

# Market Matters

The dynamics of the contemporary art market

By Louisa Buck



Carey Young  
Detail of production still from  
*I am a Revolutionary*, 2001  
Video, 4.08 mins; colour, sound  
Commissioned by Film & Video  
Umbrella in association with  
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Courtesy of IBID projects,  
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In the video *I am a Revolutionary* we see the artist dressed in a smart business suit in a slick office space. Young is rehearsing part of a script with a presentation skills trainer: 'I am a revolutionary.' The line could equally come from the 'business leadership' rhetoric of globalisation as from the language of political activists, much as it also seems to refer to the legacy of the artistic avant-garde. Young struggles to say her line with conviction, but to her trainer, the words seem unproblematic, as if they are just another message that can be spouted to an audience like any other within the realm of popular or political culture.

Carey Young, September 2004

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## Contents

- 4 Foreword**
- 6 Introduction**
- 12 Mechanics of the market**
- 18 Value of the market**
- 21 Characterising the market**
- 27 Distribution**
- 39 Buyers**
- 49 Public sector**
- 63 Developing the market**
- 69 Conclusion: the market does matter**
- 70 Endnotes**
- 72 Quote sources**

## Foreword

The art market and contemporary art generate intense media and public interest, yet the workings of the art world are impenetrable to all but insiders in the field. This snapshot draws on interviews with artists, collectors, curators, dealers and galleries. Louisa Buck's incisive text shows how the international art market works and looks at the importance of growing private and public collecting in Britain. It concludes with proposals to strengthen the art economy and to widen its reach.

Arts Council England aims to place the artist at the centre of its activities and to grow the economy for artists. This more overt engagement with the commercial sector requires a knowledge and relationship with the market based on the need to balance public values and private interests. Many artists work outside the conventions of the gallery system and eschew the art market. There is a live tradition in Britain of art in the public realm which is politically and socially focused, where the *process* of art has precedence over the object or 'product'. The economy of art has changed. Many artists receive fees for projects which are often temporary, although they may generate related works for sale in the traditional market. The roles of the publicly funded and the private gallery are becoming interchangeable as public galleries need to raise more income and as the private galleries expand their public presence.

Artists now negotiate a wider market, public as well as private and this has implications for the private collector too. It also impacts on the capacity of our regional museums to develop strong contemporary collections which provide the critical context for increased private collecting, especially outside London. The Museums Association is consulting on *Collections for the Future*,

a debate that centres on local and national, public and private, the present as well as the past. The Contemporary Art Society's Special Collections scheme has made an impressive start to create credible public collections of contemporary art outside London. This needs to be sustained.

To widen the current market and collector base for contemporary art, the Arts Council's New Audiences Department commissioned research on the size and composition of the market for contemporary art in England for which little data existed. The report, *Taste Buds*, presents the findings of a year-long research exercise. The scope was to cover the entire spectrum of contemporary art as well as to identify the market for what is defined as 'challenging' contemporary art. This market is global and its dynamics international.

*Market Matters* draws on *Taste Buds* to throw a spotlight on the workings of this market to encourage those who want to buy new work and relish a challenge. It does not underplay the pitfalls, but will give confidence through providing ways in, at all levels. It also makes suggestions on how the Arts Council and the galleries and museums might work more closely to establish protocols to support the economy for artists and collectors. We recognise that strong public collections for the benefit of all are the best advocate for growing engagement and for stimulating private collecting. An informed and appropriate relationship with the commercial sector is fundamental for arts organisations in the 21st century. This presents challenges; we commissioned this essay to contribute to the debate. The market does matter and it is both private and public.

See Robertson, Iain,  
*Understanding  
international art markets and  
management*, (forthcoming)  
Routledge, 2005

**Marjorie Allthorpe-Guyton,**  
Director Visual Arts, Arts Council England

## Introduction

### An unholy alliance?

Art history confirms that the relationship between art and money is a time-honoured one. Ever since the church, the crown and the aristocracy ceased to be significant sources of patronage, contemporary art has been inextricably involved in and subject to the vicissitudes of the market-place. Writing in the 17th century the diarist John Evelyn records that it was quite usual to find Dutch farmers paying the equivalent of up to £3,000 for paintings and then reselling them at 'very great gaines';<sup>1</sup> and more recently, as every artist from Marcel Duchamp onwards is all too aware, no artwork, however radical or overtly critical of the market-place, is immune from being absorbed and consumed as marketable material. From the museums through to the heritage sector, Arts Council England and the British Council, the public sector has always been engaged with the art market, and it should not assume that it can or should remain aloof from its activities. How it engages is the key question.

Right from its earliest beginnings the Arts Council has always been closely associated with the commercial sector. For over 50 years, its role as a direct provider of exhibitions and myriad associated publications has led to the Arts Council entering into long and productive relationships with many of the most important dealers and artists' agents both in the UK and abroad. In 1985 the late Nigel Greenwood was invited to select the *Hayward Annual*, an invitation extended by the Arts Council and the Hayward Gallery 'to indicate our regard for the many excellent gallery directors in this country who are dedicated to contemporary art and who encourage the irreplaceable and often long-lasting relationship between the individual collector and a

**“It is a well-known melancholy truth that the tribe of auctioneers, connoisseurs, picture dealers ... have monopolised the trade of pictures and made it a matter of ridicule to purchase any modern production or to encourage an English artist. By this craft the leaders of taste of these kingdoms acquire fortunes and credit, whilst many of our painters, men of genius and industry, are absolutely starving.”**

Letter in St James's Chronicle,  
25 April 1761

particular artist.<sup>2</sup> Much of the Arts Council Collection, which began when the Arts Council of Great Britain was founded in 1946, has been acquired from commercial galleries and the Arts Council continues to purchase 'innovative work from artists living in Britain'<sup>3</sup> from dealers great and small.

Yet despite a long history of symbiosis, relations between public and private remain ambiguous. The two sectors may be entwined but this does not necessarily mean that they are at ease with their conjoined state. At a time when the art market in this country is undergoing a period of unprecedented expansion it is especially important that this relationship is reassessed. In the past, visual art has primarily been understood and utilised according to cultural and social criteria: either for its intrinsic value, as 'art for art's sake' or, more recently, for its role as a driver of regeneration. Now, however, the re-evaluation of the art market as an economy or an industry with all the considerations and benefits that this implies, introduces the new concept of discussing art and artists in terms framed by an economic as well as a cultural and a social imperative.<sup>4</sup>

The art market is a major economy in its own right and a key contributor to the nation's creative industries; and recognising it as such marks a paradigm shift in the status and role of art in this country. The Arts Council has already made some headway in recognising this change in emphasis. In its manifesto document *Ambitions for the arts 2003–2006*, as one of a range of proposals aimed at placing artists at the centre of its activities, the Arts Council declared its intention to benefit artists by 'stimulating the economy for artists'.<sup>5</sup> This acknowledgment of the financial ramifications of art practice marked an unprecedented move by the Arts Council towards a more overt engagement with the

# “Money creates taste”

Jenny Holzer, artist, 1986

**“Money’s the thing you can’t get your mind round ... whereas art and science and religion you can just about get your mind round, money seems to skitter through everything and be ungraspable.”**

Damien Hirst, artist, 2001

commercial sector. Also, by actively setting out to improve the financial possibilities for artists, the Arts Council was tacitly acknowledging that relations between public and commercial sectors needed addressing.

In 2002, Arts Council England commissioned research into the art market with a brief to examine how to enhance and increase sales of ‘innovative contemporary art’ to individuals. *Taste Buds: how to cultivate the art market* (Morris Hargreaves McIntyre, 2004) presents qualitative and quantitative research and analysis of the contemporary art market together with recommendations on how sales of contemporary art might be developed.<sup>6</sup> No research of this kind had ever been carried out before. The scope of *Taste Buds’* investigations was therefore extended to cover the entire spectrum of current contemporary art, and to include a wide range of art and artists.

*Market Matters* distils the main findings, adds new interviews and background and sharpens the focus on the composition and workings of the market for challenging contemporary art that exists – or could be encouraged to exist – both in London and throughout England. Contemporary art is notoriously slippery to define, and everyone has their own view of what constitutes the truly contemporary. However for clarity’s sake, in this case, ‘challenging contemporary art’ specifically refers to artworks which have achieved, or are in the process of achieving, endorsement by the contemporary art world.

These artworks can be produced in any medium or material, they can be sound, time or performance based, and they can be made by artists of any age and generation. These artists are making work that not only acknowledges artistic traditions but which also has new



**“When it comes to the visual arts ... no training and licences are required. Few rules exist, and those that do tend to shift continuously and are known to insiders only. The creative process by which art is generated breaks rules and must do so. Whatever rules may have evolved cannot be stable because new visions are born all the time which defy established rules. This means that any trust in arts is going to be of a precarious nature because there are no basic facts and immediate experiences that would justify trust.”**

Holger Bonus, University of Munster/Dieter Ronte, Bonn Museum of Art, 1997

conversations with them. Here the artworks under discussion are made by artists based in England who are in the business of producing challenging contemporary art.

For the purposes of this discussion, ‘market’ refers to the processes by which works of art are bought and sold and by which creativity is converted into commercial value. Here the geographical scope is confined to England, and the buyers restricted to private and institutional, not corporate buyers. *Market Matters* is specifically concerned with the primary market, which is the market through which a work of art is sold for the first time. The secondary market, the market through which a work of art is sold for second or subsequent times, takes place primarily through auction houses and/or secondary commercial agents, dealers and galleries. Although the secondary market is not part of this study, it is nonetheless an important source of revenue for many primary market dealers and agents.

‘Dealer’ is the term used to encompass commercial art galleries, artists’ agents, gallerists and all those who sell works of art, while ‘buyer’ covers buyers of contemporary art and art by living artists. Buyers can range from dedicated collectors to buyers who purchase art for various reasons ranging from personal to financial. These can be further sub-divided into top-level collectors, committed collectors, regular collectors and occasional buyers although divisions between these categories are by no means rigid.

The term ‘art by living artists’ covers a wide range of art made from all materials and in all styles by living artists of all ages which – for whatever reason – lies outside the endorsement process. This could either be because the artists have no desire for endorsement or because

their work is not deemed challenging enough to enter, or remain within the process of endorsement. Where the acquisition of this art might have an impact upon the market under examination here, then it is given due consideration.

*Market Matters* synthesises and augments the evidence and analysis in *Taste Buds* (2004) as well as providing additional interviews with artists, dealers, collectors and curators. It aims to clarify the complex workings of the art market, to untangle and scrutinise its dynamic and its current relationship with the range of visual arts organisations – including art galleries – which make up the public sector. All of these public sector organisations are funded in whole or part by the public purse, through local and national government, higher education and national agencies, including the Arts Council. Drawing on the recommendations in *Taste Buds*, *Market Matters* highlights potential areas where the public and commercial sectors could work in tandem and to their mutual benefit.

## Mechanics of the market

**“The making of art is extremely elite, the selling of art is elite. It’s a highly specialised thing. It’s the ultimate consumer product in our society.”**

Leon Golub, artist

Any examination of how contemporary art is bought and sold must first establish the fact that the contemporary art market is unlike any other. A work of art may be the ultimate luxury item but the art market cannot be compared to any other market for luxury goods. Its value systems are nebulous, complex and fragile. The ways in which certain works of art are recognised and evaluated at the expense of others has little or nothing to do with the materials and/or the conventions used in their construction. Even the term ‘art’ is itself unstable, shifting through history and across cultures, and settling on certain groups of objects or individual items in particular places at particular times. Although more artists than ever are making works for spaces outside the gallery, the key difference between contemporary art and other luxury goods is that virtually all the elements operating within the market – the producers, suppliers and consumers – regard the public gallery or museum as the ultimate resting-place for the work they make, sell or buy. For the artist, achieving this aspiration still means that the work is in the optimum position to find its place in the history of art; for the dealer it is a sign that they have successfully managed an artist’s career; and for the buyer donating an artwork to a major public collection, it is both a symbol of philanthropy and a sign of discernment.

Once it has come to rest in an important public institution, the artwork’s enhanced status is also emphasised by a resulting increase in its monetary worth: the ultimate accolade of ‘museum quality’ is not cheaply won.

This essential aspiration to be considered ‘museum quality’ not only sets contemporary art apart from any

**“For most artists the ideal scenario is for their work to be seen in a public space by an ever-changing audience. This is more than an ego thing: artists make their work with a fictional audience in mind which is all of humanity, not just a privileged private audience and their friends, and the whole point about the work being seen in museums is that the potential audience is a surprised audience who hasn’t necessarily seen the work before and is looking at it with a fresh eye.”**

Cathy de Monchaux, artist, 2004

other luxury, it also underlines the vital role of the public sector in the valuation process. For, in addition to providing the most important level of affirmation, the public sector permeates and plays a part in all aspects of the art market, from the bottom to the very top.

