



arts

Global Art Market in the Aftermath of COVID-19

Edited by

Elena Sidorova

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Global Art Market in the Aftermath of COVID-19

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Editor

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Global Art Market in the Aftermath of COVID-19

Elena Sidorova 

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Abstract: Although the global art market has often been resilient to international economic and political events, it has faced some of its biggest challenges under the influence of COVID-19. Among others, the pandemic and the accompanying restrictive administrative measures taken by world governments have significantly influenced such key economic indicators as gallery employment, art sales, and the organization of international art fairs. This Special Issue studies various economic, social, and political impacts of the COVID-19 pandemic on the global art market's current state and future evolution.

Keywords: contemporary art market; online art market; digitalization; hybridization; COVID-19; editorial

Over the past decade, art and collectibles have demonstrated their ability to create, safeguard, and appreciate in value irrespective of economic crises or the international political situation. During the first waves of the COVID-19 pandemic, however, art sales suffered the full impact of a series of lockdowns. In 2020, auction houses faced an overall 10% contraction in sales sessions, almost as much in terms of lots sold, whereas global sales turnover declined to 21% (Artprice 2021). Nevertheless, following the unprecedented recession in 2020, the global art market rapidly recovered in 2021, with total sales of art and antiques closed by dealers and auction houses “reaching an estimated \$65.1 billion, up by 29% from 2020, with values also surpassing pre-pandemic levels of 2019” (McAndrew 2022, p. 21). The current Special Issue of *Arts* entitled “Global Art Market in the Aftermath of COVID-19” examines the economic, social, and cultural-political impacts of the most recent pandemic on the current outlook and future development of the global art market in various parts of the world.

Digitalization is one of the most salient art market-related issues associated so far with COVID-19. Indeed, rapid technological transformation together with the embrace of digital art sales and art exhibition channels have contributed to the expansion of the audience for art buyers and the multiplication of the average number of times a work is seen. As Sotheby's art market experts point out, “the comprehensive set of digital tools clients can now access has not only broken down barriers to entry but reduced the need to view or physically handle works in person prior to purchasing” (Sotheby's 2021).

This Special Issue contains four studies that showcase some prevailing digitalization trends of the contemporary art market that have emerged or evolved due to the pandemic. Thus, Anne Gerlieb examines how social media platforms have functioned as a neutralizing factor in gatekeeping during COVID-19 restrictions. She emphasizes the artistic self-presentation of feminist artists on TikTok and discusses TikTok's essential technical functions, such as hashtags and AI-based recommendation systems, for the representation of feminist art and female artists. As she points out, since TikTok's use for artists is still an underrepresented field of study, “despite or even because of the criticism, social-media platforms such as TikTok should be further investigated in their functioning and usage” (Gerlieb 2021).

Beatrix Habelsberger and Pawan Bhansing raise the issue of the ever-more intensifying digitalization strategy of art galleries during and after COVID-19. The authors reveal that

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during the pandemic, digital technology has had implications for the traditional business model of every gallery type. They conclude that “galleries that made major improvements during the past months and successfully sold art online will pursue their strategy, while others will follow these trends with a delay or will retain their traditional business model” (Habelsberger and Bhansing 2021).

Sue Hua likewise hints at the trend towards an accelerated digitalization of the contemporary art market under the influence of COVID-19. While observing the ongoing transformation of galleries, auctions, and museums in Hong Kong, Shanghai, Taipei, and Singapore during and after the pandemic, she argues that “art organizations in Asia see the light at the end of the tunnel as the digitalization of online art sales and virtual art-viewing technology made up for the cancellation of art events and even, in certain situations, replaced conventional on-site exhibition and art sale events” (Hua 2022).

Echoing Hua’s research, Syra Kalbermatten and Christoph Rausch study how Bernaerts Auctioneers in Antwerp, one of Belgium’s largest auction houses, has dealt creatively with the forced transition to online auctions during the COVID-19 pandemic. The authors hint at two extremely curious facts: the involuntary nature of the Belgian art market’s digital transformation and the power of social media in artwork value appreciation and attribution. They provide valuable insights into how Bernaerts Auctioneers have communicated in times of COVID-19 the digital “expert narratives of origin, authenticity, and uniqueness” (Kalbermatten and Rausch 2021) in order to establish the value and affect the price of commissioned artworks.

Besides digitalization, COVID-19 has set the trend toward the de-globalization of the contemporary art market. During the pandemic, everything local has unexpectedly become the new global. In view of international travel restrictions, many art collectors and art lovers have come to appreciate more acutely their sense of regional cultural identity. Moreover, as Sotheby’s experts predict, in the post-COVID-19 era region-specific styles and movements will become even more pronounced and explicit and “will impact how and what auction houses and galleries choose to exhibit as well as heighten the importance of local museums as people rediscover their local regions” (Sotheby’s 2021).

This Special Issue includes four articles that focus on the analysis of regional art market trends that appeared during or after COVID-19. Adelaide Duarte, Ana Leticia Fialho, and Maria Perez-Ibanez have investigated the impact of the pandemic on the Portuguese, Spanish, and Brazilian art markets. They have highlighted the resilience to external shocks—such as COVID-19—faced by contemporary art galleries in these countries, which have manifested in two respects: their adaptability to “the impossibility of face-to-face access, cancellation of exhibitions at their venues and participation in art fairs” and with regard to their quick adjustment to “an uncertain future in terms of the calendar of upcoming fairs, access to new markets and clients and new conditions in the commercial activity itself, with scarce support of public policies” (Duarte et al. 2021).

Anita Archer and David Challis have examined the Australian art market in the times of COVID-19. As they claim, even though its island status aided Australia in its efforts to contain and eliminate the pandemic, this factor also produced a complex and contradictory economic effect on the Australian art market. The authors conclude that “whilst lockdowns have driven stay-at-home collectors to kick-start the local art market, an overdue digital pivot also offers future opportunities in the aftermath of the pandemic for national and international growth” (Archer and Challis 2022).

On the other side of the Indo-Pacific, Maura Zanatta and Anjali Roy have explored the singular art productions of communities in Medinipur, West Bengal. They have demonstrated the impact of COVID-19 on hereditary and performing castes in India and outlined the future perspectives for the art market of folk artists, while considering such crucial socio-economic issues as “precarity, precariousness, and resilience” (Zanatta and Roy 2021). The authors assert that the pandemic has led to the diversification of West Bengali cultural heritage: local artists have started experimenting with new artistic forms, such as performance, song, and process, thus going beyond their previous preoccupation with painting.

The last stop of the Special Issue's imaginary journey around the world's regional art markets is the Middle East, where Eve Grinstead's investigates the evolution of the Emirati art market during and after COVID-19. Giving huge credit to the powerful socio-economic standing of the United Arab Emirates in the region of the Middle East/North Africa, the author emphasizes the local art scene's rapid adaptability to the new sanitary conditions brought about by the pandemic. She predicts that the global art scene, with which the Emirati art market is fully integrated, will soon represent a hybrid combination of "both smaller fairs, some with an online option, but also the possibility to visit in person" (Grinstead 2021).

The Special Issue concludes with three papers of importance that lead to a better understanding of the evolution of the global art market during and after COVID-19 from a theoretical-methodological perspective. Christine Bourron offers an economic analysis of the impact of the pandemic on the evolution of the auction market. Relying upon the auction results at Christie's, Sotheby's, and Phillips, she draws attention to three issues: the surge of online-only auctions in view of the rising number of live auctions, the limitations of online-only auctions due to the rise in new opportunities, and a comparison of the COVID-19 crisis with previous art market crises. The author is convinced of the inevitable digitalization of the auction market. In her opinion, the pandemic has provided auction houses "with the right conditions to finally convince some art collectors about the benefits of the new digital world but most importantly to find a new group of collectors who are most comfortable online" (Bourron 2021).

Seeking to understand the impact of COVID-19 and the accompanying restrictive administrative measures on the art market, Lea Saint-Raymond adopts an ethnographic approach toward the analysis of the Parisian art market during and after the pandemic. This method has allowed her to collect first-hand, human-based evidence about the feelings and emotions prevalent in the Parisian art scene from 2020–2021. The author makes two curious observations in her paper. Firstly, she states that "no art market professional has openly complained about the economic situation, deploring a drop in activity or a decrease in turnover" (Saint-Raymond 2021). Secondly, she underlines that despite the digital turn of the art market accelerated by social distancing, COVID-19 "has not eliminated the importance of physical places to cultivate the identity of each professional and retain collectors, by establishing a 'privileged' link on the occasion of intimate meetings" (Saint-Raymond 2021).

Finally, Feliks Tuszko endorses a meta-analytic sociological perspective to study the valuation of art during COVID-19. By examining 86 forecasts originating from both the center and periphery of the global art market, he demonstrates how art market participants employ fictional expectations of the future to stabilize artwork valuations during uncertain times, such as COVID-19, thus uncovering the paradoxical reality of art market forecasts. Tuszko makes two valuable contributions to scholarly research concerning the impact of COVID-19 on the global art market: while warning that art market forecasts "do not only describe possible scenarios of the future, but they are actively committed to creating the future", he reminds us that art market players often mitigate the uncertainty surrounding the value of artworks by "likening the ways artworks are valued and how their value is justified" (Tuszko 2021).

This Special Issue of *Arts*, "Global Art Market in the Aftermath of COVID-19", represents the timely response of the international community by art market scholars to the structural and functional changes in art sales brought about by the recent pandemic. It includes eleven outstanding original papers that examine the transformation of the global art market during and after COVID-19. Despite its challenges, the pandemic has ultimately resulted in positive repercussions regarding the quality of art exchanges and the organization of art sales. Undoubtedly, COVID-19 has sparked more digital innovation, experimentation, and risk-taking than ever before, potentially redefining the contours of the 21st-century art business.

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Article

How Has COVID-19 Affected the Public Auction Market?

Christine Bourron 

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Abstract: The day of the last live auction at Sotheby's in the spring of 2020 was on 19 March 2020 as multiple coronavirus lockdowns forced auction rooms to close worldwide. In the following months, hundreds of live auctions were cancelled or postponed, and combined revenue at Christie's, Sotheby's, and Phillips for the second Quarter 2020 plummeted 79% year on year from USD 4.4 bn in Q2 2019 to USD 0.9 bn in Q2 2020. This article focuses on public auctions at Christie's, Sotheby's, and Phillips and uses primary research to demonstrate how leading auction houses responded to the unprecedented challenges posed by the COVID-19 crisis. Leveraging Pi-eX's public auction results database and its 12-month-rolling methodology, our analysis shows (1) the surge of online only auctions while the number of live auctions plummeted; (2) the limitations of online only auctions and the rise of new opportunities; and (3) a comparison of the COVID-19 crisis with previous art market crisis in the past 15 years.

Keywords: art market; public auction; auction house; live auctions; online auctions; online only auctions; 2008–2009 financial crisis; 2016 crisis; COVID-19 crisis; coronavirus; NFT; non-fungible token; crypto-currency

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1. Introduction

In the spring 2020, all major auction rooms at Christie's, Sotheby's, and Phillips were forced to close their doors as New York, Paris, and eventually London announced new strict confinement rules. The top three auction houses were ready for some disturbances in China and had already adjusted the schedule for the Hong Kong auctions, postponing their usual spring Hong Kong sales, but based on the auction houses' early March 2020 auction schedule, they did not expect the same disturbances in other locations. By mid-March 2020, however, it became clear that the schedule of spring 2020 would have to be dramatically adjusted. Auction rooms worldwide had to be closed as New York witnessed its last live auction sale on 16 March, and London on 19 March 2020 (Table 1). From then on, none of the months of 2020 had comparable scheduling compared to previous years.

Table 1. Date of last and first live auction before and after the first Covid lockdowns. *Source: Pi-eX Ltd. proprietary database of auction results.*

City	Last Live Auction before First Covid Lockdown	First Live Auction after First Covid Lockdown
New York	16 March 2020	18 June 2020
London	19 March 2020	10 June 2020
Hong Kong	8 December 2019	5 June 2020
Paris	4 February 2020	26 May 2020

Faced with unprecedented operational issues, the auction houses pursued a strategy of aggressively moving their live auctions online. Within a year, the percentage of online only auctions arranged by the auction houses grew tremendously, from 25% at end of year 2019 to 66% by end of year 2020. Revenue from online only sales also grew significantly from USD 126 million in 2019 to over USD 1 billion in 2020 but failed to compensate for the fall in revenue from live auctions.

More than a year after the start of the pandemic, the auction houses continue to adapt to the post-COVID-19 world. Building on their newly improved online infrastructure, they were fast in catching up on the NFT (non-fungible tokens) craze and targeting the new rising wealth of the crypto community. At the same time, the slowdown of the growth of online sales after live auctions resumed seems to indicate that traditional art collectors may not fully embrace an online only world.

By leveraging Pi-eX's monthly analysis, we were able to obtain a clear reading of the impact of COVID-19 on the public auction market not only at year end but also during each month of the year. Our analysis shows that the coronavirus crisis had a serious impact on the auction trade as it resulted in a sharp fall in revenue after March 2020¹ and forced auction houses to embark on drastic operational changes as they hastily had to move their business online in order to adapt to the confinement requirements. As lockdown restrictions were eased in the Spring of 2021 and life was returning to normal in many parts of the world, it became clear that the public auction market would not return to its pre-COVID-19 business-as-usual routine but would rather open a new chapter fueled by the many new options presented by the recent infrastructure built up for online sales.

2. Data and Methods

2.1. Focus on Public Auction Results at the Top Three Auction Houses (Christie's, Sotheby's, and Phillips)

The global art market is a very fragmented market counting many small players (art dealers, art advisors, auction houses, etc.).² It also is a market where little reliable data are available³, especially with respect to the private transactions side as no standardized reporting requirements exist and, therefore, no easily available public information can be compiled. The three largest art market players, Christie's, Sotheby's, and Phillips, do not report their private transactions, but they do publish daily results of their public auctions. Our analysis focuses on the results at public auctions at the top three auction houses over the period of 2007 to present. While not an exhaustive count of all global art market transactions, it presents an interesting reading of trends at auctions, which can be observed as a barometer of the global art market.⁴

2.2. Live Auction versus Online Auction Definition

There is no official definition of what exactly an online auction is, as online auctions exist in several different formats.⁵ For our analysis, we counted an *online sale* or *online only sale* as a time limited sale that is arranged by the auction house over a period of a few days and, most importantly, that is performed by an algorithm rather than an auctioneer. On the other hand, was counted a *Live sale* as a sale arranged by the auction house over a few hours on the same day and ran live by an auctioneer. With this definition, a so-called hybrid sale, live streamed over the internet with no public in the auction room, would be considered a live sale as it is operated by an auctioneer. A lot sold online during a live sale (rather than over the phone via a specialist) would be counted as being part of a live auction. In contrast, an item/lot, catalogued in an online only sale, sold over the phone to a client asking an auction specialist to click the bid button on his or her behalf would be counted as being part of an online only auction.

2.3. "12-Month Rolling" Analysis Based on the Auction Calendar

Leveraging the repeating yearly auction calendar, we used Pi-eX's 12-month rolling methodology. This allowed us to combine and compare the results at the top three auction houses every month by compiling, at the end of every month, the total sales achieved over the previous 12 months. This is the equivalent of generating an annual report at the end of every month.

2.4. Adjustment for Inflation

In the comparison analysis of the COVID-19 crisis versus the 2008–2009 crisis and the 2016 crisis, the total revenue over the previous 12 months has been adjusted for inflation according to the following methodology:

- Non-USD daily revenues have been converted to USD by using the Bank of England’s daily exchange rate on the day each auction was arranged (for live sales) and closed (for online only sales).
- Monthly USD revenues were compiled and then adjusted for inflation by using the Consumer Price Index (CPI-U), provided by the U.S. Department of Labor Bureau of Labor Statistics. November 2007 was used as a basis for comparison.
- Twelve month rolling totals were then compiled using inflation adjusted monthly USD totals.
- Index were created for each period based on what was considered as the first month of the crisis (October 2008 for the 2008–2009 financial crisis, October 2015 for the 2016 crisis, and October 2019 for the COVID-19 crisis).

3. Key Findings

3.1. The Explosion of Online Auctions

Within a month after closing auction rooms, the top three auction houses were able to switch most of their traditionally live business to their online infrastructure. Faced with the impossibility of arranging their scheduled live sales, the auction houses reshuffled their auction calendar, postponing or cancelling some sales and/or moving others online.

From mid-March to the end of May 2020, Christie’s, Sotheby’s, and Phillips cancelled more than 90 scheduled live auctions and created or rescheduled more than 100 online only auctions (Figure 1).

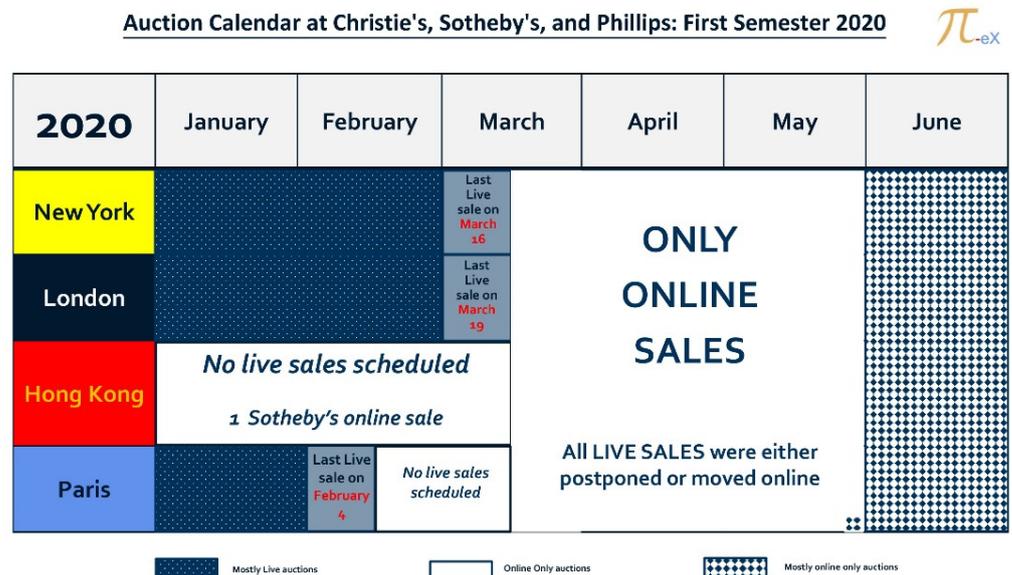


Figure 1. Auction calendar at top three auction houses for the first semester 2020.

The percentage of online only sales, thus, increased from 22% in January 2020, 50% in February 2020, 60% in March 2020, 100% in April 2020, and 95% in May 2020 (Figure 2, Table 2). After the easing of lockdown and return to some normalcy, the percentage of online only auctions decreased to 77% in June 2020.

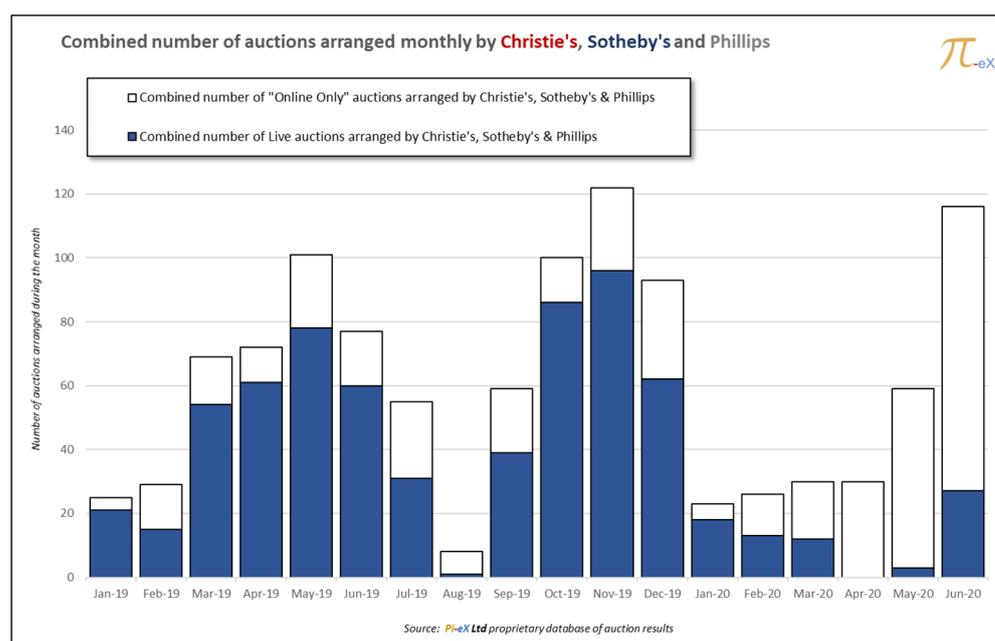


Figure 2. Number of auctions by format (live or online only) arranged by top three auction houses from January 2019 to June 2020.

Table 2. Number of auctions by format (live or online only) arranged by top three auction houses from January 2019 to June 2020. Source: *Pi-eX Ltd. proprietary database of auction results.*

Number of Auctions Arranged by Christie's, Sotheby's, and Phillips	Live Auctions		Online only Auctions	
	# per Month	% of Total	# per Month	% of Total
Jan-19	21	84%	4	16%
Feb-19	15	52%	14	48%
Mar-19	54	78%	15	22%
Apr-19	61	85%	11	15%
May-19	78	77%	23	23%
Jun-19	60	78%	17	22%
Jul-19	31	56%	24	44%
Aug-19	1	13%	7	88%
Sep-19	39	66%	20	34%
Oct-19	86	86%	14	14%
Nov-19	96	79%	26	21%
Dec-19	62	67%	31	33%
Jan-20	18	78%	5	22%
Feb-20	13	50%	13	50%
Mar-20	12	40%	18	60%
Apr-20	0	0%	30	100%
May-20	3	5%	56	95%
Jun-20	27	23%	89	77%

Overall, in the first semester 2020, 74% of all auctions arranged by Christie's, Sotheby's, and Phillips were online only auctions. This compares to only 23% in the first semester of 2019, 15% in the first semester of 2018, and only 4% in the first semester of 2017 (Figure 3, Table 3).

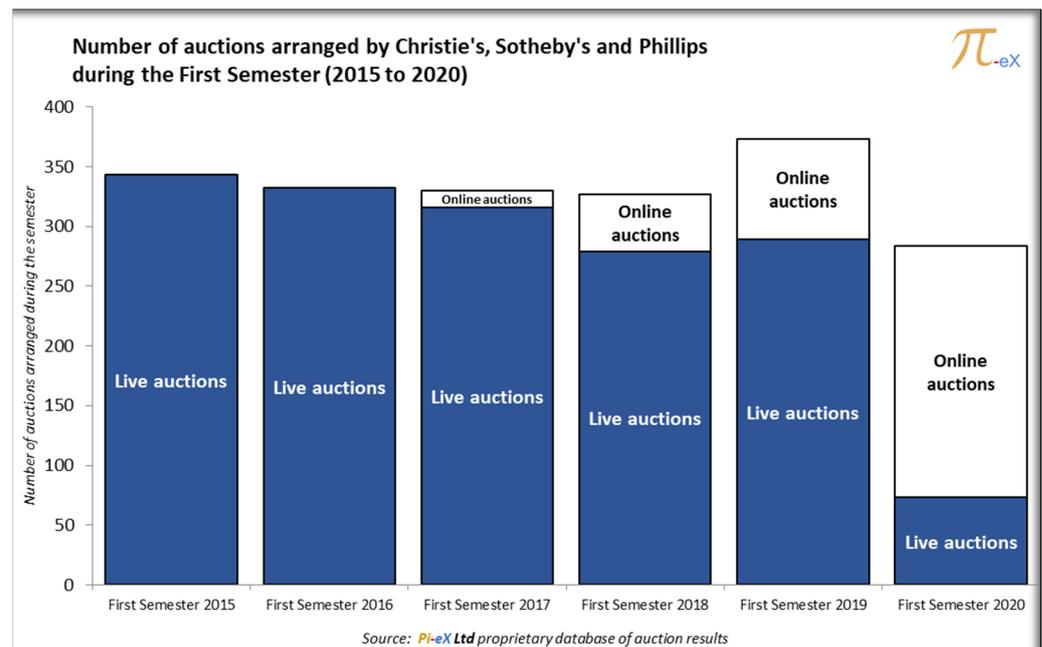


Figure 3. Number of auctions by format (live or online only) arranged by top three auction houses over the first semester (from 2015 to 2020).

Table 3. Number of auctions by format (live or online only) arranged by top three auction houses over the first semester (from 2015 to 2020). Source: Pi-eX Ltd. proprietary database of auction results.

Number of Auctions Arranged by Christie's, Sotheby's, and Phillips	Live Auctions		Online Only Auctions	
	# per Month	% of Total	# per Month	% of Total
First Semester 2015	343	100%	0	0%
First Semester 2016	332	100%	0	0%
First Semester 2017	316	96%	14	4%
First Semester 2018	279	85%	48	15%
First Semester 2019	289	77%	84	23%
First Semester 2020	73	26%	211	74%

In March 2020, online only sales were not a new development for the top auction houses. Already for years, both Christie's and Sotheby's worked on moving some of their offerings online by creating new digital platforms.⁶ Christie's focused on building its Christie's LIVE™ platform and invested a reported USD 50 million over the years under the leadership of Steven Murphy.⁷ Sotheby's also spent years building its online strategy. The auction house's early efforts date back to pre-2000⁸, with a notable failed partnership with Amazon in 1999.⁹ This was followed by multiple attempts to find the right partner as demonstrated by Sotheby's alliances with eBay in 2002 and again in 2014 or with Invaluable, an online marketplace for art, in 2015.

The initial results from online only auctions at both auction houses were not impressive, and they suffered especially from a very high "Bought-in" (unsold) rate. This may explain why very few results from pre-2017 auctions are available on the auction houses' websites.

In 2017, however, Christie's decided to ramp up its online effort, launching more than 80 new online auctions. The sudden spike in online auctions at Christie's in the Spring of 2017 was triggered by the closing of Christie's South Kensington Salesroom in July 2017, which had been established in London in 1975 as a secondary salesroom to target buyers of lower price points and decorative art.¹⁰ In an interview with the *New York Times*, Guillaume Cerutti, then the new chief executive of Christie's, announced that "The digital space is the

Christie’s South Ken of the 21st century,” and that he “envisaged the auction house as a global operation with fewer auction rooms and more online sales”.¹¹

After only a year, however, the number of online auctions arranged by Christie’s plateaued and remained at less than 100 online only auctions a year until the start of the Coronavirus pandemic (Figure 4).

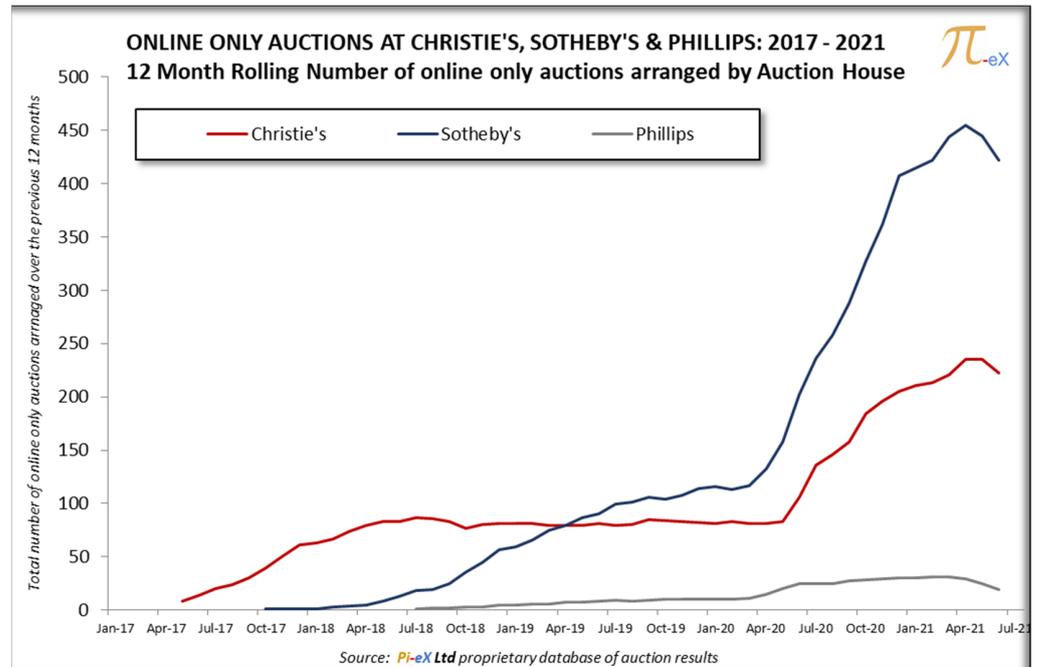


Figure 4. Twelve-month rolling total number of online only auctions arranged at Christie’s, Sotheby’s, and Phillips (from 2017 to end of June 2021).

Sotheby’s also signaled its commitment to grow its online business in the summer of 2017 by announcing that it would entirely eliminate the buyer’s premium for online only sales that it traditionally charges on top of the Hammer Price.¹² At the time, the auction house’s plan was to double the number of its online only sales from 16 sales arranged in 2016 to 32 sales in 2017.

In April 2019, thanks to additional investments in digital technology and personnel, Sotheby’s finally caught up and even surpassed Christie’s level of online sales (Table 4). By February 2020, ahead of the pandemic, the auction house has already arranging 36% more online auctions than Christie’s over the previous 12 months.

Table 4. Twelve-month rolling total number of online only auctions arranged at Christie’s, Sotheby’s, and Phillips (from 2017–2021). Source: Pi-eX Ltd proprietary database of auction results.

12 Month-Rolling Total Number of Online Only Auctions			
Month	Christie’s	Sotheby’s	Phillips
Jan-17			
Feb-17			
Mar-17			
Apr-17			
May-17	8		
Jun-17	14		
Jul-17	20		
Aug-17	24		

Table 4. Cont.

Month	12 Month-Rolling Total Number of Online Only Auctions		
	Christie's	Sotheby's	Phillips
Sep-17	30		
Oct-17	39	1	
Nov-17	50	1	
Dec-17	61	1	
Jan-18	63	1	
Feb-18	67	3	
Mar-18	74	4	
Apr-18	79	5	
May-18	83	8	
Jun-18	83	13	
Jul-18	87	18	1
Aug-18	86	19	2
Sep-18	83	25	2
Oct-18	77	36	3
Nov-18	80	45	3
Dec-18	81	57	5
Jan-19	81	59	5
Feb-19	81	66	6
Mar-19	79	75	6
Apr-19	79	79	7
May-19	79	87	7
Jun-19	81	90	8
Jul-19	79	99	9
Aug-19	80	101	8
Sep-19	85	106	9
Oct-19	84	104	10
Nov-19	83	108	10
Dec-19	82	114	10
Jan-20	81	116	10
Feb-20	83	113	10
Mar-20	81	117	11
Apr-20	81	132	15
May-20	83	158	20
Jun-20	106	202	25
Jul-20	136	236	25
Aug-20	146	258	25
Sep-20	158	288	27
Oct-20	184	327	28
Nov-20	196	362	29
Dec-20	205	407	30
Jan-21	211	415	30
Feb-21	213	422	31
Mar-21	221	444	31
Apr-21	235	455	29
May-21	235	445	25
Jun-21	222	422	19

Phillips finally started to increase its offering of online only sales in 2018, but the number of online auctions arranged by the number three auction house remained much lower than at Christie's and Sotheby's.

As the auction houses built their online marketplaces, they made it amply clear that they did not view online only sales as a replacement of the live auctions. Rather, they viewed "the online marketplace as a related, yet distinct business opportunity beyond live auctions," as stated by Tad Smith, Sotheby's CEO in 2017. Their hope was that the online format would attract first time buyers who may otherwise not engage with the

more traditional part of their business (i.e., the live auction format) but would grow into it over time.

That strategy changed at Sotheby's in the summer of 2019 when French media and telecom entrepreneur Patrick Drahi acquired the company. His vision was to transform the company into a digital powerhouse. Already in the fall of 2019, the company started to work on increasing its offering of online only auctions. By the onset of the COVID-19 pandemic, this rendered Sotheby's the best prepared auction house for the challenges to come.

In March 2020, the Coronavirus pandemic made online only sales an absolute priority for Christie's, Sotheby's, and Phillips, as online only sales were the only option for the auction houses to generate income in the next few months. Unsurprisingly, Sotheby's was the first to embrace a new strategic focus on online sales and moved its live auctions online within a week and kept converting most of its live sales to the online format. By summer 2020, only key evening sales remained live, while most sales, including Sotheby's Marquee May "Impressionist & Modern Art" and "Contemporary Art" Day Sales in New York, were arranged to be held online only. As of June 2021 and after more than a year of arranging additional online sales, Sotheby's has become the clear leader by counting the total number of online sales arranged (Figure 4).

