieties” observed cannot be explained by historical differences (institutional structures were originally quite similar) or by the differences in emergent institutional structures that official art organizations had to adapt to (commercial markets in both countries seem to follow global patterns of development). Therefore, I argue that institutional explanations are not sufficient, and that the role that governmental art organizations ended up playing in market development can be grasped only if we take into consideration the variation in the dominant interpretative frameworks that art market actors use when dealing with these institutions.
By interpretative (cultural) frameworks\(^1\) this thesis understands culturally shaped meaning systems employed by actors in order to make sense of their environment and develop strategies of action. Thus, in Russia, consecrated contemporary artists (who used to operate underground in the Soviet era), their dealers and clients tend to see the participation of the state in market affairs in the negative light. They understand the state as a weakened villain that they can resist by organizing and participating in an independent private market. And while in China internationally oriented artists and dealers also do not actively favor governmental censorship, for a significant group of artists and buyers, a relationship with the state in the form of official rankings equates to prestige. The role of the state and its relationship with the market is interpreted positively. This thesis shows that even though societal institutions, such as the state, may have enough power to influence art market development directly (as Fligstein has argued before, 1996) by forbidding any market operations or actively participating in its business, such institutions may also have indirect effects, which are mediated by the interpretative frameworks used by market actors.

The mediating effect of interpretative frameworks on market development is realized via shaping the agency of market actors, where interpretative frameworks enable some and dismiss other strategies of action (Swidler 1986). Thus, it can be observed more directly than just by noting the differences in institutional outcomes of art markets. By focusing on the agencies of market actors, I was able to see how particular ways of interpreting the role of social environment motivate individuals to start commercial operations in a nascent market that does not necessarily promise any immediate returns (Chapter 3), and how adhering to different reference groups leads to competing understandings and therefore symbolic usages of particular market practices (Chapter 6).

Thus, an observation of this thesis was that art dealers, who are the main mediators of primary art markets, have different reasons to open a commercial gallery in Russia and India (Chapter 3). In India the state has very little involvement in contemporary art; governmental support and regulations mostly concern traditional expressions of heritage, and governmental museums focus on antiques. In Russia, on the contrary, the state tries to maintain its control of the field of art as it develops, by elaborating new cultural policies, establishing or re-targeting museums for contemporary art, and sometimes by censoring and actively imposing its own ideology. The surprising finding, though, is that both of these situations are framed as motives to start up a commercial gallery. In the case of India, art dealers see their role as providing an alternative to the lack of governmental support, and in case of Russia, they provide an alternative to the strong but biased governmental support.

\(^1\) I chose to resort to the relatively neutral concept of “interpretative frameworks” with this broad definition, since this thesis draws on diverse cultural sociological perspectives, analyzing and using such terms as “cultural codes,” “discourses,” and “narratives.”
Seemingly opposite situations in the socio-economic contexts of the two countries provoke the same action, leading to the emergence of an art market.

I argue in Chapter 3, that to turn any situation into a relevant context, a set of resources is needed, which I call the activation mechanisms of market development. In India, this resource turned out to be the family, providing art dealers with economic, cultural and social capital, which made it “natural” to turn to art and made it possible to start up a commercial gallery with famous artists on board, without the necessity of immediate profits. Art dealers saw their activity as a way of patronizing the art world, which otherwise had no means of support, framing themselves as an alternative to the state. In Russia, the mechanism was different; the opportunity did not come with available resources. On the contrary, the activation mechanism was “negative”: the situation of social turmoil provided people with an opportunity to try a new activity in the field of art, and to establish themselves independently of the state in a time of its weakness. This case shows how both the presence and absence of resources can emerge as activation mechanisms of market development in a particular local context, as long as they are framed as market opportunities rather than obstacles.

Interestingly, this finding does not fit well with the established Bourdieusian model where position-taking in a newly emerging field is determined by resources available due to the structural position in wider social fields. While the Indian art dealers can indeed rely on their advantageous social background, the Russian ones exploit the situation of social uncertainty to position themselves within the emerging field of contemporary art. This means that the interpretative frameworks that inform the agency of market actors cannot simply be reduced to the social position they occupy. Looking at a market as a field, in which positions are socially structured (Bourdieu 1989), is not enough to understand the mechanism that shapes the agencies of market actors. The idea of a market as a place for free economic exchange guides the actions of art dealers independently of available social structures. The possibility of a market served as an interpretative framework used by art dealers to solve different practical problems in the two countries. As a result, employing this interpretative framework enabled different elements of local contexts in the two countries, reframing them as relevant resources for market development. The mediating power of interpretative frameworks is observed in this selective enabling of different elements of available local contexts.
Mediating effect explained

**Structure**
(local contexts)

**Culture**
(interpretative frameworks)

**Market development**
(behaviors)

2 reasons for the mediating effect:

- Causal power: immanent logic of “stories”
- Limited circulation: “storytelling” as position-taking

**Figure 7.2. Schematic representation that includes the reasons for the mediating effect and establishes the homology between the concepts used across different chapters**

The study of the influence of local contexts on market development led me to discover the mediating effect of interpretative frameworks that enable the diverse elements of these contexts. The next step was to explain this mediating effect by understanding why interpretative frameworks are not a direct representation of available social structures, but have the capacity to refract their influence on market development. In this dissertation I have identified two reasons for this phenomenon: first, interpretative frameworks have limited circulation within a market (and are unevenly distributed); second, they have their immanent logics that meaningfully enact elements of local contexts in one or another way (see Figure 2). I argue that only when analyzed in conjunction, can these two dimensions sufficiently explain the mediating effect of interpretative frameworks and resolve the complexity of the “black box”.

**Limited circulation of interpretative frameworks**

The argument that an idea of a market is an interpretative framework does not mean that market actors necessarily proceed from a homogeneous idea of an ideal market, as, for example, the one described in the economics handbooks. There are multiple ideas of economy (Callon 2016). Chapter 6 shows how action strategies of market actors are meaningfully ordered, yet the symbolic meanings of these strategies are aimed at different reference groups. This indicates that there are multiple market ideas of different origin. Looking at the practice of awarding a discount on a piece of art, Chapter 6 shows that the Indian art market is divided into two groups: one that conforms to the international art world (treating a discount as a threat to the aesthetic value of art), and one that conforms to the national commercial culture (treating a discount as a tool for establishing and supporting social relations). The interpretative framework, and as a result the strategy of giving (or
not giving) a discount, can be based on the rules of the communities of different scope and focus: international, but focused on art, in one case, local, but disregarding the specificity of a product, in the other. This thesis argues that the analysis of meaningful frameworks that enact particular market agencies, and therefore the ways they make use of available social contexts, should also take into consideration their reference groups.

Interpretative frameworks are never completely independent of their social and material environments. Thus, comparing the two art markets, Chapter 4 shows that meaning systems reflect the institutional composition of the art worlds that art market actors are part of. Available institutional structures provide possibilities of actions and, as such, create a particular power dynamic within a field, shape artists’ understandings of success, the type of art they produce, and the ways they relate other market actors. This thesis proposes to understand the interrelation between social, material and cultural dimensions of communities as circuits of commerce (Zelizer 2004) (see an extensive discussion on this point in Chapter 6). Actions have particular symbolic meanings within communities that interact within the same institutional environment, yet the community itself is also determined by the meaning systems delimiting the criteria of who belongs and who does not (Pachuki and Breiger 2010).

For example, Chapter 5 shows how the particular structure of the crisis narrative in the Indian art market determines who is a “hero,” i.e. the main actor within a community that shares this narrative, and who is a “villain,” i.e. framed as an outsider. Similarly, artists’ ideas of success, discussed in Chapter 4, are conditioned by the presence or absence of non-commercial art institutions in the country. Yet, it also works the other way around. By dealing with only foundations and museums, and creating art that is difficult to sell, Russian artists weaken the position of art dealers. At the same time, conforming to the dominance of commercial galleries, Indian artists support a world in which museums are obsolete. Therefore, prevalent interpretative frameworks have an effect on how the two markets develop, which types of institutions prevail, which practices are dominant, and how prominent the commercial success is. This means that interpretative frameworks are, on the one hand, the product, and on the other, the manufacturer of the social organization of markets. It also means that tracing the origin of interpretative frameworks implies the simultaneous inquiry into how they “work”.

Acknowledging that multiple market cultures can co-exist in different circuits alongside one another leads us to wonder how these market cultures relate to each other. This is where the existing conceptualization of circuits of commerce, developed by Zelizer, does not yet provide an adequate answer. In my view, her analysis of circuits is oriented inwards, towards looking at the ways in which exchanges are meaningful within circuits. As a result, an existing theoretical framework im-
plies that circuits are autonomous and relatively homogeneous, which is hardly possible, especially in emerging markets. Thus, this thesis shows in Chapter 6, that within a market for art in India, one circuit shares the specific meanings distinguishing the Indian art market from the rest of the art world. Yet, there is also a community of actors within a national art market that rather belongs to a circuit at the global level, sharing understandings of art commerce with global art market actors, while at the same time distinguishing themselves from their locally oriented colleagues. Multiple circuits not only coexist in the same market, but also are in opposition to each other. By defining the criteria of membership in a circuit and controlling the crossing of its boundary, members of the circuit distinguish themselves from others, i.e. establish power relations between those who are in and those who are out. Similarly, Chapter 5 shows that narratives that are being developed in the Russian art market aim at claiming legitimacy in the market by denouncing alternative views and competing players.