### Processes of endorsement

Before even the most basic components of the contemporary art market can be examined, it is necessary to elaborate on the concept of endorsement that underpins all its transactions and lies at its core. Endorsement is a complex process whereby works of art are written about by critics, bought and sold in the market-place, and selected for exhibition by museum curators, all with a view to finding a lasting place in the history of visual culture. If the process is successful, it is very likely that these works will be given the status of ‘museum quality’. Both public and commercial factors have a key part to play in this journey of a contemporary artwork through the various permutations of the art market towards their ultimate intended home in a major museum collection.<sup>7</sup>

In a notoriously unregulated market in which anyone can claim their work as art and call themselves an artist, a process of endorsement is necessary in order to select and filter good art from bad, to distinguish which artists are making work that not only acknowledges artistic traditions but which also has new conversations with them; and overall to establish which works should be considered worthy of a potential place in art history.

In order to aspire to be considered ‘museum quality’ an artwork has to be advocated, debated and endorsed by a network of experts within both public and private sectors. This comprises artists, curators, academics, art teachers, critics, collectors and dealers, all of whom



**“So you pay a grand for a painting from an unknown artist’s studio. If you are a serious collector, taking a risk, you increase the value of the work just by buying it. If you are a cheap serious collector you try to get a discount on this ... if you wait until the artist has a dealer you are going to pay more. If you wait until she has a good review then you are going to pay more still. If you wait until ... MOCA notices her work you are going to pay even more than that, and if you wait until everybody wants one, of course, you are going to pay a whole hell of a lot more, since as demand approaches ‘one’ and supply approaches ‘zero’, price approaches infinity. But you are not paying for art. You are paying to be sure, and assurance (or insurance, if you will) is very expensive, because risk is everything, for everybody, in the domain of art.”**

Dave Hickey, University of Nevada, Las Vegas, 1997

make up a constantly shifting series of sub-groups with a number of key institutions at their core. To enable this process to function, it is crucial that these groups present a finely tuned interplay between both public and private sectors. If a sufficient number of these individuals hold the same views and combine to support the same artist then this consensus amounts to an endorsement. It is this dynamic which both characterises and drives the contemporary visual arts world, and within it, the market. The public sector is an indispensable part of this equation but, as we will see, it relies heavily on commercial elements to introduce artworks at key points, to support artists throughout their careers and to power them through the various permutations of the art market.

So how do these constituent elements and interrelationships work together to propel an artwork on this value-accruing journey from artist’s studio to a major museum collection? *Taste Buds* presented a model of this dynamic entitled ‘The art eco-system’,<sup>8</sup> which plots a characteristic trajectory through the art market and its attendant support systems. However, it is a journey that few artists and their oeuvre will complete in its entirety. It requires luck and good timing, as well as the ability to create great art, for an artist to evolve from art school ingénue to revered, endorsed figure, sought after by the world’s leading museums and collectors. Many fall by the wayside or just never quite make the whole trip.

The journey through this volatile territory begins with the student-artist attracting the attention of art school teachers and peers. A crucial early showcase is the art school degree show, which, following the influential example set by Goldsmiths’ Visual Arts Department in the late 1980s, has now become increasingly

professional in presentation. The degree show also provides a valuable opportunity for a wider public to have access to challenging contemporary art in its earliest incarnation.

The artist’s work is then often shown in a small artist-run space which nonetheless is regularly patrolled by well-informed critics and dealers. This can either lead to an invitation to exhibit in a small, publicly funded space – epitomised by Interim Art, in Hackney, East London in the 1980s or City Racing in Vauxhall, South London in the 1990s.<sup>9</sup> Or, more commonly these days, the artist is taken up by a proactive dealer – who will expend considerable time, effort and resources attempting to raise the artist’s profile both commercially among private collectors and at the many international art fairs, which form an essential international showcase and meeting point for collectors. The dealer will also, critically, give the artist greater exposure to artist peers, art professionals and art writers who attend exhibitions at the gallery. This double-pronged commercial/critical recognition means that the artist’s work can either be purchased by a private collector or selected for exhibition at a small, publicly funded space such as Spacex in Exeter or Chisenhale in London, or both.

The next step leads to further institutional recognition by a regional, independently-curated gallery – such as Ikon, Birmingham, Modern Art Oxford or Arnolfini, Bristol. (It is worth noting that an exhibition in a well-regarded public gallery is generally thought of as more significant for an artist’s career, and accruing more endorsement than a show in a commercial space, however high-profile that commercial gallery may be. This is due both to the wider audiences attracted by public galleries as well as to the enduring reputation of these institutions as hallowed spaces, steeped in history

**“Critics operate as double agents, at an interface between artist and audience, seeming to speak for both sides while making both equally mistrustful. But suspicion is in order. Whose side are critics on, after all? There is only one possible answer. The critic is on the critic’s side, for criticism means reserving the right to take any side at all.”**

Stuart Morgan, critic, 1991

and – it is hoped – at least partially protected from the direct dictates of the market.) After this comes the ultimate purchase by a major public collection. Or, following an alternative path, the work can enter a major public collection as the donation of a prominent private collector.

Along the way, the artwork will have generated a substantial trail of documentation in the form of exhibition catalogues, promotional and educational literature and critical coverage. Endorsement therefore accrues throughout this process. Although maybe not as overt as a few decades ago, the role of the critic is still an important one. These days, critics draw attention to new talent through verbal as well as written endorsement: many art writers are asked to take part in art school ‘crits’ and as well as giving advice to students they will also spread the word among fellow art world players if they encounter work which they feel to be especially worthy of note.

The power of verbal networking is a strong one in all areas and at all levels of the famously sociable art world and the critic is an important part of this. It should also be noted that many of our leading critics occasionally curate exhibitions. There are, however, few opportunities for critics to publish their views about artists, unless there is the tie-in ‘peg’ of an exhibition or event. Therefore initial exposure is left up to the small artist-run space or the adventurous art dealer. In any case, an unfavourable review tends not to be as devastating for an artist as in the past; for in our information-hungry age all forms of coverage tend to be viewed as useful.

Reviews and profiles in the arts press are nonetheless a crucial part of the endorsement process; and a series of

well-designed and edited catalogues, complete with erudite essays by respected writers and good-quality reproductions, are a must for any artist seeking endorsement. Traditionally, catalogue publishing was primarily considered to be the job of the public sector. But over the last decade commercial galleries have become increasingly adept at commissioning the best writers, publishers and artwork photographers in order to ensure that the catalogues accompanying many commercial exhibitions have lasting value and a status that goes way beyond that of promotional material. However the endorsement afforded by a publicly funded catalogue continues to carry more weight.

**“We consider London, after New York, to be the second art centre of the world and we wanted to use it as our European ‘leg’, to service European markets out of London. This is where the auctions are, this is where the galleries are, this is where the dealers are. Of course there are galleries in Berlin, in Cologne, in Rome, but the big dealers, they are all here. The proof of the pudding is the fact that we have just opened a 15,000 square foot additional gallery, if it wasn’t going well, we wouldn’t have done that.”**

Stefan Ratibor, Director,  
Gagosian Gallery, London, 2004

## Value of the market

### Recent expansion

The market in England for contemporary visual art has undergone a dramatic expansion over the last decade. London is now the centre of Europe’s art market, and is acknowledged as the second largest art market-place in the world, after New York.

This importance was further underlined by the inaugural success of Frieze Art Fair, London’s first truly international fair of challenging contemporary art which opened in Regent’s Park in 2003 and which is now set to become an annual event. Frieze was followed in 2004 by photo-london, London’s first photography fair, staged at the Royal Academy in Burlington Gardens. In the last few years, a plethora of new commercial galleries, large and small, selling the most challenging of contemporary art have opened throughout the capital, with the decision by such big international names as Hauser & Wirth, Spruth Magers Lee and Gagosian to open major London spaces confirming the capital’s importance as a market centre.

In 2004 London’s art market pre-eminence was celebrated by the first Art Fortnight, linking together the leading dealers and the public museums and galleries in a programme of cultural events, museum, gallery and auction exhibitions and visits to private collections. But how does all this excitement and activity translate into hard figures?

### Building a figure

This is not easy to achieve. The English art market is unregulated and does not lend itself to close scrutiny. A lack of accountability makes gathering information difficult and complex. Further, artists, suppliers and

buyers are all notoriously reticent about their turnover and expenditure, and the destination of works sold. Also, the number of artists is variable so any figures gathered can only be approximate and based to a great extent upon estimates and anecdotal information rather than hard data.

*Taste Buds* made a significant start by adding together an estimation of contemporary galleries and outlets and open studio sales to arrive at a total figure for the English primary domestic market-place of £354.5 million.<sup>10</sup>

However, given the global economy for art, it is almost certain that the actual figure will be well in excess of £500 million, since the *Taste Buds* figure does not factor-in sales made directly by artists, which are difficult to estimate due to the nature of artist’s earnings which are often not disclosed. It also does not include public commissions, both in England and overseas, which involve millions of pounds and can be very major projects such as, for example, Jaume Plensa’s or Anish Kapoor’s outdoor commissions for the Frank Gehry designed Millennium Park Amphitheatre on the shore of Lake Michigan.

We therefore need to acknowledge the fact that the market for challenging contemporary art is a huge global economy, of which the English market is just one – albeit significant – part. Artists, agents and dealers can be based in England or overseas, or spend their time moving between several countries – or continents – with monies flowing back and forth across the globe. In addition, it is common practice for top-end artists to be represented by major galleries both in America and in Europe, as well as at home, and these overseas sales can accrue very substantial monies for the artists in question. If an artist is jointly represented by several galleries then

**“My last two shows were in New York and Madrid and my next exhibition is in Malaga. I live and work in London, but my collectors are based all over the world, as well as in the UK. So it’s inaccurate to think of the contemporary art market solely in UK terms – it’s completely international, and everyone – artists, collectors and dealers – do some and often a great deal, of their business abroad.”**

Jane Simpson, artist, 2004

varying permutations of partnerships will exist between joint representatives or between primary and subsidiary agents. These arrangements will result in a scale of commissions being paid between dealers on sales made both abroad and in England.

So, while there is no single formula for these various partnerships and payments, there is also no doubt that England’s high-earning makers – and sellers – of challenging contemporary art frequently make the greater part of their income from sales made overseas rather than at home. Also, not only do US, European and sometimes Asian galleries sell the work of England-based artists in their own spaces, they also sell often large amounts of their work at major overseas art fairs such as Art Basel, Art Basel Miami Beach, the Armory Show in New York, Art Forum Berlin and the Turin Art Fair. Again, artists and their English dealers will reap the considerable benefits of these important art fair sales.

All this buying and selling outside the UK therefore makes up an essential part of the English contemporary art market. More research needs to be done in order to try and pin down a more precise figure.

**“The militarised zone between artist and collector is busy with guerrillas, envoys, double-agents, runners and both major parties in a variety of disguises as they mediate between principle and money.”**

Brian O’Doherty, author of *Inside the White Cube*, 1976

**“Art schools start the drift from the regions to London which is accelerated by post-graduate degrees: for every post-graduate place in the regions, there are 24 places in London. We end up with a situation where there are probably twice as many contemporary artists in London as there are in the regions. If, like me, you think that artists are a good thing, that means an important loss to the quality of life in the regions.”**

Lynda Morris, Curator, Norwich Gallery, 2000

## Characterising the market

If the art market is a crucible in which key ingredients come into contact, combine and coalesce in order to enable the sale and endorsement of artworks to take place, then the next stage in understanding this market more fully is to single out these component parts – the artists, the outlets, the collectors and the various elements of the public sector – and to examine them in greater detail.