Christie's followed Sotheby's lead and reacted slightly slower in March 2020 but initially ramping up online sales at a parallel speed. By the end of 2020, however, Christie's slowed down its online effort and went back to live auctions wherever and whenever possible. Finally, Phillips never aggressively increased its online presence, especially in comparison to the other two auction houses.

Overall, online auctions at Christie's, Sotheby's, and Phillips as a percentage of the 12-month rolling total number of auctions arranged grew from 27% in March 2020 to 68% in February 2021 before slowing down in the Spring of 2021 and contracting to 60% by end of June 2021 (Figure 5, Table 5). Why such a change?

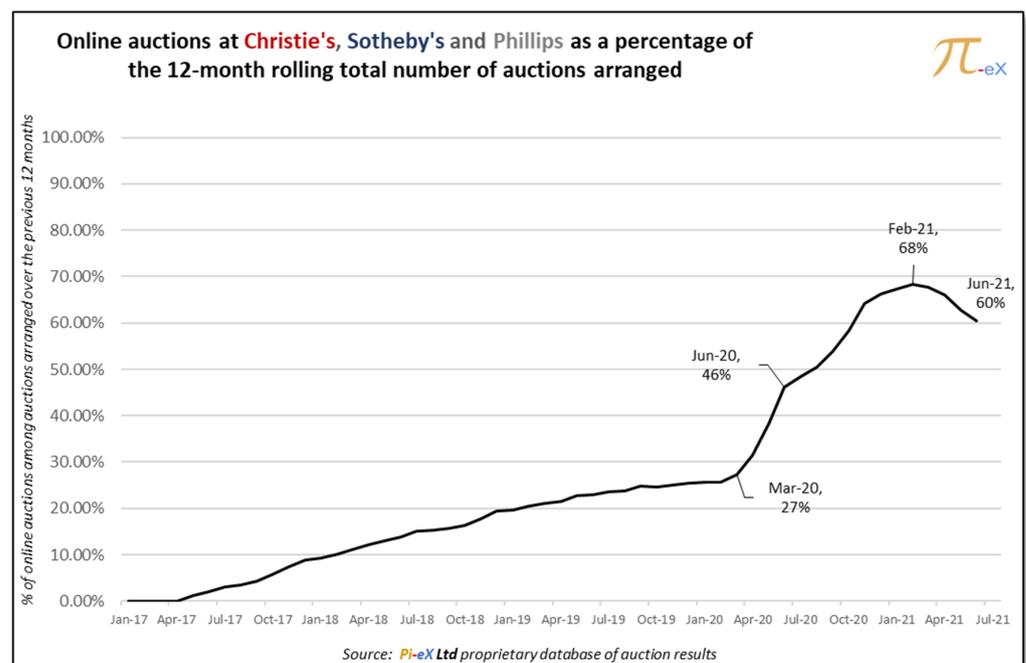


Figure 5. Online auctions at Christie's, Sotheby's, and Phillips as a percentage of the 12-month rolling total number of auctions arranged (from January 2017 to end of June 2021).

Table 5. Online auctions at Christie’s, Sotheby’s, and Phillips as a percentage of the 12-month rolling total number of auctions arranged at the top three auction houses (from January 2017 to end of June 2021). Source: *Pi-eX Ltd. proprietary database of auction results.*

Month	12 Month-Rolling Total Number of Auctions		
	Online Auctions	All Auctions	Online as a % of Total
Jan-17		673	0%
Feb-17		659	0%
Mar-17		667	0%
Apr-17		664	0%
May-17	8	669	1%
Jun-17	14	672	2%
Jul-17	20	672	3%
Aug-17	24	675	4%
Sep-17	30	681	4%
Oct-17	40	686	6%
Nov-17	51	688	7%
Dec-17	62	695	9%
Jan-18	64	687	9%
Feb-18	70	694	10%
Mar-18	78	698	11%
Apr-18	84	687	12%
May-18	91	700	13%
Jun-18	96	690	14%
Jul-18	106	704	15%
Aug-18	107	704	15%
Sep-18	110	701	16%
Oct-18	116	713	16%
Nov-18	128	723	18%
Dec-18	143	732	20%
Jan-19	145	741	20%
Feb-19	153	750	20%
Mar-19	160	756	21%
Apr-19	165	765	22%
May-19	173	763	23%
Jun-19	179	778	23%
Jul-19	187	791	24%
Aug-19	189	793	24%
Sep-19	200	803	25%
Oct-19	198	804	25%
Nov-19	201	803	25%
Dec-19	206	810	25%
Jan-20	207	808	26%
Feb-20	206	805	26%
Mar-20	209	766	27%
Apr-20	228	724	31%
May-20	261	682	38%
Jun-20	333	721	46%
Jul-20	397	818	49%
Aug-20	429	849	51%
Sep-20	473	878	54%
Oct-20	539	922	58%
Nov-20	587	915	64%
Dec-20	642	970	66%
Jan-21	656	975	67%
Feb-21	666	974	68%
Mar-21	696	1029	68%
Apr-21	719	1087	66%
May-21	705	1122	63%
Jun-21	663	1098	60%

3.2. Limitations of Online Auctions and the Rise of New Opportunities

While online only sales clearly became predominant in the wake of the COVID-19 pandemic, revenue generated by these sales remained dramatically lower than revenue generated via live auctions. In 2019, before the COVID-19 pandemic, the average revenue generated by a live auction arranged by Christie’s, Sotheby’s, and Phillips was USD 10 million for a day sale and USD 50 million for an evening sale. In contrast, the revenue

generated by an online sale was much lower as algorithm driven sales brought in on average less than USD 1 million.¹³

The hope of the auction houses in the spring of 2020 was that the absence of live auctions would entice resistant collectors to switch their art trade to online only sales.

Interestingly, Sotheby's strategy for moving auctions online during the COVID-19 crisis differed significantly from Christie's and Phillips' strategies. In fact, Sotheby's boldly converted online almost every single auction it had in the pipeline for Spring 2020, except for a few private collections sales and its key London, Hong Kong, and Geneva evening sales. As discussed later, the auction house went even as far as arranging its two repeating Marquee day sales, the "Impressionist & Modern art" and the "Contemporary art" New York days sales in an online only format in May 2020. With a very different approach, Christie's and Phillips chose to postpone most of their repeating auctions and private collection sales until further notice, while their online only sales arranged between April and June 2020 were curated sales with no history or comparable history. Examples of these new online sales included "Andy Warhol: Better Days" in 6 May 2020 and "Working from Home: Prints and Multiples" in 14 May 2020 at Christie's or "Bloom: online auction" on 7 May 2020 and "Refresh: Reload online auction" on 28 May at Phillips.

Despite the different approaches, the auction houses arrived at the same conclusion that prices obtained via online only sales remained significantly lower than via live sales. Not one lot from online only sales arranged at Christie's and Phillips between March and May 2020 obtained a selling price above USD 500,000. Sotheby's was more successful with its online only sales as a few lots obtained prices above USD 1 million: a Cartier bracelet in its "Tutti Frutti" sale arranged on 28 April 2020 and a Giorgio Morandi artwork, which sold for USD 1.58 million in its "Impressionist & Modern Art Day online" sale on 18 May 2020. This was certainly impressive compared to the historic performance of online only sales, but one can wonder what prices these lots may have obtained had they been auctioned in live sales. This was most likely the rationale for Christie's and Phillips to postpone most of their repeating live sales and to wait for a better time to arrange them in order to optimize their revenue.

Unsurprisingly, therefore, the monthly tracking of revenue generated by online sales since the start of the confinement shows that while revenue from online only auctions has significantly increased, it remains far lower than the revenue generated by live auctions. Overall annual revenue from online sales at the top three auction houses has grown from USD 165 million in 2019 to USD 945 million in 2020 and USD 1.26 billion over the past 12-month leading to June 2021 (Table 6). While the growth is impressive, the total revenue generated online is still small in comparison to annual revenue generated by live auctions: USD 10.2 billion in 2019 to USD 6.3 billion in 2020 and USD 10.1 billion over the past 12-month leading to June 2021.

Table 6. Twelve-month rolling total revenue from live and online only auctions arranged at Christie's, Sotheby's, and Phillips (from 2017–2021). Source: *Pi-eX Ltd.* proprietary database of auction results.

Month	12 Month-Rolling Total Revenue In USD (*)		
	Live Auctions	Online Only Auctions	Online as a % of Total
Jan-17	\$9.2 B	\$ M	0%
Feb-17	\$8.7 B	\$ M	0%
Mar-17	\$9.7 B	\$ M	0%
Apr-17	\$9.7 B	\$ M	0%
May-17	\$10. B	\$4 M	0%
Jun-17	\$9.9 B	\$9 M	0%
Jul-17	\$9.9 B	\$18 M	0%
Aug-17	\$9.9 B	\$21 M	0%

Table 6. Cont.

Month	12 Month-Rolling Total Revenue In USD (*)		
	Live Auctions	Online Only Auctions	Online as a % of Total
Sep-17	\$10. B	\$25 M	0%
Oct-17	\$10.3 B	\$33 M	0%
Nov-17	\$11.4 B	\$44 M	0%
Dec-17	\$11.4 B	\$57 M	0%
Jan-18	\$11.3 B	\$58 M	1%
Feb-18	\$11.6 B	\$64 M	1%
Mar-18	\$11.4 B	\$71 M	1%
Apr-18	\$11.4 B	\$76 M	1%
May-18	\$12.6 B	\$87 M	1%
Jun-18	\$12.6 B	\$101 M	1%
Jul-18	\$12.5 B	\$106 M	1%
Aug-18	\$12.4 B	\$106 M	1%
Sep-18	\$12.5 B	\$111 M	1%
Oct-18	\$12.5 B	\$115 M	1%
Nov-18	\$12.1 B	\$120 M	1%
Dec-18	\$12.1 B	\$133 M	1%
Jan-19	\$12.2 B	\$133 M	1%
Feb-19	\$12.1 B	\$135 M	1%
Mar-19	\$11.9 B	\$143 M	1%
Apr-19	\$11.8 B	\$146 M	1%
May-19	\$10.9 B	\$155 M	1%
Jun-19	\$10.9 B	\$148 M	1%
Jul-19	\$10.9 B	\$154 M	1%
Aug-19	\$10.9 B	\$156 M	1%
Sep-19	\$10.7 B	\$163 M	1%
Oct-19	\$10.9 B	\$161 M	1%
Nov-19	\$10.3 B	\$164 M	2%
Dec-19	\$10.2 B	\$165 M	2%
Jan-20	\$10.3 B	\$167 M	2%
Feb-20	\$10.3 B	\$175 M	2%
Mar-20	\$9.7 B	\$189 M	2%
Apr-20	\$9.1 B	\$224 M	2%
May-20	\$6.2 B	\$289 M	4%
Jun-20	\$5.9 B	\$439 M	7%
Jul-20	\$7.3 B	\$552 M	7%
Aug-20	\$7.3 B	\$582 M	7%
Sep-20	\$7.2 B	\$634 M	8%
Oct-20	\$7.7 B	\$727 M	9%
Nov-20	\$5.7 B	\$844 M	13%
Dec-20	\$6.3 B	\$945 M	13%
Jan-21	\$6.3 B	\$975 M	13%
Feb-21	\$5.8 B	\$998 M	15%
Mar-21	\$6.5 B	\$1170 M	15%
Apr-21	\$7.2 B	\$1261 M	15%
May-21	\$9.5 B	\$1291 M	12%
Jun-21	\$10.1 B	\$1264 M	11%

(*) Not adjusted for inflation.

As shown in Figure 6, revenue from online only auctions has been growing over the past year while revenue from live sales plummeted after March 2020 due to the temporary operational challenge brought about by the Coronavirus pandemic. The scale, however, and growth trend of online revenue remains much smaller than that of live auctions (Figure 6).

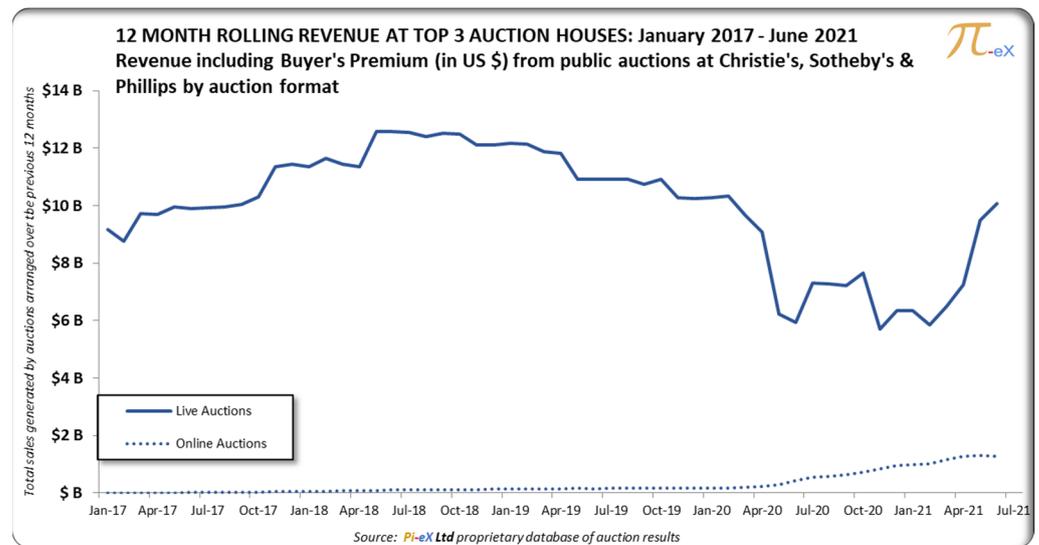


Figure 6. Twelve-month rolling total revenue from live and online only auctions arranged at Christie’s, Sotheby’s, and Phillips (from January 2017 to end of June 2021).

There is no doubt that during the COVID-19 crisis, online only auctions were a lifesaver for the auction houses. Switching to online only sales was the right strategy and Sotheby’s, which implemented this strategy first, certainly benefited from its first mover advantage. Still, the auction house itself seemed to recognize that a pure online format would limit its ability to sell higher price point artworks. During the first lockdown in May 2020, while all live auctions had stopped, Sotheby’s made the decision to arrange both its Marquee New York “Contemporary Art Day Sale” and “Impressionist & Modern Art Day Sale” in an online only format, respectively, from 4–14 May 2020 and 4–18 May 2020. This was a notably different strategy than the other auction houses, as Christie’s and Phillips both simply postponed all their May New York Marquee sales to July. In the absence of competitive offering, the online only sales could have proved to be a tremendous success. They were not. Sure, they generated a level of revenue never seen before for online auctions (Figure 7), but the totals—respectively, USD 13.7 million and USD 9.9 million (Table 7)—were disappointing compared to revenue generated by the Marquee Day sales in a live format just a year before: respectively, USD 106 million and USD 45 million. While the number of lots scheduled in the online only sales was lower, the sale also suffered from a lower selling price than the live format: on average, the selling price generated by sold lots in the May 2020 online day sales was around USD 95,000 versus USD 291,000 for the contemporary art live sale in May 2019 and USD 88,000 for the Impressionist Day online sale in May 2020 versus USD 114,000 for the Impressionist Live Day sale in May 2019.

Table 7. Online only versus live Marquee Contemporary and Impressionist Day Sales in May in New York at Sotheby’s (from 2017 to May 2021). Source: Pi-eX Ltd. proprietary database of auction results.

Total Revenue in USD (*)	Contemporary Art		Impressionist & Modern Art	
	Live Day Sale	Online Only Day Sales	Live Day Sale	Online Only Day Sales
Sotheby’s New York May Marquee Sales				
May-17	\$92.8 M		\$39.0 M	
May-18	\$107.0 M		\$40.9 M	
May-19	\$105.8 M		\$44.7 M	
May-20	\$51.5 M	\$13.7 M	\$16.7 M	\$9.9 M
May-21	\$80.1 M			\$26.2 M

(*) Not adjusted for inflation.

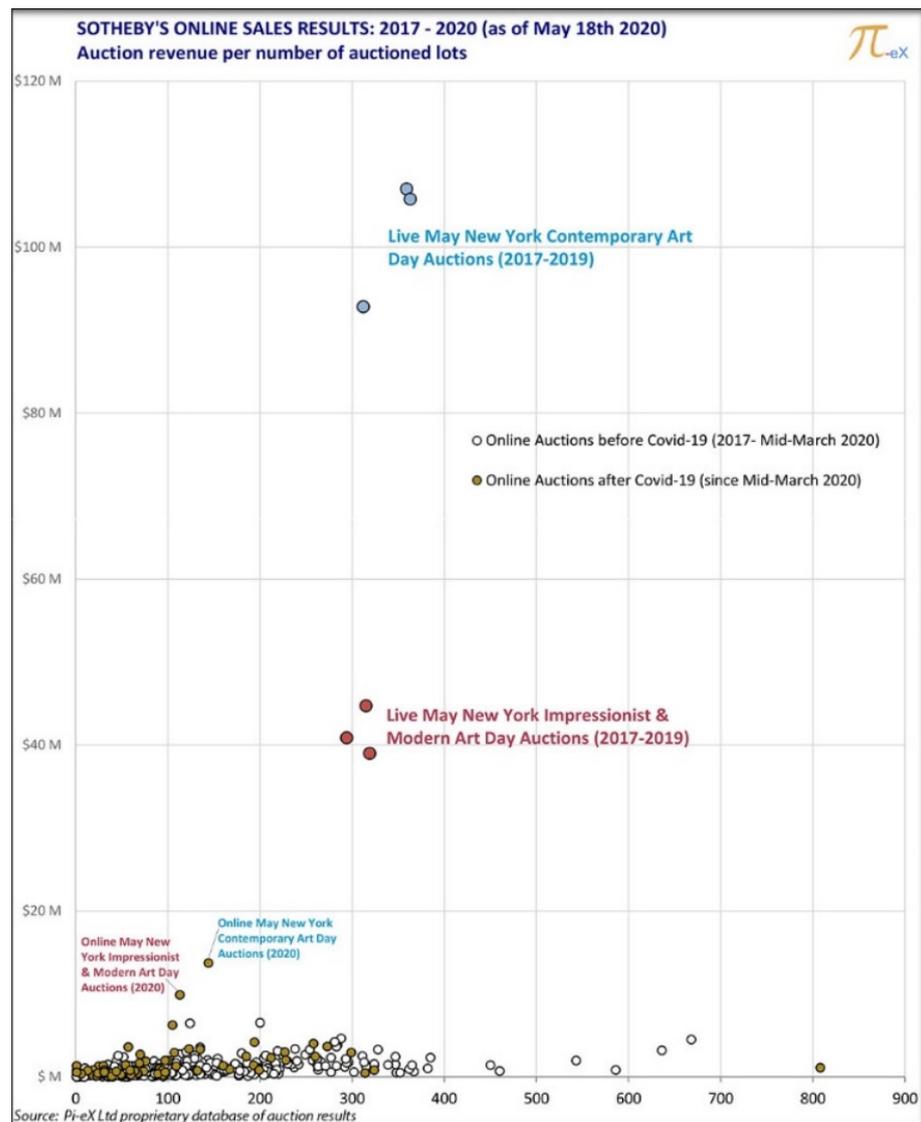


Figure 7. Online only versus live Marquee Contemporary and Impressionist Day Sales in May in New York at Sotheby's (from 2017 to May 2021).

Given the results, it is little surprising that Sotheby's made the decision to arrange additional live formats for its Marquee Day sales in New York in June 2020. The live auctions arranged in the last days of June 2020 in a hybrid format (with a live auctioneer but no public in the salesroom) brought in over USD 50 million for the contemporary art sale (USD 241,000 per sold lot) and almost USD 17 million for the Impressionist Art sale (almost USD 100,000 per sold lot), proving that a live format still allowed the auction house to obtain higher selling prices than an online only format.

With the full reopening of auction rooms in 2021, the auction houses had to make a choice between continuing the move online or returning to the traditional live format.

Sotheby's experience with the May New York repeating day sales in May and June 2020 showed that despite the progress made during the COVID-19 pandemic, the online format still did not generate as much revenue as an auction arranged in a live format, especially for contemporary art sales. This confirmed that the live format continued to be the optimal format for traditional art buyers.

Sotheby's, therefore, made the decision to return its key sales to a live format, while continuing to experience online with medium size sales and multiplying new smaller online sales. Interestingly, in May 2021, Sotheby's decided to arrange its New York Contemporary

Art Day sale in a live format, generating over USD 80 million (USD 315,000 per sold lot), while its New York Impressionist Art Day sale was again offered in an online only format. It brought in USD 26 million to Sotheby's (USD 138,000 per sold lot), showing an impressive growth trend.

As of end of June 2021, the published calendar of auctions to be offered both at Christie's and Phillips also showed that the auction houses made the strategic decision to return to the live auction format as much as possible. They certainly have not stopped arranging online only sales, but their pace is much slower than Sotheby's. They also continue to position their online sales as complementary to their live offering rather than as replacement. For example, Phillips' Gallery One series of online auctions, launched in March 2021, are separate from Phillip's traditional calendar. Located in a different section of the auction house's website, Gallery One auctions are run weekly, starting and closing on Thursdays, before the history and results of the sales quietly disappear from the auction house's website.

As shown in Figure 6, the return to the live format allowed revenue from live auctions to bounce back to a larger scale and at a faster pace than compared to revenue generated by online only auctions.

While not fully replacing the auctions' live format, online only auctions certainly opened new opportunities for the auction houses. In March 2021, at a time when the number of online auctions was at its highest but revenue from online auctions continued to remain significantly lower than revenue from live auctions, one online auction captured the attention of everyone in the art world and even outside the art world. The auction was "Beeple | The First 5000 Days" arranged by Christie's New York on 11 March 2021. Over the previous two months, January and February 2021, Christie's had seen significantly lower revenue than in the previous year (ahead of the COVID-19 pandemic) despite cataloguing 44% more lots than in 2020 (Table 8). However, this was to change as with one online auction offering one unique lot, an NFT minted by the artist Beeple, Christie's was able to generate significantly more revenue (USD 69 million versus USD 48 million) than by offering 3048 lots over the previous two months of January and February 2021 (Figure 8).



Figure 8. Comparison between Beeple's NFT auction (11 March 2021) and Christie's worldwide monthly results in January and February 2021.

Table 8. Comparison between Beeple’s NFT auction (11th March 2021) and Christie’s worldwide monthly results in January and February 2021. *Source: Pi-eX Ltd. proprietary database of auction results.*

Christie’s	2021		2020	
	Worldwide Revenue (in US\$) (*)	# of Lots Catalogued at Auctions	Worldwide Revenue (in US\$)	# of Lots Catalogued at Auctions
January	\$28 M	1745	\$40 M	954
February	\$20 M	1303	\$269 M	1 170

(*) Not adjusted for inflation.

The combination of a non-fungible token (NFT) and an online sale at Christie’s, opened the door of the fine art auction world to the crypto-community. Crypto investors were already investing and collecting NFTs and digital art for years but only on specific platforms that allowed them to trade the blockchain based smart contracts, for example, Nifty Gateway, OpenSea, and Rarible. Before the COVID-19 pandemic, this all seemed like a “geek” experiment that could hardly affect the traditional art world.¹⁴

By bringing NFT to its online platform and adding the possibility to pay in cryptocurrencies, Christie’s created the perfect formula, and the Beeple sale made history on 11 March 2020.^{15,16} Soon enough, Sotheby’s and Phillips jumped on the bandwagon and arranged their own NFT sales: On 16 April 2021, Sotheby’s auctioned the “PAK’ Collection” for USD 16 m, and Phillips offered the “MDJ multiplied NFT” for USD 4 m on 23 April 2021. Even though revenue from NFT auctions has been decreasing as the novelty effect seems to have started to wear off, it is undeniable that NFTs have changed the auction landscape in a manner Artificial Intelligence (AI) based artworks never did.¹⁷ Most importantly, NFTs have proven to be the perfect items to sell in an online only format. As shown earlier, prices for traditional art obtained via online only sales remain lower than when auctioned via live sales. The contrary seems to apply to NFTs, as most online only sales have generated tremendous interest and bidding while the few sales of NFT arranged live have resulted in very shallow bidding so far.

While traditional auction houses’ collectors still showed a preference for buying artworks in live auctions, NFTs offering in online auctions turned out to be the perfect combination to target the new segment of crypto millionaires, opening new growth opportunities for the auction houses.¹⁸ At last, Christie’s, Sotheby’s, and Phillips found the perfect new buyers for their online platforms: a group of people with seemingly unlimited resources who share similar values, are fully comfortable in an online only environment, easily reachable via social media, and who are, most importantly, not afraid to spend a large amount of money online, especially if it is crypto-currency.

3.3. Comparing the COVID-19 Crisis to Previous Art Market Crises

Previous art market crises in 2008–2009 and in 2016 have been researched extensively over the years. Research findings, however, are often based on a year-by-year analysis of estimations of the overall size of the global art market (yearly TEFAF reports and UBS reports in 2017¹⁹ and 2021²⁰), the total value of fine art public auctions transactions (yearly Art Price reports²¹), or the evolution of various art price indexes.²² While this allows for an understanding of the crises at a macro level yearly, it may not reflect the impact that the crises had on the market month after month. By applying Pi-eX’s 12-month rolling methodology to the total combined revenue obtained at Christie’s, Sotheby’s, and Phillips, we compared—on a monthly basis—the impact of the COVID-19 crisis versus the 2008–2009 and 2016 crises. We believe our analysis provides an insightful reading of what art stakeholders experienced each month during each crisis and shows how fundamentally different the COVID-19 crisis was from previous crises. Overall, the crisis inflicted on the public auction market by COVID-19 was not the worst both in terms of revenue loss and

impact on the bottom line. It was, however, a crisis fueled by complex operational issues and followed by the fastest technological adoption ever seen in the art market.

3.3.1. COVID-19 Crisis versus the 2008–2009 Financial Crisis

The 2008–2009 financial crisis had the worse effect on the public auction trade at the top three auction houses. Within 14 months, the 12-month rolling revenue (adjusted for inflation) plummeted 60% from a high USD 11.2 billion in October 2008 to a low USD 5.0 billion in November 2009 (Table 9). The 2008 auction market crisis, characterized by a U-shape, was driven by the global financial crisis, which started early 2007 as a mortgage crisis and accelerated in October 2008 with the bankruptcy of Lehman Brothers Inc. and the collapse of the financial markets worldwide, leaving equity investors with tremendous wealth loss and no place to hide.²³ Faced with what was named the “largest destruction of equity value in history”, art collectors and investors suffered major liquidity issues, which dramatically affected the art market: With both sellers and buyers short on cash, the public auction market experienced a deep and long downturn period (in blue in Figure 9) from October 2008 to November 2009 (14 months) during which both value and volume of art sales converged downward.²⁴ This was followed by a rather long stagnation period from November 2009 to April 2010 (5 months) at the bottom of the curve. Only in April 2010 did the recovery period start as both the volume of art traded finally tended upward thanks to an increase in the number of lots catalogued at auctions fueled by the return of demand from art buyers.²⁵ It took, however, another four years before the combined revenue at the top three auction houses managed to reach its pre 2008 financial crisis level.

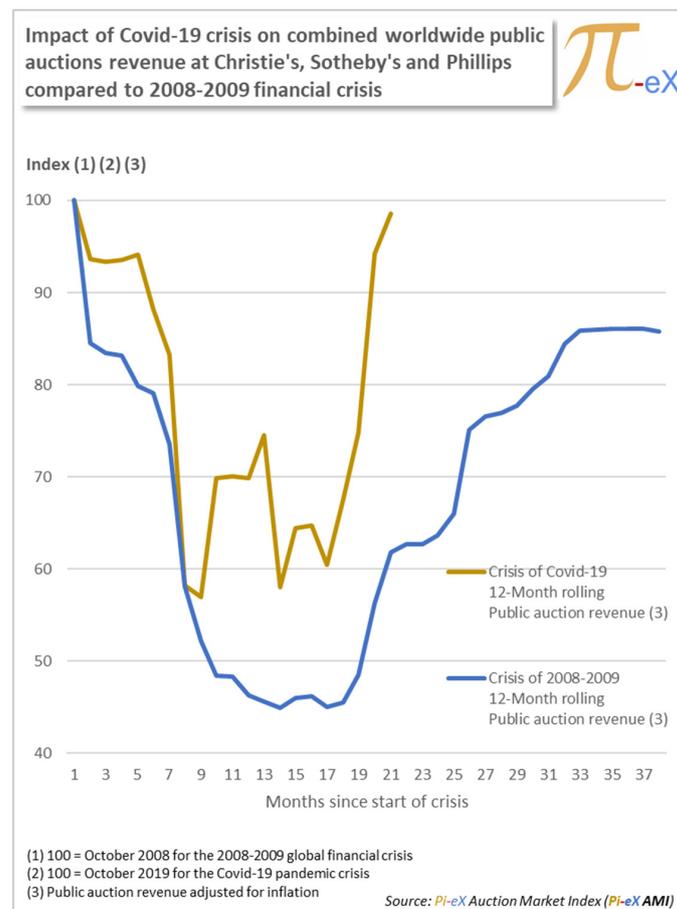


Figure 9. Crisis comparison of impact on public auction revenue (3) at Christie's, Sotheby's, and Phillips; 2008–2009 crisis versus COVID-19 crisis—as of end of June 2021.

Table 9. 2008–2009 crisis versus COVID-19 crisis comparison of impact on public auction revenue at Christie’s, Sotheby’s, and Phillips (as of end of June 2021). Source: *Pi-eX Ltd. proprietary database of auction results.*

Timeline	Crisis of 2008–2009 12-Month Rolling Public Auction Revenue (Adjusted for Inflation)		Crisis of Covid-19 12-Month Rolling Public Auction Revenue (Adjusted for Inflation)	
	in USD (2) (3)	Indexed vs. October 2008	in USD (2) (3)	Indexed vs. October 2019
Month 1 (1)	\$11.2 B	100	\$9.1 B	100
Month 2	\$9.5 B	84	\$8.5 B	94
Month 3	\$9.3 B	83	\$8.5 B	93
Month 4	\$9.3 B	83	\$8.5 B	93
Month 5	\$8.9 B	80	\$8.6 B	94
Month 6	\$8.8 B	79	\$8. B	88
Month 7	\$8.2 B	74	\$7.6 B	83
Month 8	\$6.5 B	58	\$5.3 B	58
Month 9	\$5.8 B	52	\$5.2 B	57
Month 10	\$5.4 B	48	\$6.4 B	70
Month 11	\$5.4 B	48	\$6.4 B	70
Month 12	\$5.2 B	46	\$6.4 B	70
Month 13	\$5.1 B	46	\$6.8 B	74
Month 14	\$5. B	45	\$5.3 B	58
Month 15	\$5.1 B	46	\$5.9 B	64
Month 16	\$5.2 B	46	\$5.9 B	65
Month 17	\$5. B	45	\$5.5 B	60
Month 18	\$5.1 B	45	\$6.1 B	68
Month 19	\$5.4 B	48	\$6.8 B	75
Month 20	\$6.3 B	56	\$8.6 B	94
Month 21	\$6.9 B	62	\$9. B	99
Month 22	\$7. B	63		
Month 23	\$7. B	63		
Month 24	\$7.1 B	64		
Month 25	\$7.4 B	66		
Month 26	\$8.4 B	75		
Month 27	\$8.6 B	77		
Month 28	\$8.6 B	77		
Month 29	\$8.7 B	78		
Month 30	\$8.9 B	80		
Month 31	\$9.1 B	81		
Month 32	\$9.4 B	84		
Month 33	\$9.6 B	86		
Month 34	\$9.6 B	86		
Month 35	\$9.6 B	86		
Month 36	\$9.6 B	86		
Month 37	\$9.6 B	86		
Month 38	\$9.6 B	86		

(1) Month 1 is October 2008 for the crisis of 2008–2009 and October 2019 for the COVID-19 crisis (2) Combined 12-month rolling worldwide revenue from public auction at Christie’s, Sotheby’s, and Phillips. (3) Revenue adjusted for inflation.

The impact of the COVID-19 crisis on public auctions was neither as deep nor as long. It happened at a time when the level of trade at Christie’s, Sotheby’s, and Phillips over the previous 12 months had already started to slow down from USD 9.1 B in October 2019 to USD 8.6 B by February 2020 (month 5 in Table 9). Uncertainty brought by demonstrations in Hong Kong during the fall 2019 art fairs and auction weeks plus the early signs of the pandemic in China beginning of 2020 had resulted in decreasing trade at public auctions in China and even in London in February 2020, where Chinese buyers were noticeably rare.

In Europe, UK, and the US, the impact of the COVID-19 pandemic on trade at auctions was immediately visible starting March 2020, when the countries announced their first lockdowns. With auction rooms closed, employees forced to work from home, and collectors unable to view artworks before buying, the auction houses had little choice but to cancel, postpone, or move most scheduled live auctions online. This resulted in a plummeting of auction revenue from USD 8.6 billion in February 2020 to USD 5.2 billion by end of June 2020 (month 9 in Table 9). During this period, the online only auctions arranged by the auction houses failed to compensate for the missing revenue from live auctions.²⁶ In addition to the challenge of selling original artworks online only, which the auction houses had experienced for years, the conditions of the online only auction sales arranged between March and June 2020 were not very appealing to buyers as they had to agree to “pay now” for “delivery whenever possible”. In fact, while auction houses’ employees could move sales online, they were not able to handle and ship lots after sales as the auction houses were not considered an “essential business”; therefore, their handling and shipping departments remained closed in many countries until the end of the first lockdown.

