Markets framed by culture

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

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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
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.
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\textsuperscript{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.

\textsuperscript{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

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
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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.
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.3 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-

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 opportunistic 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.
Chapter 7

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”
Conclusion

(2016: 18). 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