### Artists

It is difficult to settle upon a definitive number of artists currently living in England. *Taste Buds* noted the wide variations between estimates which put the number of England-based professional artists at anything between 34–110,000.<sup>11</sup> Morris Hargreaves McIntyre attempted to undertake this audit but many factors mitigated against building a figure, including issues of definition which revolve around the fact that anyone can describe themselves as an artist. (An indication of how difficult it is to estimate the true amount is given by the fact that, in the last national census in 2001, the number of women artists had increased by 70%. However, this could be due to a large number of those working in creative fields now choosing to define themselves as artists.) Whatever the total figure, however, a significant proportion is based in London. A conference paper given in 2000 states that 50% of England’s artists live in London;<sup>12</sup> while a report by the London Development Agency in 2000 finds that 30% of all England’s artists and photographers live in London.<sup>13</sup>

Since the artists under discussion here are those making challenging contemporary art, and since London is where the art market is located and where the main elements of the endorsement process can be found, it



**“For me success is enjoying what you do and people seeing your work, because it doesn’t matter how brilliant you are as an artist, if people don’t see what you do there’s no point in doing it. You can get self-satisfaction from it, but there has to be a rapport, there has to be a viewer. If an artist had a sellout show that everyone said was crappy, I wonder, would they care? I don’t know, it’s never happened to me ... I sell a lot of work, but I make a lot of work, and because my prices go from editioned work which starts at fifty quid up to a couple of hundred thousand I make work that people can save up and buy, which is important.”**

Tracey Emin, artist, 2004

**“The market is not my audience though it is something that I have the occasional flirt with – I don’t make saleable work, but that doesn’t mean I don’t sell.”**

Jeremy Deller, artist, 2004

can therefore be safely assumed that the majority of England-based artists making challenging contemporary art are based in London with small but significant communities in the other metropolitan centres such as Manchester, Newcastle, Liverpool, Birmingham and Bristol.

Like the art they make, challenging contemporary artists defy easy definition. Terms such as ‘emerging’, ‘mid-career’, and ‘mature’ can be misleading, as age and chronology are not necessarily accurate indicators of career maturity. Careers can soar and then plunge; they can plateau-out, tail off or be kick-started. The impetus of early success may not be sustained and a period off the endorsement and/or market-place radar can on occasions be followed by a late-blooming career revival.

The career status of an artist is assessed according to myriad and compound factors including how often they show, where they show, how often they appear in the arts or mainstream press, and whether they have a dealer, and if so, who? Other considerations include how frequently they sell, and to whom. Are institutional purchases made? Are prizes won? And are they the right kind of prizes? However, a surprisingly large number of high-profile figures still struggle to make a living through selling their art (high production costs have their part to play in this). They therefore often need to pursue other forms of employment, which may or may not be art-related, including teaching, design and construction work.

### **Artists’ relationship to the market**

Many contemporary artists care deeply about the market but have a complicated relationship with it. Inevitably, artistic aspirations vary according to personality and circumstances, but many artists want to sell to serious collectors, to show in prestigious spaces, and ultimately

**“The art world’s entire economic system is shifting away from the private sphere to the public, from the art market to museums ... new forms of art and the art world’s new economic system mutually reinforce each other, setting off an upward-spiralling trend ... at ever greater remove from the traditional art market. The latter is gradually being replaced by a new market based on public funding – a market as mysterious to the general public as are the legendary fluctuations in artistic value typical of the traditional private market.”**

Nathalie Heinich, Research Director, Centre Nationale de la Recherche Scientifique, Paris, 2004

to end up in important public collections. However, it is important to note that for the great majority of these artists it is peer group approval that matters more than commercial success, although if the two go hand in hand, then so much the better.

But while most artists would like to achieve both critical and commercial success, there is a vigorous strain of challenging contemporary art that rejects the market-place and whose artists position themselves outside it. Acting in a time-honoured tradition stretching back to the turn of the 20th century, and reaching a climax during the 1960s and 70s, many of today’s artists deliberately eschew the art market, often with work that is sound, event or performance based, or exists on the internet. With earlier precedents in the Artist Placement Group of John Latham, Stuart Brisley and Ian Breakwell in the 70s, a younger generation of artists are finding employment and direction in work which is focused on social and political engagement. This may range from Jeremy Deller’s reenactment of the miner’s strike, *The Battle of Orgreave* (2001) to Michael Landy’s pulverisation of all his possessions, *Break Down*, (2001); or Nina Pope and Karen Guthrie’s online travelogue, *A Hypertext Journal* (1996) and Anna Best’s performative collaboration between the residents of Vauxhall, South London and the London Philharmonic Orchestra, *PHIL* (2002).

Over the past decade, there has also been a significant shift from the traditional art market to a wider economy involving both the public and the private sectors, whereby artists make an income through their practice by being paid, often on a daily rate, to pursue projects in public spaces. These projects can be commissioned by local authorities or by a range of commercial organisations, from corporations to department stores. They are nearly always impermanent in nature, having a



**“There is a contradiction at the heart of the relationship between artist and dealer; a conflict of interest that I have always felt. Artists need to hold on to their work. It’s like the desire of parents to be near their children, but it is also important for artists to have objects they make close at hand as reference points; past works show where they have been and where they must go ... The art dealer’s reason for being is to sell art. Some great dealers love art so much that they can’t refrain from buying artworks for themselves. This too creates conflict. The merchants deny their function and put on a collector’s hat ... but let’s face it, whether as salesman or collector the dealer’s urge is to wean the creator from the artefact.”**

Richard Hamilton, artist, 2004

limited period of public presentation and leaving a residue of documentation in their wake.

For artists who are eager to sell their work it is more important for their work to be seen by the ‘right’ dealers, collectors and curators, and no amount of personal marketing training can guarantee that. Rather than trying directly to sell their own work, an artist’s entrepreneurial impulses are likely to be channelled into creating a critical context for it. Today’s artists curate exhibitions, write for art publications and are involved in collaborative artistic projects and artist-run spaces.

Overall, artists tend to be more informal in their pursuit of professional networking opportunities, and the active social life that the art world promotes is helpful for this. Probably no other sector has such a range of social activities, exhibition openings, gallery dinners, after-show parties and all-day events as the art world. In this highly sociable environment – invariably fuelled by some form of sponsored drinks brand – art melds with social life, important contacts are made and deals done in the course of what appears from the outside to be a purely social occasion.

#### **Artists’ views on dealers**

Artists who wish to have a role on the international stage need a major London-based dealer and, ideally, also representation by a major gallery in the US and Europe. Dealer representation is crucial for their work to be shown and sold and for their careers to be managed. Most artists with commercial representation attain it at the outset of their career. The importance for an artist to have a physical showcase for their work in the form of a commercial gallery cannot be underestimated.

**“Preview attendance is about (a) free drinks, (b) seeing the work, (c) supporting the exhibiting artist, (d) meeting your colleagues, (e) thinking that, by osmosis, being there will somehow lead to your own exhibition at this gallery! But whilst drinking the drinks, showing your face, standing outside on the pavement making up the numbers in someone else’s scene, it hits you: this gallery will never show your work. This gallery has nothing to do with you. You’ve got nothing to do with this gallery. The recognition of these truths is critical. Out on the pavement you realise that you are surrounded by your own scene. There is only so much room inside, but the good thing is that outside the space is unlimited.”**

Matt Hale, Paul Noble, Pete Owen and John Burgess of City Racing, London, 2002

**“A good dealer is someone who is assiduous in their following and support of your work. A good dealer should also be a keen follower of its development, someone who is as keen as you are to reassess your assumptions and to test your envelope, but who also understands the context in which the work is shown locally, nationally and internationally. In some sense a good dealer is a marriage broker between aspirant collectors and the nature and internal integrity of the work, s/he must be the same passionate partisan for the artist’s work as the collector, but with a higher level of strategic interest.”**

Antony Gormley, artist, 2004

Relationships between artists and dealers can be volatile and depend on myriad factors: personal, financial and emotional. The dealer can variously assume the role of parent, partner, mentor and friend with all the upheavals and reassessments that this implies. Often artists and dealers come together early in their respective careers and grow in unison. This can cause tensions. Sometimes artists may feel the need to ‘upgrade’ their commercial gallery if they feel that their dealer has not grown sufficiently in stature alongside them; or reciprocally dealers may want to shed some of their artists who have not fulfilled their early promise. On the other hand, artists and dealers may also remain resolutely loyal to each other, even when it is not necessarily to their financial benefit. One of the main reasons why artists are so eager to find a dealer is because of this long-term investment that most dealers are prepared to make in the artists that they represent.

Yet while it may not be beneficial (and indeed is often seen as counterproductive) for artists to market and sell their work directly, it is nonetheless crucial that, right from the beginning of their careers, they display the utmost professionalism in their dealings with both the market and the public sector. Artists are all too aware that if they are to be taken seriously then they need to be utterly rigorous in the presentation of their work as well as the carrying-out of commissions, contractual obligations, and working to a budget.

In general, artists can be seen as highly efficient micro businesses which, often on the slenderest of means, are able to convert creative value into commercial worth. This covers a breadth of practice that spans artists working in different contexts, in spaces orthodox and unorthodox, whose work may or may not be destined for the art market.

## Distribution

In England there are around 1,170 outlets (including open studios, auction houses, art fairs and non-profit and public galleries selling art) which describe themselves as selling contemporary art. Out of these, 439 (43%) have a London postcode.<sup>14</sup> However, if this sample is narrowed-down to commercial galleries solely devoted to sales of challenging contemporary art, then London has the virtual monopoly.

### Dealers

The largest and most important type of distributor is the commercial gallery. It is the dealer – and specifically the dealer with his or her own gallery space – who invariably provides the artist with a crucial entry point to collectors and also to critics and institutions.

Dealers are diverse in their backgrounds and professional interests. The common career path for an art dealer is a fine art or art history degree, followed by either practical experience in a commercial gallery, working for an auction house, working in the public sector in either an arts institution or a publicly funded gallery, or as a curator in an artist-run project space. Sometimes collectors turn into dealers, and conversely most dealers build significant collections of their own. The funds to start a gallery can come from a variety of sources, whether private personal income or a previous career in fields such as finance/law/marketing. Often a dealer will have behind-the-scenes financial backing from often anonymous supporters who may or may not wish to be involved in the activities of the gallery.

Some of the most distinguished galleries in London are family businesses, such as Gimpel Fils, founded by pioneering dealers Charles and Peter Gimpel in

**“Although a lot of older dealers and some of the new ones are doing very well, it’s true that you don’t do it for material rewards. And just as if an artist were seen driving from his or her mansion in Knightsbridge in a big chauffeur-driven limousine, that would be questionable in terms of their art, to some extent dealers have to be careful as well: there’s a sense in which if you flaunt your wealth, people will lose interest in you. Like literary agents or agents for actors, art dealers are expected to put the success of the people they represent before their own success. You cannot live better than your most successful artist, that would be unseemly.”**

René Gimpel, Director,  
Gimpel Fils, London, 2004

**“A commercial gallery is part business and part magic – it would be impossible to write a business plan for one. Some of the things that work the best haven’t necessarily had lots of money thrown at them. The whole business is very unpredictable. For me it’s a life’s work, not a managerial plan: I see myself as an entrepreneur with a philosophy.”**

Maureen Paley, Director,  
Interim Art, London, 2004

1946 (whose father had run a gallery Paris since the 19th century) and Annely Juda who opened her gallery in 1968. Others, such as Nicholas Logsdail of the Lisson Gallery, began as practising artists. But whatever their origin, the starting point for virtually all dealers is a love of art which they then turn into a business. Although there are large amounts of money to be made in contemporary art, none of this country’s most prominent dealers of challenging contemporary art originally embarked upon this career path for profit. Indeed, many dealers – large and small – often support artists to their own financial detriment.

Every commercial gallery has its own characteristics based on the personality of its founder. The highest-earning contemporary art galleries based in England: Lisson Gallery, White Cube, Victoria Miro and Gagosian, all have very different modus operandi; and vary according to turnover, organisational capacity, type of programme, stock, and status in market-place.

For every generation of artists there seems to be a generation of dealers. Artists and dealers often develop in tandem and bring a generation of collectors with them. Jay Jopling is indelibly linked with a very particular group of so-called Young British Artists of the 1990s,<sup>15</sup> even though his gallery now shows an international roster of artists from across the globe and of all different age groups. Lisson Gallery made its name working with key international figures in the 1970s and now works with some 40 artists spanning Sol LeWitt to Angela de la Cruz. But Lisson’s crucial growth surge was in tandem with the so-called New British Sculptors of the 1980s<sup>16</sup> whom the Lisson supported at the beginning of their careers and whom it largely continues to represent.

**“I always follow up any recommendations from my artists – it’s the best route in bringing artists to my attention. Of course it doesn’t necessarily mean that I take them on, but it does mean that I keep an eye on them and follow their careers. Sometimes they do join the gallery, but if I took on everyone recommended to me then I’d have a huge stable!”**

Victoria Miro, Director, Victoria Miro Gallery, London, 2004

Commercial galleries selling challenging contemporary art range from multi-million operations with a large stable, staff and premises, to small spaces combining artists’ projects with sales. Scale does not prevent a gallery from making important sales and attracting widespread endorsement. At times, commercial galleries large and small adopt some basic institutional characteristics: running education programmes, putting on off-site projects, bringing in outside curators and publishing academic catalogues to accompany shows. A more recent development is those dealers operating outside London in rural locations, such as Roche Court near Salisbury, which in its urban incarnation was the New Art Centre, London, and Goodwood Sculpture Park near Chichester.