By June 2020, however, offices reopened, and the auction houses launched the new format of hybrid auctions ran by a live auctioneer without public in the room. Postponed auctions (mostly key repeating Marquee sales in New York, Hong Kong, London, and Paris) were rescheduled starting at the end of June (month 9 in Table 9), and revenue immediately bounced back by end of July 2020 to USD 6.4 billion (month 10 in Table 9). The sudden increase in revenue shows how the COVID-19 crisis was mostly a scheduling and operational crisis. It did not affect buyers’ purchasing power contrarily to the 2008–2009 financial crisis. If anything, it seemed that buyers in 2020 had more appetite to collect and more capital to spend once they got out of lockdown.

Further scheduling challenges in 2020 are visible in the “W” shape of the COVID-19 crisis. After a few months of growth, the 12-month rolling revenue fell again from USD 6.8 billion in October 2020 (month 13 in Table 9) to USD 5.3 billion in November 2020 (month 14) as the scheduling of the key New York November Marquee sales was moved initially to October and then repeated in December 2020 due to (1) the uncertainty of the US 2020 presidential elections and (2) a potential second COVID-19 lockdown in New York. While the shift of revenue from one month to another month may not matter in some industries, in the art and auction business, it can have major consequences on prices and value. Historically, the auction business is arranged around a traditional calendar that sees a large majority of auctions occurring repeatedly during the same month. Changes in the calendar, if not advertised ahead of time, can potentially affect the sometime fragile equilibrium of demand and supply at auction.

Since February 2021 (month 17 in Table 9) the 12-month rolling revenue has bounced back from USD 5.5 billion to USD 9 billion in June 2021 (month 21) as the auction houses have returned to their traditional auction calendar.

3.3.2. COVID-19 Crisis versus the 2016 Crisis

Compared to the 2016 crisis, the COVID-19 crisis was more dramatic in the early months of the crisis, both in terms of speed and in depth.

During the COVID-19 crisis, the total 12-month rolling revenue at the top three auction houses plummeted 43% within 8 months (from October 2019 to June 2020) from USD 9.1 billion to USD 5.2 billion (Table 10). This compares to a drop of 37% within 16 months for the 2016 crisis, from USD 12 billion in October 2015 to USD 7.6 billion in February 2017. Contrarily to the 2008–2009 financial crisis, the 2016 crisis at public auctions cannot be attributed to one particular event but rather to a high level of uncertainty in the world at the time: in January 2016 (month 4 in Table 10), the year started with a crash in the Chinese stock market, which sent shockwaves across the world; moreover, 2016 was the year of the Brexit referendum in the UK (June/month 9 in Table 10) and the US 2016 Presidential elections (November/month 14 in Table 10). The TEFAF 2017 report outlined that public auctions in the US were most affected by the 2016 decline (−41% in 2016 versus

2015); this was particularly true for the Marquee sales in New York, which take place twice a year (in May and in November) and include some of the most expensive artworks traded.²⁷ Figure 10 shows indeed that the decrease during the 2016 crisis is strongest in month 8 (May 2016) and month 14 (November 2016) (Table 10). These are the months of the Impressionist and Contemporary Marquee sales in New York, which historically contribute to a large share of the yearly revenue. Without a key event initiating the crisis, the 2016 crisis showed a slower and longer erosion of public auction revenue, as well as a slower and longer recovery period, characterized by a wide V-shape. In the end, public trading at the top three auction houses never regained its pre-2016 crisis level since.

In a sharp contrast, as of June 2021, results at public auctions show that revenue has already almost returned to the pre-COVID-19 level. The return of normality after months of operational disruptions combined with the structural changes implemented by the auction houses during the pandemic could clearly continue to push the public auction market to new historic highs.

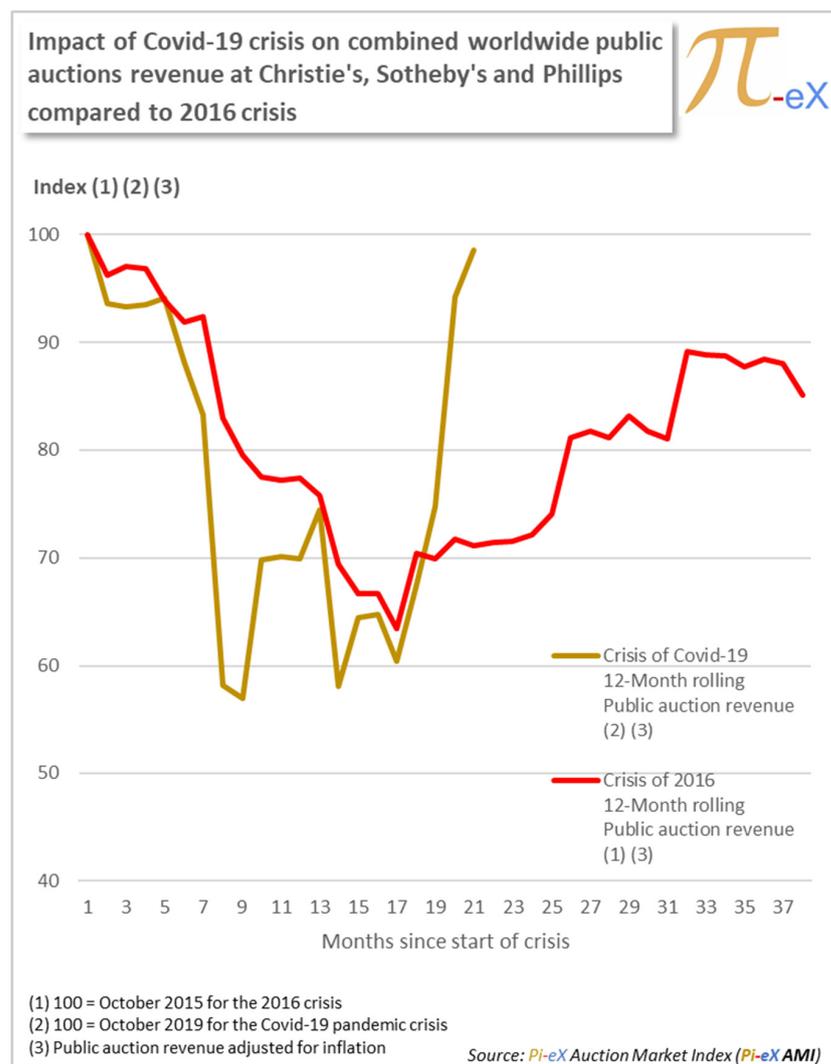


Figure 10. Crisis comparison of impact on public auction revenue at Christie’s, Sotheby’s, and Phillips: 2016 crisis versus COVID-19 crisis—as of end of June 2021.

Table 10. Crisis comparison of impact on public auction revenue at Christie’s, Sotheby’s, and Phillips: 2016 crisis versus COVID-19 crisis—as of end of June 2021. Source: *Pi-eX Ltd. proprietary database of auction results.*

Timeline	Crisis of 2016 12-Month Rolling Public Auction Revenue (Adjusted for Inflation)		Crisis of Covid-19 12-Month Rolling Public Auction Revenue (Adjusted for Inflation)	
	in USD (2) (3)	Indexed vs October 2008	in USD (2) (3)	Indexed vs October 2019
Month 1 (1)	\$12. B	100	\$9.1 B	100
Month 2	\$11.5 B	96	\$8.5 B	94
Month 3	\$11.6 B	97	\$8.5 B	93
Month 4	\$11.6 B	97	\$8.5 B	93
Month 5	\$11.2 B	94	\$8.6 B	94
Month 6	\$11. B	92	\$8. B	88
Month 7	\$11. B	92	\$7.6 B	83
Month 8	\$9.9 B	83	\$5.3 B	58
Month 9	\$9.5 B	80	\$5.2 B	57
Month 10	\$9.3 B	78	\$6.4 B	70
Month 11	\$9.2 B	77	\$6.4 B	70
Month 12	\$9.3 B	77	\$6.4 B	70
Month 13	\$9.1 B	76	\$6.8 B	74
Month 14	\$8.3 B	69	\$5.3 B	58
Month 15	\$8. B	67	\$5.9 B	64
Month 16	\$8. B	67	\$5.9 B	65
Month 17	\$7.6 B	63	\$5.5 B	60
Month 18	\$8.4 B	70	\$6.1 B	68
Month 19	\$8.4 B	70	\$6.8 B	75
Month 20	\$8.6 B	72	\$8.6 B	94
Month 21	\$8.5 B	71	\$9. B	99
Month 22	\$8.5 B	71		
Month 23	\$8.6 B	72		
Month 24	\$8.6 B	72		
Month 25	\$8.9 B	74		
Month 26	\$9.7 B	81		
Month 27	\$9.8 B	82		
Month 28	\$9.7 B	81		
Month 29	\$9.9 B	83		
Month 30	\$9.8 B	82		
Month 31	\$9.7 B	81		
Month 32	\$10.7 B	89		
Month 33	\$10.6 B	89		
Month 34	\$10.6 B	89		
Month 35	\$10.5 B	88		
Month 36	\$10.6 B	88		
Month 37	\$10.5 B	88		
Month 38	\$10.2 B	85		

(1) Month 1 is October 2015 for the crisis of 2016 and October 2019 for the COVID-19 crisis (2) Combined 12-month rolling worldwide revenue from public auction at Christie’s, Sotheby’s, and Phillips. (3) Revenue adjusted for inflation.

4. Conclusions

The COVID-19 pandemic affected the public auction market in a manner that has little historical comparisons. The distinctive W-shape of the impact of the COVID-19 pandemic on trade at public auctions reflects the tribulations experienced by the auction houses as they struggled to cancel and postpone live auctions, move online, and create new auction formats better adapted to the online world. As the auction houses adjusted to the new reality, revenue bounced back in the beginning of summer 2020 but fell again after the summer before finally starting to grow sustainability in spring 2021. Through their struggle,

the top three auction houses eventually managed to transform their businesses from a world of mostly live auctions to a mix of live and online reality. After years of investments in their online infrastructures, the COVID-19 pandemic may have provided them with the right conditions to finally convince some art collectors about the benefits of the new digital world but most importantly to find a new group of collectors who are most comfortable online. With new opportunities appearing thanks to the rise in demand for NFTs and the rapid growth of new virtual communities of NFT collectors, the auction houses definitely are in a better place to leverage their improved infrastructures and provide the art world with an offering reflecting both the past and the future of art. At least one thing is certain: the public auction world will never return to the pre-Covid reality.

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Conflicts of Interest: The author declares no conflict of interest. Pi-eX Ltd. is an independent third-party data and research provider whose mission is to independently highlight trends in the global art market.

Notes

- 1 “Top Three Houses See 79 Percent Year-over-Year Drop in Second Quarter of 2020”, by Angelica Villa in August 2020, published by The Art Market Monitor (Villa 2020).
- 2 Pownall (2017). *TEFAF Art Market Report*.
- 3 In their article “*Imperfect Data, Art Markets and Internet Research*”, the authors highlight why current and aggregate data on auction markets, both offline and online, can be hard to come by. (Van Miegroet et al. 2019).
- 4 The dominance of Christie’s and Sotheby’s in the art market is highlighted in Don Thompson’s book “*The Supermodel and the Brillo Box*”, Part 4 “*The Auction Houses*” (Thompson 2014, p. 137).
- 5 In his book “*Art Law and the Business of Art*”, Martin Wilson, Chief General Counsel, Phillips Auctioneers, describes in details the various forms of online auctions (Wilson 2019, chp. 7, p. 164).
- 6 The 2017 TEFAF Art Market Report (Pownall 2017) provides detailed information on the development of online sales and in particular the history of online sales at Christie’s and Sotheby’s.
- 7 “*Christie’s Announces New \$20 Million Investment as Digital Engagement Drives Growth in the Art Market*”, Press Release by Christie’s to announce further investment in its digital platform (Christie’s 2014).
- 8 “*Sotheby’s and the cybermasses: The most famous name in the art world has gone online. Does it know what it’s doing?*”, in 29th January 2000 published in the Economist, see (The Economist 2000).
- 9 “*Sotheby’s and Amazon.com Strike a Deal to Sell on Line*”, by Carol Vogel in 17th June 1999 published in the New York Times, see (Vogel 1999).
- 10 “*Live Auctions End at Christie’s South Ken. Will Online Sales Fill the Void?*”, by Scott Reyburn in 21st July 2017 published in the New York Times, see (Reyburn 2017b).
- 11 “*Fewer and Smaller: A New Normal for London’s Summer Auctions*”, Interview of Guillaume Cerutti by Scott Reyburn in 23rd June 2017 published in the New York Times, see (Reyburn 2017a).
- 12 “*Sotheby’s Drops Buyer’s Premium for Online only Sales*”, based on Sotheby’s CEO Letter to shareholders and clients released in 8-k filing with the SEC, see (Maneker 2017).
- 13 For further information on the state of the public auction market as of the end of the first semester 2020, see Sotheby’s Reports \$2.5 Billion in Sales (Reyburn 2020).
- 14 As recently as April 2019, the chance of blockchain making an impact on the traditional art market was seen as distant (Ali et al. 2019).
- 15 See Artnet article “*An NFT Artwork by Beeple Just Sold for an Unbelievable \$69 Million at Christie’s—Making Him the Third Most Expensive Living Artist at Auction*”, (Kinsella 2021).
- 16 See The Art Newspaper article “*WTAF? Beeple NFT work sells for astonishing \$69.3m at Christie’s after flurry of last-minute bids nearly crashes website*”, (Jhala 2021).
- 17 For a state of AI-Generated Art sales at public auctions in the Fall of 2019, see (Goldstein 2019).

- 18 For a description of new speculative NFT buyers versus blue-chip art collectors, see the New York Times article “As Auctioneers and Artists Rush Into NFTs, Many Collectors Stay Away” (Small 2021).
- 19 “The Art Market 2017” published by Art Basel and UBS shows how Sales at public auction of fine and decorative art and antiques came under pressure in 2016 with aggregate value falling by 26% (McAndrew 2017).
- 20 “The Art Market 2021” published by Art Basel and UBS shows Sales at public auction of fine and decorative art and antiques suffered a decline of 30% in 2020 versus 2019 (McAndrew 2021).
- 21 Art Price report “2009 Art Market Trends” provides an annual reading of the impact of the 2008-2009 crisis versus previous years.
- 22 “Reconsidering hedonic art price indexes”, *Economic Letters* (Collins et al. 2009).
- 23 Broad analysis of the effect of the 2008–2009 financial crisis on financial markets “No Place To Hide: The Global Crisis in Equity Markets in 2008/09” (Bartram and Bodnar 2009).
- 24 Dynamics of public auctions transactions from 2002 to 2015 “Transformations of the Art Market in the World—Quantitative Approach” (Bialynicka-Birula 2017).
- 25 Analysis of art prices during macro economic cycles in the 21st century “The Art Market at Times of Economic Turbulence and High Inequality” (Solimano 2019).
- 26 Early impact of the COVID-19 pandemic on public auction trade “Top Auction Houses Saw 40 Percent Drop in Q1 Sales Revenue Because of Pandemic: Report” (Villa 2020).
- 27 Review of the art market in 2016 “The art market is a ‘catastrophe’” (Richter 2016).

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Article

“The Show Must Go On”. Ethnography of the Art Market Facing the COVID-19 Pandemic

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Abstract: This paper aims at understanding, from the inside, the impact of the COVID-19 pandemic and the accompanying restrictive administrative measures on the art market. It is based on the interviews and ethnographic surveys made by graduate students from the Ecole du Louvre, from September 2020 to May 2021. This methodology makes it possible to demonstrate that, during the crisis, art market professionals were driven by the motto “the show must go on”. On the one hand, they wished to keep a straight face and remain silent on their individual difficulties, preferring to talk about their vocation and the positive effects of the crisis. On the other hand, the commercial activity continued despite everything; if the pandemic accelerated the digital turn of the art market, the physical contact with the works and the collectors remained primordial. The art market thus remained physical but accelerated its digital turn. The proportion of each interactional framework—physical and digital—is still uncertain, difficult to measure today and to predict in the long run.

Keywords: art market; COVID-19; pandemic; ethnography

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Analyzing the art market in a comprehensive way is a complex challenge, especially in times of crisis. Although newspapers regularly publish the results of auction sales, showing sensational hammer prices, the art world remains confidential and quite closed to researchers. Indeed, for the 19th and early 20th century art market, account books remain rare¹, and, when they exist, they can be difficult to access even a century later. As a consequence, the art market studies therefore generally stop at the secondary market, at the level of auction sales² or they focus on specific monographs of dealers and galleries.³

As Alain Quemin notes⁴, the most recent reports analyzing the art market contradict each other on the figures because it is impossible to accurately estimate the activity of the primary market, that of the galleries: held by the culture of secrecy, they do not communicate the state of their turnover in an exact manner, hence some variations between reports. The difficulties of access to sources and the asymmetry of information therefore make any global research on the art market difficult, not to mention the lack of historical perspective on the COVID-19 pandemic and its effects on the art market, both in the short term and, of course, in the long run.

Nevertheless, the researcher can still observe the art market from the inside, and prefer the qualitative to the quantitative. To have access to the art market “from the inside” is not an easy thing. Some works by sociologists, heterodox economists or geographers based their research on interviews with art market actors⁵ or with collectors,⁶ allowing them to understand the formation of value, the segmentation and functioning of the different art markets and their globalization. However, interviews can prove to be powerless to grasp the internal upheavals in times of crisis because market players cultivate discretion and master their discourse, being true professionals of communication. It is therefore necessary to go beyond interviews alone, to the heart of the art market. Coupled with the interviews, the ethnographic method—through the students’ internships—thus allows one to grasp, from the inside, the consequences of a crisis on the art market.

This article therefore seeks to understand, from the inside, the impact of the COVID-19 pandemic and the accompanying restrictive administrative measures on the art market.

It is based on interviews and ethnographic surveys conducted by students of the “art market” program at the École du Louvre between September 2020 and May 2021. This methodology, described in Section 1, makes it possible to demonstrate that, during the crisis, art market professionals were driven by the motto “the show must go on”. On the one hand (Section 2), they wished to keep a straight face and remain silent on their individual difficulties, preferring to talk about their vocation for their profession and the positive effects of the crisis. On the other hand (Section 3), the commercial activity continued despite everything; if the pandemic accelerated the digital turn of the art market, the physical contact with the works and the collectors remained primordial.

1. Students, Pre-Professionals, . . . Ethnographers?

The ethnographic material on which this article is based was collected by students of the École du Louvre, who are following the “art market” program.

1.1. A Master Based on Encounters with Professionals

After a year of “second cycle” at the École du Louvre, centered on museology, students choose one of five routes for their second year, at the end of which they receive their diploma, i.e., the equivalent of a master’s degree.⁷ They can specialize in “research” routes (“history of art, research applied to collections” or “museology research”), or choose from among the three “vocational” routes, i.e., “mediation”, “heritage professions” or “art market”. The classes in the “art market” program are small—twenty students per year, with different backgrounds; in addition to students who have completed their first year of graduate studies at the École du Louvre (about two-thirds of the class), there are students who have completed a double degree between the École du Louvre and ESSEC Business School, or a double degree between the École du Louvre and Sciences Po Paris. This year, two students have been selected internationally—from Russia and Switzerland. The class is very feminine; out of 20 students, only two are men. Finally, all the students have in common that they want to work in the art market and have already completed one or more internships with professionals.

The “art market” program, which I have been co-directing since July 2020 with Géraldine Goffaux Callebaut, professor of law, and Sylvain Alliod, editor-in-chief of the *Gazette Drouot*, is divided into two very distinct semesters. Between September and December, students attend classes and seminars, while actively seeking an internship which they complete in the second semester, lasting between three and six months. At the end of this period, they write an “internship thesis” and obtain their diploma. The “art market” program differs from the other Masters 2 programs in that students have numerous contacts with professionals.

Apart from their internship, the students are encouraged to meet with art market players during the first semester, during seminars, and to exchange with them. Thus, between September and December 2020, the students met, as a whole class, with an auctioneer, three gallery owners with different specialties—contemporary art, ancient art and Oceanian artefacts—dealers active at the “marché aux Puces de Paris Saint-Ouen”, an antique dealer, an expert, two decorators, two art advisors, a press agency director, a museum curator, a couple of collectors, an economist and an auction house digital director.⁸ These exchanges took place at the École du Louvre or at the venue/residence of art market professionals. During each encounter, a student was chosen at random and asked to conduct an interview—without taking any notes or recording the conversation—and then to give a written account of the meeting.

In addition to these reports, this article is based on an optional exercise that I asked the students in April 2021, when most of them were starting their third month of internship. They were asked to write a “field diary”, paying attention to the most trivial consequences of the pandemic on their activity and that of the structure that hosted them. Half of the class volunteered and I was able to collect the field notes of ten students who were

doing an internship in ten different institutions—auction houses, art galleries, art advisors, regulatory council or private art foundation.⁹

1.2. *An Ambiguous Material*

Students thus documented the COVID-19 crisis from the inside, through interviews and field diaries. It is legitimate, however, to question the “ethnographic” status of this two-fold material. Indeed, when conducting the interviews in the first semester, the students were not asked to position themselves as apprentice ethnographers, but as future art market professionals. The heuristic approach is therefore not the same: in one case, it is a question of understanding a milieu; in the other, it is a question of inserting oneself into it—very often, the students prolonged the meeting by an exchange of emails with the professional, in order to “develop their network”. The framework of the meeting was not defined as an ethnographic interview, but rather as a teacher–student exchange, during which the professional explained his or her career and experience to the “junior” students, giving them advice: the students did not venture to tackle too openly a “burning issue” or to dig into an aspect considered confidential, at the risk of being seen as unpleasant and compromising their insertion into the professional environment they were hoping to enter. The interview reports thus constitute ambiguous material: if they are ethnographic—which is by definition the “direct” observation of behavior (Weber 2015)—they are ethnographic only in an accidental or incidental way because the framework of the exchange was of a completely different configuration.

In April 2021, I provided students with a course in reflexive ethnography and asked them to apply this method by stepping back from their daily lives during their internship. The material is then less ambiguous than the interview reports because the students added, to their status as professional apprentices, that of budding ethnographers conducting “participant observation” (Malinowski 1922), attentive to the details of interactions and eager to objectify the world in which they work, as they were privileged observers of the art market, being integrated as “insiders” while also being investigators. Nevertheless, despite this training, the ethnographic motivation of this study remains a secondary aspect—the priority being their successful integration into the professional world of the art market. In this sense, this article does not derive from a sociological and ethnographic investigation similar to those conducted by Samy Cohen (Cohen 1999) and Nicolas Jounin (Jounin 2014) with their classes of students wishing to train in the social sciences.

1.3. *Ethnographers at the Heart of the Pandemic*

Students in the *École du Louvre*’s “art market” program were privileged witnesses to the COVID-19 crisis, as they followed their course between September 2020 and June 2021. They, unfortunately, observed and lived the impact of restrictive measures on this sector of activity, the timing of which should be recalled. By the time the *Ecole du Louvre* master started in September 2020, auction houses and art galleries had been open for a few months—at the end of May 2020 in continental Europe, 15 June 2020 for those in London, 6 July for those in New York. However, on 30 October 2020, faced with a second epidemic wave, the French government decided on a generalized lockdown: in particular, museums, art centers and non-essential businesses had to close—including galleries and antique shops. As a consequence, between September 2020 and 30 October 2020, students in the “art market” program were able to meet with art market professionals at their venue, before entering a second lockdown.

This episode ended on 15 December 2020, but art galleries and auction houses were able to reopen earlier, on 28 November 2020. However, the restrictions were not entirely lifted: a curfew was introduced from 8 p.m., and, in view of the arrival of the variants, France prohibited the entry and exit to or from a country outside the European Union—except for compelling reasons—from 29 January 2021. The acceleration of the COVID-19 crisis led to new measures on 22 March 2021: in addition to travel restrictions (to/from a foreign country, and in a 10 km radius around the home), “non-essential” businesses

had to close again, including art galleries, which depend on the Ministry of Culture. On the contrary, the auction houses, attached to the Ministry of Justice, could maintain their activity. It was not until 19 May 2021 that the sanitary closure of non-essential businesses was lifted, imposing a maximum capacity for customers.

Students were thus able to experiment with more or less restrictive measures, in a differentiated manner in the course of their academic year and in the sector of the art market they chose for their internship. The next two sections provide an analysis of their participant observation and the interviews they conducted.

2. The Culture of Secrecy: Never Complain, for the Art's Sake

The first conclusion that emerges from this two-fold material is the lack of grievances about the COVID-19 crisis and the restrictive measures. No art market professional has openly complained about the economic situation, deploring a drop in activity or a decrease in turnover.

2.1. An Inherently Discreet Profession

In a more or less explicit way, the interviewed actors all emphasize that discretion is compulsory in their profession. For them, confidentiality is an integral part of the art market, whether it be about the clientele or about the works being transacted. A student writes, in the report of his interview with an antique dealer in the Serpette market, at the *marché aux Puces de Paris Saint-Ouen*: “I won't give details about the objects here because the antique dealer wanted us to be discreet”.

By being specialized on “singular” goods—in the sense of the “singularities” analyzed by the sociologist Lucien Karpik (Karpik 2007) and described as incomparable goods and services, not being able to be put in relation to the others—the professionals of the art market aim at removing this uncertainty on the quality of the works, thanks to various tools of judgment and expertise. In this economy of singularities, reputation and word-of-mouth are thus central, in order to guarantee the confidence of customers and colleagues. The same antique dealer explains that if he receives a potential buyer, his neighbors on the Serpette market are on the lookout: if he makes a sale, it is known immediately. “The flea market is a big family”, he says. In the same way, a great Parisian decorator confirms the importance of word-of-mouth, testifying that he has no need to canvass potential customers; they directly come to him. This is also the opinion of a manager of artistic and cultural heritage, whose company communicates mainly by word-of-mouth, and not by an internet site giving examples of past missions. During the student interviews, no art market professional gave the names of their collectors or clients. Even the director of a press agency, specialized in the art market, insists on this culture of secrecy, even though her job is to work on the publicity of her clients: “a great confidentiality and discretion, these are certainly qualities explaining why the persons who entrust me with projects, are numerous”.

During their internship, students were also required to maintain confidentiality, which could take many forms, from implicit trust to a written agreement. While interning in Belgium at a private nonprofit foundation founded by a contemporary art collector, one student wrote: “The foundation is developing new projects and I was asked not to talk about them, everything gets known very quickly in the Brussels art market and they knew that I knew people in that environment”. Similarly, another student, on an internship at an auction regulation council, said that she had “received instructions of confidentiality and discretion that were always formulated in an implicit way”. “For example, during meetings, I was not allowed to take notes, and I had to log in last to be as inconspicuous as possible”. Other students, interning with art advisors or in galleries, had to sign confidentiality agreements about the works, subjects, or collectors they were asked to work with.

In the actual division of labor, a structural homology could be observed between hierarchical advancement in the structure and proximity to clients. For example, a student on an internship with an American art advisors group wrote in her field diary, “I had to

sign a confidentiality agreement at the beginning of my internship, but in reality, being a telecommuter, I communicate by email with my managers and no one ever told me for whom I was doing research”.

2.2. Crisis or Opportunity?

Discretion being intrinsically linked to the art market professions, it is not surprising that the crisis was minimized at the time of the interviews. No professional openly lamented a decrease in activity. Only the director of the Professional Committee of Art Galleries (CPGA) spoke of gallery losses, approaching—30% or—40% after the first lockdown, or even—50% at the time of the interview in December 2020, relying on the impact study carried out by the CPGA with 279 galleries¹⁰, but never addressing the financial situation of her own gallery. On the contrary, a student, doing her internship in the Parisian modern and contemporary art gallery that had employed her since December 2019, was able to follow the entire COVID-19 crisis and confide, in her field diary, that the activity decreased during the pandemic period, both in the number of exhibitions and in the number of works sold.

During the interviews, professionals were less direct and presented the crisis in a positive light. Thus, the pandemic was less of an obstacle than an opportunity. A Parisian art advisor evokes “a positive phenomenon” as far as she is concerned because she was able to visit more frequently than before the studios of French artists thanks to the time freed by the absence of travel. She adds that defending national artists brings her a lot of pleasure, despite the international vocation of her gallery. The lockdown and restrictions on travel abroad would have freed up time for artists and art objects, both for professionals and, on the demand side, for collectors and clients. An antique dealer from the Serpette market thus reverses any negative preconceptions of the COVID-19 crisis: “the current context is favorable: with the crisis, collectors can turn to less speculative values. Spending more time indoors encourages investment in furniture”. The art advisor confirms this aspect: “thanks to this new free time, buyers have taken the time to do research and have become even more interested in artists and works”. Thus, according to this rhetoric, the crisis would have allowed a return to “safe havens”, to a more sincere and less speculative art.

2.3. From the Economic Register to the Vocational One

The professionals thus deter from the economics, avoid addressing the financial impact of the health crisis on their activity, and systematically move towards a more vocational register, linked to the “art’s sake”. It should not be forgotten that the art market professions, based on the expertise of “singular” goods, rely on information: before being specialists in an artistic segment, the market professionals are above all communication professionals. In this sense, they belong to a “difficult environment” for ethnographers (Chamboredon et al. 1994; Cohen 1999; Laurens 2007) because, during the interview, they easily manage to master the interaction and to define the situation. The rhetoric of the passion for art, vocation and the metaphor of the eye thus comes back like a joker to dodge potentially embarrassing questions in an elegant way. For instance, to the question “what has the crisis changed in your profession?” a Parisian antique dealer answered: “the added value of the dealer is to save objects, to be able to guess the masterpiece under the dust or the treasure at the bottom of the box”. In an interview, the art advisor reveals the workings of this rhetoric—i.e., not to explain the economic difficulties but to talk about art and artists—as she explains: “no matter how many waves there are in this great tsunami, the show must go on. For that to happen, gallerists need to self-discipline, talk more about art and support artists in their studios”.

The same vocational and passionate discourse favors sales. The antique dealer continues: “Passion allows us to make the eye. It is much easier to seduce a buyer when you are yourself under the spell of a work. It’s no coincidence that I sell the objects I love much faster than those that leave me indifferent. When the antique dealer has no interest in the object, his argument falls flat. The sincerity of heart in front of the art is the biggest strength

of the dealer". Another antique dealer, well established in Paris, confirms the importance of affect: "It is essential to buy works that we like, they will then automatically fit into a setting composed of works to our taste and it will be easier to talk about them and resell them to collectors".

The control of the interaction between art market professionals and student-ethnographers, or between professionals and their potential clients, is achieved through discourse but also through a whole symbolic arsenal—clothing, body posture, a sumptuous setting for the interaction that produces an "intimidation through space" (Chamboredon et al. 1994; Pinçon and Pinçon-Charlot 1991). The restrictive measures linked to COVID-19 have, precisely, redefined the relationship to geography and space, imposing a physical and social distancing and restricting international travel.

3. A New Interactional Framework?

If there is one visible aspect of the pandemic, and one that art market professionals readily attest to, it is the upheaval in the interactional framework of transactions.

3.1. *The Inevitability of a Digital Turn?*

The most obvious impact of the COVID-19 restrictions was the slowing down of a globalized market and the sudden cancellation of fairs and biennials. One student, who signed an internship agreement with an American art advisors group, deplores the fact that her internship was carried out from home: "without COVID, I would have gone to New York where I could have accompanied the managers during visits to collectors. The pandemic has a very heavy impact on my internship, as I am doing research on works that I have never seen or touched . . . ". On the demand side, a student recounts in the field diary her experience in a contemporary art gallery, and notes a decrease in the international clientele, accustomed to the neighboring Parisian palaces: "All the clientele from the Bristol, the Collectionneur, the Reserve etc. (which constitutes the main source of new clientele) obviously could not come". She notes, however, a substitution of physical purchases, in the gallery, by online purchases: "Clients abroad were certainly unable to come, but most of the time they bought the works they wanted for fear that they would be sold to someone else".

As a consequence, art market professionals would have had to turn to digital to make up for the stoppage in international travel and to keep their business going. The galleries that did well, according to one Oceanic art dealer, were those that had an online presence. One antique dealer, active in the Serpette market, confided that during the lockdown, he had failed to embrace the Internet and social networking. "Seeing that many of my antiques neighbors have managed to sell some of their objects, I am now working on developing my digital network to find new buyers", he explained.