To understand these dynamics, this thesis suggests analyzing how interpretative frameworks enable position-taking within a market, understood as a field of competition among not just individual actors, but market circuits. In this situation, diverse elements of social contexts can be enacted via interpretative frameworks of actors belonging to different circuits within a market to their own advantage, in order to establish the position of one market circuit against another. For example, the locally oriented circuit in the Indian art market seems to enact the strict social hierarchy of Indian society as a means to meaningfully perform respect when arranging the sale of an artwork. Lack of respect for local norms and traditions would be the caveat of another circuit within this framework. At the same time, members of the internationally oriented circuits are employing meaning systems shared with actors who are not part of this hierarchy (i.e. foreigners). Therefore, for them, this element of local contexts is less relevant. In turn, they emphasize that following local norms by using discounts goes against the artistic ideal of economic disinterestedness that they pursue. The analysis of the competing views produced by employing one or other interpretative framework as an act of position-taking in a field (Bourdieu 1985) can explain why different elements of local contexts are enacted depending on which circuit one belongs to and why they are enacted unevenly within a market.²

² The argument about the uneven distribution of interpretative frameworks can be developed further by elaborating the perspective that positions circuits within fields. In the field theory, position-taking is seen as an act of an individual socialized within a particular socio-economic group (King 2000). Yet, position-taking can be an act performed on behalf of a social circuit, which aims to establish itself within a field, but is not structured inside by relation of competition. Emphasizing the shared aspect of the circulated meaning systems allows for combining the field analysis with the concept circuit of commerce in the analysis of the “intertextuality” (Boje 2001) of interpretative frameworks and for establishing a more complex understanding of the motivations of market actors. In other words, what I ultimately suggest here is to explore the potential of bridging the two approaches, which has not yet been done in this thesis.
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Causal power of interpretative frameworks

This thesis shows that, even though the interpretative frameworks that art market actors use are tightly connected to their social environment, they also have their own structural logic and dynamics that give them relatively autonomous causal power “beyond the reach of the material goals of the actors involved” (Wherry 2014: 424). Thus, Chapter 5 looks into the structures of the narratives (as a particularly rigid example of an interpretative framework) that are used by art market actors as sense-making tools to interpret the development of art markets in Russia and India. I found out that the widely shared and highly coherent crisis narrative provides stability to the Indian contemporary art market, while the Russian market is filled with fragmented and contested stories that lack narrative structure.

A narrative, as a specific form of an interpretative framework, demands following its structural rules and therefore organizes the reality that it describes (Fisher 1985; Cunliffe and Coupland 2012). As a result, an elaborate and shared market narrative has multiple social functions (Alexander 2011): it maintains cohesion in the market, identifies morals and “right” and “wrong” practices, distinguishes insiders from the outsiders, and allows smooth market operation by establishing continuity between events and sending the right signals to the audiences of potential consumers. Therefore, it serves as a stabilization mechanism in the process of market development, along with institutional structures or social networks.

This mechanism employs the elements of social contexts to convey meaning, and therefore frames them in a particular way. Thus, we can assume that a positive market narrative of a “growing market” (Kharchenkova, manuscript in preparation) can activate governmental involvement in the arts and proliferate organizational structures of artists unions and associations as assets (or “judgement devices,” Karpik 2010), while a negative market narrative would transform them into obstacles to fight with, as we have seen in the case of the Chinese and Russian contemporary art markets in Chapter 2 and, as I addressed in Chapter 5, with regards to the way some Russian dealers blame the government for the crisis of the art market.

On the other hand, contrary to Alexander’s view (2011), I argue that we cannot assume that a mar-

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3 In this thesis I have had a chance to address the issue of the immanent structure of interpretative frameworks and its mediating effect only in the example of narratives (Chapter 5). While I believe that narratives make for a good illustrative case due to their rigid structure, the argument should be applicable beyond this case. For example, an abstract idea of a market as an opportunity can frame the decisions of novice market actors (as a conclusion based on the issues addressed in Chapter 3). A more detailed analysis of the market as a meaningful framework as well as an inductive investigation into the cultural codes that comprise it in two countries would be a potential way of moving forward.
ket, especially an emerging one, always has an available narrative to build on, or that interpretative frameworks are always elaborate and consistent. I have shown in Chapter 5 that when a coherent narrative shared across the market is missing, as in case of Russia, this creates a rather different market situation. The lack of a temporal dimension in the interpretations of the state of the market does not allow to establish continuity with the past or to project expectations about the future. Polyphonic stories filling the market send mixed signals to potential clients and partners. Therefore, the problem of the fundamental uncertainty of economic action cannot be resolved (Beckert 2011). I argue that these fragmented stories still have a causal power on market development, but in order to understand the work they do, the analysis has to go beyond acknowledging their incomplete structure, and the re-contextualization (Boje 2001) of the stories in relation to circuits that produce them and support them becomes of crucial importance.

In other words, the two dimensions of analysis logically require one another: seeing interpretative frameworks as “system” and “practice” (Sewell 1999), or as “stories” and as “storytelling”. Thus, in the case of crises narratives, I first looked at the narrative structures and exposed the immanent logic of the “stories” told to me by art market actors, but, at the same time, I analyzed “storytelling” as position-taking. I showed how one of the ways of interpreting the crisis in the art market was aimed at defending a dominant position in the field by blaming the external forces, such as the government. At the same time, another group of art dealers took the moment of crisis as an opportunity to question the dominance of the most established players and therefore put, if not all, then most of the blame on them, on their misconduct and wrongdoings in the market.4

We can see here, how only one of the two interpretative frameworks explaining the development of the art market in Russia and the crisis it has faced employs governmental involvement in the field of art as a relevant element of social context. We can assume that those art market actors who use this interpretative framework would more actively oppose the government in their daily market practices. Thus, as my research has shown (Chapter 5), the hostile environment of governmental policies and censorship was named as one of the key reasons for the closure of three of the most established art galleries (furthermore, one of the dealers later emigrated). Yet, since the story of these art dealers is structurally underdeveloped (lacking narrative qualities), it fails to consolidate the community as well as to provide clear strategies of coordinated actions with regards to overcoming the crisis.

4 To some extent there is a trace of similar tension in the Indian art market, where the narrative of crisis puts the blame on the art dealers who raise and discount prices of art easily (i.e. a local circuit discussed in Chapter 6). The difference, however, is that this narrative is so prominent that members of the local circuit use it as well and create an image of some different “other” who was even more opportunist during the “boom” period of the Indian contemporary art market. I interpret this situation as conforming to the dominance of the international circuit and not disputing its legitimacy. This observation also reinforces the argument about the lack of autonomy among circuits.
All in all, this thesis argues for the simultaneous analysis of the inner logic and circulation of the interpretative frameworks with the help of the theoretical resources existing within cultural sociology, which I elaborate on below. This comprehensive analysis of available meaning systems, in turn, allows answering the research question of this thesis: it explains why diverse elements of local contexts end up playing various roles in the processes of market development in the two countries, and, ultimately, why markets develop differently. The influence of local contexts is mediated in the process of meaning-making, when multiple interpretative frameworks serve as a mechanism shaping the agencies of market actors and translating the elements of local contexts into relevant market concerns.

Theoretical implications

Understanding the ways contemporary art markets develop in India and Russia is important because it represents a specific case of a more general concern of economic sociology, namely how local contexts shape market development. This problem has already preoccupied the scholars developing the cultural strand within economic sociology (Abolafia 2001; Zelizer 2010; Wherry 2012). This thesis builds on their contributions and, akin to Tognato (2012), proposes to take culture even more “seriously” (Wherry 2014) than has been done within economic sociology before, using the theoretical resources of cultural sociology. Furthermore, delving into the comparative study of market development from the perspective of cultural sociology, this thesis had to resolve the roles and the relationship between structure (local contexts) and culture (interpretative frameworks) in shaping societal fields, such as markets. Therefore, the argument developed in this dissertation has theoretical implications for both disciplines. I will first address the “culture matters,” by discussing the theoretical resources of cultural sociology used in this thesis, their limitations and points where this dissertation identifies the potential for their synthesis. Later, I will address the “market-making,” i.e. the implications that the proposed perspective has for theorizing the development of markets.

Culture matters

In order to develop the theoretical argument about the mediating effect of interpretative frameworks, different chapters have employed the diverse resources of cultural sociology. On the one hand, this thesis has made use of the elements of field theory (Bourdieu 1989) that emphasizes the structural embeddedness of culture, and its institutional conceptualizations (Fligstein 2002; Beckert 2010). On the other hand, it relies on the arguments and the strong program in cultural sociology (Alexander and Smith 2001) that emphasized the autonomy of culture, in conjunction with ele-
ments of social narrative analysis (Maines 1993; Alexander and Jacobs 1998; Cunliffe et al. 2004; Tognato 2012). These two strands of literature are often considered rivals (Gartman 2007). Yet, this thesis has aimed to provide proof and develop further the argument that the “two antagonists need each other in ways that have yet to be recognized, for their standpoints on culture can be viewed as complementary rather than fundamentally incommensurable” (Kurasawa 2004: 60). The thesis contributes to the field of cultural sociology as it identifies potential avenues for productive collaborations between the two major approaches that are rarely combined together in empirical projects. I see this bridging effort as one of the biggest strengths of the thesis (and at the same time its weakness).6

The argument about the mediating effect of interpretative frameworks, developed in this thesis, aims to overcome two usual criticisms of the “strong program” in cultural sociology. First, this tradition has been criticized for epistemological inconsistency and for shifting between the weak and strong versions of social constructivism, “between giving social life meaning (weak social constructivism) and giving it existence (strong social constructivism)” (Kurasawa 2004: 56). This thesis consistently follows the milder version, as it allows to bring back the social contexts that are enacted by the analyzed meaning systems.

At the same time, the argument about the mediating power of interpretative frameworks implies acknowledging their autonomy, which is one of the most famous, and at the same time most criticized arguments of the “strong program.” Alexander and Smith are rather cautious when formulating it in the in the mission statement of this perspective (2001) and argue that the autonomy is emphasized for analytical purposes, that the research is the act of bracketing the symbolic dimension of social life for the purposes of understanding its own dynamics. Alexander suggests that “after the analytic autonomy of culture is established [we can] put culture back into time and space” (2011: 478), i.e. we can and should safely bring the influence of other social forces back into the picture. Yet, when it comes to the application of this abstract claim to empirical research, the autonomy becomes rather absolute (Gartman 2007), as the perspective provides tools for reductionist cultural analysis that focuses on cultural codes and does not relate back to the social environment.

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5 In addition, this thesis has delved into the economic sociological literature that understands markets as cultures (Fourcade and Healy 2007; Wherry 2014; Zelizer 2010) and, in particular, the concept of circuits of commerce, that highlights the relational nature of culture (Zelizer 2004).

6 I see the biggest strength of this thesis as combining diverse theoretical resources. I acknowledge, however, that it is at the same time one of its weak spots. Naturally, while trying to solve different puzzles in empirical chapters I did not have enough time and space to zoom in on the core of the theoretical controversy between the structuralist and culturalist approaches within cultural sociology, and I only approach it here in the concluding chapter. Due to the exploratory nature of the whole project, in the course of working on it I used theoretical resources rather as a toolkit to address specific concerns observed in the two emerging art markets. Therefore, I consider the resulting synthesis rather as a starting point for more systematic investigations.
Therefore, this step in the analysis is usually missing. In other words, the approach fails to ponder how “cultural structures interact with key social institutions, notably the state and the market” (Kurasawa 2004:57). This interaction was at the core of this thesis as it was interested in the role of interpretative frameworks in refracting the elements of social contexts, such as the state, into the dynamics of market development.