More traditional, long-established dealers – such as Gimpel Fils or Mayor Gallery – frequently make forays into the latest in challenging contemporary art. These venerable organisations, which are widely respected for the historical figures they represent, provide an interesting art historical context for the young artists that they choose to show. Reciprocally, some of the more prominent challenging contemporary art galleries provide occasional English showcases for more mature international figures. Such associations accrue younger dealers and their artists’ status and gravitas; while the venerable big names relish the invigoration of an encounter with the new.

### **How dealers operate**

There is no standard code of procedure among contemporary art dealers. Even in the larger galleries the way that business is conducted is often surprisingly informal and based on trust. Written contracts between artist and dealer are rare, with dealers generally taking 40–50% commission against sales. Much work on show

in a contemporary art gallery is not owned by the gallery but is on consignment from the artist for the dealer to sell. This crucially distinguishes the commercial art gallery from any other retail outlet. Artists tend to be paid when the dealer is paid, except in the exceptional instances when the dealer offers the artist a stipend. Sometimes work is paid for in instalments and discounts may be given to important collectors or prestigious public institutions. On occasions, if the production costs of an artwork are high, dealers may meet or assist with artists’ costs in return for higher commission against sales.

In return, the dealer is expected to bear the cost of running a gallery and attending art fairs, to take responsibility for the works in the gallery’s possession and to cover their insurance. Some larger galleries operate subsidiary companies in countries where VAT is lower; others work as agents so that VAT is only due on their profit of a sale price. There are also a small number of artists’ agents who operate as dealers without a gallery. These also include some publicly funded commissioning agencies that sell work.

Artists and dealers therefore often have a highly personal relationship that extends well beyond the mere selling of work. Dealers need to develop different strategies to nurture this relationship, to complement their artists, to expand their gallery capacity and to manage their artists’ careers. Good dealers will respect and act upon recommendations from their existing stable of artists as to which new artists to consider taking on. In addition to showing and selling work, the commercial gallery is often an important conduit enabling the artist to engage with the popular media. Many dealers have a keen awareness of the power of publicity, and run highly efficient press and publicity departments which are solely devoted to the handling of media coverage.



**“The London art market was sufficiently developed to sustain an international art fair and everyone was wondering why it hadn’t been done – so we thought we’d better go ahead and do it before somebody else did. We were delighted that the success of the first Frieze Fair meant that we can now make it an annual event – it’s a real confirmation that London is now a major art market centre – although there’s still a great deal of potential for expansion.”**

Matthew Slotover, Co-Director,  
Frieze Art Fair, 2004

### **Art fairs**

Art fairs are not only about selling as much art as possible, they are also major meeting and operating points for collectors. They provide an invaluable opportunity to advertise and showcase galleries and their artists in a location where they can reach large numbers of existing and new buyers in a short space of time. Recently there has also been a merging of the private and public, with many art fairs now commissioning ostensibly non-commercial, independently-curated artists’ projects which can take place in a variety of locations, either within or outside the body of the fair.

The most important international contemporary art fair is Art Basel, which takes place annually in June. In 2002 Art Basel inaugurated a US arm in the form of Art Basel Miami Beach which runs every December. Other major art fairs include ARCO in Madrid, Art Cologne, Art Forum in Berlin, the Chicago Art Fair, the Armory in New York and the Turin Art Fair.

The recent success of Frieze Art Fair has shown that England can, for the first time, sustain a fully-fledged international art fair devoted solely to challenging contemporary art. The first Frieze Art Fair in October 2003 attracted major galleries and collectors from across the globe as well as all the leading UK dealers. Its estimated turnover was £16 to 20 million, with many of the galleries involved reporting significant after-sales.<sup>17</sup>

The success of Frieze Art Fair was an important validation for the English contemporary art market-place. As an annual event on the national and international art calendar, it will provide a crucial stimulus for this market-place. However many participants commented that, as is always the case

**“The work in ARTfutures is by artists known and unknown which have been individually chosen to encourage a new range of collectors and directly to benefit those artists. We put artists in touch with their new buyers, keep buyers in touch through CAS events and any surplus earned helps us buy works for UK museums. It’s a benign circle as well as a fantastic and frenzied event.”**

Gill Hedley, Director, Contemporary  
Art Society, 2004

with the high-end contemporary art market in this country, most of the major sales at the first Frieze Fair were made to overseas collectors. For this fair to prosper and thrive, a home market needs to be developed. Frieze organisers are optimistic that this market does exist and is ripe for expansion.

The London Art Fair held every year in Islington shows a range of work by living artists as well as historical pieces. Its turnover in sales in 2003 was £12 million. In the past it has shown a number of major galleries selling challenging contemporary art, although with the arrival of Frieze their number has reduced. Special attention must be given, however, to the Fair’s START section, which is specifically devoted to showcasing challenging work by emerging galleries and artists who are not yet sufficiently well-established for inclusion in Frieze.

On a more modest scale – with an annual turnover of around £150,000 – the Contemporary Art Society’s (CAS) annual *ARTfutures* Fair in London, featuring work by recent graduates as well as more established names all of which have been handpicked by the CAS, is a significant showcase for new buyers. Other fairs such as the various Affordable Art Fairs mostly sell a wide range of art, but not work which could generally be described as challenging. However all these fairs attract large numbers of visitors and their turnover figures increase every year and they undoubtedly provide an accessible opportunity for people to buy art, often for the first time. But it is not known how many of these purchasers then make the transition to acquiring the kind of artworks under discussion here.



### Other spaces

Open studios take place when a group of artists open their workplaces to the public for a set period of time. They are usually organised by the artists themselves, with agencies such as local councils sometimes playing a role. Open studios form a direct and unthreatening way for both artist and buyer to come together to show and to sell art. They are usually organised by artists who are eager to attract sales and audiences and are an especially effective outlet in locations, both urban and rural, where the commercial infrastructure is underdeveloped. Open studio events also work well in metropolitan areas such as in Waygood, Newcastle and the Tannery in the East End of London, where they complement existing outlets, both public and commercial.

Whether they are taking place in just one building or in a number of workspaces, open studios not only provide a valuable showcase for artists who may not have commercial representation, but their financial benefits can also be considerable. In 2002 research commissioned by the Arts Council surveyed 32 open studio events around England, and calculated that they attracted some 250,000 visitors and generated total sales of around £1.5 million, even though selling was not a major objective of all events.<sup>18</sup> Also providing a paradigm for this practice are the new lottery-funded workspaces Spike Island in Bristol and Persistence Works in Sheffield that have stimulated the economy for artists and whose open studio events provide a new destination for ever-wider audiences.

The nature of open studios is that they are open to all who work on the premises. This necessarily means that they tend to cover a broad spectrum of the visual and applied arts. But while much of the art on show

**“Open studios are, potentially, a major element of the tourist and visitor industry. They represent a move beyond ‘star’ attractions such as Tate Modern or the Angel of the North, to a celebration of grass-roots practice and local creativity ... Talking to and watching artists at work opens up new understandings. Visitors learn much from meeting artists, gaining first-hand knowledge of where, how and why art gets made.”**

Paul Glinkowski, Arts Council England, 2003

**“If you approach the Arts Council for money [as a commercial gallery], you can’t then sell the work or make a profit on it, which is a massive problem if you are a small commercial space who also does projects with artists. I think the barriers between worthy non-commercial shows and ruthlessly commercial shows have been eroded, the nature of spaces has evolved and the distinctions between commercial and non-commercial are disappearing – this blurring is happening everywhere, major public spaces now sell work: in the Whitechapel’s East End Academy the work was for sale.”**

Niru Ratnam, Director,  
Store, London, 2004

at these events may not always answer to the definition of challenging contemporary art, nonetheless they are important celebrations of local creativity, enabling a wide variety of art to be seen by new audiences and acting as a conduit between art and the wider economy. Often more challenging work is showcased in designated exhibition or project spaces; and overall, being given the opportunity for an informal insight into the artist’s workplace is a vital element in the demystification of art, and can make it easier for lookers to take the plunge to become buyers.

Small-scale and more informal, artist-run and emerging spaces and some commissioning agencies provide a crucial showcase for the most experimental work and are also an important entry point for younger as well as more established collectors. Often boundaries are blurred between commercial shows and artists’ projects – if, indeed it is helpful to make such distinctions in the first place. These spaces may not be overtly commercial but they often make very significant sales while at the same time continuing to maintain an experimental, challenging image. Some financial support at the outset, and at key points in their development would help these important sources of cultural vitality to prosper and grow.

Key open shows such as *EAST International*, Norwich, and *Bloomberg New Contemporaries* also provide an entry point for artists and collectors. They make sales and showcase artists at the beginning of their careers. *EAST International* is organised by the Norwich Gallery and, as the largest annual international exhibition of contemporary art held in Britain, it has been especially important in bringing an international perspective to the regional scene. *EAST* imposes no rules of age, status, media or place of residence on its applicants,

and exhibition selectors have included Konrad Fischer, Neo Rausch, Giuseppe Penone and Peter Doig, while artists whose careers have been launched by being selected or winning the *EAST* award include Tomoko Takahashi, Martin Creed and Lucy McKenzie.

### **Retailers**

There are other retail-style outlets, such as the Biscuit Factory in Newcastle, and Comme Ca Art in Manchester which are also distributors of art and often sited in regional cities as well as in London.<sup>19</sup> Even though the art that they sell tends to be outside the endorsement process, and cannot usually be described as challenging contemporary, these outlets consciously aim to provide alternatives to the traditional ways in which art is sold and to reach out to new markets. The success of these new models confirms that a large market exists for more accessible art by living artists. A number of these outlets have indicated a willingness to work with more challenging forms of contemporary art – either by collaborating with established dealers or by bringing in independent curators – and if this is so then it is possible that a proportion of their current buyers could become more adventurous in their purchases.

While the art currently sold by these alternative outlets may not be especially challenging, their immense popularity means that they often provide the first rung on the ladder for new buyers, especially in locations where there may not be many – or any – commercial art galleries. Many have already expressed interest in becoming involved in the promotion of challenging contemporary work, and they should be encouraged to do so. This could be achieved through working with guest curators or galleries and/or the funding of marketing and educational initiatives. Also the past success of presenting challenging contemporary

art in established retail outlets such as Habitat and Selfridges has further potential.

### Websites

The fact that much visual art, contemporary or otherwise, is either unique or limited in number does not make it immediately conducive to the bulk sales of an online market-place. Also, most art doesn't look its best as a jpeg and it is hard for buyers to see what they are getting. The mixed fortunes of online contemporary art gallery eyestorm (which, despite a high profile marketing campaign, failed once and then was refinanced and has now joined forces with Britart.com) shows that the online market-place is by no means an assured one.

Counter Editions, which sells limited series of specially-commissioned prints and multiples online, owes much of its success to the fact that it is not entirely web-based and provides various opportunities for a physical encounter with the works via a number of high-profile media and institutional partnerships. Counter is run by contemporary art market insiders and assures the quality of the works sold and their suitability for internet exposure by working closely with selected artists. Editions are not too large (on average 200) and publicity is carefully focused on potential buyers.

Although it is currently restricted to the secondary market-place, as market consumption becomes more confident, there is also potential for primary market sales on eBay.

**“Art is sexy! Art is money-sexy! Art is money-sexy-social-climbing-fantastic!”**

Thomas Hoving, Director, Metropolitan Museum of Art (1967–77), 1990

## Buyers

People start to buy art for many different reasons and defining contemporary art is a highly subjective business. What is regarded as 'challenging' can vary greatly from one individual to another. This makes it very difficult to estimate numbers of potential – and actual – buyers and to establish the size of the potential market.

With buyers, as with every other aspect of the contemporary art world, categories are by no means rigid. The permeability of the boundaries between buyers of challenging contemporary art and buyers of art by living artists means that these two groupings need not be mutually exclusive. Given the right circumstances and encouragement, a collector's tastes can develop from the conventional into the experimental; and history has repeatedly proved that occasional art purchasers can – and do – evolve into serious and committed collectors.