If the presence of dealers on online platforms—such as Arnet, Artsy or Proantic—has inevitably increased, the ethnographic survey allows to specify the concrete uses of this digital activity. While doing her internship in a Parisian contemporary art gallery, a student writes in her field diary: "If we were already on Artnet and Artsy before the pandemic (and we did not change our activity on them), it seems to me that we received slightly more inquiries via these platforms. Without being very precise, I would say that we sold between two and four works through this intermediary. Since the pandemic, we systematically do a virtual tour of our exhibitions, putting this link on our website, and sending it to clients in the newsletters announcing the exhibition. We have maintained the same activity on Instagram and the rest of the social networks. Virtual tours are not very effective, do not attract new customers".

Instagram is establishing itself as an essential and effective medium, very often mentioned at the time of the interviews. The head of communications and events at the Biron market explains that "dealers are using social networks more and more, especially Instagram, which allows them to create a virtual showcase at the international level and sometimes to sell". A press agency manager, specialized in the art market, confirms that Instagram is becoming very prescriptive because this social network has become an im-

portant medium allowing the dissemination of information to a very broad spectrum of individuals and can therefore enter fully into communication strategies. Two dealers cite this social network as an example. The first, an expert in ancient art, confides that one of the only sales he made during the lockdown was thanks to a photograph of the work posted on Instagram. His son, also a dealer, also offered daily documentation around drawings on Instagram, attracting interest from institutions, collectors and dealers disappointed by the cancellation of the Salon du Dessin—and in the process, new clients. The second dealer, who specializes in Oceanic objects, said he made his first sale through Instagram during the November 2020 lockdown. According to him, a link is created extremely quickly in digital thanks to the informal aspect of the presentations on the internet, notably thanks to the communication by the first names directly, which could counterbalance with the French system too formal even “old-fashioned”. It remains to be seen whether this link will last when the collector and the gallery owner meet.

3.2. *What Digital Is Doing to Commercial Interactions*

The growing importance of digital technology in the art market—which the pandemic has brutally accelerated—is not without effects on the art market. Indeed, the digital is not neutral but, on the contrary, acts on the transaction and on the information. A Parisian auctioneer explains, for example, that digital technology has allowed his auction house to survive and to attract new customers, but at the same time, it has transformed the way of seeing and promoting objects. In the case of auctions, the main transformation is, according to the general manager of Drouot Digital, “the domination of live on the room”, a long-term trend that has been accentuated by the pandemic. Previously, he explains, only a fraction of customers—about 10%—bid from home, mainly by phone or via the deposit of orders. Since COVID-19, online bidding has become the norm, with buyers placing a high level of trust in auctioneers and interacting with them in advance of the sale to ask for details on lots.

The second transformation, again according to the Drouot Digital CEO, is the presence of more distant bidders, induced by online auctions. According to him, a quarter of the registered bidders on Drouot Digital are non-French and half of the global sale proceeds go abroad. Nevertheless, if the internet allows easier access to art sales on the other side of the world and allows dealers to have more visibility, digital technology leads to a third transformation with less positive effects, a dealer of Oceanian objects explains. He illustrates this upheaval with a recent example: “An object estimated between 2000 and 3000 euros was auctioned at 900 euros and, being the only bidder, I won the sale at that price. Afterwards, a collector, who had seen the result of the auction on the internet, contacted me to find out the price I was offering in the gallery. I told him 18,000 euros, and the collector cried foul, accusing me of thievery. But I reminded him of the external expenses and marginal costs associated with the purchase of each object, and I insisted that my expertise also has a price”.

The same scenario occurred for a Parisian antique dealer, who insists that with the internet, everyone has access to small sales and, therefore, can see how much an object has been purchased: the dealer who travels across the world to see an object will often find himself facing many dealers who will not have moved. According to the dealer of Oceanic objects, the price transparency that the Internet induces is not bad if it is accompanied by a discourse explaining the procedures, the external expenses and the professional status that justify the differences in price between the auction and the resale in the gallery.

When asked by the students about the reduction of information asymmetry, an Art-price economist differentiated between information transparency and market fluidity. According to him, it is true that online sales have allowed for a real acceleration of the art market, a greater fluidity. However, it is not proven that the art market has become more transparent with digital, by giving more information. Some auction houses do not necessarily publish their results—like Sotheby’s for its online-only sales until a few months ago, he explained during his interview in December 2020. Moreover, the condition and

location of lots is not always certain. Even if online-only sales display the number of bidders interested in a lot, transparency would therefore be less good than for traditional sales, he concludes.

3.3. *When the Physical Resists: The “Brick and Clicks” Model*

If the digital turn has accelerated with the pandemic, the art market is not about to become totally immaterial. All the interviewed professionals stressed the importance of physical and traditional places to frame transactions. Contacts with the works and with collectors are essential, as the pandemic has revealed.

For instance, a totally dematerialized expertise is being debated. Questioned on the development of digital technology, a gallery owner, also an autograph expert, deplors the enthusiasm of the art market for online expertise. For him, the whole role of the expert suffers because an expert can make the owner of a work of art win or lose important sums. It happens more and more frequently that experts decide not to pronounce themselves, for fear of threats or reprisals. Thus, many experts speak out against online expertise, arguing that it is not possible to judge a work without seeing it in real life. This is also the position of a major Parisian expertise firm, which never gives an opinion from a distance. Another dealer and expert in old paintings and drawings is not as categorical and, in front of the students, admits that he sometimes gives his opinion on a photograph, as the visual already gives a certain number of clues about the work. However, he also recognizes that this does not replace a physical expertise, which completes this first analysis. This flexibility allows him to give his opinion on a large number of works and to capture a wider clientele.

With the COVID-19 crisis, the art market would have become half-digital, half-physical, with the digital part depending on the nature of the work and its capacity to do without human contact. According to the interviewed Artprice economist, not all market segments work equally well online. In particular, sculptures and objects in relief are difficult to apprehend on the basis of photographs, whereas artists such as George Condo or Andy Warhol are more “online friendly”. The dealer of Oceanic objects confirms this analysis and takes the example of two recent sales of tribal art, by Christie’s and Sotheby’s: Christie’s had decided to maintain both channels, physical and live, and obtained much better results than Sotheby’s, which had only made one live sale. While aware of the importance of digital, an auctioneer, director of a Parisian auction house, attaches great importance to the Hôtel Drouot, “a magical place, unique in the world”. His ambition is to develop his website for the Hotel Drouot, which will centralize all the sales, to become “an essential and universal platform as well as physical and virtual”.

If the physical places are essential, “magical”, it is because they allow us to create customer loyalty by guaranteeing the credibility of the professionals of the art market, thus the confidence. Physical venues are thus part of the communication strategies, despite the fixed costs they entail, and they participate, more than the online platforms, in a symbolic arsenal allowing to establish a certain connivance with a clientele, thus to create loyalty. A dealer at the Serpette market insists on the importance of contact with collectors, whom he generally receives face-to-face. In the same way, the American art advisors company, in which a student is doing a telecommuting internship, still receives clients “face to face” for very important cases, in dedicated offices, and the managers continue to travel to the collectors’ homes to study their works. With the lockdown, explains another student, an intern in a Parisian contemporary art gallery, physical interactions have decreased, especially dinners with clients, which the salespeople used to organize for collectors coming from abroad or whom they had not seen for a long time. In addition, she continues, the sales staff used to be able to receive them in a small salon in the gallery, to discuss them over drinks, but this is no longer done. One imagines that these intimate exchanges will have resumed with the lifting of the restrictions.

The symbolic importance of the physical place can be read in the students’ accounts of their visit to a couple of decorators, who received them in their private mansion: “The couple receives their clients in their private mansion, which does not face the street but

which remains away from prying eyes and in an intimate atmosphere conducive to confidence and discussion, like the candlelit dinners they organized there before the pandemic. A stone staircase led us to the first room of this exceptional place, the guard room. It was here that Mr. *** was waiting for us, who was generous enough to open his living space to us. We are instantly projected in the past. The couple pays great attention to the subdued lighting: the chandeliers and wall lamps with candles are at eye level. Hearing also plays a role in this muffled atmosphere. The sound of the crackling of the floor is preserved thanks to the shreds placed underneath. These multi-sensory elements contribute, according to Mr. ***, to the relaxing atmosphere essential to a prestigious home. The two decorators have made their mansion a welcoming and above all lively place: who would have thought that a little black cat could sit on these 17th century armchairs?"

This long diary extract allows us to objectify the effect of a place carefully elaborated by two art market professionals on visitors, and thus to understand the crucial role of an environment crossed by art and prestige on potential clients. The physical place gives a strong identity to professionals, unlike a single online platform. This is also the reason why some professionals say they still send a paper version of their catalog. The contemporary art gallery that can no longer receive its foreign clients in the small salon continues, nevertheless, to contact a large number of clients by telephone, under the guise of asking them to confirm their address in order to send a signed catalog. For example, many sales have been made through this means, writes the student who is doing an internship there. In the same way, a Parisian auctioneer explains that he is pleased to "cultivate the French charm by continuing to publish and send the paper version of the catalogs".

4. Conclusions

The ethnographic survey thus reveals the importance of the symbolic in making it through the COVID-19 crisis. In interviews, art market professionals kept their heads high by refusing to talk about their concrete economic and financial difficulties, and by bringing the conversation to a more vocational level: according to them, the pandemic would have been positive because it would have freed up time to do research, to take a greater interest in artists and works, and thus in less speculative values. On the symbolic level, too, the digital turn, accelerated by social distancing, has not eliminated the importance of physical places to cultivate the identity of each professional and retain collectors, by establishing a "privileged" link on the occasion of intimate meetings.

The art market thus remained physical but accelerated its digital turn. The proportion of each interactional framework—physical and digital—is still uncertain, difficult to measure today and to predict in the long run. This paper, written at the end of May 2021, cannot therefore conclude on this aspect. In particular, it is impossible to predict at this time whether fairs and biennials—and if so, which ones—will play as important a role in the art market as they have in the last twenty years. After a sudden halt, will they be as important to the art market when the travel restrictions are lifted? If so, which ones and on what criteria? Only the hindsight of history will tell.

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Notes

- 1 The Getty Research Institute and the Wildenstein Plattner Institute make available the account books of Goupil, Knoedler, Féral, and Vollard, but these are the exceptions.
- 2 This is the approach that motivated my Ph.D: being unable to access the account books, I based my analysis on the archives of Parisian auctioneers between 1830 and 1930 (Saint-Raymond 2021).
- 3 For instance, Julie Verlaine devoted her Ph.D to a group of Parisian art galleries (Verlaine 2012) and, more recently, a monograph on Daniel Templon (Verlaine 2016).
- 4 Remarks by Alain Quemin during the discussion of the international colloquium "Beyond Borders", organized by Vera Mariz and Léa Saint-Raymond, on 2 and 3 November 2020.
- 5 See (Benhamou et al. 2001; Ithurbide 2021; Molho 2015; Moulin 1967, 1992; Patin 2016; Quemin 1997, 1998, 2021; Velthuis 2007).
- 6 See (Derlon and Jeudy-Ballini 2008; Mercier 2012; Moureau et al. 2016).
- 7 <http://www.ecoledulouvre.fr/en/courses/life-student/second-cycle>, accessed on 29 May 2021.
- 8 For confidentiality reasons, the names of these actors are made anonymous. The seminar speakers were selected by Sylvain Alliod or, at his request, by Carole Blumenfeld. The "internship thesis" are different from this material.
- 9 In the interest of confidentiality, the names of these actors are also made anonymous, as well as the students who carried out this survey.
- 10 http://www.comitedesgaleriesdart.com/sites/default/files/atoms/files/cpga_cp_impact_crise_sanitaire_et_eco_sur_galeries.pdf, accessed on 29 May 2021.

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Article

Why COVID-19 Will Not Change the Global Art Market

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Abstract: This article investigates the valuation of artworks during the COVID-19 pandemic. It examines how art market participants employ fictional expectations of the future to stabilize valuations during uncertain times. A total of 86 forecasts originating from both the center and periphery of the global art market were analyzed. Taking a meta-analytic approach, focus was placed on what each analysis predicts, how it constructs the future it purports to know, and how the expected value of artworks and methods for their purchase are justified. This uncovered the paradoxical reality of art market forecasts—their authors are convinced that the power of crisis could reformulate the art market, but their conclusions do not assume the possibility of real change. Further, the argument is made that speculation about the future is at the core of today’s art economy. Therefore, in a crisis, market participants conservatively orient themselves toward artworks that already have established value.

Keywords: art market; COVID-19; forecasts; valuation studies; sociology of art; artworks; visual arts

1. Introduction

Let us review the press and reports titled “The Impact of COVID-19 on the Art Market”, “Art will survive the hard times of the plague”, “On the future of the art market and art fairs post-coronavirus”, and “How are galleries and institutions adapting to the art world’s ‘new normal?’”. Similarly, the main question posed in this Special Issue of the *Arts* journal is “How has COVID-19 affected the global art market?”. Searching for signs of the impact of the pandemic on the art market and trying to predict its future have together become a central problem for analysts. Inherent within these and similar countless statements and queries is a firm conviction that the pandemic is a crisis, an extraordinary situation. Depending on the context, this crisis is treated as a moment of truth, a moment of trial, or a moment of revaluation (Koselleck and Richter 2006; Roitman 2014). A closer look into the same analyses and reports unveils a paradoxical reality. In fact, neither assume that tremendous, fundamental change in the art market could or would occur.

I will argue in this article that speculation about the future is at the core of today’s art economy. Therefore, in a crisis, market participants conservatively orient themselves toward artworks that already have established value. For this article, I analyzed 86 forecasts originating from both the center and periphery of the global art market. Taking a meta-analytic approach, I concentrated on what each analysis predicts, how it constructs the future it purports to know, and how the expected value of artworks and methods for their purchase are justified. In this context, my title “Why COVID-19 will not change the global art market” is meant to be provocative. This article will not aim toward further speculation about the future but will rather focus on the present. “Time, as often assumed, does not exist” states Elena Esposito (2011, p. 20), who then adds “The past and the future are never given in the concreteness of actuality. What is, is always present”. The future is always uncertain, fundamentally unknown, but nonetheless it is by forming expectations, hopes, aspirations, or speculations about the future that economic actors conduct their actions in the present (Beckert 2016; Boltanski 2011b; Esposito 2011). This article’s conceptual premise is based on a stream of research in social science which attends to the perceptions of the future as significant, while being often overlooked, explanations of social outcomes (Beckert and Suckert 2021).

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Notions of time and temporality have become pivotal for today's attempts to understand contemporary capitalism (Beckert 2016; Harvey 2005; Rona-Tas and Hiss 2011). A key question asked by economists is: How do we forecast the future to reduce risk and ensure profit? More disinterestedly, a similar question is posed by sociologists: How do people act in conditions of constant uncertainty? Uncertainty inherently accompanies human actions but, as many intellectuals point out, uncertainty has never been higher than it is today, and that is a consequence of how value is currently produced and thus by which profit is gained.

People are trying to deal with an unknown future and thereby reduce uncertainty in various ways. They are trying to gain access to it, but if what exists is present, their reachable future will always be a form of speculation, imagination, or expectation. Such efforts to cope with tomorrow's uncertainty today are conceptualized differently as "fictional expectations" (Beckert 2016; Beckert and Bronk 2018) or "futurework" (Fine 2007; Hoppe 2020). All of these efforts pay attention to how people employ imaginaries, narratives, judgments, and calculations to navigate themselves and make decisions about future actions. Predictions themselves are not incidental. First, they are embedded in social norms, institutions, patterns of action, and culture. Second, their creators are reflexive and observe other observers (Stark 2013; Esposito 2013; Esposito and Stark 2019). All of the above indicates that foreseeing the future is never indifferent because it could be performative. The source of efficiency of every prediction counterintuitively relies on its fallibility. This is a consequence of the fact that prediction usually does not take into account its own appearance. To some extent, this is what Merton (1948) called "the self-fulfilling prophecy".

In this article, I treat analyses considering the future of the art market as fictional expectations, the imaginaries and narratives that people employ to act as if they know the future, providing the confidence needed to undertake actions with unknowable outcomes (Beckert 2016). I treat them as cases of futurework, a concept that emphasizes "the occupational mandate of transforming an uncertain future into determinable information" (Hoppe 2020). Some authors of these analyses, such as Art Basel and UBS, possess an authority that makes their forecasts credible and legitimate, likely more so than some other authors (such as lesser-known journalists or lower-profile journals).

To solve the puzzle posed at the beginning—the paradox of predictions that arises from the conviction in the power of crisis to reformulate the art market, and their conclusions that do not assume the possibility of real change—I will introduce in the next part a pragmatic perspective for artwork value creation, or in Luc Boltanski and Arnaud Esquerre's words, describe "the passage from the state of trash to that of a sought-after object" (Boltanski and Esquerre 2020, p. 183). I will first point out the structures and devices that people employ when trading artworks despite the uncertainty embedded in them. I will then argue that future orientation is fundamental for artwork valuation and, therefore, in a situation of crisis, forecasts play a crucial role in value setting. Later, I will analyze a collection of forecasts of the art market in terms of how market participants cope with uncertainty. I will point out how people assess potential value in artwork and what the fees for these assessments mean. Finally, I will conclude that the paradoxical nature of predictions arises because they are devices involved in artwork value production, and from that comes their conservative bias toward the durability of value and the predictability of the art market.

2. The Passage from the "State of Trash" to That of a Sought-After Object

How does an object rise to the status of an artwork? How can it possess value and become a tradable commodity? These questions are central for the sociology of art (Becker 2011; Bourdieu 1996; Moulin 1994; White and White 1993). Artworks are constantly oscillating between two extremes—being a worthless object, trash, or artifact on the one hand and a highly valuable artwork on the other. This uncertainty is inscribed into the existence of all works created by artists. Some of them are forgotten or destroyed as time goes by. Others gain value, or they are rediscovered. The future value of artworks,

like every future, is uncertain. The value of artworks is exceptionally uncertain since it is based on the valuation of their future. According to Jens Beckert (2020, p. 298), the art market can be understood as a “market from meaning”, that is, such markets where “quality is not an inherent feature of the product or cannot be known in the present because of the uncertainty of future development.” Moreover, this uncertainty is enhanced by the uniqueness and incommensurability of works created by artists (Karpik 2010).

If the level of uncertainty were too high, there would be no exchange on the art market. It would not be possible to set the price for artworks, and so artworks would not be commodifiable. However, it is evident to all that the art market exists. The last decade has brought visible growth in the volume of transactions and the total value of the global art market (McAndrew 2020a). There must therefore be ways of reducing the uncertainty that enables acting on the market. I perceive the art market as a space that is foremost defined by the circulation of artworks as commodities. After Boltanski and Esquerre (2020), I take a pragmatic perspective on the economy and state that within capitalism there is a plurality of setting value orders. In other words, the value of commodities can be generated in different ways. Inquiring valuation processes can deliver a better understanding of current capitalism conditions.

There are different explanations of how actors deal with uncertainty. One set of conceptualizations in the social sciences focuses on the structural–institutional aspects of reality, while another concentrates on the resources employed by humans. The first group refers to those people’s actions that are not accidental but are structured by institutions. According to Boltanski’s sociological program, which he has been developing for the last three decades (Boltanski 2011b; Boltanski and Chiapello 2007; Boltanski and Esquerre 2020; Boltanski and Thévenot 2006), institutions are primarily semantic in nature. Their role is to help people determine the “whatness of what is” (Boltanski 2011b, p. 56). Institutions allow people, out of the infinite chaos of reality, to choose which elements they will look at a second time. Boltanski and Esquerre (2020) group institutions that serve to value goods under the concept of “forms of valorization”. Forms of valorization are discursive structures that enable people to associate things with an appropriate way of valuing them. With these structures, people are able to engage in commodity exchange—to estimate and evaluate prices. In the case of this study, it means that art market participants share a similar conception of artworks as a commodity and value them in relation to it.

The second set of conceptualizations focuses on human creative capabilities and human agency. People make use of various devices that help them to reduce uncertainty and to generate and stabilize value. In this context, scholars underscore in contemporary markets the prominent meaning of narratives (Beckert 2016; Beckert and Aspers 2011; Boltanski and Esquerre 2016, 2017, 2020; Boyer 2018). Arranged within narratives are relations among things, persons, actions, and states of the world. Thus a sense-making “plot” is created, one which allows actors to navigate themselves and justify their decisions (Beckert and Bronk 2018). Narratives combine tenses: past, present, and future refer to each other. Narratives are usually not individual, even if a single entity expresses them. This is a consequence of relying on institutions (Boltanski 2011b) and second-order observation (Beckert and Rössel 2013; Esposito and Stark 2019), which allow synchronization or coordination of the actions of heterogeneous actors (Boyer 2018). Researchers also conceptualize other devices, calculative (Callon and Muniesa 2005) and judgmental (Beckert 2020; Karpik 2010.) Both serve to amplify the commensurability of commodities and to deliver and coordinate people’s judgments about quality. Calculative devices deliver numbers that allow comparison through calculation—data can be on a micro-scale (e.g., rankings of artists, list of artworks prices) or a macro-scale (e.g., market indices that compare the art markets to other markets) (Lee 2018). There are also algorithms that use such data to calculate the most suitable decisions. Judgment devices take a variety of forms, and Karpik (2010) distinguishes different types, including network, confluence (spatial and time proximity), and authority (e.g., appraisals, rankings, critiques). Serving as examples of these devices are the concepts of futurework and fictional expectations (mentioned in the

introduction), by which I interpret forecasts of the art market. Art market participants in their activities use different devices, like forecasts, rankings, and prizes, to make decisions to sell or buy a specific artwork more confidently. This consequently stabilizes the value of artworks and thus the trading of art.

The aforementioned structures and devices mark the space in which one should inquire when wishing to examine the valuation process. This article analyzes forecasts of the art market future that consist of specific forms of valorization and devices. I intend to focus only on those that are future-oriented. Regarding different studies, I state that speculation about the future is a fundamental feature of artwork valuation (Boltanski 2011a; Bourdieu 1993; Moulin 2018). I am aware that there are other well-described ways of valuing works of art, but I will not go into them here if they do not exist in connection with the future (Antal et al. 2015; Beckert and Musselin 2013; Hutter and Throsby 2008.)

According to Boltanski and Esquerre (2020), two forms of valorization are characteristic of artworks: they are valued as parts of collections and assets. According to the authors of “Enrichment”, the collection form of valorization is dominant for the art market. The collection form includes rare and unique items (Pomian 1990). Their authenticity is essential to their value—closeness to important people, places, and events from the past is appreciated. Goods belonging to this form are taken out of the order of time and are treated as immortal (often they have been created to be so, or they are continuously maintained). Their value depends on their place in the collection or series to which they belong—on how great the lack of a particular totality would be if a specific object were removed. The other form in the art market is the asset form, in which objects like artworks are secondary to money. This is why a significant feature of assets is their liquidity—objects must be easily sellable to be quickly transformable into money. Objects become assets only when they are bought with the intention to maintain or invest capital. They are valuable only if they can bring profit—the value of a specific entity depends mainly on its potential for value growth. This causes a flattening of objects’ characteristics because their differences are reduced only to those important for price justification. In this perspective, the various qualities of artwork, such as authorship, content, size, or materials used, are less important to the buyer than its price potential and whether it can be sold.

In the case of artworks as assets, the future orientation is clearly visible. The valuation of an asset is conducted “in terms of the future revenues that it may generate, which presupposes setting the point in time at which these revenues will be received” (Boltanski and Esquerre 2020, p. 247). In the case of artworks as pieces in a collection, the relation with the future not so obvious. The collection form is oriented toward the appreciation of things extracted from the past—establishing a relationship between a commodity and the past allows actors to emphasize its meaning and authenticity. However, within a collection, valued items can be newly created. As the authors of “Enrichment” soberly noticed, “nothing seems more contemporary than contemporary art, not only because it is shaped in the present, but also to the extent that it boasts of being turned toward the future” (Boltanski and Esquerre 2020, p. 213). To sustain their argument, they propose understanding the valuation of contemporary art as a “retroactive movement” situating the valuer “with regard to the work, in the present but from a vantage point to come, as if the work already belonged to the past or, rather, as if it were, in its essence, so to speak, exempt from the corruption of time” (Boltanski and Esquerre 2020, p. 214). At first glance, the distinction is evident—the collection is about the past, the asset is about the future. Paradoxically, as I would like to argue, a closer look reveals that there is more in common between these two forms of valorization. Both are speculations about a future state. A “retroactive movement” is, in fact, another attempt at anticipation. The difference is subtle and concerns the durability of objects—in collection form, objects are treated as if they were immortal; their asset form is more pragmatic and aligns expectations of the object’s longevity with the growth potential of its value. This means that the valuation of artworks inside their asset form can take advantage of their durability—there is no contradiction here (Dobeson and Kohl 2020). Additionally, I will argue further that retroactive or speculative

movements in valuation are not restricted to characteristics of contemporary valuation of artworks, but exist in the case of older, more appreciated artworks.

The above description of valuation refers to valuation in general. In the context of this article, what happens to valuation in times of crisis is important. In the sociology of valuation, more attention has been paid to the underlying reasons for the failure of value-stabilizing devices. It was examined after the fact why, despite active involvement in performing the future, some market participants failed to do so (Boyer 2018; Rona-Tas and Hiss 2011). However, it is important to look precisely at what happens to valuation processes during a crisis. According to Boltanski (2011b) theoretical framework, the current pandemic crisis can be understood as a critical moment, a moment in which increasing levels of uncertainty put existing ways of valuing into question. Such moments can be good subjects for study because they make available to observers the non-obvious rules that determine human actions and how the different value justifications people employ compete with each other. It turns out, nevertheless, as I will argue on the basis of the analysis, that art market participants act in moments of crisis to stabilize and strengthen existing ways of valuing rather than to undermine them.

In the following section, I will use the above framework to analyze forecasts of the art market created in relation to the COVID-19 pandemic crisis. I will examine forecasts as devices and their contents as discursive examples of forms of valorization. On the basis of evident similarities between forecasts, I will argue that all of them perform the same in a generalized art market, which I interpret as a consequence of the growing homogenization of ways of valuing art. I will then summarize forecasters' predictions to present how speculation about the future of artworks lies at the core of their valuations.

3. The Art Market Future and the Future on the Art Market

I built this part on a qualitative analysis of 86 forecasts of the art market's future. The main criteria for selecting data for the research were creation time, media coverage, and place of origin. The collected forecasts were published between March 2020 and April 2021. I decided to extend the period of collected materials to the maximum in order to diversify the perspectives as much as possible. As the pandemic continued, market participants began to become used to operating under pandemic conditions, which may have changed the nature of their predictions. In the research sample, 33 forecasts come from the first half of 2020, 39 from the second half of 2020, and 14 from the first half of 2021. Although the data vary by the institution of origin, institution type was not a criterion for selection. The forecasts were created by media and by institutions that specialize in analyzing the art market. I excluded this criterion because the same group of experts—analysts, academics, practitioners—speaks through both. The collected forecasts have miscellaneous forms—there are 10 reports, 44 press articles and analyses, and 31 discussions and interviews with experts. In relation to this, the selection criterion was the size of media coverage. Data were selected for those that had the broadest reach and were created by prominent media and art institutions which are reference points for market participants. The last criterion was the place of origin. The forecasts come both from the world's center and periphery—46 of them were created within the largest art markets, the United States of America and the United Kingdom (in total, 64 percent of the global art market value in 2019), and 40 were created within the comparatively underdeveloped Polish art market (less than 1 percent) (McAndrew 2020a). The collected data were in the English and Polish languages. In the following analysis, I shall denote my statements by the number of forecasts relating to them.

Differentiating the place of origin of forecasts is theoretically important. It is impossible to capture the existence of value, which is immaterial and relational. It is impossible to define precisely where the value exists. It somehow exists simultaneously both in a subject and in an object. It somehow exists simultaneously both locally and globally. Pragmatic sociology, aware of this ambiguity, proposes not to look at the value itself but to look at valuation, that is, how value is produced and how it is used to justify prices. From this

perspective, reducing valuation to within national borders would be unjustified. Following Prato and Stark (2013, p. 3) work, valuation is located within attention networks—“an evolving network created by multiple agents allocating their attention and expressing their judgments across multiple situations. Valuation [. . .] is shaped by an actor’s location (or viewpoint) within such an attention network”. With this in mind, I have chosen central (US, UK) and peripheral (Poland) locations in the global network.

This study proposes qualitative insight into predicting the value of artworks. In this regard, I analyzed narratives that are contained within art market forecasts, and I followed how experts were attempting to predict the future and what kind of justifications of artworks’ values they employed in these narratives. Specifically speaking, I extracted from the texts all of the sentences about the future of the art market and interpreted the similarities and differences between them. The frequency of occurrence of specific statements is important but not fundamental to this study—as will be seen further on, some predictions occurred more than 70 times, but others only nine times. I will later argue that there is strong convergence between the forecasts regardless of where they come from—at a general level, they were created based on the same forms of valorization. In this context, the lower frequency of occurrence of some statements is linked to their higher detailedness. This does mean that such statements could appear in other forecasts and so does not make them inconsistent.

3.1. *The Generalized Art Market*

The analyzed material is characterized by significant consistency regardless of the forecasts’ place and time of origin. Wherever and whenever forecasts were published, they have much in common. First, they are extremely coherent and undifferentiated in their predictions. As I mentioned before, the basic way actors deal with uncertainty is based on second-order observation. They observe other observers, who in turn build upon their observation of other observers (Esposito 2013; Esposito and Stark 2019). Thus, such analyzed forecasts quote and refer to each other constantly. Among them, there are noticeable opinion makers who are used frequently as the most credible source of expertise—Art Basel and UBS, Artprice reports in general, and ArtInfo in Poland. The second common feature of forecasts is the object of their predictions. They generally write about the various national, regional, and global markets, but they do so to indicate the level of aggregation of the data. Nonetheless, most of them refer to the generalized art market, which has no geographical or national contours (79 forecasts in total: in English 42, in Polish 37). The nature of the generalized art market is, in fact, an abstract construct, which describes the rules of the art market as if they were universally genuine for any art market wherever it is located. This acts as a reference point or imagination of how the art market works, or what should be valuable and why. In consequence, such a concept does not make geographical divisions. The similarity of peripheral and central descriptions of the generalized art market reveals that the dominant forms of valorization, the status of the artworks as commodities and, tangled in them, ways of valuations, have more in common than it may appear. Therefore, I argue that strong similarities between forecasts show that they perform in the same art market.

What lies behind this generalized art market? I understand it foremost as a stream of narratives that, as I mentioned earlier, arrange the relationships between things, persons, actions, and states of the world. They coordinate the strategies of heterogeneous actors because people use them to navigate themselves and justify their decisions (Boyer 2018; Collier and Tuckett 2021). Thereby, these narratives have crucial meaning in commodifying things by specifying how they should be valued. The most important observation is that there is no remarkable division into forms of valorization in the forecasts. What is, however, visible is a form that combines elements of both collection and asset forms (55 forecasts in total: in English 34, in Polish 21). Artworks are presented as commodities bought for collection or investment objectives; thus, buying art is some combination of collecting and investing. As I would like to argue, the distinction between these purposes is not

fundamental for the commodification process and holds mostly symbolic meaning (Velthuis 2007). There are different usages of the notion of “investment”, and it is important that they are usually relational. First, it exists neutrally as a synonym of purchase, positively as the opposite of speculation, and negatively as the opposite of collection. These distinctions do not fundamentally refer to the commodity but to the power position of its owners. This is clearly visible in the case of “collector–advisor–dealer” Stefan Simchowicz, whose activity is described in one of the reports as “speculative” because of his engagement in enhancing specific artwork prices, while a few sentences later, the well-known gallerist Emmanuel Perrotin is designated as someone “who seems gifted at anticipating cultural phenomena” (Ehrmann 2020, p. 46). It is thus impossible to convincingly draw a clear demarcation line between speculation and investment. As Esposito (2011, p. 77) points out, “In all cases where an operator hopes to gain, by buying now with the intention of selling later at a higher price, he/she is placing a bet on the expectations of him/herself and others”. Such boundary work (Bodnar and Molnar 2010; Lamont 2000) is an outcome of domination struggles, which is important but is not a subject of this study, and I will primarily focus on the anticipatory aspect of their activity.

3.2. *The Future That Is to Come*

“Art has always been a safe house in uncertain times” assures Nicholas Maclean (Brady 2020). I will concisely summarize the fictional expectations provided in the analyzed material. In most forecasts, there exists a firm conviction about the uniqueness of the art market, which distinguishes it from others (53 forecasts in total: in English 26, in Polish 27). The art market is governed by different rules that increase its resistance to external factors. According to the forecasts, the art market will grow as it generally has over the last few decades. The prices of artworks will probably not fall—they will instead stably retain their value. Market growth can be perceived by a volume of transactions or transactional prices, but also by the number of market participants, primarily collectors, and their willingness to purchase art. According to the Art Basel and UBS report, “Across all of the HNW collectors surveyed, 59% felt the COVID-19 pandemic had increased their interest in collecting, including 31% saying that it had significantly done so” (McAndrew 2020b, p. 11). This trend is expected to continue, and the number of collectors will gradually increase (43 forecasts in total: in English 22, in Polish 21). The rich are spending more time locked down in their residencies and they are bored with their interior design; also, they are spending less money on some other status luxury services. That is why the rich will probably be more willing to impulsively spend their growing savings on artworks. In addition, wherever the prediction comes from, there is a sense of confidence that a new generation of collectors is coming into play (13 forecasts in total: in English 7, in Polish 6). Wealthy millennials are treated as the future of the art market—they consume much more than their parents, and they have less sentiment and are therefore more likely to use the internet to buy art.