I argue that we need to recognize the relative autonomy of culture to be able to analyze its inner logic and causal power, yet, re-contextualizing it “in time and space” should not happen after the analysis, but should be a necessary companion to it. The causal power of interpretative frameworks proceeds not only from their immanent organizing structure, but also from the way they are distributed in society and relate to each other. And since the strong program does not provide the conceptual tools to do so, the thesis turns to the resources of field theory. According to Swidler (1986), Bourdieusian theory helps to understand the meanings of cultural traditions since this can be achieved only by analyzing the ways that they unfold, i.e. how and why the “stories” are told, or how interpretative frameworks are put in action.

The field theory, in turn, is criticized for being “hermeneutically insensitive, since it advances an externalist stance on culture” (Kurasawa 2004). Alexander (2006) argues that for Bourdieu the “cultural content is arbitrary,” since what matters is the mechanism of distinction whereby dominant groups make their versions of culture legitimate and ensure symbolic domination, in order to reproduce the social stratification defined by class (Bourdieu 1979, 1984). As a result, the Bourdieusian model of the relationship between culture and social structure becomes deterministic and circular (Jenkins 1982), since culture exists to reproduce structure and cannot be clearly distinguished from it. The assumption of the relative independence of social structures and interpretative frameworks (which can create a mismatch between them) is necessary in order to foresee the possibility of change and innovation (Sewell 1992) of which the emergence of new markets is an example. Accepting this assumption logically reasserts our interest in the content of culture and its grammar. Furthermore, criticizing Bourdieu, Thévenot (2001) argued that in complex contemporary societies, paying attention to the content of cultural frames is necessary to understand how actors “shift from one pragmatic orientation to another, depending on arrangements specific to the situation” (p. 79) and to explain the dynamics of “engagement between an agent and his environment” (p. 67). Again, where one approach is lacking, another is of help. The combination of the ambitions of the two approaches allows for simultaneous understanding of culture as system and practice (Sewell 1999) and to relate the cultural and structural dimensions of social life that Kurasawa (2004) has identified as “soft” and “hard,” as equal forces, relatively independent, yet mutually influencing each other.
Another contribution of this thesis to cultural sociology is the development of the argument about the necessity of comparative analysis to advance the discipline (Lamont and Thévenot 2000). The well-developed criticism of Bourdieusian field theory that this thesis has dealt with, is its implied universalism caused by formalist theorizing and overgeneralizing of the French case (Lamont and Lareau 1988; Lamont 2001; Brubaker 2004). In line with this critique, this thesis argues that the process of establishing new fields is context specific. While there has been much research aiming to “challenge” and develop the international applicability of the Bourdieusian perspective, most of the comparative studies have been limited to European and North American settings (e.g. Lamont 1992; Lamont and Thévenot 2000; Kuipers 2012; for exceptions see Naidoo 2004; Sallaz 2006). This project went beyond the Western hemisphere, as well as beyond the center-periphery comparison, by looking at the odd couple of Russia and India. This allowed me to show that the way a new field establishes its rules and understanding of its autonomy does not necessarily depend on the internal orthodoxy/heterodoxy dynamics, but on the wider structural possibilities available to its actors, which vary in different countries.

If the goal of undertaking a comparative study is to become more sensitive to contextual cultural variations (and thereby identify limitations and refine existing theoretical approaches) (Lamont 1992), going far enough from the familiar context enables us to spot differences among Western countries as well. Thus, Russia and India constitute a salient comparative case that makes us sensitive to the role of socio-political history and available institutional structures in the development of fields. Once identified, the same analytical perspective can be applied to diverse contexts, including Europe. Despite the fact that cross-national differences in the West are relatively less prominent, there remain historically strong national specificities, such as the strong governmental support for artists that (until recently) characterized the Dutch context and affected the development of the art market (see more in Velthuis 2005).

**Market-making**

The comparative perspective employed in this thesis is also a cornerstone of its contribution to economic sociology. As I have argued in the Introduction, existing approaches to studying market emergence have focused on explaining the growing similarities between them. This thesis, instead, has focused on the differences that are also persistent and significant, alongside widely observed and well researched isomorphic processes (Guthrie 2001; Lawrence and Phillips 2004; Jyrämä 2008; Brandellero 2015). It has shown the differences in the processes of development of the contemporary art markets in Russia and India and developed a theoretical framework to explain them, grounded in cultural sociology. It argues that to understand these differences and the role they play in market development, it is not sufficient to look at structural variation across countries (Hall and
Soskice 2001), or at differences in national values (Hofstede 2001). Markets emerge and develop differently due to variations in interpretative frameworks used by market actors that are unevenly distributed (Lamont and Thévenot 2001) across countries, but also within countries (see Chapter 6).

Developing the idea of differentiation within a national market, this thesis has shown that even the decision to follow the international model of art commerce (e.g. to represent a limited number of artists on a long-term basis and promote their careers instead of selling a stock of artworks) is not a simple copying of successful commercial practices, but is a symbolically charged act, where art market actors aim to distinguish themselves from the other players in the field (as discussed in Chapters 5 and 6). Similarly Henisz, Zelner and Guillén (2005) have shown that not “copying” the practices may be a deliberate act of domestic resistance to the international pressures for implementation of market-oriented reforms in the telecommunications and electricity industries. This means that we need to pay attention to how meaning-making processes affect market development. To do this, we need to look at the variety of positions that market actors (or market circuits) take in the market in relation to each other (and international players), and the ways that different interpretative frameworks allow them to do so.

This perspective can enhance existing theories that focus on the issues of isomorphism (DiMaggio and Powell 1983) in the process of development of new markets. Looking at the symbolic dimension of existing market practices allows us to explain why not all the actors are equally likely to copy them from elsewhere and, hence, to develop our understanding of the diversity in the process of market emergence, alongside the observed similarities. As Beckert (2012) has argued, the same mechanisms that DiMaggio and Powell identified as driving the process of institutional homogenization can also lead to institutional divergence, depending on the “distinct cognitive and normative frames” employed by decision-makers. In other words, those who are enforcing or enacting certain institutional practices have to believe in their legitimacy in a particular context.

Furthermore, this thesis argues for expanding the idea of market agency beyond the utilitarian concerns of attaining economic profits. Economic sociology has convincingly argued that markets are not the domains of pure competition (Polanyi 1957; Dobbin 2004) and that market actors are guided by multiple cultural rationalities (Abolafia 1998; Zelizer 2010; Zuckerman 1999). Developing this idea, the thesis follows Alexander (2011) in arguing that economic rationality is by itself also “cultural,” i.e. is just one of the meaning systems guiding the agencies of market actors. It is a framework that exists alongside other cultural understandings that market actors take into consideration when developing their market strategies, interacting with each other and evaluating ongoing developments. Thus, this thesis has shown that the idea of a market can be seen as an interpretative
framework that allows the translation of available elements of local contexts into resources, and therefore activates market development. Yet, it has also shown that the very idea of a market can be employed by actors for different purposes (such as establishing independence from the state, or patronizing artists). Therefore, the idea of a market as a place for free economic exchange can have different symbolic meanings for market actors that go beyond maximizing individual profits. This means that markets can emerge and develop for a variety of reasons. Particular symbolic considerations can even speed up and unify the way very different market sectors develop in a number of different countries. Thus, Guseva and Rona-Tas (2014: 28) have argued that the early “one-size-fits-all solution” to the marketization of different domains of post-communist economies was employed due fear of “political obstruction of old elites.” In other words, crudely understood market logic had to be implemented at once in order to prevent communists from getting back into power. Understanding markets as an interpretative framework that has symbolic meaning for involved actors can enhance our understanding of the relationship between the process of marketization and local contexts.

Refocusing the analysis towards the role of meaning-making processes in the development of markets relates to the third implication of this thesis for the economic sociology view on market emergence: it allows for a better understanding of the early stages of market emergence, since at this stage the market has not yet established its own rules and routines, and art market actors more often rely on the non-economic interpretative frameworks available in broader society (Zelizer 2010 for the particular case of the marketing of children’s insurance). Talking about the developing market of organ donations, Healy and Krawiec (2012: 650) argue that the “exchange of awkward goods—for example adoptive children, gametes, human tissue, and so on—is often accompanied by a considerable amount of practical and symbolic work that signals the transaction’s social meaning.” Yet, before the commodity status of an object and the specific market logic for it are established, any item is “awkward,” and employing the available interpretative frameworks is necessary to engage in meaningful relationships with the actors involved. Thus, in establishing new routines, art market actors, for example, draw from local ideas of respect (see Chapter 6), or the importance of family ties (Chapter 4), or engage in active resistance to the State (see Chapters 2, 3 and 4). Similarly, markets for sex cells are shaped by gender norms (Almeling 2011), and the development of the much more “profane” markets for credit cards in post-communist economies relied heavily on the ideas of social welfare (Guseva and Rona-Tas 2014). Numerous studies of market development in China discuss the role of guanxi as an available substitute for the non-developed institutional routines (for example, in the labor market it served as an informal mechanism allowing to connect job seekers and employers; see more in Bian 2002). Paying attention to the processes of meaning-making in markets allows us to understand the role that these broader interpretative frameworks play in the development of markets. These frameworks have a different scope of circulation. They can
be shared at a national level, such as *gunaxi* in China, or the role of the family in India, or beyond national cultures, such as gender norms in the Western world. Uneven distribution of these frameworks feeds into the diversity behind the process of market emergence and affects the shapes that markets take.

While this thesis has focused on the development of art markets, the ambition to apply cultural analysis to understand the process of market emergence is by no means restricted to the market for symbolic goods. Stock markets (Zuckerman 1999), financial markets (Abolafia 2010; Tognato 2012), medical markets (Almeling 2011; Healy and Krawiec 2012), and labor markets (Bauder 2001) are no less cultural, and can be analyzed as such. From the theoretical perspective developed in this thesis we can investigate questions such as, which ideas of the market shape the functioning of financial sectors in different countries? What are the drivers and limits of the internationalization of labor markets in the field of higher education in such different contexts as the United States, the Netherlands and Russia? What are the motivations of “independent” newcomers in heavily centralized medical drug markets and how do they affect their strategies of action?