For *Taste Buds* Morris Hargreaves McIntyre looked to identify the current and potential buyer base in England. The research attempted to analyse buyers of contemporary original art, taking into account the wider constituency of buyers, actual and potential, of art by living artists which is not endorsed and which is outside the focus of 'challenging contemporary'.<sup>20</sup>

They interviewed a sample of 6,141 people throughout England<sup>21</sup> 27% of which said that they would consider buying original art. This percentage was built into the population of England and translated into a potential market for original art of all forms of some 10.8 million. Original art here covers artists, dead and alive, and ranges from traditional styles and genres to work that can be defined as challenging and contemporary. It also

**“Ten years ago my husband Poju and I were too scared to go into contemporary art because it was still a daunting subject so we went straight into English Modernism and bought Auerbach and Nicholson. But suddenly one day, with our wonderful relationship with the Tate and having great inspirational collectors around us, we discovered contemporary art. It started with Matthew Barney and it just went from there.”**

Anita Zabłudowicz, collector and founding benefactor of Tate Modern, 2004

includes editioned photographic works and works on paper, but not mass-reproductions.

However, within this figure of 27% of the population, those committed to purchasing challenging contemporary art is comparatively small. The research reveals that out of potential buyers of original art, less than 1% – some 43,000 – stated that, not only had they bought art by a living artist, but that they would only or mostly buy ‘artists who are recognised as being at the cutting edge of contemporary art and whose work is acclaimed by people in contemporary art circles’, ie challenging contemporary art. The research also highlighted that 11% of potential buyers (1.2 million people) had already bought art by a living artist and said that they would ‘equally’ buy cutting edge work as any other.

Given the abiding problem of applying clear definitions when the notion of contemporary art varies so much from individual to individual, the art that this potential market considers to be ‘cutting edge’ may not necessarily fit the definition of challenging contemporary art as laid down here.

Yet despite these ambiguities, the possibility that 27% of the national population could be in the market for original art cannot be discounted. And especially when a large proportion of this potential market – nearly 70% – has stated that they would consider buying work by ‘cutting edge’ artists if it were within their price range.<sup>22</sup> While there is no guarantee that anything like this number of people would definitely make a purchase, it indicates an unprecedented level of interest and appetite for contemporary art.

The research also highlighted a substantial potential market for art by living artists – and possibly, challenging contemporary art – outside London. This was proportionately nearly the same as that in the capital. Out of those adults outside London who said that they would buy original art, 69% also declared that they had either bought or would be prepared to buy work that was ‘cutting edge’ if it were within their price range. This is compared to 70% of an equivalent sample taken from those living in London. It has to be noted, however, that (as with *Taste Buds*’ national sample) out of this group of potential original art buyers a substantial proportion – 33% in London and 41% in the regions – had never actually bought any original art at all, cutting edge or otherwise. But even a declaration of intent from such a large number indicates a groundswell of interest in original art by living artists that could be channelled into purchases, possibly of a challenging nature.

### **Top-level and committed collectors**

The current market for challenging contemporary art in this country can be envisaged as a pyramid with a very small number – estimated by art market insiders at around 100 – of established international top-level collectors at its pinnacle. A broader band of serious collectors lies beneath, and below that a band of committed collectors that is broader still. Beneath, there are various strata of buyers who become increasingly intermittent and/or occasional as they broaden out towards the base. As always, there can be movement – up and down – between these strata at any given time; but the further up the pyramid, the demarcations tend to become more rigid, with only relatively few buyers having sufficient time, money and commitment to be classed as serious collectors of challenging contemporary art.

**“Markets start when there are international, not provincial people. If you look at big cities like New York or London they’re not all Americans or English, it’s a melting pot of people that come from other places to live there. The very wealthy don’t necessarily buy art – you’ve got to be that type of person. The problem with me is I get impatient with everything – there was no movement in that Modern British market: a Lowry here, a Burra there, an Armitage here: they’re all bloody dead! Whereas contemporary art is alive and kicking – the good, the bad, the ugly – all the slagging-off, I love it!”**

Frank Cohen, collector,  
Manchester, 2004

Many of the highest-earning challenging contemporary art dealers indicate that the majority of their sales are made to an overseas market of established international collectors. Significantly, the serious collectors who are based in England often tend to be from other nations including Asia and the Middle East, as well as America and Europe. The reasons why this should be so emerge from a complex mixture of factors ranging through historical, cultural, and financial. The English have a time-honoured tendency to prefer their art to affirm rather than to challenge the status quo; and not since the 19th century have institutions been encouraged to acquire art on any grand scale. More recently, there have been no financial incentives for individuals either to collect or to bequeath art.

Nonetheless, the last decade has seen a notable expansion in the home market. Among the highest echelons of art collecting there continues to be only a few serious and committed collectors based in England, but there is evidence of an increasing interest in art acquisition amongst a number of wealthy individuals. The general consensus amongst art market insiders is that this top-level market, although comparatively small, has considerable potential for expansion. This potential seems to be confirmed by the existence of organisations such as Outset, an exclusive group of London-based ‘supporters of new art’ whose circle of members were invited to make donations in the region of £5,000 in order to generate a £100,000 Special Acquisitions Fund. This was then spent by four invited curators at the 2003 Frieze Fair on artworks donated to the Tate. This sum was increased to £150,000 for 2004 and the Special Acquisitions Fund seems set to become a regular feature of future Frieze Fairs.

**“The whole socio-economic basis of the art buying class has changed. The old traditional classes who lived with stuff inherited from relations – or if they didn’t live with it, aspired to live that way – really have been given the coup de grace. We have seen the real end of traditional Britain. People don’t aspire to live with nice Georgian antiques, any more; they want to have modern things. In order to spend money on art you need to feel that you can renew your source of wealth: if you are living on inherited wealth, however much you’ve got, you are not going to spend very much of it on buying art. You have to be making the money yourself, and a lot of people now are.”**

Anna Somers-Cocks, General Editorial  
Director, *The Art Newspaper*, 2004

Serious and committed collectors of challenging contemporary art can come from a range of professions. They can be from the creative industries but are just as likely to be lawyers, financiers, industrialists, or from the medical and clinical professions. They can also come from manufacturing and retail.<sup>23</sup>

Apart from a very few notable exceptions, the majority of serious collectors of challenging contemporary art are based in London. Overall, art collectors are notoriously idiosyncratic and secretive and their motives are various and complex. Some collect for investment, but for only a very few is this the primary motivation. Many collectors acknowledge that collecting is a compulsion bordering on an obsession. Some relish the power that they can wield within the arts establishment and the cultural capital accrued by investing in art that is radical and challenging. Others are attracted by the thrill of the chase, the challenge of pitting their wits against rivals; and the risk involved in acquiring something that many people find difficult to understand. Then there is the empathy enjoyed by many collectors with the artists and dealers with whom they do business. This, along with a more general enjoyment of the art world, its events and its lifestyle is an important factor for many contemporary art collectors, both national and international. The social attraction of collecting art cannot be underestimated. On their own or in any number of combinations, these factors all have a crucial part to play.

### **Regular collectors and occasional buyers**

The larger pool of regular but smaller-scale investors in challenging contemporary art are also very various; as are those who make occasional purchases. These are individuals who regularly attend art exhibitions and who earn enough or have sufficient funds to spend



**“The thing about collecting is, it’s to get the green one with the red spots and the curly handle. And then, when you’ve got a green one with red spots and a curly handle, you look for the green one with the red spots, the curly handle and the blue spout.”**

Lord McAlpine, collector, 2004

the surplus on art. Some may begin by buying safer, more accessible work and then, as their confidence increases, branch out into more adventurous areas. These buyers come from all professional groups, the financial sector, education, health, the law, the arts and the cultural industries. Often these buyers may already be involved in the art world or are fellow artists who admire and wish to own work by their peers. There are also those with less specialist knowledge of the art world but who are enthused by the celebrity of contemporary art and the fact that media coverage and high-profile events such as Frieze Art Fair have transformed what was previously a hidden world into one that is more accessible.

A new phenomenon, and one that has considerable potential, is the small collective or syndicate of buyers who buy work to share on a time-limited basis and together share their knowledge and connections with artists on the market. This allows people with average incomes to experience, for a small monthly contribution to a purchasing fund, a flow of new, challenging work into their homes.

**Committed and regular collectors:  
relationship to the market**

Serious and committed collectors are already embedded within the art market-place, they have forged relationships with dealers and artists, and they are well-informed as to market-place workings and infrastructure. However the competition amongst serious collectors for big-name, endorsed artists can be fierce and there can be considerable resentment directed towards the dealers who seek to maintain their artists’ reputation by only selling significant works to suitably prestigious collectors. At the top of the ‘pyramid’ of buyers, the ratio of artworks to collectors tends to

**“It’s important for me to meet and to know the artists: it’s not necessarily about understanding their work – it’s just that they are the sort of people who, just by talking to them get my brain working. They pull a curtain back and you get to peep behind that curtain and that for me is the thing that drives my interest.”**

Richard Greer, collector, London, 2004

**“The London art world needs an initiative to build confidence in the next generation of artists, dealers and collectors, and this can be built through established collectors. A lot of people who buy art at auction never go to East End galleries and so they are not getting a relationship with the art world, the artists and the dealers. And that’s when you get the good stuff. Once you get the ear of the dealer, they will tip you off, tell you about things early and you get to visit the artists in their studios – and you also get the social side of things.”**

David Risley, Director, David Risley Gallery, Co-Director, Bloomberg Space, London, 2004

narrow dramatically, with the demand from collectors for work by a small number of key artist names being way greater than the supply of work available. Progressing down towards the base of the art market pyramid the reverse situation applies, with the art available greatly exceeding the number of collectors willing to buy it.

On these lower levels larger groupings of more occasional buyers have a different relationship to the market-place. They often need to forge closer relationships with galleries and artists and to gain a greater knowledge of the market-place and what is available. Many need more mentoring from dealers and the chance to develop more confidence in their own tastes. There is also a widely held misconception that the work will be beyond their price range: many buyers are surprised to learn how affordable challenging contemporary art can be. Other consumers may have more of a retail attitude to art acquisition, purchasing art for the same reasons that they would an item of clothing or furniture: they like the look and they like what it says about them as individuals.

### **Buyers of art by living artists**

Many people already do buy art, but not art that could be described as challenging contemporary. A small proportion can be found at the bottom of the ‘pyramid’ of buyers for challenging contemporary art, but most have not entered this market-place, and the art that they buy has not been endorsed by the contemporary art world. However, given their stated interest in more challenging work, if this very large and various sector were given more opportunities to encounter differing artforms and the means with which to purchase them, then there is a strong possibility that a considerable number could expand their scope. The majority of

**“Many galleries are actually very off-putting unless you have got a reason to be in there. There are an awful lot of Fionas behind the desk who look at you rather darkly.”**

Unidentified buyer, interviewed in *Taste Buds*, 2004

serious and committed collectors of this kind of contemporary art may have embarked upon their collecting career through other routes, but some did begin by making purchases of more accessible art by living artists, as did a considerable number of those who are now intermittent or occasional buyers of challenging work.

In common with the very various buyers of challenging contemporary art, this grouping ranges across the professions and industries, with those working in education, health and the public sector making up the largest part of the potential market in both London and the regions. Their motivation is similarly various and can range from considerations of decor to a desire to follow new trends or to develop their own sense of style.

### **Buyers of art by living artists: relationship to the market**

The fact that these identified buyers of art by living artists have hitherto been reluctant to take the plunge into more adventurous art purchasing arises from a number of often interrelated factors. These include a nervousness and/or lack of knowledge about more challenging artforms, a regional lack of access to a developed market infrastructure, feelings of alienation and inadequacy when faced by the workings of the art market or the perception that buying challenging contemporary art is expensive and beyond their means. Whilst many people may like the idea of owning more challenging contemporary art, they may not know how or where to access it. Often they want to learn more about both the art and its outlets but at the same time have a deep fear of exposing their ignorance. There exists a profound suspicion of the gallery system amongst these potential buyers, many of whom regard commercial galleries as unwelcoming and intimidating,

with dealers being accused of not doing enough to encourage first-time buyers or to providing adequate after sales treatment.