Even if the art market’s future seems to be bright, some turbulence may occur. It will take place mainly in the gallery sector, which may experience a decline in current revenues, and in the employment sector, where numerous public and private art institutions have already downsized staff or announced their intentions to do so (19 forecasts in total: in English 12, in Polish 7). The forecast authors share a firm conviction that art market intermediaries will come out on top after the pandemic (32 forecasts in total: in English 19, in Polish 13). The source of their confidence is their belief in the ability of art market participants to adjust themselves to changing conditions. There is an established link between the characteristic tendency of artists towards novelty and innovation and art institutions, which should, in their opinion, share the same tendencies (that, obviously, is a misconception). In the above context, an imperative for adjustment is evident (31 forecasts in total: in English 18, in Polish 13). Participants should adjust themselves to the current situation. To support such a claim, one of the experts even used a Darwinian metaphor, saying that those who win the competition “will not be the strongest, but those with the

highest capacity to adapt” (Łasiczka 2020). There is also hope expressed that the pandemic will be a catalyst for change (28 forecasts in total: in English 16, in Polish 12).

Let us look closer at these expected market transformations. The prevailing opinion in the analyzed corpus is that in upcoming years there will be an observable shift of the art market toward digitalization (55 forecasts in total: in English 34, in Polish 21). More and more participants will be presenting and selling artworks online. More events will take place virtually. There will be a noticeable expansion of various hybrid business models—much has been written about bricks-and-clicks models which integrate physical and digital presentation. Accessibility to wider audiences will also increase—it will be easier for them to view and purchase artwork. One of the most visible imperatives for change is the enhancement of price transparency (21 forecasts in total: in English 12, Polish 9). The forecast authors encourage gallerists to make traded artwork prices public—this is expected primarily in the case of the online model. Other shifts will take place on both the geographical and operational scales. The first concerns the oft-repeated phrase “local is the new global”, meaning that galleries should take advantage of the communities in which they are located (18 forecasts in total: in English 14, in Polish 4). Second, the market will consolidate, which means that the position of the stronger participants will be strengthened, and their standards will be imposed (9 forecasts in total: in English 7, in Polish 2). Based on predictions from the forecasts, I shall draw further analysis and emphasize how these possible futures refer to artwork valuations.

3.3. *Valuing the Future*

Time and speculation about the future are central to the activity of market participants. In the analyzed material, much is written about the potential of an artwork and how to assess it. An artwork’s potential, like every potential, exists in the present but strictly refers to the future. As Kosmala (2020) writes, “It is only possible to play for an upward trend in the short term if the object really has potential”. It should be understood that in the present, there exist artworks that are immersed at the same time in the future or, to be more specific, in our imaginations of the future. This potential could be defined as confidence about the high probability of the object’s future state. A collector looking for an artwork to purchase will value it in terms of whether it is valuable because it may be valuable in the future. There is no difference between what the valuer has in mind—disinterested artwork importance or self-interested artwork preciousness—both valuations support each other. Such a collector could choose those from the universe of artworks for which the future is quite certain, or from that which is uncertain. As the authors of “The Global Art Market and COVID-19 Innovating and Adapting” report remark, “Amid an economic downturn, as in 2009, high-quality works of art have provided tangible safe havens for collectors” (Gyorgy et al. 2020, p. 48). Such a distinction between works bearing lower and higher risk is considerably visible in a large number of forecasts (38 forecasts in total: in English 19, in Polish 19). To the first stream belong highly recognized works, like those of the Old Masters segment or the most valuable works of the modern or contemporary art segment. To the second stream belong the rest of the artworks, those of more ambiguous status, especially contemporary artworks created by newcomers to the art world—in Poland known as the Young Art segment. This brings us to the language of the financial markets, where there are safe treasury bonds or deposits that serve well for placement purposes (to retain value or increase it slightly), and the alternative risky derivatives that serve investment purposes (to obtain the highest possible return). This analogy is present in the analyzed data, like in the following example: “Art is like the stock market, you can buy shares of start-ups and expect to make a lot of money, because 1 in 100 will work out, and you can invest in shares of companies recognized on the market, the so-called black horses” (Forbes Editorial 2021). This logic is the same whether considering the asset or collection forms of valorization, because in both cases the advantage is taken from the uncertainty of the future. In the asset form, an investor takes a higher risk to generate a higher profit. Equivalently, in the collection form, a person who is running a new collection—for instance, first deciding

to buy works of an unknown artist—has an advantage over other collectors who would start collecting once these artworks have already appreciated (Boltanski and Esquerre 2020, pp. 186–88). This synonymity is well grasped in the words of a collector commenting on the behavior of other market participants: “They do not spoil the fun for me at all. On the contrary, they buy Fangor’s [the famous Polish painter—F.T.] paintings for a million zlotys, which I bought many years ago for 10,000. I look for artists at auctions who they will be looking for only in 10–15 years. Then they will be classics. This is what it’s all about” (Bartman 2020).

This all brings us to the issue of novelty and innovation in the art market. The most uncertain objects are those that are newly created and those that are forgotten. These are works whose status is vague and for which their value has not yet been fully established. A valuer perceives such objects in terms of their potential. From the valuer’s perspective, the objects are undervalued and they put them through tests that could uncover the “real value” of the specific object. One of the most fundamental tests on the art market is transactions. This is mostly, as I argue, because of the price, which is the transaction outcome, expressing value in an empirical form. Price becomes one of the most profound factors of artwork value. The development of analytical tools has made many qualities of artworks more accessible and measurable, as is explained in the following quote: “The increasing access to data and analytics may provide sophisticated buyers with more transparency and detail on potential purchases, which in turn may impact the prices that artworks will achieve at auction” (Barclay and Pizzo 2020).

This brings us to the asset form of valorization, where the potential price is the main valuation principle. In this context, one understands price as a crucial quality signal (Beckert and Rössel 2013) which provides important justifications for the valuation of a specific artwork. This is evident in the frequently repeated market rules such as “what was once expensive is now even more expensive” (Wojciechowski 2020) or “higher-priced works tended to perform better than lower-priced works” (Gyorgy et al. 2020, p. 9). In this context, it should come as no surprise that it has become a reality that the art market is defined by prices, especially by the highest ones. To use the words of cultural critic Fran Lebowitz: “That’s what we hear about. The prices. I mean, if you go to an auction, out comes the Picasso, dead silence. Once the hammer comes down on the price, applause. We live in a world where they applaud the price but not the Picasso. They applaud the price!” (Scorsese 2021). Such appreciation of high prices can be interpreted in terms of moral outrage, but there is another explanation. It could be treated as a strengthening of the analogy between artistic and monetary values (Moulin 2018; Zarobell 2020), and, with regard to this appreciation of price, should be interpreted as appreciation of passing a significant test—the market test.

It is not the case that all prices are equally reliable. First, the most credible are those that are outcomes of transactions. Second, market participants assess the context in which prices appear, which could give additional confidence about the credibility of a price. On the art market, auction houses and galleries are the important pricing places. The former are especially crucial because of their public character (which of course does not restrict confidentiality) and appreciation of the prices. Such institutions are at the center of attention networks and they influence how participants value artworks. The onset of the COVID-19 pandemic led to public art events being canceled and galleries and museums being locked down. The authors of forecasts have expressed concerns about the suspension of the art market, especially the part responsible for sending quality signals (18 forecasts in total: in English 11, in Polish 7). One collector said: “There is nothing publicly to test the market—no fairs or auctions. It’s holding up business. People don’t really know at what price to trade” (Pogrebin et al. 2020). Prices are essential for economic actors to navigate themselves— if the number of published prices drops dramatically, they have to justify their acquisition decisions because uncertainty about the value of the works increases markedly at the same time. Out of this comes their distrust of digital trade. Until now, prices for works sold exclusively online have been comparably lower than in traditional

sales. Therefore, in the analyzed forecasts, there is visible pressure on sellers to convince their clients that this kind of trade is as legitimate as conventional trade (22 forecasts in total: in English 13, in Polish 11). One expert provides reassurance that, “Once you get to a point where people see online sales maximizing or exceeding value, that would be the tipping point; that’s when you’ll see our business going broadly online” (Pogrebin et al. 2020).

A response to the distrust could be bricks-and-clicks models that do not forsake physical locations but at the same time appreciate digital trade. Artworks should be presented on the internet with a similar degree of precision with which they are presented on site. This means an accurate description of artworks, their physical characteristics, their provenance, their creators’ profiles, and everything else pertinent to their prices. Expanding price transparency is one of the most expected trends in the art market. As Barclay and Del Barclay and Pizzo (2020) argue, “The art market may be ushering in a new world of data, transparency, and efficiency, which could make it even more appealing than it was before”. Lack of prices is understood as one of the main barriers to entry into the art market. The argument is that price publication allows entrants to overcome the inaccessibility of the elite art world and encourage potential newcomers, again by demonstrating that many artworks are accessible. Transparent prices could help participants gain higher confidence about their actions and value and compare artworks more analytically. The visible price transparency imperative comes with another prominent consequence: it strengthens liquidity in the art market. Boltanski and Esquerre (2020) point out five factors that reveal liquidity: transportability, confidentiality, the existence of institutions that can determine the characteristics of things and give price references, the ease of finding a buyer and quick sale, and the number of collectors. It thus becomes clear that the reinforcement of price transparency refers directly to at least three of these factors. The increasing liquidity of artworks brings them closer to being an asset. This phenomenon is evident when we take a look at the current market boom in non-fungible token (NFT) artworks. Cryptoart marketplaces, such as Foundation.app, Niftygateway, and Opensea, are extreme forms of assetization that makes trading art similar to trading on the stock market (Birch and Muniesa 2020; Sidorova 2019). Everyone has access to it, artworks are traded in real time, and all records are transparent. I do not want to say that this is how the art market will look in the future, but rather that changes in the art market infrastructure can enhance a specific form of valorization.

In this analysis, I have presented how market participants are valuing the future as they try to deal with the uncertainty that prevails on the art market. Artworks are compared in terms of their potential. I pointed out that among the many ways to assess potential, valuation through price-related devices is particularly important. In moments of crisis, market participants are directed toward works that already have value—the current price is a crucial argument for the future price. This reinforces conservative attitudes towards action. This observation resonates with the art market transformations described by Raymonde Moulin (2018), who stated that we are witnessing the disappearance of the avant-garde and the emergence of a primacy of novelty. That is to say, the contemporary art world is reevaluating only the artworks themselves, and not the institutions that exhibit and market them. In the context of my study, this would be associated with the development of the art market and a greater emphasis on stability and, thus, to some extent, predictability.

4. Conclusions

The puzzle stated at the beginning pointed out the paradox of predictions which shared a conviction about the power of crisis to reformulate the art market, but their outcomes did not assume the possibility of real change. These forecasts were concerned about the future of the art market, but at the same time, they were confident that the art market would deal with current turbulences. After analyzing the forecasts, I can offer at least two convincing answers to this puzzle. The first is that the forecasts do not only describe possible scenarios of the future, but they are actively committed to creating the future. They are employed to reduce uncertainty and, thus, to help accurately value

artworks. The analyzed data are not only a set of narratives or imaginations, but they also have a strong normative character. As I mentioned earlier, there is clearly an imperative of adaptation, according to which market participants should adapt efficiently and quickly to changing conditions. The normative character was also noticeable in the explicit expectation of digitalization and price transparency.

The second answer is that art market participants are orientated toward stability and internal consistency. It comes to form their efforts to reduce the uncertainty surrounding the value of artworks. This uncertainty is mitigated not only by employing the aforementioned devices but, importantly, it is reduced on a much more fundamental level by likening the ways artworks are valued and how their value is justified. According to Boltanski and Esquerre (2017), profiting from such a heterogenous world as art is possible through the integration of the market into one forcefield, within which financial flows create interdependencies and even solidarity among participants. Of course, it does not exclude the possibility of intense competition among them, but it does protect against fundamental changes in forms of valorization. Otherwise, the existing order of value could be reshaped or shattered, which could reduce the certainty of profiting. The reaction of market participants to the growing uncertainty surrounding the pandemic is a movement towards strengthening the dominant forms of valuation. This is why analysts are calling for greater price transparency and digitalization of the market. Additionally, this is why analysts are encouraging a conservative attitude toward action in the market—saying that what has a value has a price. They prompt buyers to buy established and more expensive works, claiming that this is the best investment in uncertain times. Regardless of whether forecasts come from the center or the periphery, they show the existence of the stream of narratives which I called the generalized art market. At the center of this concept is that it describes the art market as if it were universal, with the same principles of valuation—like valuation in terms of potential future increases in value. In the analyzed data, there are no profound differences between the two dominant forms of artwork valorization—asset and collection. They reinforce each other rather than contradict each other. With reference to Nancy Fraser (2017), I would like to argue that the asset form is dominant for our current highly financialized economy. Therefore, different forms of valorization are adjusted to it, and more and more commodities come under this form. This is how I understand the changes that are amplifying the liquidity of artworks.

Following the above conclusions, I state that even in such uncertain times of crisis, such as the current pandemic, some elements remain durable and are more resistant to change. On the fundamental level, there are forms of valorization, the semantic structures responsible for establishing the order of commodities. There are different lower levels of change usually entangled with the dominant form of valorization, like market infrastructure and devices, but they are historically more volatile and fragile under changing external conditions.

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Article

Art Galleries in Transformation: Is COVID-19 Driving Digitisation?

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Abstract: Compared to other consumer goods markets, art galleries have long been reluctant to innovate through digitisation. However, the global outbreak of COVID-19 forces art galleries to reconsider the role of digital channels. This study aims to provide a better understanding of the art gallery business model and its related difficulties of integrating digital channels into marketing, communication, and sales. Twenty interviews with gallery owners and managers in Vienna and Salzburg were conducted. They were asked about their attitudes towards, opinions on, and experiences with digital channels, and how they reacted to the restrictions caused by COVID-19. The findings verify that COVID-19 has led galleries of any type to reconsider their digital strategy. We identified limitations with respect to digital channels: plain presentation of information online; lacking or distanced personal interaction; online anonymity that disconnects from the social art environment; increased information and price transparency; a more commercial appearance; limited resources for digital adaptations. Galleries striving to integrate digital channels into their business model should pay attention to ensuring that analogue, as well as digital, channels are integrated into a coherent system where personal contact and the physical location remain the core of the business.

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Keywords: art galleries; art market; digital technology; multi-channel strategy; business model innovation

1. Introduction

The gallery business is strongly based on personal contact and social interaction between gallery and buyer, and is mainly focused on physical locations, such as the gallery space and art fairs (Arora and Vermeylen 2013; Smith et al. 2006). In general, the art market is characterised as relatively exclusive and intransparent, which means that information such as prices and the entire sales process are usually treated as private and confidential (Adam 2014). However, this way of conducting business has been challenged by the increasingly readily available information on the Internet and the opportunities that new digital communication technologies offer. Digital channels enable collectors and buyers to make more informed buying decisions (Arora and Vermeylen 2013; McAndrew 2015; Samdanis 2016). They facilitate worldwide networking and communication, enable transactions and acquisitions at a distance, and thereby provide the basis for new business opportunities on the art market (Samdanis 2016). Moreover, they allow galleries to reach new markets and to connect these markets more effectively (Adam 2014; Arora and Vermeylen 2013; Khaire 2015). In general, the Internet has facilitated global visibility of art market participants, making it easier for buyers and collectors to access a broader range of offerings on a global level. This may transform the traditional gallery business model.

In recent years, numerous new digital business concepts and platforms have emerged within the art market that also offer new opportunities for galleries. Websites such as Artfacts¹ and the price database Artnet² provide information about market developments of artists (Bayer 2018; Sidorova 2019; Velthuis 2014). Intermediary sales platforms, such as Artsy³ and Saatchi Art⁴ enable art galleries and artists to offer artworks for sale, similar

to common online shops (Sidorova 2019). Auction houses are hosting online auctions, where people can bid from home, and art galleries have recently started creating virtual showrooms where artworks are displayed and offered for sale (Sidorova 2019). Despite these developments, many galleries are still using digital possibilities merely for creating their “digital business cards” (Arora and Vermeylen 2013; Kohle 2014; Samdanis 2016; Sidorova 2019), and have not considered fundamentally changing their business models by incorporating a digital strategy, and selling art online (Adam 2014; McAndrew 2015; Pownall 2017; Samdanis 2016; Van Miegroet et al. 2019). Considering that younger generations—the “digital natives”—are increasingly falling into the group of potential art buyers and that they have high expectations regarding immediacy and convenience through digital channels, this may be problematic for galleries.

The degree of galleries’ digital technology adaption contrasts with developments in many industries (Arora and Vermeylen 2013; Kohle 2014; Samdanis 2016; Sidorova 2019), which have experienced a major transformation in their business model since the advent and proliferation of the Internet and digital communication technology (Teece 2010; Verhoef et al. 2015). These businesses found it necessary to take advantage of digital channels in order to interact with their various stakeholders and to preserve their prominence and market relevance (Ernst & Young 2012). Many of them have considered a multi- or omnichannel approach, resulting in successfully and consistently integrated information on all online and offline channels (Kumar and Venkatesan 2005).

To date, there have been surprisingly few comprehensive studies on the subject of online art sales in the context of the gallery business. While there are several art market reports dedicated to the economic growth of online sales (e.g., McAndrew 2021; Pownall 2017), they do not address the topic from a social science perspective. Those researchers who addressed this topic have mostly done so in a broader research context or only described general developments (e.g., Adam 2014; Arora and Vermeylen 2013; Kohle 2014; Velthuis 2014). It has been argued that, for galleries, online sales would only be compatible with the lower price segment, while art in the higher price segment cannot be sold online (Adam 2014; Fassio 2019; Khaire 2015; Samdanis 2016). In addition, some researchers suggest that the power and role of galleries could be threatened by developments in digitisation. The transparent nature of online services implicates broad access to information, which in turn has made the formation of opinions and trends more democratic than ever before. Moreover, there is a fear that certain quality standards and the boundary between high- and low-quality art may become blurred (Arora and Vermeylen 2013; Van Miegroet et al. 2019). A more in-depth discussion on all these factors is yet to be prepared. Also, while there are countless research contributions on electronic commerce in the field of consumer goods (e.g., Gefen et al. 2003; Kassim and Abdullah 2008), these findings cannot easily be applied to the online sale of art due to the aforementioned characteristics of the art market and gallery business. Consequently, there is a gap in research on the topic of online sales in the gallery business.

The above-mentioned developments in digital innovation are gaining significance in light of the outbreak of the global COVID-19 pandemic, which has had a tremendous impact on the art market. For months, mobility was restricted for all art market participants, and events and art fairs worldwide were cancelled. As a result, art galleries, as well as other art market players, had to consider alternatives to their current strategies and activities to reach people during this period of restrictions (Gerlis 2020). This study aims to provide comprehensive insights from the perspective of gallery directors and managers on how they perceive the current impact of digital technology on their business, while particularly focusing on the impact of the pandemic. Moreover, this research provides insight into how galleries can best integrate digital channels into their business model. The research question investigated in this paper is “How are art galleries sustaining their businesses in times of digital business transformation and to what extent does the global COVID-19 pandemic play a role?”

Our research is focused on art galleries in the Austrian cities Vienna and Salzburg. Both cities are well-known hotspots for art and culture, have a high density of art galleries, and offer a good balance between galleries with a more national focus and galleries with a strong international focus. This gives a comprehensive picture of the attitude of different kinds of galleries towards the topic of investigation. We categorise galleries in four types, based on parameters such as gallery size, scope, activity, and international significance: Alpha, Beta, Gamma, and Delta galleries (Resch 2011). Since this study covers the exploration of a topic on which there is relatively little pre-existing research, a qualitative approach based on in-depth interviews is the most appropriate. The owners, directors, and/or managers of 20 art galleries were interviewed. They are experts in their business area and are thus able to provide first-hand and in-depth information. The resulting data set was processed through a thematic analysis by coding the statements and identifying patterns and themes.

2. Theoretical Framework

2.1. *The Art Market and the Role of Galleries*

In general, the art market is segmented into the primary and the secondary market. On the primary market, artworks by contemporary artists enter the market for the first time, either in that the artist sells it directly to clients, or through a contemporary art gallery (McAndrew 2010; Velthuis 2011b). On the secondary market, art is re-sold, usually by auction houses or art dealers (Velthuis 2011b). In this paper, we define 'art gallery' as the umbrella term for both contemporary art galleries on the primary market and art dealers on the secondary market. Contemporary art galleries usually keep artworks of living artists they represent on consignment for the duration of an exhibition and, once an artwork is sold, the artist receives a pre-defined share of the sales price (Velthuis 2011a). Especially for younger artists entering the market, there is a great deal of uncertainty regarding their reputation, value, and market development (Beckert and Rössel 2004; Yogev 2009). Art dealers on the secondary market either take artworks from collectors on consignment or buy art and try to resell it at a profit (Velthuis 2011a). On the secondary market, usually more established art is sold, providing the buyer with greater certainty (Resch 2011; Zorloni 2013). In practice, both gallery forms can overlap, for example, in that art dealers can represent living artists or contemporary art galleries can sell artworks that they bought from a collector, and do not stem from the artist's studio.

The role of art galleries in the context of the market is manifold. They are important intermediaries committed to creating the symbolic and economic value of art (Bourdieu 1993; Velthuis 2014). Moreover, they are empowered to set an appropriate price level, to manage supply and demand (Caves 2000; McAndrew 2010; Velthuis 2014), and to build up trust in a fundamentally uncertain market (Velthuis 2007, 2011b). This is done by promoting the artists in the cultural networks and creating demand among potential buyers (Janssen and Verboord 2015). More specifically, galleries host events such as studio visits, opening parties, vernissages, or dinners for selected groups of people (Velthuis 2011a, 2014). Since value is not inherent to the artwork itself, but socially constructed, promotion activities are a way to raise the economic and symbolic value of artists and artworks (Polleit-Riechert 2010; Velthuis 2011a, 2011b). For customers, galleries function as art advisors when they support collectors with their buying decisions, inform them about new trends and emerging artists, and connect them with curators, artists, and other experts (Fillitz 2014). By building personal relationships with collectors, trust in the gallery and quality of the artworks is generated, while also creating the feeling of belonging to an exclusive community (Janssen and Verboord 2015; Velthuis 2014). Having a strong network in the art world is an essential part of the gallery business (Velthuis 2011a). If galleries manage these processes well over some years, they may establish a good and reliable reputation and will be in high demand by collectors and artists alike (Polleit-Riechert 2010; Throsby 1994).

In general, galleries focus their business models on buyers that have particular motives and disposable income. There are multiple motives for buying art: for decorative purposes;

in order to gain social attributes; to belong to a social elite and to distinguish oneself from others; for aesthetic pleasure and the passion for art, which is especially true for art collectors and connoisseurs; and the motive of financial investment, whereby economic criteria of artworks are central. This usually applies to the higher price segment (Schultheis 2017; Velthuis 2007, 2011b; Zorloni 2013). As a general rule, galleries prefer to sell to art lovers and collectors, as the artworks usually remain in their possession for a long time. The reason for this is that when an artwork is owned by a renowned collector, the value of the artist and artwork usually increases.⁵ In contrast, if art is sold to investors who buy art for purely speculative reasons, art becomes a commodity. In this case, there is a risk that the financial value of the artwork could increase or decrease in an unpredictable way when the buyer offers it for sale on the secondary market shortly after acquiring it. This means that the artist's reputation and value could either sharply increase or decrease within a short period of time. Especially when a lower price is reached on the secondary market, doubts arise as to whether the earlier price was justified, leading to greater market uncertainty and buyers potentially avoiding a certain gallery or artists (Adam 2014; McAndrew 2010; Polleit-Riechert 2010; Zorloni 2013).

2.2. Art Gallery Categories

According to Throsby (1994), the art market can be divided into three levels. On the lowest level, small shops, local contemporary art galleries, and art dealers sell art of little artistic and monetary value. Here, art predominantly has a decorative character and there is generally excess supply (Knebel 2007; Throsby 1994). On the middle level, more established art galleries, art dealers, and artists sell art on a regional or national level. Usually, they are located in more or less important art hotspots and sell to both private collectors and public institutions (e.g., museums). The top level is formed by the international market, where the most renowned artists are traded at high prices. On this level, mainly wealthy private individuals but also companies, museums, and speculators buy art (Knebel 2007; Throsby 1994) via agents, such as international auction houses, art dealers, and galleries.

Similar to the three vertical levels defined by Throsby (1994), Resch (2011) distinguishes between four different types of galleries.⁶ The Alpha galleries operate on the top level of the art market. They are known worldwide, have a professional management structure, and have an exclusive group of the world's most important collectors as clients, as well as relationships with top museums. They sell art of the most sought-after artists with a high investment character and participate in the most important art fairs, such as the TEFAF or the Art Basel. Beta galleries have a slightly less professional management structure, are usually nationally known, and sell high quality art. There is slightly less potential for investment and the clients are typically national collectors and museums. They also participate in major international art fairs such as the Art Basel, but with a small booth, or in secondary fairs such as the Art Cologne. The Gamma galleries have a rather intuitive form of management and represent a combination of emerging and established artists that are not featured in the Alpha or Beta galleries. Unlike the Alpha and Beta galleries, they are not trendsetters and attend less renowned art fairs. They do not have a firm collector base, but rather have occasional buyers and do not cooperate with museums. Finally, there are Delta galleries, with an undeveloped management structure and no specific artistic orientation. In these galleries, there is no actual collector base and there are mostly occasional or one-off buyers. They mainly participate in smaller and often local art fairs (Resch 2011). While these four types of galleries are easy to distinguish from each other in theory, their categorisation is more ambiguous in practice. Therefore, in this paper, each gallery is assigned to one or two gallery types and additional information regarding the size of the gallery, scope of the client base and price segment is provided in order to obtain a better understanding of the characteristics of the gallery. Moreover, to align this typology more closely with reality and new opportunities arising from digitisation and globalisation, we add that even smaller Gamma and Delta galleries can have an international market orientation.

2.3. *The Impact of Digital Technology on Art Galleries*

Among the various factors that have influenced the competitive landscape of businesses in recent years, the emergence and proliferation of information and communication technology (ICT) is one of the most significant. This is why it is often referred to as disruptive technology (Cortimiglia et al. 2013). Along with the introduction of digital media, a new generation, often referred to as “digital natives”, has evolved. Digital natives were born after 1980, when digital technologies became widely available, and grew up with the access to and use of new digital communication tools (Ernst & Young 2012). They have high expectations when it comes to the availability of information and the authentic and personal involvement of companies. Moreover, the population of digital natives is increasing in size, while the older generations are disappearing (Ernst & Young 2012). These developments have a significant impact on businesses of any kind. First, with the digitisation and proliferation of digital channels, consumers have easy access to information and can compare prices and other information more easily. Second, digital channels have changed the communication of businesses from a traditional unidirectional to a bi- or multidirectional communication between customers and companies. Third, digital channels lead to lower entry barriers for competitors, which can pose a significant threat to traditional companies (Ernst & Young 2012). These developments have contributed to an accelerated production, delivery, and consumption of goods and services, and have substantially affected all economic sectors (Sidorova 2019). The art market is not exempt from the growing importance of digital developments.

The increasing use of digital channels can help galleries in attaining new clients that would either be hard to approach due to geographical distance or would be afraid to enter the gallery. Consequently, it is believed to lead to an art market where not only an elite, but everyone, can get access (Adam 2014; Arora and Vermeylen 2013; Fassio 2019; Khaire 2015). However, more sensitive information, such as prices, is still rather unlikely to be found on the Internet (Van Miegroet et al. 2019). Especially in the upper market segment, galleries maintain an exclusive image, price tags are rarely found, and they often disclose information only on request (Fillitz 2014). From this, it can be concluded that digital channels have so far been regarded as additional channels that are not (yet) fundamentally changing the existing gallery business model (Van Miegroet et al. 2019).

Several assumptions disclose why galleries are rather sceptical when it comes to selling art online. The first assumption is that art galleries could fear losing their power in the valuation process of art and their role in the art market due to the democratic nature of the Internet. As outlined above, galleries are important gatekeepers that help to select and promote artists of good quality (Van Miegroet et al. 2019). This gives rise to the fear that the division between high and low quality could be blurred, and that their powerful gatekeeping roles could be weakened (Arora and Vermeylen 2013).⁷ Connected to this is the fact that galleries want to maintain an exclusive image by disclosing prices only upon request and granting access to information only through personal contact with the gallery staff (Fillitz 2014; Velthuis 2007). Furthermore, galleries could fear being perceived as too commercial if they were to offer artworks for sale online. This implies that galleries are afraid that online art sales could take on the character of supermarket shopping, thus turning artworks into commodities and losing the deeper artistic identity (Kohle 2014).

The social aspect and the importance of personal contact for the success of the gallery business are additional significant reasons for art galleries to not integrate online sales into their business model. As was explained above, the value creation of art is primarily based on personal contacts and professional networks (Samdanis 2016), which cannot be easily transferred to the online space. Still, the intensive discussions between experts, connoisseurs, and gallery owners, as well as the close support of artists and the physical gallery space, are essential for gallery operations, because it is thought to be the only way for galleries to build trust and reputation in the market (Kohle 2014; Smith et al. 2006). Moreover, many customers actually enjoy and prefer the personal contact with artists, gallery owners, and other art world members, as well as the experience of events which

is not reproducible online (Arora and Vermeyleen 2013). Finally, art galleries might be convinced that art needs to be experienced physically and that the Internet is not suitable for selling art. Art is an experiential good, which means the quality of artworks can best be assessed when seeing and experiencing it (Arora and Vermeyleen 2013; Bayer 2018). This concept might also be prevalent among customers who take the risk of buying an artwork of poor quality if not being able to see it physically (Velthuis 2014).

Another aspect that could contribute to why galleries are not engaging more in digital channels is the lack of entrepreneurial thinking. It has been found in previous research that organisational skills, as well as financial knowledge and literacy, are often lacking in the cultural industries (de Graaf et al. 2019). This could be equally applicable to galleries, as Smith et al. (2006) state that galleries are usually not inclined to hire someone with entrepreneurial experience. Moreover, as most galleries are small enterprises and are therefore limited in their management resources, this could also explain why art galleries are not taking more advantage of online channels. Moreover, especially the smaller galleries are torn between keeping their traditional business alive while adapting to new trends (Smith et al. 2006).

Despite these limitations, it is worth looking at the current developments in the online art market. In recent years, various new businesses focusing on online art sales have emerged. There are now several online marketplaces, art galleries, and auction houses that try to facilitate the purchase of artworks (Sidorova 2019). Artsy, for example, is a website that matches potential buyers with galleries, enabling galleries to present themselves to a broad audience and providing customers suggestions tailored to their personal taste (Arora and Vermeyleen 2013). The platform Saatchi Art is a direct intermediary, meaning that—mostly young and less established—artists can directly offer their works for sale without the need to be represented by a gallery. Prices are transparent and search filters allow customers to look for their desired artwork (Kohle 2014; Polleit-Riechert 2010). Several high-end galleries, including the David Zwirner Gallery, have recently started offering viewing rooms on their websites, where visitors can find a high-quality presentation of exhibitions, often with the addition of prices. Other galleries have started offering artworks for sale in their own online shops. This is facilitated by the possibility, today, of easily creating high-resolution images, virtual reality visualisations, and an interactive experience online (Lee and Lee 2019). Overall, the potential of new business opportunities through the implementation of the Internet should not be underestimated, especially if one considers that younger generations are familiar with using online channels for purchasing products and services of any kind (Blumenthal 2013; Lee and Lee 2019).

2.4. The Multi-Channel and Omni-Channel Approach

A business model is highly dependent on environmental factors such as technology, competition, and market developments. Therefore, it needs to be constantly reviewed and—if necessary—adapted in order for the business to stay competitive (Cortimiglia et al. 2013). The integration of digital channels into the business model of galleries can take various shapes. A report by Ernst & Young (2012) proposes three options for how companies can leverage digital channels for their business. The first option is to use digital technology to enhance the traditional business model. Here, for example, digital and automated services could be offered as an extension to existing services. The second option is to transform the existing business model into a digital one. This involves offering entirely new services that do not exist in the analogue form or offering existing services in digital form. The third option is to generate a completely new business model, offering new products and services, and generating new revenue streams (Ernst & Young 2012). As previous research suggests, the business and social context of art galleries, as well as the specific characteristics of the art market, make it difficult to sell art online while maintaining the traditional gallery business model. The use of digital channels as an additional component amplifying the business model (Ernst & Young 2012) therefore seems to be the most suitable for galleries.