**Methodological limitations and avenues for further research**

This thesis makes a plea for the comparative approach to studying market emergence. While I have argued in favor of the advantages of comparative research, this has also brought a number of challenges. First, I focused on a cross-national comparison, which has the danger of essentializing national differences (Kuijpers 2011). And indeed, this thesis has scarcely focused on intra-national aspects of markets functioning, paying more attention to cross-national differences than to differences between cities (one could make a case for rivalry between Mumbai and New Delhi for domination of the art market, or for comparing the more commercially oriented Moscow art world to the allegedly more conservative context of St. Petersburg). Yet, in Chapter 6 I have discussed that some art market actors are more internationally oriented and, therefore, are less affected by national contexts. Further research in this direction would require a more consistent multi-dimensional comparison that would require taking into consideration the effects of different scales of environments. How do international art market actors, such as foreign collectors and gallery branches, or international auctions and art fairs, enter this picture? While they are often seen as agents of cultural globalization advancing the growing similarities across markets, they employ particular interpretative frameworks in their operation. The line of research that is developed in this thesis focuses on how their interpretative frameworks embrace the local contexts of the countries that I am interested in, and on how their interpretative frameworks relate to those of other actors operating in the markets under investigation. After all, as I have argued, even simple copying of the international model of art commerce has a symbolic meaning for all the participants of the market.
The comparative perspective of this project has also exposed a methodological challenge, namely, how can one empirically study the absence of something? In the comparison of the two emerging art markets, the Russian one often seemed to represent a failed attempt. The announcement of closing galleries was the first disturbing sign I encountered early in the course of the project, but not the last. Over and over, when starting a new chapter, I found myself in a situation where I had to account for the absence of something, such as resources that Russian art dealers could rely on to start their businesses in the contemporary art world (Chapter 3), or shared understandings of the challenges that the art market in Russia is facing (Chapter 5). This raised the question if the Russian art market could still be considered emerging or developing, or would more fittingly be an example of decline and stagnation. How would one argue that a market is still emerging? The answer to the latter question that I gave in this project, is that the art market actors that I interviewed are still looking for the “right” ways of running their businesses, the two markets are still very much nationally bound, and, at least in the Russian case, the hierarchy in the market is still being challenged and is in the process of being established. At the same time, studying market emergence does not mean necessarily studying successful cases. This thesis has shown that the Russian art market may face problems due to the lack of shared meaning systems and sending conflicting signals to potential customers. The process of emergence is not necessarily smooth and unproblematic and can co-exist with crisis and stagnation. The comparative perspective of studying two emerging markets allowed me to expose this aspect. Yet, I suggest that further research comparing markets at different stages of their development is necessary to refine our understanding of the specificity of this stage in the “life cycle” of a market.

Next, this research focused on the supply side of the market. I primarily interviewed art dealers and artists, which was a methodological decision guided by the logic of feasibility. To study the demand side of the contemporary art market would mean to work with a “hard to reach population” of art collectors. Yet, being the first obvious target group, art collectors also represent a rather particular group of regular and devoted buyers of art, who are a minority in relation to the subject of interest. While art dealers cherish these collectors for obvious reasons, their aspirations are targeted at an even harder to reach group – due to its vagueness – prospective collectors, who have not yet discovered their passion for art but have the potential, according to artists and art dealers. Reaching and studying this group of actors in vivo would require different methodology than the one developed in this project (e.g. surveys about luxury consumption). Another way to study “potential collectors” would be to approach this question retrospectively. Similarly to the study of art dealers’ decisions to open a gallery, discussed in Chapter 3, one could wonder how a person decided to become or ended up becoming an art collector. Yet, similarly to the problem encountered in Chapter 3, the limitation is that this only allows accessing the successful cases, while one-time buyers, or those who were considering but did not end up buying art, or who were not convinced to do so, also rep-
resent a crucial group affecting the (stalling) development of a market. Having said that, this group of market actors is present in this thesis: as a cultural frame, as an idea that guides the marketing strategies of art dealers (see, for example, the heroic role they play in the crisis narrative developed in the Indian art market, discussed in Chapter 5), performing a mediating effect.

Finally, the argument about the mediating effect of interpretative frameworks on the development of markets across countries should be investigated in other cases, in order to ensure that it is generalizable beyond the concerns of the art market. I acknowledge that the market for art is a special case for a number of reasons. First, it deals with unique products (Karpik 2010) and therefore is characterized by higher levels of uncertainty than markets for mass produced commodities. Due to the lack of standards of evaluation, the valuation of an object that is traded has to depend on the status of the parties involved in the transaction rather than on the qualities of the product itself (Aspers 2009). Establishing one’s position in relation to other market participants is of crucial importance in an emerging status market. Furthermore, similarly to the insurance markets studied by Zelizer (2010) or markets for body transplants (Healy and Krawiec 2012), markets for art are often contested for commercializing a priceless dimension of our lives (Velthuis 2003). Therefore, the market for art may be a site of more intense meaning-making activities in the process of legitimizing of its own existence and asserting the legitimacy and status of involved actors. In this process, art market actors may be more sensitive to local contexts as available resources to rely on. Yet, existing research has shown that developing markets for, e.g. credit cards (Guseva and Rona-Tas 2014), or markets for cars (Biggart and Guillen 1999), have significant cross-national variations in relation to specific local contexts. Proceeding from the assumption that all markets are “cultural,” I suggest that further research on meaning-making of market actors, and the role of interpretative frameworks in mediating the effect of local contexts in less “controversial” markets, is a necessary step to develop the proposed theoretical framework.

Understanding society

In conclusion I want to propose the possible broader contributions of the project. I believe that looking at the development of the infrastructure for trading contemporary art, and the increasing commodification of art consumption in Russia and India, can help us to understand a more diverse range of social issues in contemporary society. The understanding of a market as an interpretative framework that can be used by social actors alongside any other, allows us to look at marketization as a cultural phenomenon in contemporary society. With the ongoing marketization of different domains of society (Burawoy 2007), markets and market sectors still emerge in close proximity to our daily lives. Thus, Callon has warned that ultimately “everything can become economic”
Such topics as the marketization of education (Slaughter and Rhoades 2004; Bartlett et al. 2002), the commodification of the body (Sharp 2000), nature or tourism (Johnston and Edwards 1994; Lawrence and Phillips 2004) often cause public unrest (see, for example, Ali 2016 or Lewin 2015), akin to the earlier concerns expressed about life insurance. In this thesis I have looked at two countries where economization has just recently touched the sphere of contemporary art, and as a result has transformed institutions, behavior, and the objects involved in the distribution of it. I suggest that the theoretical framework for studying the cultural mechanisms of market development can be helpful for understanding the dynamics of these phenomena.

First, following Zelizer, we can assume that global commodification does not by default mean “moral erosion” (Zelizer 2010). The equation of economy and markets with the impersonal, self-interested behavior of independent individuals who are interested only in the maximization of profits, simply implies the denial that markets are social entities. “Universal, impersonal, affectively neutral” economic rationality (Alexander 2011: 482) is just one framework used by market actors alongside personal and morally charged relations. Therefore, understanding markets and the new domains of life undergoing the process of marketization as arenas of social relations where shared meanings are constructed, should mitigate the alarmist views on the development of contemporary societies. There is space for intimate, caring, morally charged interpersonal behavior within a market economy. The not unproblematic, but unmistakably growing popularity of sharing economy projects (think of the arrival of AirBnB or Uber in your city), which are structured around establishing trust and maintaining a reputation within a community of consumers, is a clear example (Ert et al. 2016). Understanding markets as cultures allows exposing and analyzing these aspects of the marketization process.

Second, marketization or commodification does not necessarily mean applying the same commercial logic across different domains of social life and in different local contexts. This thesis has shown that there can be multiple market ideas to draw from. Thus, previous research has shown that the commodification of body transplants takes the form of a gift economy (Healy and Krawiec 2012), while the marketization of education rather turns towards a service economy (Natale and Doran 2012). What does this mean? Which elements of the market as a cultural form are being borrowed (or not) and for which reasons in each particular case? How do marketers establish the legitimacy of their efforts? And, on the other hand, how and when do people resist these trends? Which elements of local contexts are brought up on each side of the debate? There is no one answer, since, as this thesis has argued, all markets emerge differently. It should be a matter of empirical investigation for which this thesis provides conceptual tools. To answer these questions, we would need to focus on the interpretative frameworks of social actors involved in these processes in order to understand how they shape their perceptions, and enable some and block other strategies of actions. For in-
stance, in the analysis of the neoliberal education reforms of the Thatcher government in the UK, Whitty (2002) has shown that despite the belief that the privatization of education would lead to growing competition and, as a result, improvements in the quality and diversity of education, the new policies, at the same time, reinforced the national educational standards, in order to defend traditional Western values and not allow too much relativism. In this case, the process of marketization of education was influenced by two sometimes clashing interpretative frameworks: one of a free market, and another of social conservatism, employed by conflicting groups in the government.

The qualitative study of the meaning-making mechanisms of actors involved in the marketization of social life requires an analysis of the immanent structure of emerging interpretative frameworks, their circulation in relation to the social structures that they are embedded in, and the relationship between co-existing interpretative frameworks. Only then would we be able to understand the complex dynamics of these processes. Why are some areas of social life or some societies more (or less) prone to marketization than others? What does marketization really endanger? Are there alternative ways of organizing societies? Lamont has argued that “we need to understand better the interpretative frameworks that accompany neoliberalism and lead us toward a reduction of welfare programs” (2000: 605). In the logic of the argument developed in this thesis, neoliberalism is by itself an interpretative framework. It therefore needs to be studied sociologically, in order to see how culture and structure together shape the development of contemporary society. What are the social structures that gave rise to neoliberalism as an interpretative framework? How does this interpretative framework employ the institutional structures available in different contexts? And why, taken together, do they enable the proliferation of markets across the globe?
Exhibition and a mini-library at a novice contemporary art gallery.