A significant number of these buyers feel more comfortable purchasing from smaller, more informal galleries or directly from the artists themselves. Art fairs such as ART*utures*, the Affordable Art Fairs or the London Art Fair can also be a useful entry point. The Fresh Art Fair, in Islington, of recent graduates from around the country has also opened up this market to a wider public. Another favoured outlet is the art school degree show. Open studios are also an important purchasing point for this market. However, once they start buying, a significant proportion of these buyers have demonstrated an eagerness to develop their knowledge and to apply this knowledge to purchasing decisions. Even if they do not become serious collectors, this exploration of different artistic options often results in a move to acquire less conservative work, albeit in modest amounts. In any case, the art world is a broad church and if more buyers can be encouraged to buy art by living artists, whether or not this art forms a bridge to more challenging work, a wider and more active interest in art and artists can only be to the benefit of all aspects of the art market.<sup>24</sup>

## Public sector

The other key element within the contemporary art market is the public sector. From art school to subsidised studio, from being selected by a public gallery curator to being purchased by a major institution, from being invited to lend a work for a publicly funded show or sit on a public gallery board, artists, dealers and buyers of challenging contemporary art cannot operate within the contemporary art market without constant and crucial encounters with publicly funded galleries and organisations. These span what is an essentially fragmented sector – from museums to independent galleries – which is part funded by central government through the Department for Culture, Media and Sport (DCMS), the local authorities and the Arts Council. While the Arts Council is most directly concerned with the artist, its remit also extends to a shared responsibility for a national policy for enabling access to contemporary art through publicly funded galleries and organisations.

### Arts Council supporting the market

Over the last 10 years the Arts Council has developed a series of funding and support initiatives for visual artists. These public funds have helped to nurture a more sympathetic environment for artists in England, in which they can demand better earnings, gain easier access to quality work spaces, receive greater opportunities to travel and improve their business and critical skills through a range of peer review and advisory services. This process has been given further momentum with the publication of Arts Council England's manifesto document *Ambitions for the Arts 2003–2006* which announced that one of its main aims was to give 'higher priority to the artist'.<sup>25</sup>

**“The Arts Council’s objective is to support artists to develop their practice in whichever way is appropriate; and in some cases this will mean enabling them to seek opportunities through the market. This pre-supposes a close working knowledge of the international art market while at the same time respecting the need for the Arts Council to maintain some distance from playing a too active or interventionist role within the market.”**

Marjorie Allthorpe-Guyton, Director  
Visual Arts, Arts Council England, 2004

**“Funding for artists comes with long ideological strings attached. As an artist, one has to use another language. The ideas, hunches and vacillations that accompany the creation of an artwork have to be banished so that a seamless project can be proposed that can guarantee a calculable return from the potential audience – regardless of race, creed or colour.”**

Mark Wallinger, artist, 2000

Throughout the progress of an artist’s career the public sector contributes to the endorsement process, whether in the form of exhibitions which come accompanied by interpretative literature, critical commentary and catalogue essays, and which often result in commissions and purchases. The public sector then provides the ultimate validation by acquiring artworks for its major museums and galleries. The Arts Council also provides crucial support to artists early in their careers. Subsidised studios, publicly funded artist-run galleries and/or project spaces; artists’ residencies, international fellowships, commissions and grants for individual projects are all helpful in bringing the artist to critical and/or commercial attention. These relationships may be slippery, they are sometimes antagonistic but they are always regarded by all parties involved as being essential, with long-understood distinctions on roles and remits, namely that the public venue does not actively promote direct sales from its exhibitions, and that its role is primarily educational and celebratory. However, over the past decade, these distinctions have become more blurred as both the museums and the independent public sector have had to increase income generation and to engage more overtly with the private sector.

2003 saw the pilot of Arts Council England’s national art purchase plan in partnership with HFC, a division of HSBC bank. This replaced the eight separate and largely unconnected regional art purchase schemes that had previously been operating. The scheme’s main aim is to help develop the visual arts economy by making it more affordable for the public to buy original, high-quality contemporary art. It does this by offering point of sale, interest-free loans from over 250 galleries across the country. Although the national scheme is still in its infancy, the feedback from participating galleries has

**“Being an artist is no less lonely than it ever was. One is just as insecure, unsure, self-critical. Through energy, perhaps some quality – or luck – artists may become more visible. Not much response comes back to the artist from that visibility. One thing I like about this project [*At Home with Art*] is the prospect of new and wider responses. The eye of this project’s needle is the market. We are all handed the market-place as a fact of contemporary life. I was very aware of the narrow gap through which I had to pass. Can it be done? How much will it cost? It’s made me think about all the stuff around me in the market-place – all optimistically projected into space.”**

Richard Wentworth, artist, 1999

been very positive. It will be most useful in the regions where the commercial infrastructure is not so developed and a loan of up to £2,000 will go further. The scheme has now been re-branded and will be launched with a new identity, Own Art, later this year. It is interesting to note that many commercial galleries already offer their buyers long-term interest-free payments on an informal basis.

Another effective intervention into the market was *At Home with Art*, whereby multiple household objects were designed by artists, manufactured and sold through Homebase, exhibited at Tate Britain and then toured by the Hayward Gallery.<sup>26</sup> This initiative, funded by the Arts Council’s New Audiences Programme,<sup>27</sup> pointed to the potential of contemporary works to find a place in domestic contexts and also to the fact that art could be sold in a wider range of retail outlets. There is also an educational context which chimes with the wider mission of the public sector’s support for contemporary visual culture and design.

### **Public galleries and some commercial cross-dressing**

The traditional role of the publicly funded gallery is to present the work of artists for the enjoyment and enlightenment of the public while also widening opportunities for the artist to gain profile and visibility. Underpinning this function is the belief that the public gallery provides an appropriate context for the work, uncompromised by the concerns and the opportunism of the market. An exhibition may result in financial benefit to the artist through the process of endorsement, but the gallery is generally not directly involved in promoting or soliciting direct sales. This ensures a level of objectivity in programme-making and enables a level of intellectual integrity. Now,



**“Most people cannot afford to own art and so the public spaces are a really important point of access. There seems to be a confusion between populist and popular; they should not be intimidating and exclusive, neither should they be detrimental to the objects which they contain. I understand the financial pressures of an institution, but the quality of the experience should be paramount. These are sacred spaces to me, places to slow down and take your time and make your own mind up.”**

Anya Gallaccio, artist, 2004

though, this historical relationship is beginning to shift and there is an urgent need to establish protocols to respect the necessary difference of roles between the public and private arms of the art world.<sup>28</sup>

Faced by reduced subsidy and shortfalls in their funding, some public galleries have had to develop new ways of generating revenue to support their exhibitions programme. A recent strategy has been to enter into partnerships with commercial dealers in mounting exhibitions of contemporary art. The nature of these arrangements varies as to what extent the dealer will contribute towards the cost of production and/or transportation of artworks or assist in the publishing of a catalogue. Sometimes the work in a public gallery show is for sale, and there may be an arrangement between the dealer and the gallery as to a commission on any sales made during an exhibition. Most venues are concerned at least with recouping production and installation costs; and these arrangements have tended to be informal and private. However, while inconsistencies in fees and commission paid by galleries can be a bone of contention, where there are agreed protocols, they are on a case-by-case basis and overall both sides accrue benefit from the encounter. The public gallery is able to mount a more ambitious show than its budget would otherwise have allowed, and the commercial gallery receives a valuable public endorsement of its artist's work.

Another way for public galleries to attempt to make up for lost revenue is to produce and offer for sale editions or multiples of an exhibiting artist's work. These are often donated by the artist, who, although they will usually have had their materials and production costs covered, will not receive any royalties. While some artists and dealers view this practice as repayment to an under-

**“Of our annual budget only 24% comes from Arts Council England. So our funding doesn't cover our running costs, and when you put it in that context, it is a very, very extreme state of affairs. We never charge admission and so in order to keep our admission free, limited edition prints are one of the income generators that we have. This relies on the generosity of the artists and their dealers, but it can also be argued that it allows the public to buy really first rate works of art at an affordable price.”**

Julia Peyton-Jones, Director,  
Serpentine Gallery, London, 2004

funded public sector for providing important exhibition opportunities which boost value and sales, others consider it to be an unwelcome dabbling in the commercial market which undercuts prices and can undermine an artist's market value. Some artists and dealers see this as an inappropriate use of the power relationship between the artist and the public gallery.

Yet there are notable exceptions to this stricture. For example The Photographers' Gallery, London, has a long established role in sales of photographic works which is valued by photographers and artists and has a respected place in the market. There is no doubt, though, that in general these fiscal encounters have to be very carefully handled, for if the publicly funded gallery or agency becomes embroiled in the selling business, then its role can become distorted and its integrity undermined. Therefore it is essential that the public sector engages with the market in order to unpack and air the issues involved.

### **Dealers and the public sector**

While the national collections maintain amicable if not necessarily close relationships with some dealers, there can be a lack of understanding by the public sector of the commitment and role of dealers, particularly in the speculative environment of challenging contemporary art where gains and losses can be made with equal certainty. The volatile nature of showing and selling new work has not prevented a growing number of dealers who are prepared to stake their survival and their reputations on the artists in their 'stables'; and throughout the art world the general view is that it is the commercial rather than the public sector which leads the field in showcasing, promoting and developing the latest in contemporary art.



**“Bridget Riley made a print for the Serpentine Gallery, and the idea was to make it cheap so that a wider audience could buy them. The opening night comes around and there is one of the ugliest fights at the counter as all the collectors battled to get their hands on one. It was a bunch of rich people going for a bargain, they were literally throwing their credit cards across the counter.”**

Karsten Schubert, art dealer,  
London, 2004

It is generally the dealer, rather than the public curator, who provides the initial support for artists at the beginning of their careers; and as they progress through the endorsement process, artists often find that it is the dealers, rather than the public sector that communicates their intentions to a general audience. While the public sector may assist artists early on with residencies and grants, dealers see themselves as the ones who are in for the long haul: they are the ones who commit to artists through thick and thin and who nurture artistic careers over often long periods of time. Many dealers feel that the complexity and significance of this role is not properly acknowledged.

There is a strong demand from artists, dealers and galleries to draw up clear protocols for public museums and galleries regarding artist's commissions, multiples and direct sales made from the gallery. These protocols should also include how dealers and galleries could divide and recover exhibition and catalogue costs. Both parties need to agree roles and responsibilities and clear strategies regarding the representation of artists without dealers and the development of selling mechanisms, if deemed appropriate.<sup>29</sup>

### **Public purchases**

It is important for dealers that the public sector buys work for its collections as part of the endorsement process. Many sales have been made over the years to the Arts Council Collection, which is largest national loan collection of modern and contemporary British art in the world and which began when The Arts Council of Great Britain was founded in 1946. It numbers some 7,500 works ranging from painting, sculpture, photographs and original works on paper to mixed media works, video, film and installation pieces, and grows by around 30 works each year. Because of

**“When you go to regional galleries in France or Germany they're full of mainstream recent art which you simply don't see much of in the UK, outside of temporary exhibitions. This is because in Europe new art is something that is supported consistently whereas here the problem is that it is never consistent, it's either down to flash-in-the-pan schemes or brilliant curators who come and go from institutions. It needs embedding in the culture of museums and galleries that they should be acquiring this work.”**

Maurice Davies, Deputy Director,  
Museums Association, 2004

its limited budget (£150,000 pa) the Arts Council Collection tends to concentrate on younger emerging artists, but occasionally it does acquire 'an outstanding work by a mature artist'.<sup>30</sup> Purchases are made for the collection by six selected individuals with usually an artist, a writer, and a curator joining the Director of Visual Arts, Arts Council England, the Director of the Hayward Gallery and the Head of the Collection. New outside purchasers are appointed every 18 months to allow a change of views.

However, while the Arts Council Collection is held in high esteem, many dealers feel that purchases for public collections, both for the national museums and galleries and especially those for regional galleries and local authority museums are unstrategic, ill-informed, conservative, out of date and made too late when prices are too high. Other complaints are that the decision-making process is too long, payments are too slow and unreasonable discounts are asked for. Dealers often resent the fact that it is the commercial gallery which takes the risk of investing in and supporting artists at the beginning of their careers, only for the public gallery to expect a special price once all the hard work has been done and the artist's reputation is secured. Overall, the commercial sector is all too aware that buying by other collections in the European Union is more dynamic, open to risk and immediate, and this is one reason dealers based in England are so dependent on international markets.

Insufficient funding and the fact that there is no coherent national strategy for collecting contemporary art means that, unless they have independent sources of funding such as bequests, very few museums and public galleries are able to pursue an active policy of purchasing challenging contemporary art for their collections. The Arts Council's 10 year intervention in

“It works both ways, there are other rewards in a truly collaborative relationship, in addition to the commercial. True, increased desperation and greed has led to more exploitation and less nurture; and obviously most art has little commercial value. But it doesn't mean that it's all bad art. Amidst that majority lies some work that has exceptional value in other terms. When a gallery has a stubborn commitment to an artist who never seems to make it, it may seem stupid to those who are thinking in commercial terms alone, but not all galleries do. That commitment, of course, reflects well on the rest of your trade and the belief others have in it. Most artists need a gallery to provide access to their work. The way that is done varies according to the rewards that both parties seek. Commitment to an artist that doesn't seem to be going anywhere keeps the work (and maybe the artist) alive for the time when that view may be seen to be wrong. Meanwhile, mad prices lead to mad evaluations ...”