Research on the multi-channel theory focuses on the integration of multiple channels into one overarching system (Ganesh 2004; Neslin et al. 2006). In general, offering digital channels while keeping them siloed often results in inconsistencies between the physical and digital channels; for example, if information is not synchronised (Ernst & Young 2012). In order to increase customer value, the various sales and communication channels should be coordinated and offer a consistent customer experience (Stone et al. 2002). Customers should be able to interact, search for information, purchase products, and handle returns on all channels, as well as switch between those channels interchangeably (Kumar and Venkatesan 2005). If information is successfully and consistently integrated into all channels, customers experience convenience (Kumar and Venkatesan 2005). This seamlessness of use between channels plays a crucial role in customer loyalty, for example, when a product can be purchased online but picked up at a store (Bendoly et al. 2005; Neslin et al. 2006).

A more advanced version of the multi-channel integration is the omni-channel concept. According to omni-channel theory, customers move freely between physical stores and online shops during a transaction process. In order to make the transition even more seamless and easy, this concept implies further possibilities of channel integration such as mobile phones, social media, and sometimes even gaming (Piotrowicz and Cuthbertson 2014). Piotrowicz and Cuthbertson (2014) suggest that, although channels are integrated into an overarching system, the experience, feeling, and seeing of certain products, as well as the shop atmosphere itself, are still important components for customers. With the convenience of shopping online, they suggest that stores in the future might have the character of showrooms which still offer the experience of entering a shop, getting advice, and looking at the products. However, this scenario will presumably still take some time since older generations often need the face-to-face interaction with sales personnel and buy the product in the shop (Piotrowicz and Cuthbertson 2014).

3. Methodology

3.1. Choice of Method

This research is both exploratory and explanatory in nature. This is especially useful when previous research on the topic is limited (Kumar 2019; Matthews and Ross 2010). The main objective is to explore which topics the participants find relevant and important with respect to the research question. Moreover, we aim to understand why participants perceive social phenomena in a specific way and to gain insights into their experiences, opinions, and feelings regarding a certain topic (Kumar 2019; Matthews and Ross 2010). To do so, we utilise qualitative research methods, thereby providing a richer understanding of the context, rather than the generalisable insights that may result out of a statistical approach. We conducted 20 semi-structured, in-depth interviews and for this we constructed a topic guide based on the theoretical framework. The in-depth interviews focus on capturing the social world by documenting and interpreting the perspective of its participants (Bryman 2012). For the analysis of the data, the method of thematic analysis was applied. This method helps to identify and analyse patterns of meaning in a data set. The process ranges from purely describing and summarising the data, to interpreting the data, and, finally, defining its broader meaning and detecting recurring patterns (Braun and Clarke 2006). According to Clarke and Braun (2013), a thematic analysis is particularly useful for analysing people's understandings and experiences related to the research topic.

3.2. Selection of Participants

Purposive sampling was selected as the sampling method. According to Matthews and Ross (2010), it is often used for research where the focus is on in-depth insights and qualitative results, with participants being selected based on predefined characteristics. Various population criteria in terms of location, and respondents' function and affiliation were defined before conducting the interviews. The selected galleries are based in or around Vienna and Salzburg or, if they operate on an international level, they at least have one of their branches in one of these cities. Vienna was selected for several reasons: it is

both a nationally and internationally renowned centre for art and culture; it has a well-established art scene with several renowned museums, art galleries, and other art-related institutions (BMWFW 2017); it is the capital and biggest city of Austria. Salzburg is a popular tourist destination and, with its internationally acclaimed Salzburg Festival, it is an important cultural hotspot. The gallery scenes in Vienna and Salzburg include both galleries with a national and international focus, which in turn implies that the results of this research are more representative of a broader variety of gallery types than a study solely based on smaller galleries with a local or national focus. The selected interview partners are either owners, directors, or managers of a gallery, or have another managerial position within a gallery. They have a good understanding of and expertise in the current national and international art market developments. We contacted both contemporary art galleries and art dealers, as we assume that both are affected by the increasing importance of digital channels related to their business. It was decided to investigate the perspective of gallery owners and managers rather than the perceptions of buyers. This is supported by the fact that they usually have many years of professional experience and thus have extensive practical knowledge of the complex processes of the art market as well as their specific business field.

3.3. Data Collection and Analysis

Since there are no general registers of all art galleries in Vienna and Salzburg, we compiled a list of galleries based on several sources.⁸ This resulted in a list of 95 galleries, consisting of both art dealers and contemporary art galleries. Of these, a total of 55 galleries were contacted in March and in October 2020 and were informed about the research topic. It was carefully considered that a good mix of contemporary art galleries and art dealers, as well as of Alpha, Beta, Gamma, and Delta galleries (see Section 2.2), were included. Therefore, the sampling strategy can be described as purposeful, as the selection was not random but rather focused on ensuring a good variety in the sample (Bryman 2012). Apart from this, five participants were selected by convenience sampling, i.e., they were selected based on the availability to the researcher (Bryman 2012). In concrete terms, this means these five participants were recruited through personal contact.⁹

A total of 22 galleries volunteered for the interviews, of which 20 then took place. The final data set consists of a total of 20 in-depth interviews, of which fifteen participants are the founders and directors of a gallery and five have a managerial role in a gallery. The Appendix A presents a short overview (Table A1) of all participating galleries, their gallery type as defined by Resch (2011), and additional information regarding their focus and size.

Before conducting the interviews, the participants gave their written consent for the interview to be audiotaped and used for the purpose of this research. The duration of the interviews varied between 47 and 95 min, with a total duration of 1256 min and an average duration of around 60 min. Due to the restrictions of personal contact in the context of COVID-19, the interviews had to be conducted via phone or video calls. The first round of interviews was conducted in April 2020, and the second round took place between October and November 2020. We transcribed all interviews manually and subsequently coded them using the qualitative data analytic software ATLAS.ti.¹⁰ Three rounds of coding were performed, based on Corbin and Strauss (1990), namely open coding, axial coding, and selective coding. First, the initial open coding was carried out. Here, we assigned smaller sections that form a thematic unit and are relevant to the research question to a code describing the content or topic. The initial codes resulted in a long list of terms and concepts, which allowed the formulation of the topics covered in the interviews. In the second stage, axial coding, we processed coherent codes and created and tested categories with corresponding sub-categories. In the third phase, selective coding, we defined a central core category around which the other codes, themes, and categories were arranged. This resulted in the central focus of the research topic and, in this case, is labelled as “the impact of digital channels on the business of art galleries”. To provide insight into our analysis, we added the most relevant codes for each gallery in Table A1 (Appendix A).

4. Results and Discussion

4.1. Attitudes towards Online Channels

In this first section, we analyse how and to what extent our respondents generally have been using digital channels (before the pandemic). We found that galleries in every category nowadays use online channels at least for basic purposes such as publishing news and exhibition information on the gallery website, sending newsletters, or posting on social media. Most interviewees consider the gallery website to be the most important of all online channels. This is followed by social media channels—especially Facebook and Instagram—and some galleries are also members of intermediary sales platforms such as Artsy. We found that especially the locally oriented Gamma and Delta galleries are noticeably less active online than the internationally oriented galleries. They usually offer only basic information about the gallery, artists, and exhibitions on their website and claim that their business is focused on the actual gallery space. Likewise, they do not deem social media to be relevant as they are not reaching their client base. These galleries are usually not present on sales platforms, since this often involves high costs and requires a decent reputation to gain visibility. The Alpha, Beta, and some internationally active Gamma and Delta galleries report utilising their websites more comprehensively, for example by providing detailed information about the gallery program and the artists, or by offering their artworks for sale. Their goal is to provide potential buyers with high-quality and insightful information. For these galleries, social media is highly relevant for marketing and communication, and they regularly share gallery offerings and insights (e.g., exhibitions, events, and art fairs). Some of the internationally active galleries are also present on intermediary sales platforms and regard them as relevant channels to reach their international client base.

The findings support what Arora and Vermeylen (2013) stated: digital channels such as websites and social media are now used by almost every gallery for marketing and communication. Our results, however, provide a more granular picture: galleries with a local or national clientele—mostly Gamma and Delta galleries—tend to have a reduced online appearance, with basic information. Alpha and Beta galleries, and some Gamma and Delta galleries that are active on the international market, have a more elaborate, complex, and extensive use of online channels.

4.2. Sales Integration

Apart from more general perspectives on the employment of digital channels, we explored different stances towards online art sales. While previous scholars have generally rejected online sales (e.g., Arora and Vermeylen 2013; Samdanis 2016; Sidorova 2019), we found that more than half of the respondents had a positive opinion on selling art online. Six galleries have their own online shop and five have a profile on mediating art sales platforms (e.g., Artsy); in both cases, the artwork can be purchased directly online. Additionally, two galleries display the artworks currently offered for sale with prices on their website. In line with the more general use of online channels, the majority of these galleries have an international market orientation.

We found that five out of the six galleries with an online shop are located in the lower (to mid-) price segment or offer artworks up to a certain price level (max. 4000 Euros). This coincides with previous research, where it was often reported that online sales are most likely to happen in the lower price segment (Adam 2014; Fassio 2019; Khaire 2015; Samdanis 2016). Surprisingly, several interview partners of more exclusive galleries reported that they sell art even on a mid- and higher price level through digital channels; however, in a more concealed form. For instance, four renowned galleries in the higher price segment report that they receive inquiries via online channels (e.g., following an Instagram post or a newsletter), often leading to sales. The director of a Beta gallery recalls that a customer recently bought a six-figure artwork online without ever physically seeing it. Another gallery director reaffirms that online sales at higher price levels are becoming more popular:

Yes, this really happens more often now. [...] I have also already found some artworks myself [on social media]. I bought an artwork that I found by chance while scrolling through [the feed] and I thought 'Oh God, unbelievable, I need to have this one'. (Gallery director, gallery 6)

From the interviewees' statements, we conclude that art can also be sold online at higher prices, because internationally renowned galleries generally enjoy a good reputation and represent well-known artists, thus offering buyers sufficient security when buying art online. Regardless of the price level, we found that online art sales are more popular for galleries operating on the international market, while the regional or national galleries are less successful in that area. Interestingly, the analysis shows that certain regions and countries, including North America, South America, and Asia, are particularly active in the online sector.

Our analysis allows an evaluation of why online shops are not providing the ideal setting for selling art in the mid- and high price segment. One of the main constraints we identified is the plain presentation of artworks with basic information in online shops, making it hard to evoke emotions among viewers. In contrast, galleries dedicating time and work to create engaging content on online channels provide a more emotional experience, allowing visitors to connect with the artist and the artwork in a personal way. This shows that both captivating and curated content is important in the online space, especially for high quality art. A gallery director points out that many international art galleries, such as David Zwirner Gallery (Alpha gallery), have launched online viewing rooms on their websites in recent years. There, current exhibitions are made available with curated texts, video, and photo content, and possibly also prices. Moreover, several respondents remark that an online shop format may appear as too commercial for high-end art. The statement of a Beta/Gamma gallery in the mid-price segment demonstrates this perspective:

A real online shop, where there's a purchase function, [...] where you click on the picture and then add it to your shopping bag and you select the shipping method, I wouldn't want that, because it's too commercial for me, too similar to shopping at Amazon or for consumer goods. (Gallery founder and director, gallery 13)

Since art at a lower price level generally has a rather decorative character (Knebel 2007; Throsby 1994) and the acquisition does not involve significant financial risk, Gamma and Delta galleries are successfully selling art through online shops. In the middle and high price segment, confidence, emotional engagement, and trust in the gallery and artist are important factors that need to be conveyed online. This can be achieved best with a professional online appearance, well-curated and captivating content, and sufficient information about the artistic concept. Hence, online art sales are now also commonplace for Alpha and Beta galleries selling expensive art. These galleries make use of immersive experiences beyond simply online shops. The findings can be linked to research on luxury goods (e.g., Hennigs et al. 2012), where it was found that high-quality goods sold online need to be presented in a visually appealing way and should engage the viewer with videos, visualisations, and photos.

4.3. The Impact of COVID 19

With regard to the general change in sentiment towards digital channels, we noticed that many participating galleries had already expanded their online presence to a certain extent in the past years. Notably, this process was accelerated with the outbreak of the global pandemic. All of a sudden, galleries worldwide were forced to engage with their audience and client base through digital instead of traditional channels. We observed that galleries of all four types started experimenting with new tools and started new initiatives. A gallery founder mentioned that he started recording podcasts with artists, curators, and market experts; others created video recordings of exhibitions, 3D exhibition views, or guided video tours, and some reported that they worked on a more professional and extensive online presentation of the artists, exhibitions, and artworks. A gallery director, for example, explains that she had re-worked the entire online appearance of her gallery

during the first weeks of the lockdown and even started filming guided tours through the exhibition. She notes:

The current times require us to be more open towards technology and the digital world. And most people are very enthusiastic about it. I currently have collectors in Gastonia, America, who are totally excited about the video because it allows them to see the exhibition. (Gallery director, gallery 7)

Another gallery director reports that his gallery has undergone a complete makeover. Previously, the gallery only provided basic information on its website, but noticed a change of habits and new market requirements. In the past months, the director decided to relaunch the website and to share insightful information about artists and their exhibitions. Interestingly, he now even considers the website to be a vitally important extension of the gallery space.

Consistent with the observation that Alpha and Beta galleries, and some internationally active Gamma and Delta galleries, already had a stronger online presence before the pandemic, we found that these galleries continued to grow their online reach and improved their appearance on the Internet during the COVID-19 outbreak. In contrast, Gamma and Delta galleries with a national or local focus only made necessary adaptations to maintain visibility while their spaces were closed. They frequently mentioned that, for them, online channels might be important incentives to attract potential customers to the gallery, but that online sales would not work for them. These galleries emphasise that the buying decision is mostly made in the gallery and that buyers need to be persuaded on a very personal level. The founder of a small gallery representing young Austrian artists, for example, explains:

Well, [. . .] people get a first impression [online] but then come to the gallery, even if they have already seen the work online and liked it. But then they come to the gallery to see it live here and *then* the buying decision is made. (Gallery founder, gallery 15)

Consequently, these galleries did not significantly invest in new tools or increase their online activity, but rather approached their existing network of potential buyers in a personal manner (e.g., calls and e-mails) and waited until the restrictions were lifted.

4.4. Online Art Sales and Specific Pre-Conditions

To gain a better understanding of why galleries are reluctant to fully integrate online (sales) channels into their business models, we build on the findings of previous research and aim to further explore the circumstances and specific business context. The first aspect mentioned by the majority of interviewees is the customer need to experience art in reality to make a purchase decision. Many argue that seeing a digital reproduction cannot replace this experience. A gallery manager demonstrates the importance:

You sell material goods that are unique. So, we're talking about material goods that are not standard, that owe their high prices precisely, and to a large extent to aesthetics. Thus, it is particularly this added value [of art] that needs to be experienced visually, because in the end you always enjoy a concrete, physically tangible artwork and not a digital image. (Gallery founder, gallery 2)

Due to the unique character of each art piece, its quality can best be assessed through physical observation. Moreover, many experts—especially owners of Alpha and Beta galleries—mention the necessity to build trust and emotionally engage the viewer. The director of gallery 13 explains: “I don't think that someone who has never seen the artist or [who] has no information, finds the artwork online—especially at a higher price level—and then simply says: ‘Yes, I'll buy that one, I'll purchase the painting’.” These statements are in line with previous research, where it has been emphasised that art is an experiential good and, therefore, requires a physical context and experience (Arora and Vermeylen 2013; Bayer 2018).

A second aspect restricting online art sales is the importance of personal interaction and networking. Almost all experts, covering all four gallery types, consider the maintenance of personal relationships and active engagement with their network as essential activities. The statement of a gallery director demonstrates that the art network is needed to create and maintain the artist's and gallery's reputation and credibility, and to deliver value to customers:

Around 90 percent [of my clients] come from personal contacts or contact of artists or collectors or friends of collectors [...]. Hence, they are all intentionally visiting the gallery. And there are very, very few people who walk by, look through the shop window and think: 'Ah, I'm going to have a look at the gallery now'. (Gallery founder, gallery 13)

As stated in previous research, it's among the galleries' duties to ensure that their artists are respected in the art world and, in doing so, they build and maintain the symbolic and economic value of the artworks they selected (Janssen and Verboord 2015; Polleit-Riechert 2010; Velthuis 2011a, 2011b). We found that these trustful relationships are particularly important for more exclusive Alpha and Beta galleries, as the acquisition process of high-end products is more complex. Gamma and Delta galleries selling in the lower price segment, on the contrary, have more spontaneous buyers and walk-in customers. With the business model strongly depending on personal communication of information and close relationships, online art sales are challenging with regards to emotional and personal engagement and conveyance of trust.

A third aspect we identified as a constraint for selling art online is the demand for events and social interaction. Several interviewees state that gallery events such as exhibition openings, talks, or private dinners are common ways to build and maintain long-term customer relationships. We ascertained that the customer journey needs to go beyond the sales process, and that such events offer a sense of social belonging as well as an emotional and personal involvement in the art scene. Online art sales, in contrast, are anonymous, impersonal, and are therefore not offering the established conditions for selling art.

The fourth aspect we discovered as a challenge for online sales is the exclusive and non-transparent character of the art world. This is demonstrated, for example, by the lack of price transparency. The majority of galleries indicate not making prices publicly available. However, we observed that Gamma and Delta galleries in the lower price segment tend to be more transparent with prices (e.g., online stores, price lists, price tags). On the contrary, Alpha and Beta galleries in the mid- to high segment are more exclusive and argue that they want to be in personal contact with the potential customer. The statement of a Beta/Gamma gallery gives a frequently used explanation as to why prices are only made available upon request:

For the simple reason that we want to get into a conversation with the customer. And if someone now asks about the price, then you already have the basis for a conversation, and then you can tell them more about an artwork and so on. (Gallery manager, gallery 14)

When asked for other reasons why galleries appear exclusive and are handling information so secretly, an interesting pattern was found. Most interview partners were not able to provide a clear explanation and some assumed that this partly is due to established rules and traditions that galleries are striving to follow. The director of gallery 6, for example, states: "I don't know exactly, but I think it's like saying: 'It has always been like that'. And it's somehow considered good and elegant not to show the prices so prominently." This coincides with what Dowling and Pfeffer (1975) describe as organisational legitimacy, meaning that companies are striving to align their internal social values with the values of their larger social context. Consequently, galleries are following established rules to gain legitimacy and respect in their field. Other respondents mention that exclusivity also helps

galleries to create value around artists and their work. An art dealer (gallery 9) explains why:

The value is not measured by the object itself; the value is measured by who comes in, the value is measured by the customer. [. . .] And because calculations [for art] are so artificial and arbitrary, of course many people who are involved in this system want to keep it as opaque as possible.

We found this particularly evident for Alpha and Beta galleries in the mid- and higher price segment. On one hand, exclusivity helps to establish and retain a certain clientele, which in turn is beneficial for the galleries' and artists' reputations. On the other hand, it also gives galleries control over their client base and enables them to maintain and increase their reputation and value in the art scene. Gamma and Delta galleries in the lower price segment, however, tend to be advocates for greater market transparency and critically reflect on the necessity of exclusivity.

Also, we found that exclusivity is associated with the desire of galleries to not appear as commercial and profit-oriented. This statement of a gallery founder illustrates that galleries are uncomfortable putting the commercial and monetary aspect more centrally in their perception of art:

It's not always just about earning money with it and saying: 'Yes, here's the artwork and this is how much it costs.' But it is also about discussions and about issues that are raised by these artworks. And perhaps some are afraid that such discussions are devalued by something pragmatic like the price [. . .]. So, you somehow want to exclude the commercial, because you have the feeling that it distracts from the actual topics in art. (Gallery founder, gallery 16)

Several interviewees also mention that the art market has become more commercial in the past years. This means art is increasingly turning into a commodity and is thus valued differently than in the past. Consequently, it can be assumed that galleries are also afraid of losing legitimacy and putting the economic aspect too much in the foreground when selling art through online channels and providing information in full transparency.

Apart from that, a fifth aspect limiting galleries from extensively using digital channels is the limited resources of galleries. Galleries tend to be small businesses with few employees. Accordingly, we found that the capacities for regularly producing online content and constantly maintaining online channels are scarce. The manager of gallery 14, for example, reports from her learning that online channels cannot be managed on the side, but that it requires a full-time team member who produces online content and regularly updates all platforms. Moreover, several experts claim that high costs for professional content production pose a hurdle for them. As a general observation, galleries with a local or national focus and smaller teams are struggling with these conditions, while those with an international focus and larger teams have more resources. These findings are in line with previous research, suggesting that cultural entrepreneurs often lack organisational skills and financial literacy (de Graaf et al. 2019). It shows that especially the smaller Gamma and Delta galleries are struggling due to their limited business capacities.

The five aspects we presented above allow the following conclusion for online sales. A more extensive use of online channels asks for a greater transparency of information which may lead to a broader audience. However, this poses certain risks to established business mechanisms, especially for more exclusive Alpha and Beta galleries. The results re-confirm some aspects that have been addressed in previous research, but that were not necessarily placed in the context of online channels and its potentials and risks. It can be concluded that, for Alpha and Beta galleries active on the international market, factors such as organisational legitimacy, exclusivity, discretion, a good reputation, and maintenance of economic and symbolic value are posing challenges for becoming more open and transparent. Local or national Gamma and Delta galleries are rather confronted with aspects such as limited financial and personnel resources.

4.5. *The Multi- and Omni-Channel Approach*

Most interviewees believe that online art sales without any personal interaction are unlikely to succeed. Hence, online sales channels should be regarded as extensions to other more traditional channels. Digital channels offer additional possibilities for customers to approach galleries, acquire information, and purchase artworks. From our analysis, it is clear that most online purchases are made by people who are already familiar with the gallery or artist, and who had often even acquired an artwork from the gallery or artist before. This is reported both by galleries with an online store as well as galleries that sell through other online tools (e.g., newsletters, social media). Innovating the gallery business model can therefore best be achieved by what is described as the integration of digital technology as extensions to existing services in the report by Ernst & Young (2012). Consequently, the multi- or omni-channel approach is a suitable solution for galleries to implement digital channels.

Our analysis revealed that some galleries have already implemented this concept to a certain extent, for example, by presenting and offering artworks on the website, and using newsletters and social media as complementary communication channels to their traditional ones. Seven interview partners stated that the combination of physical presentation in the gallery and at fairs, combined with an online presentation, is beneficial to their success. The following statement of a gallery director (gallery 1) illustrates the importance of synchronising both online and offline channels:

Well, I think a good website is really important. Because people either go to the website first and see things and then they come [to the gallery] and they want to see it. Or if they see it here, then maybe they read about the artist again on the Internet, read about the artwork and so on. So, the combination is really good and is very important. (Gallery founder, gallery 1)

With the multi- or omni-channel strategy, galleries are able to offer a high service quality on all channels, and customers are able to choose according to their preference. While personal conversations and the gallery space are still essential elements, with this approach galleries are able to implement digital channels in a meaningful way. For example, a prospective buyer can obtain more general information and complete the purchase process online, while more personal channels such as e-mails, phone calls, and visiting the gallery serve to provide more in-depth information. This is in line with Kumar and Venkatesan's (2005) view that each channel has its own advantages and disadvantages, but in sum they complement each other. Following Piotrowicz and Cuthbertson (2014), the gallery space and booths at art fairs would then function mainly as showrooms, where the social interaction, experience, atmosphere, and personal support are provided, while the digital channels primarily serve as informative and sales channels.

Galleries considering implementing online channels into their business model should make sure to keep the barriers to personal communication low and to respond to the individual needs of every customer. The director of gallery 7, for example, explains that she adapts to the communication needs of her customers as much as possible and is available to them on many channels in order to offer a convenient customer experience. Based on the findings presented above, we conclude that a multi-channel or omni-channel approach is suitable for all four gallery types; however, it requires an openness to greater information transparency and enough resources for continuous maintenance.

4.6. *Business Transformation in the Context of the COVID-19 Pandemic*

As has become clear, the outbreak of the COVID-19 pandemic has accelerated the previously slow process of digitisation in the gallery business model. What remains to be discovered is the extent to which these new developments will actually persist. During the first round of interviews, several experts commented on the over-saturation of online offers in the course of the first lockdown in spring 2020 and believed that this would be only temporary. In the later course of the study, we observed that even the more critical galleries started providing information online. Another interesting observation is that

during the early phase of the pandemic, galleries were experimenting with various formats and offerings. Those interviewed at a later point already had a more elaborate strategy through their experience gained in the previous months. They were more sophisticated in why they are (not) making use of digital channels. It can be assumed, however, that galleries which made major improvements in their online appearance and successfully sold art online will continue with their strategy after the pandemic.

Overall, the findings show that, because of COVID-19, galleries are being forced to become more transparent through digital channels, thereby lowering the barriers for everyone involved in the market. This could pose certain risks for the galleries. For example, the function of galleries could lose relevance and alternative forms of selling art, such as digital platforms, could become more popular. Some interviewees state that many artists are nowadays representing and managing themselves and that it has become easier to self-market oneself on the Internet. Others believe that it is exactly this overflow of information that makes art galleries indispensable, as they serve as quality filters and help with artists' market positioning. The director of gallery 2 explains this as follows: "I always compare the gallery owner with the hunter in the forest. And this is a necessary metaphor for the functioning of the art market system [...]. That won't change". Even if the gallery business will continue to follow its own laws, the pandemic has led to the acceleration of digitisation processes and has brought a variety of new opportunities for presenting and selling art. The findings of this study suggest that a hybrid and synchronised form of digital and traditional channels will most likely succeed in transferring the strengths of the traditional model to a new reality.

5. Conclusions

In this study, we provide insight into how managers and directors of galleries deal with the growing digital possibilities in their strategic environment, with particular emphasis on the global COVID-19 pandemic. We take into account that there are four different types of galleries with respect to their organisation size and degree of internationalisation. Our findings lead us to the conclusion that digital technology has implications for the traditional business model of every gallery type.

The results indicate an increasing openness to innovation through digital channels. We found that all galleries are nowadays using basic online digital tools, such as their own website, social media, and newsletters for promotion and visibility. An interesting observation is that Gamma and Delta galleries with a local or national client base have a reduced online presentation, while the Alpha and Beta galleries and some internationally active Gamma and Delta galleries show a more comprehensive and elaborate use of online channels. When it comes to online sales, we found that more than half of the respondents had a positive opinion about selling art online, suggesting an increasing openness. These galleries tend to be those with an international clientele rather than a local focus. While previous research suggests that online sales are a good match for the lower price segment (Adam 2014; Fassio 2019; Khaire 2015; Samdanis 2016), we observed that this has changed. For the Gamma and Delta galleries active in the lower price segment, art tends to be sold through common online shops, while for Alpha and Beta galleries in the mid- to high price segment, art is sold in more complex and concealed ways (e.g., via online enquiries through social media or online viewing rooms). These findings indicate that even more exclusive art can successfully be sold online, if the gallery and artist enjoy an international reputation, if the acquisition context is not overtly commercial and if the provided content is well-curated and presented in a captivating way.

The outbreak of the COVID-19 pandemic accelerated the previously slow process of digitisation in art galleries. We saw that galleries of all four types began to experiment with new digital opportunities, hoping to reach clients and interested people in other ways than the more traditional ones such as the gallery space or art fairs. While some started transferring parts of their activities online with online talks, live streams, videos, filmed guided tours, 3D-exhibition views, and other online content formats, others used the time

to polish and professionalise their online presentation. Again, Alpha and Beta galleries, as well as some internationally active Gamma and Delta galleries, were more open to investing in digital visibility. The local Gamma and Delta galleries only made basic changes and launched easy-to-implement features, or generally waited until restrictions were lifted again. They explain that, for them, personal interaction is essential, as they need to put much effort into convincing each potential buyer.

Within our research, we identify and highlight the aspects that are limiting galleries in fully embracing digital channels for their businesses. In short, these are: plain presentation of information online; lacking or distanced personal interaction; online anonymity that disconnects from the social art environment; increased information and price transparency; a more commercial appearance; limited resources for digital adaptations. The findings in our study emphasise the importance that is placed on experiencing art physically in order to evaluate the quality, evoke emotions, and build trust. Galleries tend to foster very personal and close relationships with their customers, and it is difficult to create online transactions with the same degree and effects of personal interactions.

Our results suggest that participants view online sales much more positively than would be expected, based on previous research (e.g., Arora and Vermeylen 2013; Kohle 2014; Samdanis 2016; Sidorova 2019). Many galleries are starting to explore a hybrid online and offline business model. Following previous findings on multi- and omni-channel business models (e.g., Kumar and Venkatesan 2005; Piotrowicz and Cuthbertson 2014; Stone et al. 2002), galleries are advised to focus on a more comprehensive and personal presentation in the online area, combined with easily accessible possibilities of personal interaction (e.g., request buttons). In order to generate trust and confidence among potential customers to buy art online, galleries need to provide rich information on artworks, artists, gallery activities, and the gallery itself. They should ensure that each touchpoint with the gallery offers a meaningful experience that is integrated into an overarching strategy. For example, we suggest enhancing the online experience by: virtual exhibition views for potential clients; an introduction of the gallery staff and gallery history to connect with visitors on a more personal level; informative video and photo material about artists and their work practice; podcasts and Instagram talks with artists and experts; other interactive features that balance out the lack of emotional engagement. An omni-channel strategy for galleries allows digital as, well as remote, channels to complement each other. It is a solution for galleries to connect the traditional remote channels and need for physical experiences with the customers' growing demand for the digital availability of information and products.

While the multi- and omni-channel strategy currently makes the most sense for galleries with international clientele, it may become more relevant for locally oriented galleries in the future, considering that "digital natives" are increasingly falling into the group of potential art buyers and that the pandemic has sped up the digitisation process. In the past months, there has been a stark increase in digitally available information in the art sector. Especially during lockdowns, many cultural offers migrated to online channels. While the long-term effects of these developments cannot be currently predicted, it can be assumed that people will be left with a significant change in habits/attitudes. Over a longer period of time, all four gallery types will benefit from integrating online channels into their business model. While, for smaller Gamma and Delta galleries, limited capacities to invest time and money in an elaborate online presence can be a challenge, the more exclusive Alpha and Beta galleries need to find a balance between providing easily accessible information and maintaining control over organisational legitimacy and reputation if they consider online channels to be essential to their success. Ultimately, it can be assumed that galleries that made major improvements during the past months and successfully sold art online will pursue their strategy, while others will follow these trends with a delay or will retain their traditional business model.

Although this research has been conducted following widely used methods, there are certain limitations. It should be noted that qualitative research does not allow generalising results to a broader context. A statistical approach that further investigates our findings

would allow more generalisability and may, for example, show how the COVID-19 pandemic facilitated and accelerated particular online marketing strategies. Vienna has both nationally and internationally active galleries in various price ranges. However, the city is not among the most important art centres worldwide (McAndrew 2019). Nevertheless, this study provides an insight into the current sentiment and offers a perspective for gallery owners and managers on how to best integrate digital channels into their business model. Further exploration of the topic could also focus on gaining a more comprehensive understanding from different perspectives and countries. Other markets, such as the Asian and American market, which many experts have described as more open cultures towards online sales, could be a topic of further investigation. In addition, the perspective of younger generations, as well as artists, art collectors, and other art market experts could provide an even more comprehensive picture of the effects of the pandemic and on how, for example, galleries are able to connect to new clients. An interesting aspect that was not discussed in detail is how the two tendencies—the increasing importance of digital channels on one hand and the increasing popularity of personalised experience on the other hand—could be combined. Further research could therefore look at new possibilities for art galleries, with a particular focus on expanding the traditional business model. Likewise, further research could focus on an intensive exploration of the advantages and disadvantages of a multi-/omni-channel approach for art galleries.

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Appendix A

Table A1. List of Galleries, their Categorisation and Relevant Codes.

Gallery	Gallery Type	Codes/Tags
Gallery 1 Contemporary art gallery	Beta/Gamma gallery Mid-sized gallery International and national client base Mid-price segment	Extensive information on website Web-shop Online art sales Frequent use of social media Minor changes during pandemic Mix of spontaneous and long-term clients Prices and information are transparent
Gallery 2 Contemporary art gallery	Beta/Gamma gallery Small-sized gallery Mostly national client base Mid-price segment to higher price segment	Basic information on website Basic use of social media Minor changes during pandemic (improvements on website) Personally contacted existing network during pandemic Waited until restrictions were lifted Emphasises the importance of experiencing art Long-term relationships with clients Prices and information are intransparent

Table A1. Cont.

