Markets framed by culture

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

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Citation for published version (APA):
Komarova, N. (2018). Markets framed by culture: The role of local contexts in the rise of contemporary art commerce in Russia and India.

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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.”¹ – 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.
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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
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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
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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.

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).
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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, economic 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 reforms 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 invest 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 curious 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 hosting 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 rouble 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.
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

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10 No official directories of art market organizations exist in either of the two countries.
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
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