Anthony Reynolds, Director,  
Anthony Reynolds Gallery, 2004

“The best dealers support projects and exhibitions by lending work, providing information and occasionally contributing towards the cost of the catalogue or opening party. They recognise the value of curatorially led, non-commercial projects and some dealers even employ staff specifically to handle artist liaison. But from the perspective of the curator–artist relationship they stay largely invisible. This is important given the pressure many artists are under with multiple and overlapping commitments. The worst dealers let their short-term commercial interests influence all their relationships: this can lead to unfortunate clashes of interest and be ultimately detrimental to their artists' development and career.”

Andrew Nairne, Director,  
Modern Art Oxford, 2004

**“For many smaller regional museums collecting contemporary art presents a huge challenge, not just in terms of raising the money, but also because the prevailing political climate is not very propitious and there is a serious shortage of curatorial resources. We’ve always contributed towards the acquisition of a wide range of works for collections across the UK, but when we were planning our centenary exhibition we were struck by the dearth of significant contemporary works that we’d supported in the 20th century, particularly in the middle decades. We’re therefore anxious that – as a nation – we take full advantage of the wonderful opportunities for enriching our public collections today with the most exciting examples of contemporary art that are being produced not only in the UK but also around the world.”**

David Barrie, Director, National Art Collections Fund, 2004

the late 80s to support programmes of contemporary art in regional museums through ‘Glory of the Garden’ funding led to some 50 new curatorial posts, but the subsequent lack of funds for programmes and acquisitions and professional opportunities for curators to travel and network have steadily eroded these gains. Good collections of modern and contemporary art may have been established, such as that of Southampton City Art Gallery, developed through the advice and gift of the late Dr David Brown of the Tate, but they need strong curatorial resources in order to work to their potential.

*The Goodison review: securing the best for museums: private giving and government support* (2004) declares that, although museums should be accumulating good examples of contemporary art, ‘contemporary art poses a particular problem’.<sup>31</sup> This, Sir Nicholas Goodison states, is not only a matter of funding, but is also to do with the uncertainty of backing particular living artists before it is widely recognised that they are the most significant artists of their day. The report notes that the Heritage Lottery Fund will not normally help with a work of art less than 10 years old, and while it acknowledges that the National Art Collections Fund (Art Fund) has markedly increased its support for contemporary art over the last two decades, it also observes that the Art Fund’s primary remit is to assist in purchases, and not normally to fund them outright.

The Goodison report singles out for special praise the Contemporary Art Society, a private charity founded in 1910 in response to the lack of official support for young artists in Great Britain. Part-funded by the Arts Council, the CAS is one of the few means (apart from donations from private individuals) by which Britain’s museums can acquire works of contemporary art. It raises and uses its funds to purchase and hand over

outright works of art to 90 museum collections across the UK. Every year the CAS gives a budget to three different individuals from the contemporary art world – private collectors, critics, independent experts – who then buy fine and applied art on their behalf. The range and scope of the purchases made reflect this constantly-changing roster of buyers.

In 1998 CAS secured a major Arts Council lottery award of £2.5 million to develop the contemporary art collections of 15 regional museums and galleries across England. Each museum was involved over five years, and the scheme was phased over three years. Crucially it enabled curators to travel to see work, to meet colleagues and engage with the market through attendance at key events such as Documenta and the Venice Biennale and the art fairs, thus enhancing their professional expertise and reputation. However, this scheme comes to completion at the end of 2004, and despite clarion calls from all quarters that this initiative should not be lost; in the absence of further lottery funding there are no immediate plans for its continuation. So, as the Goodison report confirms, despite the ‘sterling work’<sup>32</sup> of the CAS, the acquisition of challenging contemporary art for public collections is at best piecemeal, at worse non-existent.

### **Public galleries as positive role models: national and regional purchasing strategy**

It is a widely held belief both in London as well as in the regions that local public collections could play a key role in generating the art market in their regions if they were able to pursue a more adventurous collecting policy. They should do this in such a way that that they both play to the strengths of their core collections and act as a positive role model for local collectors.

The drafting of a National Collections Strategy and Regional Purchasing Policies would bring together key players in public and private sectors to develop policies to encourage greater boldness and risk taking. The Contemporary Art Society and its partner museums currently provide a model for wider application.

### **Training for regional curators**

Curators in smaller regional museums and public galleries would also greatly benefit from an extension of their professional development opportunities. This could range from expanding their curatorial skills and knowledge of challenging contemporary art by being given an increased chance to travel as well as various educational initiatives, including the opportunity to receive grounding in the dynamics of the art market. This would benefit all aspects of exhibition and gallery policy as well as improving their ability to negotiate and potentially to collaborate with those in the commercial sector.

### **Engaging with collectors**

The relationship between collectors and the public sector often begins as a close one, with many collectors stating that they were initially inspired by visits to public collections and that the public collections initially inspired them to build up their own acquisitions. They would therefore like to view these collections as positive role models for their own collecting. But although there is an acknowledged need for public institutions to build a relationship with collectors, in practice this rarely occurs and it is nearly always the dealer who acts as the mentor to the collector.

While being aware of the clear dangers of self-serving acquisitions where purchases for public collections could bolster the value of works in their own collections, serious collectors often feel that they could play a

greater role in buying on behalf of public collections, making well-informed earlier purchases and shouldering the risk. But there is little invitation or incentive for them to do so. Tate Patrons – which includes what was formerly known as Patrons of New Art – is a key exception.<sup>33</sup> In general, public sector curators are often perceived as too academic, too insular and not sufficiently engaged with unfolding developments in contemporary art.

Overall, serious collectors believe that their role is not fully appreciated by the public sector: after all, as history shows, without the input from collectors over the years the collections of virtually all our major galleries would be greatly denuded.

“Regional collections have several hurdles to overcome: one is the political will to buy, which is often conservative but also significant if you wish to buy contemporary art, the other is the knowledge gap within the gallery about the art world, and how to go about the act of purchasing in what can seem a strange, even hostile, environment. Curators have to be trained and encouraged over time, to build a personal and institutional reputation for buying artwork. Too often galleries have a stop-start attitude to contemporary collections and this leads to a lack of buying opportunities and a decline in the expertise and confidence of the curators. Without this confidence the curator is more likely to follow the art pack and collect the usual suspects, go for the safe option over the risky purchase, or just not bother to buy at all. Once a gallery stops collecting contemporary art it will struggle to get started again. To re-start you need a sympathetic director, a proper purchasing plan, training and development opportunities, time in the artist’s studio and the commercial gallery and a budget that is secure to allow time to grow in experience and to make mistakes.”

Nick Dodd, Chief Executive, Sheffield Galleries and Museums Trust, 2004

**“If there was a real change of thinking from the government with regard to tax breaks on bequests and donations, it could have a very pronounced impact. I believe this could single-handedly explode the market and also provide a huge cultural legacy for the nation. Moreover, it should really empower the provinces – encouraging bequests to less well-endowed public institutions throughout Britain. So many great contemporary works of art are sold abroad as there is so little encouragement here in the UK.”**

Jay Jopling, Director,  
White Cube, 2004

## Developing the market

### Tax concessions/incentives

The single most effective way to assist the market for challenging contemporary art in this country would be to implement a system of tax incentives to buy and to donate to public institutions. If collectors were given financial encouragement to donate not only to national but also to local museums and galleries then this would have a dramatic effect on the art market-place both in London and the regions. Many major market players believe that the single act of introducing an American-style system of tax benefits to those donating works to public galleries would do more to activate the art market in London and beyond, than any other combination of measures. It would also radically improve the health of England’s public collections.

More sales could also be achieved if buyers did not have to pay Value Added Tax. The fact that other countries do not levy VAT on art sales places all the English contemporary art dealers who operate within an international context at a distinct disadvantage. There is therefore a strong feeling amongst the commercial sector that original works of art should not be categorised as consumer products but as financial investments, and therefore not be subject to VAT.

### Trade association

This near-universal conviction that tax incentives and concessions would have a profound and positive impact on the market has resulted in strong backing for a UK trade association of contemporary art galleries. Not only would a trade association give the sector a political and economic voice and the means to effectively lobby government but it would also enable other private sector industries as well as government at all levels – the



**“Tax breaks would certainly make a fundamental change which I think is absolutely necessary, but in my view we shouldn’t go to an American situation which is only market, tax and private initiative driven. I think that the strength of European museums is that, apart from the market-driven trends, there is also an artistic, intellectual, scientific, research kind of approach and that can only come from the public sector because it guarantees a degree of autonomy from the market. This autonomy makes it possible to fill gaps in collections which are not so market-popular, and I think that governmental bodies have a remaining task and a responsibility to continue this kind of seriousness and autonomy of really collecting, not just accumulating objects.”**

Jan Debbaut, Director of Collections, Tate, 2004

Department of Culture, Media and Sport (DCMS); the Department of Trade and Industry (dti); the Department for Education and Skills (DfES); British Council or Central Government – to engage with the contemporary art market. The Arts Council could advise and support the establishment of such a body.

In London there already exists the long-established Society of London Art Dealers (SLAD), whose membership includes dealers selling all forms of art from old masters through to (a few) galleries specialising in challenging contemporary art. However the focus of SLAD tends mainly to be on secondary market issues and so a new organisation which is solely concerned with the primary market for challenging contemporary art is now needed. Out of this trade association could emerge an international trade mission which would assist in promoting the contemporary art market overseas; and lobby for government subsidy for showing at the major international contemporary art fairs, for example. The dti offers subsidies to other economic/cultural sectors – including publishing and design – to fly the flag overseas, so why not contemporary art galleries?<sup>34</sup> The boom in the British art market has to a great extent been fed by the emergence of many small-scale commercial agents and dealers who need support to develop their markets internationally and to attend overseas art fairs.

#### **More data needed**

Underpinning all these considerations, however, is the overall necessity for more information on all aspects of the art market. *Taste Buds* provided a valuable starting point, but in order to build the market’s credibility as an economic sector more hard data needs to be available. Further research could build on Morris Hargreaves McIntyre’s endeavours to assess the market.

**“Original works of art should not be categorised for tax purposes in the same way as consumer goods. Artworks could be treated in the same manner as financial vehicles, as investments. If you buy stocks or bonds or PEPs or unit trusts, VAT is not applicable. It’s an uneven playing field.”**

Nicholas Logsdail, Director, Lisson Gallery, London, 2004

Specifically, *Taste Buds* suggests that research should be conducted which compares the art market in England with markets for contemporary art in other world centres such as Germany, Italy, Belgium and USA. All of these measures would allow for greater analysis of this sector and would also provide an important advocacy tool with which to approach a wider range of government departments and agencies.<sup>35</sup>

#### **Incentives for collectors**

Leading dealers may declare that there are only a handful of serious collectors of challenging contemporary art based in England, but at the same time there is also an increasing awareness of a large pool of potential collectors towards the top as well as the lower strata of the contemporary art market. While financial incentives and tax breaks for donations would provide the most effective long-term means to nurture this crucial area of the market as well as their suppliers; in the shorter term provision can be made for the large number of buyers of contemporary art who are currently not recognised as serious collectors as well as number of potential buyers who are eager to support challenging contemporary art.

Both of these groupings need to find congenial ways in which to expand their knowledge and to increase their confidence. Various educational initiatives such as the specially-invited lectures organised by Frieze Art Fair, in collaboration with the Arts Council are already in place and should be supported and built-upon, but possibly by elements within the commercial sector rather than the Arts Council.

Encouragement should also be given to young collectors’ initiatives such as Blood, the new membership initiative launched in 2001 by the Contemporary Art Society

**“The establishment of a trade association for contemporary commercial dealers would enable the gallery community to articulate its powerbase and demonstrate to government agencies that contemporary art is now a real economy that requires accurate measurement, policy and capitalisation.”**

Andrew Wheatley, Co-Director,  
Cabinet Gallery, London, 2004

which aims to encourage a network of new collectors, artists and art professionals through monthly events which are communicated by email. This project also reflects the strategy of expanding the collector base by the dissemination of knowledge and the fostering of a sense of community.