Gallery	Gallery Type	Codes/Tags
Gallery 3 Contemporary art gallery and art dealer	Beta/Gamma gallery Mid-sized gallery Mostly national client base Mid-price segment to higher price segment	Average use of website Basic use of social media No changes during pandemic Personally contacted existing network during pandemic Emphasise the importance of experiencing art Long-term relationships with clients Prices and information are intransparent
Gallery 4 Contemporary art gallery	Gamma gallery Small-sized gallery National and international client base Lower price segment to mid-price segment	Basic information on website Basic use of social media No changes during pandemic Waited until restrictions were lifted Emphasise the importance of experiencing art Spontaneous buyers Prices and information are transparent
Gallery 5 Contemporary art gallery	Alpha/Beta gallery Mid-sized gallery National and international client base Lower price segment and higher price segment	Extensive information on website Web-shop (for cheaper artworks) Membership on art sales platform (Artsy, Widewalls) Very active on social media Online art sales Sales inquiries through social media Changes during pandemic (more engagement on social media) Mostly long-term relationships with clients, some spontaneous buyers Prices are transparent for lower, but not for higher price segment Information is transparent
Gallery 6 Contemporary art gallery	Alpha/Beta gallery Mid-sized gallery International client base Mid-price segment to higher price segment	Extensive information on website Very active on social media Online art sales Sales inquiries through social media Changes during pandemic (exhibition videos, participation in new online formats) Long-term relationships with clients Prices are intransparent Information is transparent
Gallery 7 Contemporary art gallery	Beta gallery Mid-sized gallery International client base Mid-price segment to higher price segment	Extensive information on website Very active on social media Membership on art platform (Artorigo—smaller platform) Prices indicated on website (up to 4000€) Online art sales Sales inquiries through social media Major improvements during pandemic (new website, video gallery tours, etc.) Long-term relationships with clients Prices and information are transparent

Table A1. Cont.

Gallery	Gallery Type	Codes/Tags
Gallery 8 Contemporary art gallery	Gamma/Delta gallery Mid-sized gallery National and international client base Lower price segment to mid-price segment	Extensive information on website Web-shop Active on social media Online art sales Changes during pandemic (podcasts, video tours, live streams on social media) Spontaneous buyers Prices and information are transparent
Gallery 9 Art dealer	Beta/Gama gallery Mid-sized gallery National client base Lower price segment to higher price segment	Extensive information on website Web-shop Limited use of social media Online art sales Minor changes during pandemic Long-term relationships with clients and some spontaneous buyers Prices and information are transparent
Gallery 10 Art dealer	Beta/Gamma gallery Small-sized gallery National client base Mid-price segment	Extensive information on website Limited use of social media Changes during pandemic (3D gallery views, virtual hanging) Emphasise the importance of experiencing art Long-term relationships with clients Information is transparent Prices are intransparent
Gallery 11 Contemporary art gallery	Delta gallery Small-sized gallery National and international client base Lower price segment	Average use of website Web-shop Use of social media Online art sales Minor changes during pandemic Waited until restrictions were lifted Spontaneous buyers Prices and information are transparent
Gallery 12 Contemporary art gallery	Delta gallery Small-sized gallery National and international client base Lower price segment	Average information on website Active on social media Membership on art sales platform (Artsy) Some online art sales Minor changes during pandemic (more information online) Spontaneous buyers, but also long-term relationships with clients Prices and information are transparent
Gallery 13 Contemporary art gallery	Beta/Gamma gallery Small-sized gallery National client base Mid-price segment	Basic information on website Basic use of social media No changes during pandemic Waited until restrictions were lifted Emphasise the importance of experiencing art Long-term relationships with clients Prices and information are intransparent

Table A1. Cont.

Gallery	Gallery Type	Codes/Tags
Gallery 14 Contemporary art gallery & art dealer	Beta/Gamma gallery Mid-sized gallery National and partly international client base Mid- to high price segment	Extensive use of website Extensive use of social media Online art sales Changes during pandemic (exhibition videos, guided tours) Mostly long-term relationships with clients, some spontaneous buyers Information is transparent Prices are intransparent
Gallery 15 Contemporary art gallery	Gamma/Delta gallery Small-sized gallery National client base Lower-price segment	Normal use of website Average use of social media Minor changes during pandemic (3D exhibition view) Personally contacted existing network during pandemic Waited until restrictions were lifted Long-term relationships with clients Information is transparent Prices are intransparent
Gallery 16 Contemporary art gallery	Delta gallery Small-sized gallery National client base Lower-price segment	Normal use of website Prices indicated on website Limited use of social media Online art sales Minor changes during pandemic (improvements on website) Spontaneous buyers Prices and information are transparent
Gallery 17 Contemporary art gallery	Alpha/Beta gallery Mid-sized gallery National and international client base Mid- to high price segment	Extensive use of website (new) Extensive use of social media Web-shop (for cheaper artworks) (new) Membership on art sales platforms Online art sales Sales inquiries through social media Major changes during pandemic (new website, web-shop, more information online) Long-term relationships with clients Prices and information are transparent (new)
Gallery 18 Contemporary art gallery	Alpha gallery Large-sized gallery International client base High price segment	Extensive use of website Extensive use of social media Online viewing rooms Online art sales Major changes during pandemic (new website, online viewing rooms, live streams, etc.) Emphasise the importance of experiencing art Long-term relationships with clients Information is transparent Prices are intransparent

Table A1. Cont.

Gallery	Gallery Type	Codes/Tags
Gallery 19 Contemporary art gallery	Beta/Gamma gallery Small-sized gallery National client base Mid-price segment	Normal use of website Average use of social media Minor changes during pandemic (more information online) Personally contacted existing network during pandemic Emphasise the importance of experiencing art Long-term relationships with clients Prices and information are intransparent
Gallery 20 Contemporary art gallery	Beta gallery Large-sized gallery International client base High price segment	Extensive use of website Extensive use of social media Online art sales Changes during pandemic (exhibition videos, increased social media activity) Long-term relationships with clients Prices and information are transparent (new)

Notes

- 1 <https://artfacts.net> (accessed on 13 July 2021).
- 2 <http://www.artnet.com> (accessed on 13 July 2021).
- 3 <https://www.artsy.net> (accessed on 13 July 2021).
- 4 <https://www.saatchiart.com> (accessed on 13 July 2021).
- 5 For example, by stating that a famous collector or museum acquired an artwork by a certain artist, the value increases and buyers have more certainty and trust in the quality.
- 6 Resch's categorisation is based on Robertson (2000) and Thompson (2008) and was found to be the most suitable for this paper. There are other attempts to categorise different types of art galleries, e.g., Bystryn (1978) and Velthuis (2007) for a horizontal categorisation; Adam (2014) and Velthuis (2014) for a vertical categorisation; and Zorloni (2013).
- 7 However, Arora and Vermeulen (2013) argue that gatekeepers will not be replaced but will become even more important as within this overflow of information people need trustworthy, professional sources to draw on. Moreover, Khaire (2015) argues that discourses by traditional gatekeepers that justify the value of artworks can also be mediated via the Internet.
- 8 These sources were used to create the list of galleries: 1. Google search for art galleries in Vienna and Salzburg. 2. <http://www.wien-kunst.at/galerien/index.html> (accessed on 13 July 2021): a long list of numerous contemporary galleries as well as art dealers. The list is not up to date, some galleries no longer exist. 3. <https://parallelvienna.com/exhibitor-list-2019/> (accessed on 13 July 2021): A list of participants of a contemporary art fair that focuses on young art. 4. https://www.viennacontemporary.at/wp-content/uploads/2019/09/vc_2019_AusstellerInnenliste_DE.pdf (accessed on 13 July 2021): A list of attendees of a major contemporary art fair in Vienna.
- 9 Overall, it should be noted that none of the contacted interview partners—except for two galleries—knew the researcher beforehand.
- 10 <https://atlasti.com> (accessed on 13 July 2021).

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Article

TikTok as a New Player in the Contemporary Arts Market: A Study with Special Consideration of Feminist Artists and a New Generation of Art Collectors

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Abstract: How do social-media platforms such as TikTok function as a neutralising factor in the gatekeeping process in times of COVID-19 restrictions? How does TikTok change the experience culture in arts, and how does this impact how artists frame their working process alongside *primary gatekeepers*? During the COVID-19 pandemic, TikTok attracted many artists, who used the platform to take their practice, and thereby their self-marketing, into their own hands. At the same time, a new generation of collectors use TikTok to discover art under popular hashtag #feministartists. When artists label their work with #feministartists, they insert themselves into the gatekeeping process, and use opportunities and restrictions bounded to that specific hashtag. The study examines this process of professional self-positioning by using interviews with contemporary artists, curators, and observations on TikTok, artist talks, and secondary interviews with artists on online platforms. The findings suggest a variation in how one trades in or trades on “feminist artist”, accessing resources, and gaining exposure. A focus on “feminist artists” is restrictive for consolidating artists’ efforts to pursue specific professional, social, political, and economic agendas through art.

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Keywords: TikTok; feminism; female artists; gatekeeper; contemporary art; social media; Millennials; Gen Z; art market; COVID

1. Introduction

In the early stages of the COVID-19 pandemic, former US President Trump wanted to close TikTok in the United States (Banjo and Egkolfopoulou 2020). US authorities were concerned that, as TikTok, a video app with more than 800 million users, was produced and is owned by Chinese company Bytedance, it could pass on user data to the Chinese intelligence service. There was also a worry among Republicans that China could use TikTok to manipulate the US presidential election campaign. In June 2020, TikTok was also successfully used by a grassroots movement to call for a boycott of one of Trump’s election campaign events. The resulting executive order banning TikTok emboldened even more users to protest the Trump administration (Schlitt 2020). The ban never came into effect, and in June 2021, President Joe Biden revoked the executive order by Trump (BBC 2021).

At the same time, many artists and cultural institutions on TikTok spoke about their worries that they would lose access to the platform. Due to Trump’s executive order against TikTok, artists were afraid that they would lose their digital audiences and sales, especially as they were already under pressure because of the economic recession caused by the pandemic (Small 2020). Of TikTok’s 800 million users, an increasing number are over 16 (Gens X, Y, and Z), and form audiences for many different cultural institutions and artists (Tidy and Galer 2020). Some cultural institutions (such as the Uffici Gallery in Italy or the Rijksmuseum in the Netherlands) found that, through their use of TikTok, they were able to attract a younger and broader audience. Still, many museums, galleries, or private persons as curators are not on TikTok, as they lack resources both in terms of personnel and time, or are sceptical (Small 2021; The Art Gorgeous 2020). Many art institutions, museums, and galleries were equally even forced to lay off their staff during lockdowns (Gural 2021;

Kenney 2020). Overall, it was individual artists and artist groups that were more frightened by the pending shut-down of the platform: artists still studying arts and using the platform to showcase their skills, artists who decided against university because of the financial strain, and those artists who struggled before finding their way into the art market and institutions (Gat 2020). Many artists made their first steps on TikTok even before COVID-19, but the entire art world was forced to go digital with the global pandemic (Graw 2020).

The commercial side of art adapted to its forced digital turn relatively quickly (Sidorova 2019). Pioneers in this, such as the David Zwirner Gallery or König Galerie, relied on digital showrooms such as online viewing rooms even before the COVID-19 pandemic and simply continued this work. Big art fairs such as Frieze Art or Art Basel adapted by relying on digital galleries, and produced elaborate digital exhibitions, with films, close-ups, and descriptive texts of single objects. Artists represented at these digital exhibitions were mainly established, white, male artists. The online viewing rooms presented artworks, reinforcing the notion of the artworks' self-evident value and worth, and inevitably influencing sales negotiations (Graw 2020). Therefore, the artists who most needed visibility and support during the pandemic in the art world—primarily young, female and black artists—were already under-represented before the pandemic, and their work was further marginalised in these digital viewing rooms. These were the artists protesting against the TikTok ban.

Many of these artists addressed feminist topics in their videos of up to 60 s long. The videos used the #feministartist hashtag. The artists have been using this hashtag by themselves or had their videos hashtagged by users via comments. The hypothesis is that artists use TikTok as a *virtual studio visit* to display their artistic practice and talk about related subjects, and not as an exhibition space like Instagram. Complicating matters is the fact that, as soon as an artist talks about female-associated topics, they are categorised and labelled with the #feministartist hashtag even if they do not describe themselves as feminists. COVID-19 threatens careers and lives. The impact of the pandemic on young, less established artists has been devastating, with exhibitions cancelled and nondigital outreach impossible. This research project thus analyses the phenomenon that significantly under-represented female artists used TikTok as their presentation channel and developed an extensive reach.

2. Literature Review and Institutional Setup

Social networks such as Instagram, Twitter, and now also TikTok have long permeated society. Our relationship to the social and material world is increasingly invisible through digital representations and the complexity of their technological constitution (Cornell and Halter 2015; Bishop 2015, pp. 337–52; Quaranta 2015, pp. 425–38). Communication in the digital field is described as equally “real” and “close” as “analogue” communication is. The bound of social activism, such as feminist activism, through social media, has already been accomplished within studies of political activism, concerning fake news and election manipulation on social media (Hocks 1999, pp. 107–19; Berry and Dieter 2015; DeLuca 1999). The TikTok platform is still a rather new research field, as the product was only released in China (under brand name Douyin) in 2016, and outside China as TikTok in 2017. It hit 800 million active users during the lockdown periods of 2020/21. It is a social-media platform like Facebook, Twitter, or Instagram. A fundamental understanding of the function of the video streaming app has been gained (Anderson 2020, pp. 7–12; Ngangom 2020), and on its impact on the development of meme culture (Zulli and Zulli 2020). The first studies on the labour of visuality and its relationship with government, and TikTok's political influence in the USA, China, and India have been conducted (Zhang 2021). Algorithm bias against LGBTIQ or PoC has also been discussed (Hern 2019; Cox 2018; Broderick 2019). Surveys on TikToks, as TikTok videos are called, in the art world are still missing. Instagram still seems to be the more popular and art-friendly platform, considering that it has already been on the market for 10 years. Some studies and even exhibitions deal with artists' self-representation on Instagram (Hogan 2010; Kang and Chen

2017; Visione 2015). Instagram also has significant influence on young audiences and art collectors, such as Millennials and Gen Z. Social media, especially Instagram, were part of the Hiscox Online Art Trade Report (The Art Market 2019, pp. 8–12), which outlined the direction of development in the art market, and included a survey on the new generation of art collectors, Millennials. It showed that Millennials tend to buy their first artworks through online platforms and auctions or directly from the artist over Instagram. Since then, Instagram and the influence of social media on the buying behaviour of collectors have been included in art-market surveys, with the exception of TikTok (TEFAF 2017; The Art Market 2017, pp.138–39; The Art Market 2018, pp. 252–58; The Art Market 2019, pp. 258–309). Moreover, TikTok’s use for artists is still underanalysed territory, with few studies on its influence, and existing ones focus mainly on music and the political scene. The present study tries to fill this gap in the literature by highlighting artists on TikTok and how the app could affect the art market.

3. Methods

This article is part of ongoing research and a series of interviews with artists, curators, and art dealers about digital art exhibitions, and their influence on gatekeepers and the changing experience culture. TikTok is one of the research fields in the study of digital art exhibitions. As there is no dataset or research for these research questions, it is crucial to understand how artists use TikTok to bypass primary gatekeepers, and why feminism is used as a determining label in the app. By analysing artists labelled with #feminsitartists, through their TikTok feeds, articles, and artist and indepth interviews, it is possible to reach a well-based understanding of the still-developing research field.

The study begins by placing TikTok in the context of social media and distinguishes it from Instagram. From here, the effect on the audience and the utilisation by the artists to circumvent primary gatekeepers is elaborated. In this process, the theory of the “intimate screen” (Alexander and Hahner 2017, pp. 225–43) is discussed. The study then explores different TikTok artists, how these under-represented artists use TikTok to gain visibility, and how the #feministartist hashtag works as a grouping but limiting label. The last part of the investigation is about how TikTok changes our experience culture of art, thereby helping to shape a new generation of interested persons and future art collectors.

4. The Art Market in the Age of TikTok

New types of media have repeatedly influenced artistic forms of communication and art itself. Andy Warhol, Edward Ruscha, and Lucy Lippard, for example, experimented with the aesthetics of advertising visuals and media. Books, magazines, newspapers, and advertising brochures became newly discovered playgrounds and sources of inspiration for art. Visual culture is nourished by the flood of images in mass media, which influence art and vice versa. The tension, friction, and mutual influence of visual culture and art have been discussed for a long time. The way in which we consume images, where, and when influence both the creation process of art and its reception.

Now, art has found its way into the digital realm since the advent of the Internet for private and commercial use. Since the late 1990s, this has happened in the form of websites from private persons or cultural institutions, and, since 2010, on social networks such as Instagram, Twitter, Facebook, and Pinterest. These digital spaces reproduced, perpetuated, or limited physical exhibitions. Digital exhibitions play a decisive role in the rapidly changing, digitalising art market, which has resulted in a shift in distribution channels and all changes associated with accessing the market and the shift in (media) power structures (Gnyp 2015). They, therefore, disrupt established power structures and mechanisms of inclusion and exclusion, traditionally organised by gallerists or art dealers in their role as gatekeepers in the art market. At the same time, it must always be examined to what extent the transfer of structures of the art market into the digital, including social media, reinforces or consolidates exclusion mechanisms. The digital art market is profiting from the easy and nearly limitless transmission of visual objects, and the effects of mass circulation, a

phenomenon linked to contemporary visual culture (Wallerstein 2018). Mass circulation has allowed for the art world to grow beyond the limiting and elitist boundaries of physical venues such as galleries and museums. The art world embraced Instagram in particular as a social-media platform, basically using it as a “white cube” for digital images, something that has enabled many art-market entities to reach a larger global audience. On Instagram, it appears as though anyone can make their curated exhibition in the digital space. The word “curation” is used in the digital culture to describe any form of the selection process compared to the physical space, where curation refers to the bespoke selection process and care for cultural objects and works of art (Wallerstein 2018). Digital curators are the persons who carefully select works, reduce the possible choice, and combine artworks or things in particular ways to bring attention to a specific item or history or describe various topics. Curators gently weave objects and art into a narrative or web of explanations for exhibition visitors. A social content feed on Instagram works similarly, as the owner, one’s Instagram profile, can focus on various topics or create a digital exhibition through the “curation” process.

A long-time trend on social-media platforms has been looping-video creation. Instagram or Facebook have integrated looping videos like Snapchat, Vine, and Music.ly have, which later merged to Douyin (China)/TikTok (outside of China) from Bytedance (Anderson 2020). Bresnick’s (2019) study on the cinematography of the trending app TikTok describes the app as a virtual playground by pointing out that “TikTok liberates young people to play without adhering to the visual styles, narratives, and online cultures of the past.” (ibid, p. 10) According to him, this in particular differentiates the app from other social-media platforms.

TikTok favours playfulness over certain styles and looks; accordingly, the younger generation is no longer trying to build their online personality as a brand, as Millennials do. The short, looping videos appear to be a mirror of Gen Z: “While millennials earnestly tweet about the stress of their student loans and freelance precarity, Gen Z TikToks in joyous nihilism, mocking a society in which self-determination and upward mobility have long since collapsed.” (Citarella 2018). If Gen Z, as Citarella (2018) points out, is nihilistic, why do social injustice and hashtags such as #blacklivesmatters or #feminism trend, and why do artists start accounts on TikTok instead of using Instagram with its *curatorial* aesthetic?

5. The Intimate Screen Is Omnipresent

“the relationship between reality and its online mirror has changed to the point where the real and the digital have merged into a single thing: *isn’t Google real?*” (Quaranta 2015, p. 425)

To understand the influence of increasing screen time and changes in our social behaviour by and through social media, and accordingly through TikTok, Alexander and Hahner’s (2017) approach to speak of the “intimate screen” in their study of digital activism for children with Down’s syndrome is appropriate. Alexander and Hahner (2017) show with their analysis of a private Instagram channel of a family with children with Down’s syndrome that they can raise awareness for the children and overcome stereotypes only by inviting people through pictures into their home to see their family as being similar to other families. The audience sees family pictures from trips, parties, and family breakfasts accompanied by positive descriptions in the captions. The audience can thereby identify and sympathise with this family. In the comment section, you can see so many positive reactions, with people giving their view and appreciating the portrayed family life. The community often then grows together into a digital circle of friends, where people share pictures and stories with each other. This demonstrates the engagement and bonding potential of social media.

Furthermore, the authors describe how our lives are influenced by constantly available screens, by the use of TVs, notebooks, tablets, smartphones, or public screens. We communicate via Facetime or other digital video-communication tools. The all-surrounding screen came even closer as the global pandemic forced people to stay at home, with closed office

buildings and curfews in many countries. The day was filled with Zoom meetings, schooling through the screen, Zoom birthday parties, or digital therapy and sport sessions. The screen of mobile and technical devices became even more invisible and the only channel to the outside world. At the place of a lifeless, cold object is now a supportive, empathetic, and useful tool, and our connection to the public sphere through familiarity.

6. Feministartist: Art and Activism on TikTok

Hashtags are not the only factor within TikTok to find somebody's videos. TikTok has a character limit, which prevents hashtag spamming on videos, unlike Instagram, where people can use up to 20 hashtags. The TikTok app is divided into two upper sections, the *Following* and *For You* feeds (see Figure 1). The *Following* feed shows only content from creators that someone follows, and the *For You* page is to discover content from new creators. On the *Discover* section are trending #hashtag challenges, created by users, paid company challenges, and TikTok-generated challenges. Challenges are #hashtag-based invitations to create content with the inspiration of others. Content can be found not only by hashtags, but also by using music and sounds from the music library, filters, and the before-mentioned *For You* page. The algorithm that provides new content is triggered by the user's interests, what they see, and for how long, and it is constantly learning. The algorithm is one of the factors that make it easy to be discovered by many new users, compared to other social-media platforms such as Instagram. A new creator can reach a couple of hundred views with their first videos. The network reach at TikTok is exponentially growing, whereas the algorithm of Instagram is mainly fed by the connection of users. The discover page on Instagram, for example, only shows new content that already has high coverage. Previously unknown profiles with fewer followers are found less easily. Contrary to this, new creators on TikTok can easily connect with other users, and the app promotes collaborations (with, e.g., the duet function) or grouping under one hashtag with challenges.

As Dixon (2014) and Boling (2020) noted in their studies on the #feminism hashtag, digital forums and social media are places where many under-represented and vulnerable people, such as LGBTIQ*, BPoC, or other social and political groups seek exchanges and support. Still, social media are not a safe space, and people are increasingly exposed to hate speech, harassment, and shadowbanning. It was also revealed that the algorithm of TikTok discriminates against black and overweight people, and that TikTok has shadowbanned LGBTIQ hashtags in certain countries (Strick 2016; McCluskey 2020; Perrett 2020).

The grouping of creators, as video producers on TikTok are called, or content thus serves, on the one hand, to create communities (with the aforementioned downsides) and, on the other hand, to find new content on topics, but also to motivate the activist movement on the net, such as well-known hashtags #BlackLivesMatter, #MeeToo, or #FridayForFuture (Fielitz and Staemmler 2020). These hashtags help to collect varying information and assign people to a specific cluster. As a result, TikTok, through its structure and focus on interaction and empowerment of grouping through hashtags with its creators' challenges, taps into what is known as social-media activism. This is achieved as many creators spread ideas under a single term, the hashtag. TikTok uses activism strategies and transforms them into "challenges" that are commodifiable and suitable for a general audience. Activism strategies on social media are challenges (e.g., the ice-bucket challenge to raise awareness for ALS), hashtag challenges (e.g., #BlackLivesMatter), sharing real-life experiences, providing data, and partnering with influencers, fundraising and donations, and calls for Patreons. Activism strategies are an integral part of TikTok's success. Therefore, creators who have achieved a particularly high reach through their activism in certain subjects or areas, as they implement the use of hashtags, topic setting, and thus community building to a significant extent.

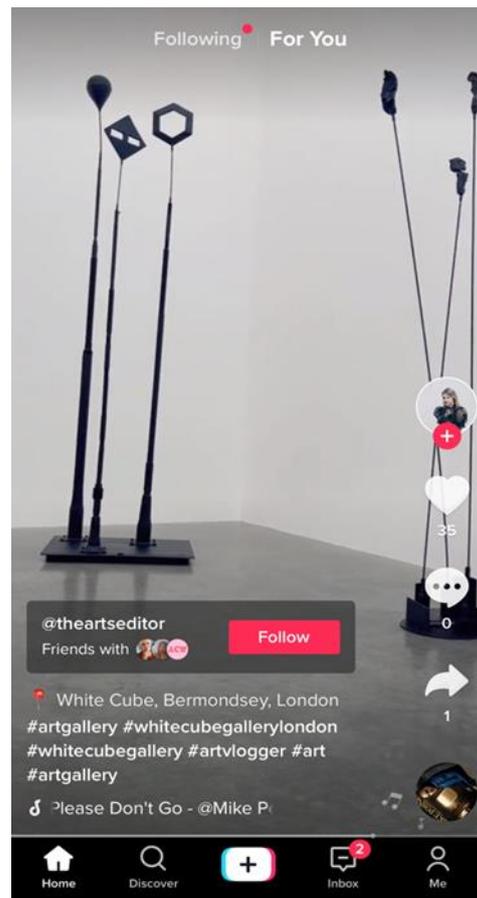


Figure 1. Main page of TikTok with Following (upper-left) and For You (upper right) feeds.

A selection of the most successful and known artists on TikTok are Colette Bernard (@colettebernard), a sculpture artist; Emonee Larussa @emon33y, a media and NFT artist; Erin Samjo (@erinsamjo), famous for gluing everyday objects onto her face; Landin, @Landinart, a sculpture artist; Leila Mae Thompson, @lmtweet, a self-thought artist renowned for her artistic responses to the death of George Floyd; Rosa Kusabbi, @Rosaiillustration, with her colourful illustrations on equality; Helena (@ssquidand.co), an embroidery artist; @glass_goddess_33 a glass artist; and Kelley Emmrich (@kellyemmrich), an animation artist. Under the 800 million active users are much more artists who can be found under #artiktok. All of these artists can be found through the #feministartist hashtag, which has 16 million views (last accessed on 26 June 2021).

When looking at the most popular videos of the artists that went *viral*¹, it is noticeable that they address issues either directly related to feminism or through a feminist lens. Issues such as equality, birth control, freedom of speech, antiharassment, antiracism, and body positivity. However, in first and secondary interviews (Andrews 2021; Breen 2020; Small 2020, 2021; Fielitz and Staemmler 2020), only three of the mentioned artists, @ssquidand.co, @glass_goddess_33, and @rosaiillustration, actively identified themselves as feminist artists. The remaining artists did not identify as feminists, though they did say that they address feminist topics. Nevertheless, all aforementioned artist agreed that they address (intersectionally) feminist² topics within their videos and art. All of these artists are full-time artists and secure their main income through TikTok.

6.1. Minimum 15 s of Art

The aforementioned artist creators or artists are labelled as feminist artists, by themselves and by others, even if they do not identify as feminists. The artists use several different video types, usually lasting in the range of 15–60 s, to present themselves to their

audiences. The three primary ones are: *performance*, *work-in-progress*, and *direct-address* videos. Two other types are also fairly common: *reviews*, where the creator reviews exhibitions and other works of art; and *sociohistorical* videos, where the creator discusses art-history or sociopolitical issues. The first three video types serve to present the art itself, and the other video types serve to demonstrate one's own expert position. All videos are accompanied by background music.

The first three types of videos are characteristic of artists on TikTok, and are now explored further. The *performance* of art on TikTok can take various forms, including expression through body movements (see Figure 2), filmed stage performances or performances in daily life situations, such as the viral video of Colette Bernard, who carried her sculptural work of a birth-control pill blister pack through New York City streets (see Figure 3) (Castillo 2019). *Work-in-progress* videos are particularly widely used and are intended to show the production of a piece of art. The audience is looking over the artist's shoulder in their studio (see Figure 4) and can partly influence the artwork if they are asked to do so, or can be invited to guess in which direction the artwork is heading. This invites the spectators into the studio and allows for them to participate in the artistic process. In addition to close-ups, there are also videos showing the artists in their studio where the works are realised. The videos alternate between the rooms, the works, the working process, and the artists recording themselves. Here, it becomes clear that the very short videos are elaborately edited down to 15–60 s. @LandinArt, an artist producing bronze sculptures, often invites viewers to guess which famous people her works-in-progress might be, for example. *Direct-address* videos present the artist's artworks in detail and show the artist, or an off-screen voice discussing the work. Work-in-progress videos and performances are primarily used to present the artist's own artistic work. This also shows a clear difference to Instagram, where mostly finished artworks are presented in the studio or exhibition space. It was only with the later addition of Instagram Stories and Reels that artists also used the opportunity to show their works-in-progress. Here, too, the important point of engagement and the inclusion of the audience in the process is missing when compared to TikTok, where audience engagement is paramount.

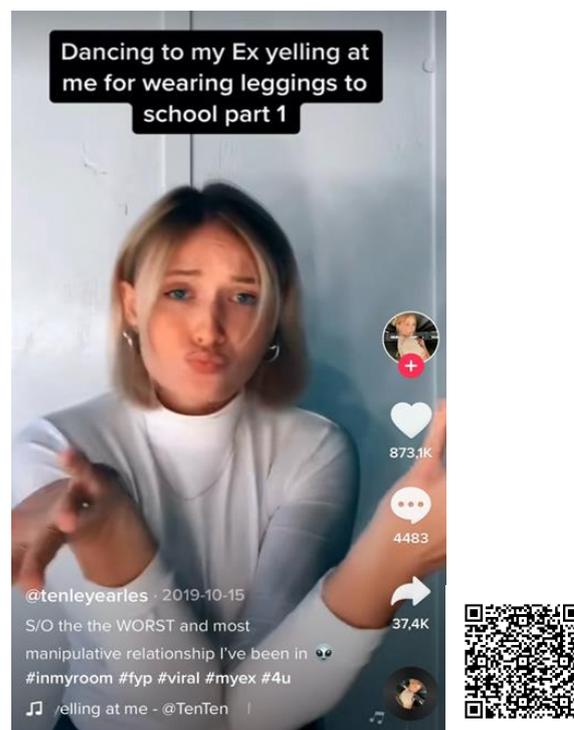


Figure 2. @Tenleyearles performing to audio message.

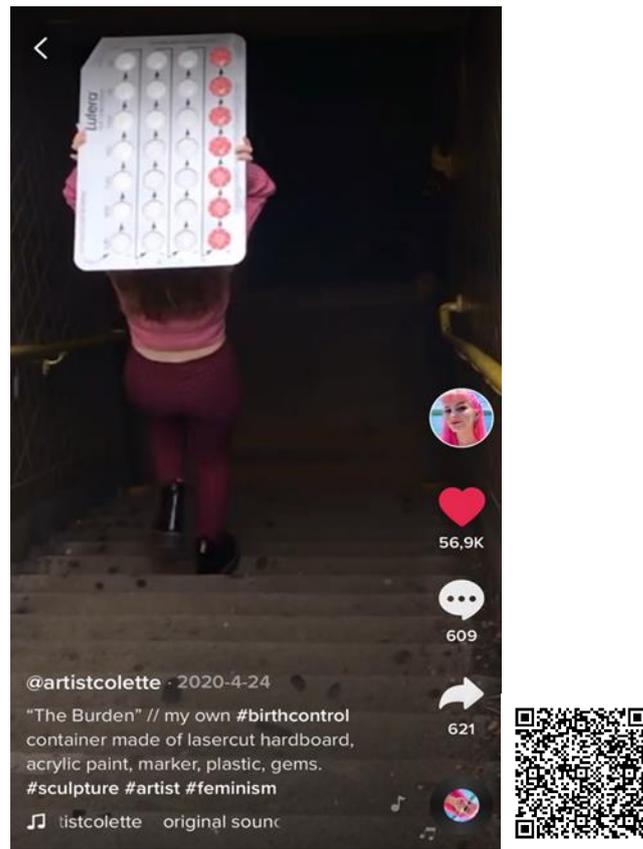


Figure 3. Performance of Colette Bernard “The Burden”.

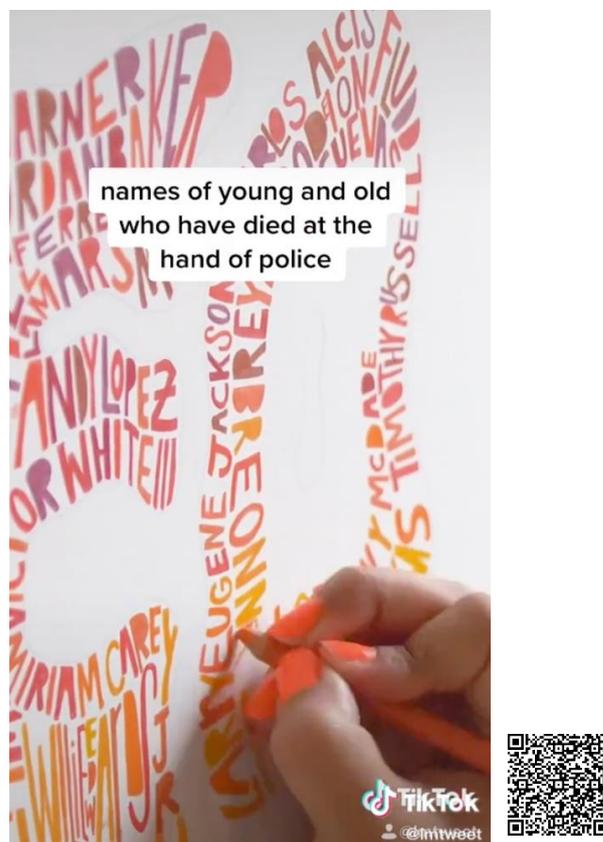


Figure 4. @lmtweet Leila Mae Thompson with her work-in-progress video.