St. Petersburg, June 2013
# Appendix 1

Distribution of respondents per primary professional activity and city of data collection

<table>
<thead>
<tr>
<th>Primary professional activity</th>
<th>Moscow</th>
<th>St. Petersburg</th>
<th>New Delhi</th>
<th>Mumbai</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art dealer</td>
<td>18</td>
<td>10</td>
<td>23</td>
<td>13</td>
<td>64</td>
</tr>
<tr>
<td>Artist</td>
<td>22</td>
<td>1</td>
<td>14</td>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>Collector</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Curator</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Auctioneer/owner</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Museum/foundation director</td>
<td>3</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Art journalist</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Art fair owner</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>13</strong></td>
<td><strong>45</strong></td>
<td><strong>24</strong></td>
<td><strong>130</strong></td>
</tr>
</tbody>
</table>
Appendix 2
Sample interview questionnaire for art dealers and artists

Art Dealers

Introductory questions

• When and why did you decide to open a gallery?
• What atmosphere do you create in the gallery for its visitors? How do you accomplish it? Is the gallery open for general visitors on the regular working days?

Work with artists

• Which services does your gallery provide for artists? (short- or long-term basis)
• Do you represent artists exclusively? Is it important for you? Is it appropriate to work with artists represented by other galleries?
• Do you work on consignment or buy art works from them?
• Is it important for you to have good (friendly?) relationships with artists? Are there any restrictions of your relationships with artists?
• How do you find new artists? Do you think artists should be active themselves in contacting galleries?
• Do you discuss with artists their work? What aspects? Do you have an influence on the final product?
• Do you think an artist should have a recognizable style?

Promotion of artists: General

• How can you help an artist to become successful in the contemporary art market?
• Do you usually have a long term plan how an artist's career should develop?
• Have you established a typical approach to promotion of artists or is it always artist/situation/context dependent? Can you provide an example of different approaches?
• Do you seek for international recognition of the artists you work with? Is it important for you? Why? How do you work on artists' recognition on the international art scene?
• What are the indicators of success in Russia and abroad? How do you understand that an artist is internationally recognized?
• What would you consider a success or important achievement for an artist on different stages of his/her career? Can you give several examples of the artists you work with?
• Do you work on the public image of an artist you collaborate with? How? What can harm an artist’s image/ market success?

**Specific questions: Media**

• Are media important for your work and why? Which?
• Do you work with media/art critics?
• What information do you provide to art critics/journalists? (about the gallery/artist/exhibition/artwork)
• Do you have a PR department or assistant in the gallery? What work do they do?
• Do you use internet in your business? How? Is it becoming more important than earlier?

**Specific questions: Art fairs**

• Is it important to participate in art fairs? Why?
• How do you choose in which art fairs to participate and which artists/artworks to bring there?
• What can be a reason for you to refuse to participate in an art fair?

**Specific questions: Exhibition policy**

• How many exhibitions do you have per year? Would you like to be able to do more or less? Why?
• Do you organize more solo or group exhibitions? Are there any differences between them? What can be the purposes to organize either one or another?
• How do you choose artworks for a particular exhibition?
• Do you take your customers into consideration when preparing a new exhibition?
• Who produces exhibitions? Do you have a curator? Do you invite guest curators? Why?
• Is gallery space changing from exhibition to exhibition (lightening/colors/temporary walls etc.)? How? What are the reasons for that? Who decides how the exhibition settings should look like?
• How are openings usually organized? (official/informal) What is your invitation policy for the openings?
• Are you interested in any particular (type of) people to come to an opening? Collectors/critics/friends? Why? How do you encourage them to come?
Work with collectors

• Who do you sell art to? Do you have a stable list of buying collectors? Or are they new all the time?
• Do you keep in touch with your customers? How?
• Do you advise to your collectors on what to buy? What is important for you?
• Do you ask artists to produce a new artwork if you know a collector interested in it?
• Do you sell to anybody who is interested in the artworks you have? Can you refuse to sell an artwork to somebody? What would be a reason?
• Are there any types of visitors that you are not happy to see in a gallery? Who are they?

General questions

• Are you a member of any dealer’s association? Or any other art related community? What are their aims? Why do you participate in them?
• Are there any informal groups that you can associate yourself with in the art world?
• How do you think, why people come to buy artworks at your gallery in particular? How is your gallery different from others in the market?
• Is it important for an art dealer to stay visible in the art world? What do you do to achieve that?
• Are there any ways of doing art commerce that you personally don’t approve?
• Do you have a model or ideal of running a gallery that you follow? Do you have a prototype?
• Are there any formal or informal rules of art business in Russia/India? (Do’s and don’ts) For example, what can harm your business or status in an art community?

Artists

Introductory questions

• When did you decide to become a professional artist?
• Do you care about your career in the art market? (if NO: but do you still sell your artworks?)
• Do you work with galleries or any other sales places?
• Do you have a studio? Do you organize vernissages there? Do you sell artworks from the studio?
• Are you represented by a gallery? By how many? In which cities/countries do you have galleries that you work with?
• How did you start working with these galleries? Do you think artists should be active in approaching galleries?
• What services do the galleries provide for you? (exhibitions/resources/fairs etc.) Are you informed about the sales of your works from the galleries?
• Do you think it is important to be represented by a commercial gallery today? Why? OR: Would you like to work with a commercial gallery? Why?
• Do you think it is good to have many galleries? Why?
• Do you think exclusive representation (in a city/country/region) is important? Why?
• What qualities should a gallery have in order for you (to want) to work with it?
• Do you exhibit regularly somewhere else? OR: Where do you usually exhibit your artworks?
• Do you sell your artworks at these exhibitions?
• Where else do you sell your artworks? How do you find/choose these places/events?

Promotion: exhibitions

• Do you participate more in solo or group exhibitions? What can be the advantages or disadvantages of participation either in one or another?
• Do you participate in the organization process of your exhibitions? How?
• Who do you invite to an exhibition of your works?
• How do you choose artworks for a particular exhibition? Do you envision potential spectators?
• How do you choose in which art events to participate? What can be a reason for you to refuse to participate in an art event you are invited to?
• Do you think that commercial and non-commercial art events and institutions are influencing each other? How?

Artworks in the market

• Do you work in one technique/style or try different ones? Art works in which techniques are selling better?
• Did you ever notice that some of your works are more attractive for collectors than others? How can you explain it?
• Do you create different works for sale and not for sale? Do you have art works that are not for sale? Why? Where do you exhibit them?
• Can you say that you have a distinctive/recognizable style? What is specific about it? Is it important for you? Why?
• Do you know of any artworks, which you or your gallery sold, that were resold afterwards? Does it happen often? Do you think it helps your market success?
Media and critics

- Are media important for you work and why? Which are?
- Do you collaborate with some media or art critics? How is your collaboration organized?
- Are you active in the internet? How does internet help you to promote your artworks?

Professional strategies

- Do you have a long-term idea of how your career should develop? What are your goals and plans? How will you attain them?
- Is it important to stay visible in the art world? Why? What do you do to accomplish that?
- Do you consider yourself a public person? Do you work on your public image? How?
- Do you think that market success is important for a contemporary artist today? What do you understand by market success?
- Do you seek for international recognition? Why? How should an artist promote him/herself abroad?

Buyers

- Do you have an image of your audience? Can you describe them?
- Who buys your artworks? Is it a particular type of people? Can you describe your typical buyer?
- Do you keep track of who has acquired your artworks? Is it important for you?
- Do you have regular buyers? Or are they new all the time?
- Do different people buy your artworks through different channels? Gallery/studio/festival/internet?
- Do you keep in touch with collectors who buy your art? How? Are you friends with them?
- Do you advise collectors what to buy? Do you convince them?
- Do you sell to everybody who is interested in the artworks you sell? Can you refuse selling an artwork? Why?
- Do you work on demand? Can a potential customer suggest you the topic/style/subject/colors?

General questions

- Are you a member of any artists’ association? Or any other art related community? What are the goals of these associations?
- Do these associations somehow support your work and sales of artworks?
- Are there any informal communities that you can associate yourself with in the art world?
• Do you have a role model or mentor in the art world? What characteristics would you like to adopt from this person?
• Who influences on your work? With whom do you discuss your artistic work? What aspects do you discuss? Aesthetic qualities/fitting the market/exhibition settings?
• Do you consider yourself a successful artist? What are the criteria?
• What can harm an artist’s image/ market success?
• How do you think, why people are interested in buying your artworks?
## Appendix 3

List of studied official art organizations

<table>
<thead>
<tr>
<th>Chinese organizations</th>
<th>In local language</th>
<th>Official website</th>
</tr>
</thead>
<tbody>
<tr>
<td>China National Academy of Painting (CNAP)</td>
<td>中国国家画院</td>
<td><a href="http://www.chinanap.org/">http://www.chinanap.org/</a></td>
</tr>
<tr>
<td>Beijing Fine Art Academy (BFAA)</td>
<td>北京画院</td>
<td><a href="http://www.bjaa.com.cn/">http://www.bjaa.com.cn/</a></td>
</tr>
<tr>
<td>China Artists Association (CAA)</td>
<td>中国美术家协会</td>
<td><a href="http://www.caanet.org.cn/">http://www.caanet.org.cn/</a></td>
</tr>
<tr>
<td>Beijing Artists Association (BAA)</td>
<td>北京市美术家协会</td>
<td>None</td>
</tr>
<tr>
<td>China Calligraphers Association (CCA)</td>
<td>中国书法家协会</td>
<td><a href="http://www.ccagov.com.cn/">http://www.ccagov.com.cn/</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Russian organizations</th>
<th>In local language</th>
<th>Official website</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Russian Academy of Arts (RAA)</td>
<td>Российская Академия Художеств</td>
<td><a href="http://www.rah.ru/">http://www.rah.ru/</a></td>
</tr>
<tr>
<td>The Union of Artist of Russia (UoAR)</td>
<td>Союз Художников России</td>
<td><a href="http://www.shr.su/">http://www.shr.su/</a></td>
</tr>
<tr>
<td>The Moscow Artists Union (MAU)</td>
<td>Московский Союз Художников</td>
<td><a href="http://artanum.ru/">http://artanum.ru/</a></td>
</tr>
<tr>
<td>The Creative Union of Russian Artists (CURA)</td>
<td>Творческий Союз Художников России</td>
<td><a href="http://tcxp.ru/">http://tcxp.ru/</a></td>
</tr>
</tbody>
</table>
Bag checks of the crowds exiting the India Art Fair carrying some art with them.

New Delhi, February 2013
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BuksMArt.


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Entrance to a contemporary art gallery.