### **Developing a bigger picture**

London may dominate the UK market for challenging contemporary art, but the fact that it is already a global market-place should not prevent measures being taken to enhance its market status further. Additionally, the capital's art market pre-eminence should not prevent measures being taken to develop the market for challenging contemporary art throughout England.

Some metropolitan centres such as Manchester, Liverpool, Newcastle, Nottingham, Bristol, Birmingham and Sheffield already have elements of an infrastructure. The problem is that each of these cities lack the full complement of components – inspirational art schools, an established community of artists, pro-actively collecting public galleries, informed critics, committed collectors – all of which need to come together at the same time to encourage the establishment of commercial galleries and to kick-start a viable market for challenging contemporary art. In short, for a commercial infrastructure to exist, there has to be a critical mass of all the essential elements.

Manchester, for example, has a highly regarded fine art department in its university, and significant public galleries as well as a range of artist-run spaces and curatorial initiatives. There is therefore enough of an intellectual hub to retain a community of progressive contemporary artists. There is also a pool of potential collectors. But until there are sufficient supply outlets

**“What’s not in short supply in Manchester is artists: there are tons of artists who would do the Affordable Art Fair and also a significant amount of artists who are looking more towards the Frieze Art Fair as their benchmark. But there aren’t many galleries in Manchester who would want to be in the Frieze Art Fair, the only ones I can think of are the artist-run spaces. There are quite a few buyers, but not many that I would call serious collectors, but within greater Manchester and Cheshire there are a larger number of collectors that are not being accessed for more difficult work because the only galleries that access them are doing more conservative work. The way to develop that market would not be through creating supply but to develop demand, you need some way of getting people to understand that there is a very vibrant art scene in Manchester and to take pride in this, like they do when their football team does well.”**

Nick Crowe, artist, 2004

local sales will be sporadic and inadequate. Similarly, the Newcastle/Gateshead region has significant and committed public art galleries, energetic art schools and a number of open studio events. Significantly its leading commissioning agency, Locus+ has recently announced that it intends to represent the artists that it works with. Yet all this is still not enough to sustain a local market.

Amidst this rather gloomy view it has to be emphasised, however, that a market for challenging contemporary art is an elusive thing. Looking beyond England to the much vaunted example of Glasgow, where a dynamic art school, several generations of in-situ artists, and a number of internationally-regarded public and artist-run spaces have come together to give rise to the shoots of commercial activity, the market there is still relatively small. Glasgow's two highly-regarded commercial galleries – Modern Institute and Sorcha Dallas – may be able to survive on sales, but the local collector base is still in its infancy with these establishments primarily relying on the sales that they make internationally.

Nonetheless, although the market for challenging contemporary art may be a notoriously difficult one to nurture there is still much that can be done to encourage new audiences and commercial activity on a local level. In many regional centres, both rural and metropolitan, while there may be few sales of challenging contemporary art, a more effective infrastructure has developed for sales of art by living artists. This ranges from existing commercial galleries specialising in applied art and a range of art by living artists, to open studio events, regional art fairs and retail-style outlets. There is no reason why all these various activities cannot be encouraged to prosper in their own right while at the same time initiatives made to find ways for them to enter into fruitful partnerships

**“The last decade has seen huge social and economic shifts in the North East, along with an amazing increase in awareness in contemporary art. This has meant that there are now real opportunities for agencies like Locus+ to move into national artists’ representation as a strategic part of their regional activities. However, only sustained investment in these opportunities will deliver an independent art market outside of London.”**

Jon Bewley, Director,  
Locus+, Newcastle, 2004

with artists and outlets that specialise in more challenging work. While it is helpful to make distinctions between different kinds of art practice, this does not mean to say that they are mutually exclusive: areas of common ground need to be sought, and means to be found for these distinct but also interrelated constituencies to grow and develop in tandem.

Some regional centres are already developing broad-based elements of a commercial infrastructure: supporting open studio events and encouraging commercial initiatives by hitherto non-profit spaces and organisations. However these various and often ad-hoc activities all need to be corralled into a comprehensive and coordinated plan which combines artists, art schools, art colleges, regional galleries and museums, commercial galleries, artists’ studios and artist-run spaces. All these components have to be developed simultaneously for an artistic, commercial and intellectual basis to evolve; while at the same time links should also be encouraged between these elements and also with their counterparts in London and other metropolitan centres. In each regional centre this coordination has to be tailored according to specific local circumstances and needs.

**“Complex cultural activity is not just a pleasurable hinterland for the public. It is at the heart of what it means to be a fully-developed human being. Government should be concerned that so few aspire to it and has a responsibility to do what it reasonably can to raise the quantity and quality of that aspiration.”**

Tessa Jowell, Secretary of State for  
Culture, Media and Sport, 2004

## Conclusion: the market does matter

Examining the public sector’s involvement in the development of this market for challenging contemporary art is an intricate enterprise. For while there can be no doubt of the historical and current immersion of the public sector in the mechanics and machinations of this market-place, there is also considerable anxiety from all quarters about the ways in which it is appropriate for the public sector to intervene directly in its development. Overall, there seems to be a general consensus amongst artists, buyers and collectors that the public sector in general should be working with and enhancing existing elements already operating within the current contemporary art market rather than trying to intervene directly in or run parallel with the commercial sector. Its role should be one of advocacy, assistance and education rather than market intervention.

This supportive, enabling role is surely in keeping with the Arts Council’s recently re-stated emphasis on placing the individual artist at the centre of all its activities;<sup>36</sup> for if the art market is encouraged to expand and prosper then this must be to the benefit of the artists who, after all, make the whole process possible.

It cannot be stated too strongly that the market for challenging contemporary art is quite unlike any other. Not only does this market have as its apotheosis the cultural and fiscal achievement of ‘museum class’; but to be a serious collector of contemporary art also requires an intellectual as well as a financial investment. In order to appreciate the most challenging of contemporary art, product knowledge per se is not enough. Collecting takes time, curiosity and, above all, intense commitment and these collectors have to be actively engaged and nurtured.

## Endnotes

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- 2 Drew, Joanna and Lampert, Catherine, *Hayward Annual Exhibition Catalogue*, Hayward Gallery Publishing, 1985
- 3 Johnstone, Isobel, *Arts Council Collection Acquisitions 1989–2002*, Hayward Gallery Publishing, 2003, p9
- 4 Re-framing arguments about art and artists in economic terms draws on issues raised in Morris Hargreaves McIntyre, *Taste Buds: how to cultivate the art market*, 2004 and specialist advice from Sarah Thelwall and Andrew Wheatley.
- 5 Hewitt, Peter, *Ambitions for the arts 2003–2006*, Arts Council England, 2003
- 6 Morris Hargreaves McIntyre, *Taste Buds: how to cultivate the art market*, 2004. The research 'aimed to explore the extent to which individuals in England buy or have the propensity to buy contemporary art for their homes'. In order to examine this, the following research questions were included within the brief: a) how to enhance and increase sales of innovative, contemporary art and private collections through the diverse range of distribution points, b) how to encourage artists to become more entrepreneurial in their engagement with the market-place, and c) how to expand the audience, ie individual buyers, for contemporary work through purchasing and commissioning. The brief for *Taste Buds* did not include an examination of international markets or corporate buyers.
- 7 Morris Hargreaves McIntyre provide an analysis of the structural concepts and principles underpinning the sector in the context section of *Taste Buds*, leading to the development of two models. 'The art eco-system' model illustrates the players who determine an artist's trajectory as they accrue 'subscription', a term Morris Hargreaves McIntyre describe as 'the process by which art is filtered and legitimised in an otherwise unregulated sector'. 'The contemporary art market-place' model segments the art market into four types of art or artist 'along the axes of desired destination for the work and degree of engagement in current critical debate'.
- 8 See *Taste Buds* Executive summary, October 2004
- 9 In the 1980s Interim was publicly funded for a short period of time; during City Racing's 10-year history (1988–1998) it received both revenue and project funding from Arts Council England, London (see Hale, Matt, Noble Paul, Owen, Peter and Burgess, John, *City Racing, the life and times of an artist-run gallery*, Black Dog Publishing Limited, 2002)
- 10 See *Taste Buds* Executive summary, October 2004. The largest part of this figure came from the turnover of London galleries, which was estimated at £268.8 million. This figure took the total primary sales (to individuals, museums and institutions at home and abroad) of 100 London-based contemporary art galleries. While this figure allowed for fees to artists, it did not include the significant number of galleries that operate as agents for their artists. It should also be noted that this total figure does not include the number of galleries, both large and small that began trading in London after *Taste Buds*' research cut-off point of July 2003.
- 11 See *Taste Buds* Executive summary, October 2004
- 12 Morris, Lynda, *Monopolis*, a paper given at Curating in the 21st century conference, The New Art Gallery Walsall, 8–9 June 2000
- 13 Quoted on p22, *London Cultural Capital: realising the potential of a world class city*, Greater London Authority, June 2003, taken from *The Case for London*, Arts Council England, London, 2000
- 14 See *Taste Buds* Executive summary, October 2004
- 15 White Cube artists include Damien Hirst, Marc Quinn, Gary Hume and – from a slightly younger generation – Tracey Emin and Gavin Turk.
- 16 The so-called New British Sculptors of the 1980s still represented by Lisson are Tony Cragg, Richard Deacon, Richard Wentworth and Anish Kapoor.
- 17 Evaluation carried out for Frieze 2003 by Morris Hargreaves McIntyre and funded by Arts Council England's New Audiences Department, through 73 surveys with exhibitors (representing 60% response rate) and interviews with 307 attendees. MHM will be conducting an extended evaluation at Frieze 2004.
- 18 Keith Hayman quoted in Glinkowski, Paul, *Open Studios: a gem worth polishing*, Arts Council England, 2003
- 19 Other examples include Will's Warehouse in London. See the supply section in *Taste Buds* for further models of retail-style outlets.
- 20 Morris Hargreaves McIntyre present a range of information on buyers and potential buyers in *Taste Buds*. The research examined: knowledge of art, attitudes to risk, and distribution outlets. Buyers' motivations and barriers to buying art were explored and a detailed segmentation of buyers was presented.
- 21 *Taste Buds* interviewed over 6,000 people for the buyer section; 6,141 adults aged 16 and over, living in England. An in-depth survey was carried out with 1,759 of these, 30 in-depth interviews with known buyers, 4 focus groups with existing buyers and 4 with potential buyers of contemporary art.
- 22 See *Taste Buds* Executive summary, October 2004
- 23 See *Taste Buds* Executive summary, October 2004
- 24 See *Taste Buds* Executive summary, October 2004
- 25 Hewitt, Peter, op cit
- 26 *At Home With Art*, initiated by Colin Painter, was a collaboration between Tate Britain, National Touring Exhibitions, Homebase, and Wimbledon School of Art, funded by the Arts Council's New Audiences Programme. Nine sculptors – Angela Bulloch, Tony Cragg, Richard Deacon, Antony Gormley, Anish Kapoor, Permindar Kaur, David Mach, Richard Wentworth and Alison Wilding were commissioned to create a work of art for the domestic environment, working with a cross-section of families. The resulting 'multiples' were mass-produced and made available in Homebase stores nationally.
- 27 Arts Council England invested £20 million over five years in the New Audiences Programme, which ran from 1998 to 2003. The programme was set up to encourage as many people as possible, from all backgrounds and every walk of life, to participate in and benefit from the arts. The full New Audiences Programme report is available to download at [www.artscouncil.org.uk/newaudiences](http://www.artscouncil.org.uk/newaudiences)
- 28 See recommendations 13, 16, 19, 23, 24, 25 in *Taste Buds*. For the full list of 27 recommendations see *Taste Buds* Executive summary, October 2004
- 29 See *Taste Buds* Executive summary, October 2004
- 30 Johnstone, Isobel, op cit, p10
- 31 Goodison, Nicholas, *The Goodison review: securing the best for museums: private giving and government support*, HMSO, 2004, p14
- 32 Goodison, Nicholas, op cit
- 33 The Patrons of New Art was formed in 1982 by a group of individuals with a primary aim to assist Tate in its collecting of contemporary art. In 2004 the four patrons groups at Tate (including Patrons of New Art) were streamlined to form one scheme, the Tate Patrons, whose support is given to any part of Tate's collecting remit. Access to becoming a patron is open to all, and costs £1,000 pa.
- 34 Wheatley, Andrew, *The Rationale and Implications of the Establishment of the First UK Trade Association of Contemporary Art Galleries and Dealers*, paper given at Arts Council England's Market Development Seminar, 29 March 2004
- 35 See study of Swiss Art Market in *Passages No 35*, Arts Council of Switzerland, 2004
- 36 Hewitt, Peter, op cit



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