St. Petersburg, May 2013
English summary

This dissertation is a comparative study of emerging contemporary art markets in Russia and India, in which I aimed to understand the differences between the two art markets and to theorize how local contexts affect market development. It answered the following research question: *How can we explain the diversity of ways in which local contexts affect the development of new markets?* I argue that there is a theoretical gap in the studies of market emergence and development, since most of the existing research takes an institutionalist stand and focusses on the increasing homogenization of organizational forms in the process of market emergence in new contexts (see, for example, Guthrie 2001; Lawrence and Phillips 2004; Jyrämä 2008). At the same time, there is a lack of conceptual tools to explain the widely observed diversity in this process (Beckert 2010). Our understanding of market emergence can be improved if we look at the local contexts not as obstacles on the way to institutional convergence, but as the available environment and resources necessary for markets to take shape. In order to understand how socio-cultural contexts matter in the process of market development, this thesis set out to identify the mechanisms that allow us to translate the elements of more general social order into particular market logics.

The thesis took the proliferation of contemporary art markets across the globe that started in the late 1980s and early 1990s, as an opportunity to study the process of market emergence that in many places has long passed or is hard to discern due to the large size or more complex structure of the developing markets (or market sectors). Empirically, the study has focused on the emerging contemporary art markets in Russia and India. In both countries the art markets barely existed prior to the 1990s, but other than that they have rather distinct histories and dynamics of development, which makes them a productive comparative case. For this research, I conducted 121 semi-structured interviews with 130 various art market participants (primarily with artists and art dealers) in Moscow, St. Petersburg, New Delhi, and Mumbai, between April 2012 and July 2013. In addition, in the period of data collection I made ethnographic observations at various art events (educational events for collectors, press conferences, artists’ studios, art fairs and the openings of exhibitions and residences). In the composition of this thesis each empirical chapter solves a puzzle related to the observed difference in the way local contexts affect the development of new markets in the two countries, and represents an analytical level at which local contexts turned out to be relevant in market development.
Chapter 2 explains why the similar organizational heritage of official art organizations, such as the Artists Unions and Art Academies, that were the main vehicles of art distribution in the communist era prior to the development of markets, ended up playing very different roles once the commerce for art began to develop (co-authored with Svetlana Kharchenkova and Olav Velthuis this chapter compares the Russian and Chinese art markets). In China, membership in these organizations became a status symbol, allowing an artist to set higher prices in the market. In Russia, membership in these organizations has very low status in the art market. Instead, they provide “welfare” support for artists whose market position is very weak. The chapter proceeds from the varieties of capitalism approach (Hall and Soskice 2001) to account for the diversity in institutional complementarity between old governmental organizations and new market infrastructure. Yet, the “varieties” observed in the two countries cannot be explained by historical differences (the original institutional structures were similar) or by differences in emergent institutional structures that official art organizations had to adapt to (commercial markets in both countries seemed to follow global patterns of development). The different roles that governmental art organizations ended up playing in the markets can be explained by the variation in the dominant interpretative frameworks that art market actors use when dealing with these organizations. Thus, in Russia, consecrated contemporary artists, their dealers and clients tend to see the participation of the state in market affairs in a negative light. They understand the state as a weakened villain that they can resist by organizing and participating in an independent private market. In China, on the contrary, for a significant group of artists and buyers, a relationship with the state in the form of official rankings equates to prestige. The role of the state and its relationship with the market is interpreted positively.

Chapter 3 analyzed the level of individual agencies of market actors to explain the paradox when the presence of social, economic and cultural resources, in case of India, and the complete absence of these, in case of Russia, both serve as mechanisms motivating actors to start commercial operations in an emerging contemporary art market. In the example of art dealers’ decisions to open a private gallery, the chapter investigates how potential entrepreneurs are motivated to become active in establishing new markets, and shows how different contexts “activate” the contemporary art markets in Russia and India. In India, family backgrounds predominantly structure the decision-making processes, among other ways, through the economic, social and cultural capital that these families provide. Art dealers see their role as providing an alternative to the lack of governmental support for art. In Russia, by contrast, art dealers explain their decision to open a gallery as creating an alternative to the strong but biased governmental support, while resources provided by family backgrounds are non-existent. It could be said that the activation mechanism here was “negative”: the situation of socio-economic turmoil in the 1990s and 2000s was an opportunity to try a new activity in the field of art and to establish oneself independently of the state during a period of its weakness. Thus, seemingly opposite situations in the socio-economic contexts of the two countries
provoked the same action, leading to the emergence of an art market. I argue that in this case we see how the idea of a market as a place for free economic exchange guides the actions of art dealers independently of available social structures. Even though the market itself was barely developed at the time when art dealers were making the decision to open a gallery, the possibility of a market served as an interpretative framework used by art dealers to solve different practical problems in the two countries. Employing an interpretative framework of an art market enabled different elements of local contexts in the two countries, reframing them into relevant resources for market development.

Chapter 4 also looked into the individual agencies of market actors, in this case early career artists, in the context of the available institutional infrastructure of the two art scenes. It aimed to show how the wider art scenes developing in the two countries can themselves be a relevant local context in which art markets develop. Empirically, I was wondering why artistic career strategies differ in the two countries, and what effect this can have on market development. In this chapter I showed how the differences between artists’ understandings of success, their relationships to various art market actors, and even the types of art they produce, are conditioned by the institutional composition of the artistic fields. In India, where non-commercial art institutions, such as museums and foundations, are scarce and art dealers are the most powerful gatekeepers, the career strategies of artists are shaped by market logic. In Russia artists are engaged in close relationships with locally strong non-commercial art institutions that provide alternative tracks for artistic recognition and promote anti-market orientations among artists. The argument is that the meaning systems of market actors reflect the institutional composition of the art worlds that art market actors are part of. Therefore, disinterestedness in economic success, often depicted as a universal organizing principle of the field of high art, is contextual, and is less relevant in art scenes where the balance of power between the commercial and non-commercial contemporary art institutions is different. Furthermore, prevalent interpretative frameworks have an effect on how the two markets develop, which types of institutions prevail, which practices are dominant, and how prominent the commercial success is. Dealing only with foundations and museums, and creating art that is hard to sell, Russian artists weaken the position of art dealers. At the same time, conforming to the dominance of commercial galleries, Indian artists support a world in which museums are obsolete.

Chapter 5 shifts the focus of analysis to the intra-market level in order to investigate the role of narratives in markets’ operation and elucidate why they structurally differ in Russia and India. This chapter is the theoretical core of the thesis, in which I argue that in order to understand the role that interpretative frameworks, such as narratives, play in the development of markets, we need to take into consideration both their internal dynamics and the social context of their production. Empirically, I looked at two versions of art market crisis narratives developed in Russia and India. The
chapter shows that there is a widely shared crisis narrative with a coherent structure in the Indian art market. Conversely, fragmented and contested stories that lack narrative structure dominate in the Russian art market. The analysis of the first case highlights the coherent narrative structure and shows its productive role in the Indian market – it provides a moral justification for existing market norms and produces a perspective for the future. The chapter argues that a market narrative has social functions: a coherent narrative maintains cohesion and allows smooth market operation, and therefore serves as a stabilization mechanism along with institutional structures or social networks. At the same time, fragmented stories filling the market in the Russian case send mixed signals, and fail to serve as a stabilization mechanism in the market. To understand the persistence of conflicting views of the crisis, the analysis of the second case focuses on the context of narrative production and connects the conflicting interpretations of the crisis in the Russian art market to contested hierarchies and persistent uncertainty. It shows that different versions of the crisis stories are employed by dominant groups of actors, striving to defend their legitimacy, and by actors aiming to question their domination in order to establish themselves in the market.

Finally, Chapter 6 zooms in on a single art market of India in order to question the assumptions about the homogeneity of a national market and the universal role that social contexts play in it. It investigates the differences in understandings of economic practices, by focusing on the practice of awarding a discount on a work of art, and shows how this is related to differentiation between actors within a single market. The argument is that unevenly distributed systems of norms and values affect the operation of a market. The chapter distinguishes two circuits of commerce (Zelizer 2010) in the Indian art market: internationally oriented artists and dealers, whose attitude towards discounts is shaped by the desire to defend the aesthetic value of art, and locally oriented artists and dealers, who are positive about giving discounts and embrace them as a legitimate element of their national culture. The strategy of giving (or not giving) a discount can be based on the rules of the communities of different scope and focus: international, but focused on art, in one case, local, but disregarding the specificity of a product, in the other. Explicit differences in meanings attached to market practices allow drawing symbolic boundaries in a market where all actors have to interact with one another. Thus, the two circuits not only coexist in the same market, but also are in opposition to each other. By defining the criteria of membership in a circuit and by controlling the crossing of its boundary, members of the circuit distinguish themselves from others, i.e. establish power relations between those who are in and those who are out.

In the conclusion of the dissertation I synthesize the findings and analytical observations of the empirical chapters into a coherent theoretical framework, explaining the mechanisms by which diverse local contexts affect the development of markets. I argue for the importance of interpretative frameworks used by market actors in defining which elements of local contexts matter for them and
in which ways. In other words, the main argument of this thesis is that interpretative frameworks mediate the effect of local contexts on market development by shaping the perceptions of local contexts and by enabling some, and dismissing other, strategies of action (Swidler 1986). I propose that, in order to explain this mediating effect, the studies of market development should draw on the resources of cultural sociology, focusing on the meaning-making processes in social life.

This thesis has shown that interpretative frameworks available to market actors are not a direct representation of available social structures. I have identified two reasons why they refract (rather than reflect) the impact of local contexts: first, interpretative frameworks have limited circulation within a market (and are unevenly distributed), and second, their immanent logics meaningfully enact the elements of local contexts in one or another way. Only when analyzed in conjunction, can these two dimensions sufficiently explain the mediating effect of interpretative frameworks. I argue that to perform such an analysis we need to draw from two different theoretical perspectives developed in cultural sociology. Thus, on the one hand, in order to investigate how interpretative frameworks relate to the social and material environment in which they are produced and circulated, I use the resources of the field theory developed by Bourdieu (1984; 1989). This perspective allows highlighting how the limited circulation of interpretative frameworks and the specific interests of actors belonging to different social groups lead to employing diverse elements of social contexts as active position-taking in an emerging field. On the other hand, the thesis follows the argument of the strong program in cultural sociology (Alexander and Smith 2001) advocating for the “relative autonomy of culture.” It implies that social behavior “follows codes that it does not invent” (Alexander 2003) and that these symbolic codes have their own inherent logic and dynamics that cannot be that easily reduced to external social structures. While these two perspectives are often presented as oppositional, this dissertation not only identifies their limitations, but also shows how they can productively complement each other.

The developed theoretical framework that refocuses the analysis of market development towards the meaning-making processes allows us to explain the diversity in the process of market emergence, and therefore contributes to the field of economic sociology. This dissertation shows that the idea of a market as a place for free economic exchange can have different symbolic meanings for market actors that go beyond maximizing individual profits. This means that markets can emerge and develop for a variety of reasons. Furthermore, by looking at the processes of meaning-making, we are able to better understand the early stages of market emergence, when the market has not yet established its own rules and routines, and market actors have to rely on the non-economic interpretative frameworks available in broader society. Uneven distribution of these frameworks feeds into the diversity behind the process of market emergence and affects the shapes markets take.
While this thesis has focused on the development of art markets, the ambition to apply cultural analysis to understand the process of market emergence is by no means restricted to the market for symbolic goods. Looking at the development of the infrastructure for trading contemporary art and the increasing commodification of art consumption in Russia and India can help us to understand a more diverse range of social issues in contemporary society. First, scholars have already shown that stock markets (Zuckerman 1999), financial markets (Abolafia 2010; Tognato 2012), medical markets (Almeling 2011; Healy and Kraviec 2012), and labor markets (Bauder 2001), are no less cultural and can be analyzed as such. Furthermore, new markets and market sectors still emerge in close proximity to our daily lives (Burawoy 2007). Such topics as the marketization of education (Slaughter and Rhoades 2004; Bartlett et al. 2002), the commodification of the body (Sharp 2000), nature or tourism (Johnston and Edwards 1994; Lawrence and Phillips 2004) receive a lot of public attention. The theoretical framework for studying the cultural mechanisms of market development can also be helpful for understanding the dynamics of these phenomena.
Nederlandse samenvatting

Dit proefschrift is een vergelijkende studie naar opkomende markten voor hedendaagse kunst in Rusland en India, met als doel de verschillen tussen de twee kunstmarkten te begrijpen en te theoreteren hoe lokale contexten marktontwikkelingen beïnvloeden. Het beantwoordt de volgende onderzoeksvraag: *Hoe kunnen we de diversiteit verklaren in de manieren waarop lokale contexten de ontwikkeling van nieuwe markten beïnvloeden?* Ik betoog dat er een theoretische kloof bestaat in studies naar het ontstaan en de ontwikkeling van markten, aangezien het meeste bestaande onderzoek vanuit een institutioneel perspectief wordt verricht en focust op de toenemende homogenisering van organisatieformen bij het ontstaansproces van markten in nieuwe contexten (zie bijvoorbeeld Guthrie 2001; Lawrence and Phillips 2004; Jyrämä 2008). Tegelijkertijd is er een gebrek aan conceptuele handvatten om de veelvuldig waargenomen diversiteit in dit proces te kunnen verklaren (Beckert 2010). We kunnen de opkomst van markten beter begrijpen als we lokale contexten niet beschouwen als obstakels op de weg richting institutionele convergentie, maar als hulpbronnen die markten nodig hebben om vorm te krijgen. Om de rol te begrijpen die sociaal-culturele contexten spelen in het proces van marktontwikkeling, tracht dit proefschrift de mechanismes te identificeren die de elementen van sociale orde in het algemeen kunnen vertalen naar specifieke marktlogica's.

Het proefschrift nam de sterke wereldwijde toename van hedendaagse kunstmarkten sinds eind jaren tachtig en begin negentig als een gelegenheid om het proces van marktvorming te bestuderen. Deze processen hebben immers op veel plaatsen al lang geleden plaatsgevonden of zijn moeilijk waarneembaar door de grotere schaal en complexere structuur van andere opkomende markten (of marktsectoren). Empirisch richt de studie zich op de opkomende hedendaagse kunstmarkten in Rusland en India. In beide landen was vóór de jaren negentig nog nauwelijks sprake van een kunstmarkt. Er zijn grote verschillen tussen beide landen in de manieren waarop de kunstmarkten zich sindsdien ontwikkeld hebben. Daardoor kunnen deze casussen een vruchtbare vergelijking opleveren. Voor dit onderzoek heb ik, tussen april 2012 en juli 2013, 121 semi-gestructureerde interviews gehouden met 130 uiteenlopende actoren in de kunstmarkt (vooral kunstenaars en kunsthandelaren) in Moskou, Sint-Petersburg, New Delhi en Mumbai. Verder heb ik in dezelfde periode etnografische observaties verricht bij verschillende kunstvenementen (cursussen en lezingen voor verzamelaars, persconferenties, ateliers, kunstbeurzen en openingen van exposities en *artist in residence* programma's). Het proefschrift is zodanig opgebouwd dat elk empirisch hoofdstuk een puzzel oplost met betrekking tot de waargenomen verschillen tussen de twee landen in de manieren waarop lokale contexten de ontwikkeling van nieuwe markten beïnvloeden. Ook vertegenwoordigt elk hoofdstuk een analytisch niveau waarop lokale contexten relevant bleken te zijn voor marktontwikkeling.
Hoofdstuk 2 verklaart waarom vergelijkbare organisatorische uitgangsposities van officiële kunstorganisaties zoals kunstenaarsbonden en kunstacademies, die tijdens het communisme nog de belangrijkste vehikels van kunstdistributie waren, uiteindelijk heel verschillende rollen speelden toen de kunsthandel eenmaal van de grond kwam (dit samen met Svetlana Kharchenkova en Olav Velthuis geschreven hoofdstuk vergelijkt de Russische en Chinese kunstmarkten). In China werd lidmaatschap van deze organisaties een statussymbool, wat hogere marktprijzen mogelijk maakte. In Rusland had lidmaatschap juist een lage status voor de kunstmarkt, maar zorgden de organisaties voor “bijstand” aan kunstenaars met een zeer zwakke marktpositie. Het hoofdstuk gebruikt het zogeheten Varieties of Capitalism perspectief (Hall en Soskice 2001) om de diversiteit te verklaren in de manieren waarop oude overheidsorganisaties en nieuwe marktinfrapartners elkaar institutioneel aanvullen. Toch kunnen de waargenomen “variëteiten” tussen de twee landen niet verklaard worden door historische verschillen (want de oorspronkelijke institutionele structuren waren vergelijkbaar), noch door verschillen in opkomende institutionele structuren waaraan officiële kunstorganisaties zich moesten aanpassen (want commerciële markten lijken in beide landen mondiale ontwikkelingspatronen te volgen). De verschillende rollen die overheidsorganisaties in de kunst uiteindelijk speelden, kunnen verklaard worden door de variatie in het dominante interpretatieve kader dat actoren in de kunstmarkt gebruiken als ze met die organisaties te maken hebben. In Rusland zien betrokkenen (geconsecueerde hedendaagse kunstenaars, hun handelaren en klanten) deelname van de staat in marktzaken eerder in een negatief licht. Ze zien de staat als een verzwakte boosdoener, die ze kunnen weerstaan door zich te organiseren in en deel te nemen aan een onafhankelijke particuliere markt. In China daarentegen ziet een grote groep kunstenaars en kunstkopers de relatie met de staat als een kans op officiële posities en dus prestige. Zij interpreteren de rol van de staat en diens relatie tot de markt positief.

Hoofdstuk 3 analyseert het niveau van de individuele handelingsvrijheid van marktactoren. Het verklaart de paradox dat zowel de aanwezigheid (in India) als de complete afwezigheid (in Rusland) van sociale, economische en culturele hulpbronnen, actoren kon bewegen om commerciële activiteiten te beginnen in een opkomende markt voor hedendaagse kunst. Het hoofdstuk gebruikt het voorbeeld van de beslissing van kunsthandelaars om een particuliere galerie te openen, om te onderzoeken wat potentiële ondernemers motiveert om actief nieuwe markten op te zetten. Het laat zien hoe verschillende contexten de hedendaagse kunstmarkt in Rusland en India “activeren”. In India zijn het voornamelijk familieachtergronden die zulke beslissingsprocessen structureren, onder andere door het economisch, sociaal en cultureel kapitaal dat die families verschaffen. Indiase kunsthandelaars zien hun rol als een alternatief voor de ontbrekende overheidssteun voor kunst. In Rusland daarentegen leggen kunsthandelaars hun beslissing om een galerie te openen uit als alternatief voor de juist sterke maar inhoudelijk te sterk sturende overheidssteun, terwijl ze géén hulpbronnen vanuit de familie hebben. Het activatiemechanisme was hier “negatief”: de situatie van
sociaal-economische onrust in de jaren 1990 en 2000 vormde een kans om een nieuwe activiteit uit te proberen in het veld van de kunst en om zich te vestigen, onafhankelijk van de op dat moment zwakke staat. De schijnbaar tegengestelde sociaal-economische contexten van de twee landen lokten dus dezelfde handelingen uit, die leidden tot de opkomst van een kunstmarkt. Ik betoog dat we in dit geval zien hoe de idee van een markt als een plaats voor vrije economische uitwisseling de handelingen van kunsthandelaars stuurt, onafhankelijk van aanwezige sociale structuren. Hoewel de markt zelf nog nauwelijks ontwikkeld was toen kunsthandelaars besloten een galerie te openen, gebruikten ze in beide landen wel het interpretatieve kader van een mogelijke markt, om verschillende praktische problemen op te lossen. Het inzetten van een interpretatief kader van een kunstmarkt zorgde er in beide landen voor dat verschillende elementen van lokale contexten in stelling werden gebracht. Die werden daardoor omgevormd in relevante hulpbronnen voor marktontwikkeling.

Ook hoofdstuk 4 gaat over de individuele handelingsvrijheid van marktactoren, in dit geval kunstenaars aan het begin van hun carrière, in de context van de beschikbare institutionele infrastructuur in de twee kunstscenes. Het doel was te laten zien hoe de bredere kunstscenes die zich in de twee landen ontwikkelden, zelf een relevante lokale context kunnen zijn waarin kunstmarkten zich ontwikkelen. Ik stelde de empirische vraag waarom artistieke carrièrestrategieën tussen de twee landen verschillen en welk effect dit kan hebben op marktontwikkeling. Ik laat in dit hoofdstuk zien hoe de verschillen tussen de landen in hoe kunstenaars succes begrijpen, welke relaties ze hebben met verschillende actoren op de kunstmarkt en zelfs welke soorten kunst ze maken, bepaald worden door de institutionele samenstelling van de artistieke velden. In India, waar non-commerciële kunstinstitutionen zoals musea en stichtingen schaars zijn en waar kunsthandelaren de machtigste poortwachters zijn, worden carrièrestrategieën van kunstenaars gevormd door de marktlogica. In Rusland hebben kunstenaars juist hechte banden met lokaal sterke non-commerciële kunstinstitutionen, die alternatieve paden voor artistieke erkenning verschaffen en die bij kunstenaars een anti-markt oriëntatie aankweken. Mijn redenering is dat de betekenissystemen van marktactoren de institutionele samenstelling van kunstwerelden waar zij deel van uitmaken weerspiegelen. Daardoor is onverschilligheid tegenover economisch succes, wat vaak weergegeven wordt als een universeel organiserend principe binnen het veld van de hoge kunst, afhankelijk van de context. Dit principe is minder relevant in kunstscenes waarin de balans tussen commerciële en non-commerciële hedendaagskeunstinstellingen anders ligt. Verder hebben heersende interpretatieve kaders een effect op hoe de twee markten zich ontwikkelen, welke types instellingen de overhand hebben, welke praktijken domineren en hoe prominent het commerciële succes is. Door alleen met stichtingen en musea te werken en kunst te maken die slecht verkoopbaar is, verzwakken Russische kunstenaars de positie van kunsthandelaren. En door zich juist te conformeren aan de dominantie van commerciële galeries, steunen Indiase kunstenaars een wereld waarin musea overbodig zijn.
Hoofdstuk 5 verlegt de focus van de analyse naar het intra-marktniveau om de rol van narratieve
in het opereren van markten te onderzoeken en om uit te zoeken waarom Rusland en India hierin
structureel van elkaar verschillen. Dit hoofdstuk vormt het theoretische hart van het proefschrift.
Ik betoog dat we de rol die interpretatieve kaders, zoals narratieve, spelen in de ontwikkeling
van markten kunnen begrijpen door zowel hun interne dynamiek als de sociale context van de
productie ervan in overweging te nemen. Empirisch vertaalt dit zich in het bestuderen van narrati-
even rond een crisis in de kunstmarkt, die zich in Rusland en India verschillend ontwikkelden. Het
hoofdstuk laat zien dat er in de Indiase kunstmarkt sprake is van een breed gedeeld crisisnarratief
met een coherente structuur. De Russische kunstmarkt daarentegen wordt gedomineerd door ge-
fragmenteerde en betwiste verhalen zonder narratieve structuur. De analyse van de eerste casus
belicht de cohereente narratieve structuur en laat zien hoe productief die is in de Indiase markt – het
verschaft een meer en rechtvaardiging van bestaande marktnormen en levert een perspectief voor
de toekomst op. Het hoofdstuk betoogt dat een marktnarratief sociale functies heeft: een coherent
narratief houdt cohesie in stand en maakt soepele marktoperaties mogelijk. Daardoor dient het als
een stabiliseringsmechanisme, net als institutionele structuren of sociale netwerken. Tegelijkertijd
verzenden de gefragmenteerde verhalen in de Russische markt juist gemengde signalen, waardoor
die niet slagen als stabiliseringsmechanisme. Om het voortbestaan van tegenstrijdige visies op de
crisis te begrijpen, richt de analyse van de tweede casus zich op de context van narratieve productie
en verbindt ze de tegenstrijdige interpretaties van de crisis in de Russische kunstmarkt met betwiste
hiërarchieën en voortdurende onzekerheid. De analyse laat zien dat verschillende versies van de cri-
sisverhalen worden aangewend door enerzijds dominerende groepen actoren, die hun legitimiteit
willen verdedigen, en anderzijds door actoren die deze dominantie juist bevragen om voor zichzelf
in de markt een naam te maken.

Tot slot zoomt hoofdstuk 6 in op de kunstmarkt in India, om vraagtekens te plaatsen bij de aan-
nname dat de nationale markt homogeen is en dat sociale contexten hierin een universele rol spelen.
Het onderzoekt de verschillende manieren waarop economische praktijken begrepen worden, door
te focussen op de praktijk om een kunstwerk met korting te verkopen, en het laat zien hoe dit zich
verhoudt tot differentiatie tussen actoren binnen één markt. Het argument is dat (verschillen in)
systemen van normen en waarden de werking van een markt beïnvloeden. Het hoofdstuk ondersche-
scheidt twee handelscircuits (Zelizer 2010) in de Indiase kunstmarkt: internationaal georiënteerde
kunstenaars en handelaars, wier kritische houding tegenover het geven van kortingen voortkomt
uit de wens om de esthetische waarde van kunst te verdedigen, en lokaal georiënteerde kunstenaars
en handelaars, die kortingen omarmen als een legitiem onderdeel van hun nationale cultuur. De
strategie om al dan niet korting te geven is gebaseerd op de regels in werelds van verschillen-
de reikwijdte en focus: in het ene geval internationaal, maar gericht op kunst, en in het andere
geval lokaal, maar het specifieke van een bepaald product negerend. Expliciete verschillen tussen
de betekenissen die aan marktpraktijken worden verbonden, maken het mogelijk om symbolische scheidslijnen te trekken binnen een markt waarin alle actoren met elkaar moeten omgaan. De twee circuits bestaan dus niet alleen naast elkaar binnen dezelfde markt, maar ook tegenover elkaar. Door de criteria van lidmaatschap te definiëren en controle uit te oefenen over het overschrijden van grenzen, onderscheiden leden van het circuit zich van anderen. Met andere woorden: ze vestigen een machtsverhouding tussen degenen die erbij horen en degenen die eruit liggen.

In de conclusie van het proefschrift breng ik de bevindingen en analytische observaties uit de empirische hoofdstukken samen in een coherent theoretisch kader. Het verklaart de mechanismes waardoor diverse lokale contexten de ontwikkeling van markten beïnvloeden. Ik pleit voor het belang van interpretatieve kaders die marktactoren gebruiken, om vast te stellen welke elementen van lokale contexten er voor hen toe doen en op welke manieren. Met andere woorden, het belangrijkste argument van dit proefschrift is dat interpretatieve kaders een mediërende rol spelen bij het effect van lokale contexten op marktontwikkelingen. Dit doen zij door de percepties van lokale contexten vorm te geven en door sommige handelingsstrategieën mogelijk te maken en andere af te wijzen (Swidler 1986). Ik stel dat, om dit mediërende effect te kunnen verklaren, studies naar marktontwikkeling gebruik moeten maken van inzichten uit de cultuursociologie rond processen van betekenisgeving in het sociale leven.

Het proefschrift liet zien dat de interpretatieve kaders waarvan marktactoren zich bedienen, geen directe weerspiegeling zijn van de beschikbare sociale structuren. Ik heb twee redenen vastgesteld waarom die kaders de invloed van lokale contexten vervormen (in plaats van weerspiegelen): ten eerste zijn ze niet wijdverspreid binnen een markt (en zijn ze ongelijk verdeeld), en ten tweede hebben ze hun eigen innerlijke logica’s die aspecten van lokale contexten verschillend in stelling brengen. Alleen wanneer die twee dimensies in hun samenhang geanalyseerd worden, kunnen ze een voldoende verklaring bieden voor het mediërende effect van de interpretatieve kaders. Ik betoog dat we, om zo’n analyse te kunnen uitvoeren, van twee verschillende theoretische perspectieven uit de cultuursociologie gebruik moeten maken. Aan de ene kant kunnen we onderzoeken hoe interpretatieve kaders zich verhouden tot de sociale en materiële omgeving waarin ze zijn gevormd en verspreid, door gebruik te maken van de door Bourdieu (1984; 1989) ontwikkelde veldtheorie. Dit perspectief kan de beperkte verspreiding van interpretatieve kaders en de specifieke belangen van actoren uit verschillende sociale groepen benadrukken, die leiden tot het aanwenden van diverse elementen van sociale contexten als actieve positie-innames in een opkomend veld. Aan de andere kant volgt het proefschrift het argument van het zogeheten Strong Program in de cultuursociologie (Alexander en Smith 2001), die de “relatieve autonomie van cultuur” bepleit. Dit programma houdt in dat sociaal gedrag “codes volgt die het niet uitvindt” (Alexander 2003) en dat die symbolische codes hun eigen inherente logica en dynamiek hebben die niet eenvoudig kan worden gereduceerd.
tot externe sociale structuren. Hoewel deze twee perspectieven vaak worden neergezet als tegenstrijdig, laat dit proefschrift niet alleen hun beperkingen zien, maar ook hoe ze elkvaar vruchtbaar kunnen aanvullen.

Het ontwikkelde theoretisch kader, dat de aandacht van de analyse van marktontwikkelingen opnieuw richt op processen van betekenisgeving, maakt het mogelijk om diversiteit in het proces van marktvorming te verklaren en draagt daardoor bij aan het veld van de economische sociologie. Het proefschrift laat zien dat de idee van een markt als een plaats voor vrije economische uitwisseling voor marktactoren verschillende symbolische betekenissen kan hebben, los van louter het maximaliseren van individueel profijt. Dit betekent dat markten om verschillende redenen kunnen opkomen en zich ontwikkelen. Bovendien kunnen we, door te kijken naar processen van betekenisgeving, de vroege stadia in het ontstaan van markten beter begrijpen, als de markt nog geen eigen regels en gebruiken heeft vastgesteld en als marktactoren nog moeten bouwen op niet-economische interpretatieve kaders die in de bredere samenleving beschikbaar zijn. Het feit dat deze kaders niet voor iedereen hetzelfde zijn leidt tot diversiteit in het ontstaansproces van markten en beïnvloedt de vormen die ze aannemen.

Night of exhibitions openings at Lado Sarai art district. New Delhi, February 2013

Entrance to a contemporary art gallery located in an elite residential building. Mumbai, March 2013

Exhibition space of a governmental art gallery. New Delhi, February 2013

Entrance to an art shop. Mumbai, March 2013

Opening night at a contemporary art gallery. New Delhi, February 2013

Colaba Art District in Mumbai. Mumbai, March 2013

Bag checks of the crowds exiting the India Art Fair carrying some art with them. New Delhi, February 2013