The artists use the three video types on TikTok to present their works away from the rigid insistence on the aesthetic presentation of intellectual or artistic ideas, and generate the point of presence and touchability (Wallerstein 2018). The dematerialised, digital images of works on viewers' screens can be closely perceived, if not exactly felt, by the users via the screen in their hands, as the works have adapted to the digital space (Sholette 2006). The size of the works can be assessed, and their materiality experienced without directly touching them. The invisible, but touchable intimate screen is the bounding bridge between spectator and artwork. In this way, even sculptural works can seemingly be experienced by the viewer from all angles, albeit in a predetermined digital environment. Works with a performance character, such as those by Colette Bernard (*The Burden*, see Figure 2), have experienced a new flowering through TikTok, which, far from being firmly circumscribed by a performance in a gallery, places them more firmly in the midst of people's lives. In this way, the performance character of this art form is taken up and transformed into the social medium in order to continue the discourse outside of high culture. The performance on TikTok moves away from the enjoyment or puzzlement of the elites to give space to the masses to enjoy, question, or even be perplexed by these artworks.

The interplay of intimacy through the device, and the verbal and visual closeness to the artist creators allows for viewers to fall into friendly familiarity. At the same time, TikTok, as a mainstream site far from the critical and financially exclusionary structures of the art market, allows for artists to present themselves and, through the highlighted video types, to extensively introduce and inscribe themselves into the lives of the viewers. Of the 15–60 s videos, the artists upload about 2–5 a day (Bernard 2021). This media presence cannot be achieved by the classical art market with its institutions. In this way, the artists inscribe themselves almost unnoticed in viewers' lives by "increasingly inexpensive technologies that allow informal and activist artists to network with each other have also made the denizens of this shadowy world ever more conspicuous to the very institutions that once sought to exclude them. In short, dark matter is no longer as dark as it once was" (Sholette 2006). The "creative dark matter" (Sholette 2006) that we find on TikTok consciously works in the realm of mainstream art, autonomous and free from the critical and economic structures of an art market that (still) excludes them. However, it should not be forgotten that TikTok as a platform is not free from bias and exclusionary mechanisms. TikTok admitted that content from black, obese, or LGBTIQ creators has been shadowbanned by the algorithms (Bernard 2021; Perrett 2020).

6.2. *Performing Feminism on TikTok*

Feminist philosopher Hélène Cixous, in her essay "The Laughter of Medusa", writes about the aesthetic dimensions of language and expression by the woman's body, passion, voice, and words as a means of cognition. Through the metaphor of the laughing Medusa, Cixous traces the lack of femininity in culture, which has always been repressed, and turns the image into an appeal to the repressed to write themselves into visibility. Cixous' writing is a constant repetition and transformation of her thoughts, and carries the reader into her movement. This technique could also be compared to TikTok videos by #feministartists, as artists, like Cixous, constantly redraw and write themselves, like a never-ending sketch or an unfinished paper, carrying out ongoing research on themselves, and their artistic work and purpose. The videos, if not swiped away, are on a constant loop, repeating themselves and massaging their message into the spectator's mind (Cixous 2013, pp. 39–62).

TikTok videos used by artists can, on the one hand, be a form of trust building and be used as digital activism. In the first form of trust building, the public is invited into the artist's studio through personal videos with close-ups on their hands and face, looking at the artworks, seeing their living spaces and studios. By giving the audience the feeling of looking at the artist over the shoulder or generally physical closeness, trust slowly increases. The audience becomes a friend through the screen. The videos are not digital exhibitions; they are, rather, a studio visit. This "friendship" with the artists also opens the possibility for digital activism through the *invisible screen*. The artists can subvert

dominant perceptions of political slogans while simultaneously using the narrative of feminism to present their artistry. This combination allows for women artists to reach an audience outside of the classical art market, even and especially in the uncertain times of COVID-19. They create a community of like-minded young people by visually and narratively transforming the issues into a celebrated and familiar life, thus managing to bypass initial gatekeepers in the art market.

To understand how and why artists are choosing TikTok as their place to gain visibility especially in the times of COVID-19, it is crucial to understand the audience on TikTok. The primary audience on TikTok are young: Generations Y and Z. However, TikTok also tries to attract more of the older generations and higher-education institutions on the platform by initiating a global “Museum Moment” (TikTok Newsroom) on TikTok with live exhibition tours or by the creation of a EUR 5 million COVID relief fund for art and cultural institutions in Germany (Schneider 2021).

For young audiences and what they are seeking online, TikTok Germany published #digitalnativesmonitor, a study focusing on two generations of users to find answers to questions such as, “What moves Gen Z and Millennials?” (Digital Natives Report 2021, p. 2) and “How do they express themselves?” (ibid). The study showed that the pandemic has increased the existing awareness and preoccupations of Gens Z and Y about social inequality, environmental degradation, and climate change. These generations are more likely to express themselves with memes and short videos instead of long discussions (ibid, pp. 6–7). The results of the report highlight that issues of social inequality, which is a main subject of intersectional feminism, are one of the main concerns of the younger generations, and thus firmly inscribed in their online behaviour. Themes of intersectional feminism, such as Rosa Kusabbi with her illustrations about empowerment, Colette Bernard’s birth-control performance, or Helena’s gender-equality embroidery, successfully permeate the digital space and are perceived by these generations (Breen 2020). This means that these videos have a higher probability of being shared, thereby going *viral*, and that other creators or artists also deal with these topics. Unfortunately, by using the same parameter, antifeminist videos have an equally higher likelihood of being shared.

The named examples show that the featured artists present their own artistic practice through the narrative of feminism, visually foregrounding the artworks, while hashtags, captions, and direct speeches, challenges, or off-screen texts tie the videos into the themes of feminism. The elaborated level of trust between artist and viewer allows for the visual narratives on feminism to merge with a gentle form of mobilisation towards #feministartist activism. The organic weaving of latent activism in the app encourages viewers to recode the unknown into the known. Moreover, the forms of interaction and collaboration that TikTok enables are conducive to feminist discourse, and provide the opportunity for mass mobilisation to achieve not only individual artist visibility, but also visibility for issues of sociopolitical change. The extent to which these imagined forms of artistic activism on TikTok can be carried beyond the app or what barriers to censorship are built into the app cannot be elaborated here, and are part of the research on censorship and platform regulation.

7. TikTok’s #Feministartists and the Art Market

The artists grouped by #feministartist are mostly women. As mentioned, the artists do not all identify themselves as feminist artists; for example, Colette Bernard would say that she is a “queer leftist artist” (Bernard 2021). Nevertheless, the hashtag can be stated as a strategy to gain the necessary visibility for the individual and the group on TikTok, thereby breaking through the historical exclusion of women, which is not to say “feminists”, as that could apply to men too, from the art world, and thereby the art market. However, the grouping process does not stop with the positive aspect of gaining visibility, as it could be used as the positive discrimination of minorities and under-represented positions. Through this grouping process with the label of #feministartists, many different artists are aligned by having their characteristics removed in favour of the label. Therefore, the strategy of

visibility could eliminate many individual characteristics; thus, positions beyond feminist issues are omitted. In doing so, artists set the stage for feminist issues, and at the same time serve feminist activism in the belief that they can compensate for the lack of female representation in the art world in the past. The interview sample of female artists listed here also shows the consequence in connection with the hashtag that feminist artists seem to always be female artists and vice versa, thus seemingly becoming a general consensus. Therefore, it becomes clear how easy it is to group female artists as feminist artists, which is a generalisation that misses the differences between being a woman and a feminist, makes it more difficult to perceive an artwork made by women to be seen outside of feminist topics, and pushes the gap between the generalisation of differences between male and female artists further apart (Hayden 2020, pp. 57–84).

The artists mentioned under #feministartist are almost entirely young and nonestablished. In the case of Colette Bernard or Leila Mae Thompson, they have just emerged from academia and the global pandemic, which also led to the loss of their part-time jobs and exhibition opportunities. They concentrated entirely on TikTok as the only channel to the outside world for their artistic practice. COVID-19 acted as an amplifier for a group of artists who moved into digital spaces, and provided them their income. Some of the still-young audience do not have the financial means to buy large material-intensive artworks. However, many TikTok artists produced smaller items, such as stickers, editions, and T-shirts with their artworks. Small art objects generate USD 5000–10,000 dollars for the artists (Bernard 2021). In this way, artists have managed to monetise their visibility and sell small replicas of their artworks. Similarly, museums sell replicas or bags of their popular artworks, and the König Gallery has also used this strategy with König Souvenirs: “We notice the strong need for participation” (Plag 2018). The need for participation and commitment, and the urge to exchange about art and sociopolitical issues that appeal to the young generation of art enthusiasts is what makes the aforementioned (#feministartist) artists successful on TikTok. In all the mentioned positive and negative facets, TikTok unites the possibility for the exchange, cooperation, and enthusiasm of young interested people, the art collectors and patrons of tomorrow.

“They wanted to support me in my art”, Collette (Bernard 2021) described the reaction on her TikToks, which is an extremely positive message at a time when people had almost no physical access to art and cultural experience. This also shows how important exchange is on both the side of the artist and the side of the viewer. Artists have indeed overcome the first hurdle to visibility on TikTok and in the art market. However, how far they will make it into institutions and large collections is still up for debate. A longer observation of the development of artists’ careers, and the inclusion of TikTok in the grid of art agents and curators is still to come.

8. Conclusions

This study on feminist artists on TikTok during COVID-19 in 2020/21 analyses artistic self-presentation in social media in general and on TikTok in particular. In contrast to Instagram, the preferred social-media platform in the arts and culture sector to date, extensively covered in art-market studies, this study identified the essential functions of TikTok for the representation of art and female artists. Using the theory of the intimate screen, a stronger focus of the TikTok app on activism strategies emerged with less emphasis on an aesthetically curated feed. An algorithm that focuses on maximising the rate of new discovery significantly increases reach, including for new users. Emphasising hashtags and generating hashtag challenges, while limiting the number of hashtags leads to stronger community building and stronger target group outreach. This increases the visibility of the individual and the probability that individual videos would go viral.

Artists who use the #feministartist hashtag do not always refer to themselves as feminist artists, even if they address feminist theories and demands. By using the hashtag and using activation strategies in videos, such as direct address, hashtag challenges, and through performances, the artists have managed to build not only a community, but also a

low- to midmarket buyer base. However, the hashtag can lead to a one-dimensional view of the artists and their works through the lens of feminism, and artists are wrongly or at least insufficiently included under the collective term, which can also have a negative effect on their inclusion in exhibitions.

The three main video types that were elaborated by the artist creators made it clear that, in contrast to Instagram, the viewer is more likely to gain insights into the artistic work, comparable to a visit to a studio. Therefore, the multitude of possibilities for addressing the viewer, the interactivity and virtual proximity created by the intimate screen enable a strong bond between artist creator and viewer. For this reason, artists have increased opportunities to holistically present themselves and their artistic work. However, this also means high media-usage time when the artists post an average of 2–3 videos per day.

Despite their success, the female artists also pointed out that cooperation with other artists is particularly important, as the shadowbanning of certain videos or hashtags, and the bias against BPoC and PoC were also identified as problems among the featured female artists. Despite or even because of the criticism, social-media platforms such as TikTok should be further investigated in their functioning and usage. Social media make changes in our digitalized society and the art market particularly apparent.

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Notes

- ¹ The word *viral* means that certain digital content spreads quickly on the Internet. In the context of TikTok, this means that the video is seen and commented by many people. In addition, other TikTok users internally share the video in the app and on other social networks. Individual videos of a creator can go viral, which is not equivalent with the general reach of this creator. For example, one single video can reach a hundred thousand people, but all others reach only one hundred views.
- ² Intersectional feminism is considered to be feminism that is not only fighting for equal rights for women, but also includes the interests of Black/People of Colour, disabled people, other minorities, and under-represented persons.

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Article

External Shocks in the Art Markets: How Did the Portuguese, the Spanish and the Brazilian Art Markets React to COVID-19 Global Pandemic? Data Analysis and Strategies to Overcome the Crisis

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Abstract: The spread of the COVID-19 pandemic worldwide, and the restrictions imposed by the social distance and the enforced confinement, are having an impact on the art markets globally. The aim of this article is to evaluate the impact of an external shock in the primary art market, using three countries as a case study: Portugal, Spain, and Brazil. These geographies have in common being at the margins in the art market's main art hubs. It is intended to analyze how agents are responding to the new context, according to the data gathered within the gallery sector. The methods applied in the research are a combination of surveys carried out by the authors, field-based observation, along with an academic literature review, complemented by international and national reports analysis. The study's main findings allow us to characterize the art market as a very resilient sector that energetically responded to the crisis, able to adapt and overcome challenges imposed by the new pandemic situation. Contemporary art galleries expanded digital activities, kept participating in art fairs hybrid models, continued to focus on internationalization, and pointed to the strengthening of public policies towards the sector and partnerships as key strategies to overcome the crisis.

Keywords: external shocks in the art markets; primary art market; gallerists; artists; COVID-19; Portugal; Spain; Brazil

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1. Introduction

The spread of the COVID-19 pandemic worldwide, and the restrictions imposed by the social distance and the enforced confinement, are having an impact on the art markets globally. International reports, surveys conducted by academics and organizations, academic articles and newspapers articles claim for an overwhelming impact on the art markets and on the cultural sector in a wide-angle view, predicting the sector is among the hardest hit by the pandemic (Comité Professionnel des Galeries d'Art 2020; Art Dealers Association of America 2020; Banks 2020; Gerlis 2020; Comunian and England 2020; Michalska and Brady 2020; Neves 2020; Anonymous 2021a). The sanitary crisis evolved fast, and its effects differ according to the various cultural sectors and contexts.

The art market depends heavily on an intense global calendar of events, especially art fairs and gallery exhibitions. From March 2020 onward, the face-to-face activities were canceled, businesses dependent on travel and in-person contact were suspended, the artistic activities were paralyzed, art fairs—one of the main sales channels for art galleries—interrupted, cancelled or postponed¹. Conferences, projects, exhibitions, art fairs and auctions in-presence turned into online. Services and institutions closed, schools, universities, companies, museums, libraries, galleries and alternative art spaces were also

shut down. Citizens were confined following sanitary measures; entire cities interrupted their activities, and it is still hard to predict when they will be fully reestablished.

In this frame, the art agents were impelled to be resilient; a concept from psychology that suggests resistance to situations of crisis (Pérez-Ibañez and López-Aparicio 2018, p. 221), a capacity of adaptation to new circumstances and finding alternative models of subsistence, a reinvention for themselves and their projects (Comunian and England 2020, p. 116). The art fairs changed the face-to-face model to online, created online viewing rooms, extended their online activities, operated as marketplaces, the auction houses increased the number of online sessions, the galleries improved their websites, set up a livestream of the exhibitions and talks with curators and artists. Likewise, artists improved ways to reach audiences digitally, spreading their work on social networks, on Instagram, on Facebook and drawing attention to their ongoing projects (Banks 2020, p. 651).

In this article, we intend to discuss how art markets in Portugal, Spain and Brazil are responding to this external shock. We will analyze the agents' resilience through the evaluation of the impact of the pandemic in economic terms (total revenue, export, employment) as well as in operational and relational terms. Furthermore, we will identify the main changes in the art market activities—sales, exports, exhibitions, art fairs and digital activities—and the most deployed strategies to overcome the crisis, inquiring if some of them are common in the three countries.

The art markets in Portugal, Spain and Brazil have had uneven development flow and economically fragile health in the last 15 years. Before the COVID-19 health crisis, Portugal was pointed as having one of the lowest levels of cultural practices among the population, in comparison with the countries of the European Union, a position that worsened with the aftermath of the previous 2008 global financial crisis (Neves 2020, p. 90). Brazil, on the contrary, had consistent growth of its art markets for about a decade (2005–2015), showing a slowdown in its pace of development from 2015 onwards, related to the national economic reverses, while the process of internationalization of art markets players continued steadily (Fialho 2019, p. 20). In Spain, the 2008 crisis caused the closure of numerous galleries but also triggered the birth of new, more global gallery models aimed at capturing a different way of collecting (Pérez-Ibañez 2020, p. 176).

These three countries, with their own specificities on scale, economy, politics, history and culture, have in common being at the margins in the art markets field². Although academic literature has been contributing to the knowledge about the complex performance of art markets internationally (Quemin 2013b; Velthuis and Curioni 2015; Zarobell 2017; Robertson 2018), it is still difficult to find theoretical contributions concerning markets outside the dominant axes, as these three countries exemplify. Moreover, the geographical proximity between Portugal and Spain, and its historical relationship, make the Iberian Peninsula a common market for buyers and collectors³; together, they are a privileged gate for Brazilians to access the European art market. Brazil keeps close ties with both countries in terms of cultural exchanges and cooperation: Spain is a relevant destination of sales made by Brazilian galleries, while Portugal is the residency of several Brazilian artists and curators and a frequent destination of contemporary art players initiatives⁴. Another reason that motivated this joint paper is pragmatic: the authors belong to a cluster, "Art Market and Collecting," that hosts the research group TIAMSA subcommittee "Art Market and Collecting: Portugal, Spain and Brazil," whose purpose is to promote cooperation and data sharing among its members⁵. These three countries have indeed different art market scenarios, but our goal is not to forge similarities but to identify points of convergence as well as differences between these markets with strong historical and cultural ties.

The theoretical literature on the art market's performance in these regions is not extensive and does not draw attention on an international level, but there are recent contributions to its knowledge that we would like to underline. Duarte analyze the mechanisms by which the primary art market has been activated, and states for a rise in the Portuguese primary art market since the turn of the new millennium, particularly in the Lisbon art scene, due to the efforts in conjunction of private initiatives, namely the contemporary art gallerists and

the contemporary art collectors (Duarte 2020). Afonso and Fernandes (2019) present the Portuguese art market's main features, underlining its local scope, or domestic dimension, in the frame of the history and of the trends of the art markets globally. However, in the Portuguese context, recent newspapers articles highlight the economic impact of the COVID-19 on markets, pointing out the predictable difficulties that the sector is going through or the increase in the precarity among artists (Anonymous 2020a, 2020b). Additionally, reports give inputs on how the cultural sector is reacting to the crisis (Neves 2020). In Spain, Pérez-Ibañez conducted a survey, analyzing how the artists are dealing with the crisis, bringing inputs to the discussion, and proposing alternatives to the mainstream functioning of the art system. Regarding the Brazilian situation, Fialho draws attention to the challenges faced by the cultural field since the beginning of the pandemic, pointing out the importance of public policies and investment to prevent a possible collapse in the sector (Fialho 2020). An extensive report on cultural policy and the impact of COVID-19 on the cultural sector showed how companies, workers, public investment and international trade related to different sectors behaved throughout 2020 (Observatório do Itaú Cultural 2020). A specific survey about the impact of the pandemic on the gallery sector in Argentina, Brazil, Chile and Colombia was conducted by Esmanhotto and Fialho, showing that, in comparison to many other cultural sectors, the art market in Brazil was quite resilient by adapting and overcoming challenges imposed by the new context (Esmanhotto and Fialho 2020).

It is our purpose to analyze the current state of the art markets in Portugal, Spain and Brazil to understand the determinants of their resilience and to bring insightful information about the gallery sector and the strategies of art market agents to overcome the crisis. We also intend to contribute to the widening of the art markets studies' field by bringing into light field-based information about three countries that are usually not well represented in international art markets literature neither art market reports, often focused on the high end of the art markets, in terms of turnover and market share. Therefore, the relevance of this case study is also to bring an analysis of the current situation and the tendencies observed in art markets located outside the main art hubs, suggesting that there are specificities and new dynamics that are interesting to consider in a broader discussion about the development of art markets in the coming years.

2. Materials and Methods

In this section, we will explain the methodology used and the materials employed in the research. First, we have analyzed the available literature on the subject. The pandemic impact on the art market is an ongoing process, and the academic literature about this phenomenon is still scarce; therefore, we consulted reports published about the impact COVID-19 had on the art markets, both national and international (Fialho and Esmanhotto, McAndrew, Neves, Comité Professionnel des Galeries d'Art 2020; Art Dealers Association of America 2020), as well as the specialized press (The Art Newspaper, Art Review, Artsy, Wallpaper, Wired, Contemporânea, Expresso, Público, Observador, Umbigo Magazine, Select, Arte!Brasileiros). The secondary sources were discussed between the authors and confronted with primary data gathered through field research (surveys, field-based observation, semi-structured interviews and informal conversations with art players, artists, curators and gallerists about the topic, given the authors' familiarity with the 'art world' of the respective countries). The whole research and analysis were informed by relevant theoretical contributions to the art market studies.

The research brings up primary data collected by authors in the field, complemented by information from secondary sources, all together analyzed with the support of theoretical references. The data analyzed in Section 3, and its subsections, was collected in different periods in the three countries, between April 2020 and May 2021, and the research focus was the primary market. In terms of the definition of the population surveyed, we may classify the group of galleries as "structures with a commercial purpose and a physical space organizing exhibition of works" (Quemin 2020, p. 346). This group included gal-

eries who work with most living artists, a category that is understood here as artists with specific training (Fine Arts schools and arts academy), using various mediums (painting, photography, installation, sculpture, multiples) and recognized by peers and agents from the milieu (Becker [1982] 2010)⁶. Plus, the galleries' reach may be local, national, regional or international, and they participate in contemporary art fairs⁷ and have maintained activity during the years under analysis (2019–2021).

Concerning Portugal, data is coming from an anonymous survey launched to the Portuguese commercial art galleries between 22 April and 7 May 2021 through a google forms platform. In terms of the sample gathered, 70 active galleries were identified, using sources, such as the galleries' websites, the Mapa das Arts, a map of Lisbon contemporary art⁸ and the author's knowledge of the field. The gallery contacts were validated by telephone (28–30 April and 3 May)⁹, and the questionnaire was sent by email. If we compare the numbers we collected with the official numbers from the National Institute of Statistics (which identifies 56 galleries in the country, *Estatísticas da Cultura*, INE 2019, p. 131), we realize that the official numbers need updating¹⁰. The questionnaire was organized in different sections to further understand how the Portuguese primary art market is reacting to the pandemic crisis. The questions are generally closed answer and sections are as follows: (1) characterization of the business main area of expertise, (2) the gallery staff (number of employees), (3) the artists, (4) the sales (annual turnover and artworks transacted), (5) the buyers and collectors, (6) the art fairs, (7) the gallery exhibition activity, (8) the crisis impact: strategies to overcome it. Analysis was conducted with aggregate data.

The information from the Spanish art market comes from various sources: the 2020 Cultural Statistics Yearbook published by the Ministry of Culture has been one of the sources, but above all, we have focused on the data collected by the reports issued by two professionals associations, the Institute of Contemporary Art (IAC) and the Consortium of Contemporary Art Galleries, the largest association of galleries in Spain, with data provided by the associated galleries. The Consortium and the galleries it represents are members and interlocutors of FEAGA (Federation of European Art Galleries Association) with the Spanish galleries. Besides, together with the IAC and four other professional associations, the Consortium is part of the Sectorial Table of Contemporary Art, an open platform, inclusive and participatory, that brings together and represents all groups involved in the development of Contemporary Art. The dialogue that the Consortium has maintained with its represented galleries and the collection of data during the pandemic has been crucial to understanding the reality of the sector from the primary source.

Data from Brazil was also gathered through surveys, combined with interviews and conversations with art market players. The first survey was conducted in September/October 2020, and some data were updated between January and March 2021. In total, 80 art market players were contacted, and 52 participated in the research. The universe of respondents is composed mostly of galleries that operate primarily in the primary art market and that are linked to the Association of Brazilian Contemporary Art Galleries (ABACT) but not exclusively, we also had responses from a few participants of the secondary market, art fairs and digital sales platforms. All together, they represent the most professionalized and internationalized segment of the Brazilian art market. The main issues addressed were related to the economic and structural impact of the pandemic on the markets: sales results and exports, employment, artists representation, management, digital strategies, participation in art fairs, and the prognosis of companies for the coming months. The first analysis of results was published in December 2020 (Esmanhotto and Fialho 2020). Therefore, for this paper, we choose to explore some qualitative aspects we believe deserve further discussion concerning the way the market is functioning and the changes detected in relational dynamics among the players.

3. The Health of the Art Markets. Three Countries under Analysis. Findings

3.1. Portugal: What Is the Extent of the Impact of COVID-19 in the Art Markets Sector?

The beginning of the pandemic in Portugal was delayed in comparison with some European countries, Spain, France or Italy, but the declaration of a state of emergency happened at a relatively early stage (on 19 March¹¹) (St. Aubyn 2020, p. 43). Following the general lockdown in the art markets sector, its impact represented a challenge for the agents involved. *Observador*, a Portuguese daily newspaper, noticed a “high damage” in the sector, indicating the cancellation and the postponing of the international art fairs and consequently the drop in sales (Anonymous 2020b).

In this section, we will analyze the performance of the Portuguese commercial art galleries during the 2020 COVID-19 pandemic crisis, comparing its results with the previous year of 2019 and highlighting the expectations those agents have towards the future. The data of our sample is 46 answers, from 70 sent, collected from a survey sent to gallerists through the google forms platform, as we previously mentioned. We had a very good response, with a participation rate of 66%. The analysis follows the steps as shown in the questionnaire: (1) the characterization of the gallery area of expertise; (2) the gallery staff (number of employees); (3) the number of artists that galleries represent; (4) the sales (annual turnover and artworks transacted); (5) the buyers and collectors; (6) the art fairs; (7) the gallery exhibition activities; (8) the crisis impact: strategies to overcome it. This last point, concerning the measures the galleries used to overcome cancelled in-presence art fairs and the changing priorities for the sector in coming years, will be analyzed in the next subsection of this article (Section 3.1.1).

The set of galleries surveyed have a scope of action mostly in the contemporary art field, and the sample showed the primary art market as the main area of expertise. Only three art galleries had business also in the secondary art market. Their geographic location is predominantly in Lisbon with 31 answers, followed by the city of Porto with 8 answers. In the rest of the country, its representativeness is residual, with one gallery in each city¹².

Data shows that the Portuguese gallery tissue is experienced, Figure 1¹³, with a significant 56.6% of them running the business for more than 16 years, and 26.1% having activity for more than 25 years. At the same time, data shows a relevant percentage of 26.1% of galleries younger than 5 years, meaning that the tissue gallery is growing and refreshing the art scene, particularly in Lisbon, with new projects and challenging perspectives (Duarte 2020). Concerning the gallery space, 50% has its own space. The other 50% of gallerists rented space, and between those, just for one gallery, the fixed costs represent plus than 50% in the business (the higher percentage of the inquiries, the rented spaces represent an estimated value of 11–20% of its fixed costs). Data shows for a small percentage that probably will have its financial difficulties increased from the rented space.

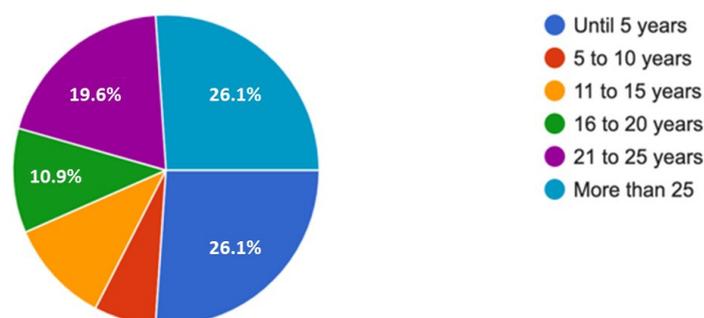


Figure 1. Gallery ages. Data source: Survey conducted by author.

The gallery’s number of employees (Figure 2) is situated between ‘one and five’ in 2019 and 2020, and it is estimated to be equal in 2021. In these years, reducing employees was not an option. Only three galleries reveal a bigger number of employees, between ‘six and ten,’ meaning that Portuguese art galleries have mainly a familiar profile business¹⁴.

These features of a mainly familiar profile of the Portuguese art galleries were confirmed by field research of the author. Their wages were kept at an estimated percentage of 91.3%. Data shows that only four galleries have reduced wages to their employees. In total, 33 galleries (71.7%) applied to the Lay-off, an extraordinary measure the Government launched to support the maintenance of employment contracts and to pay wages if the company was totally or partially closed within the scope of COVID-19¹⁵. Still, in the field of the financial health of the business, data showed that a percentage of 84.8% had not accessed any loans or external credit to keep their business running (a percentage that corresponds to 39 galleries, in 46 answers).

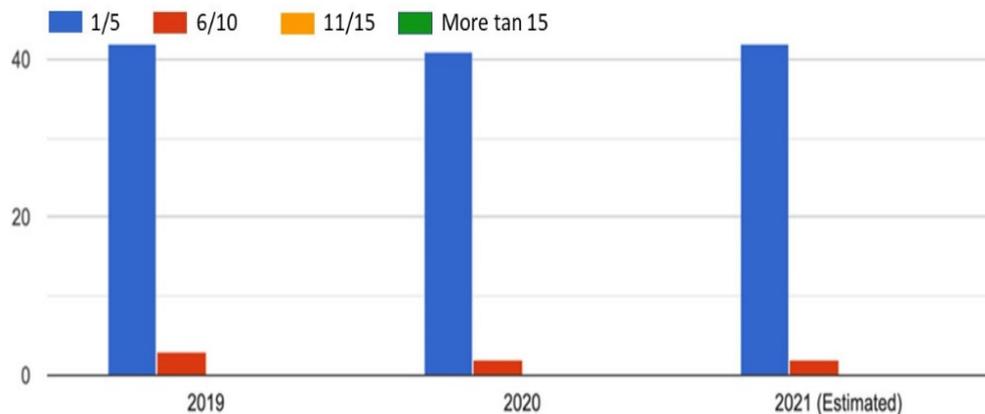


Figure 2. The number of gallery employees. Data source: Survey conducted by author.

Concerning the number of artists, an expressive number (44 answers, 95.7%) denied having reduced the number of artists represented. Data showed a slight change in categories: just one gallery from Porto, with rented space and ‘more than 25’ years running the business, stated to have reduced artists from ‘more than 20’ to ‘16–20’ artists. On the contrary, four galleries have augmented the number of artists’ representation. In total, 36 galleries maintained the number of artists with whom they worked.

In terms of total revenue by segmentation value (Figure 3) and taking in mind that data showed no change in the artwork’s prices during the pandemic crisis (40 answers, 88.9%), during the years under analysis, the galleries performance reports a global decrease from figures between a center estimate value of EUR15.200 (2019, 39 answers) to EUR 11.925k (2020, 38 answers) and EUR 13.300k (estimated 2021, 37 answers)¹⁶. These totals do not include one gallery with an income bigger than EUR 5.000k per year; we may include this value in a low-value estimate, but not in a high or a center estimate because the survey only states the category ‘bigger than EUR 5.000k’.

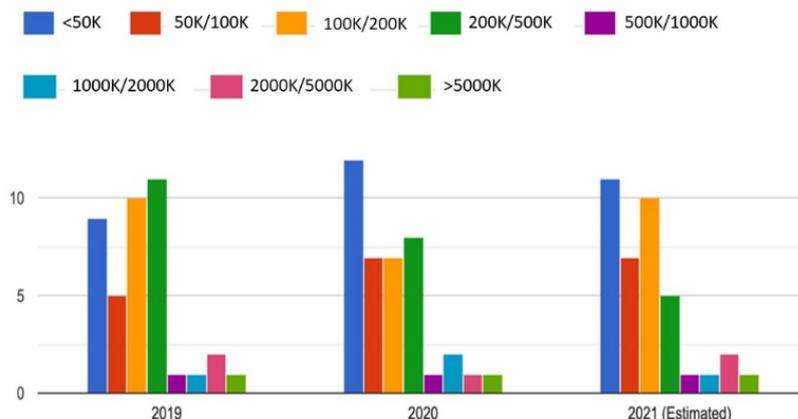


Figure 3. The total revenue by segmentation value. Data source: Survey conducted by author.

According to data, it is observed a drop in sales in 19.4% between 2019 and 2020, meaning the Portuguese percentage is inferior to the international figures¹⁷; and only a drop of 7.9% between 2019 and 2021¹⁸.

However, as we can see in Table 1, fluctuations in revenue shows 21 galleries keeping equal total revenue (referring to previous year), between 2019–2020 and 2020–estimated 2021. In total, eleven galleries decreased and maintained their revenue (referring to previous year), six in the first year, five in the second. Moreover, two galleries rose in the second year (referring to previous year), and three recovered losses from the first year.

Table 1. Fluctuations in revenue between 2019–2020 and 2020–estimated 2021.

= =	↓=	=↓	=↑	↓↑	NA
21	6	5	2	3	9

= Same category of revenue referring to the previous year; ↓ Decrease of revenue referring to the previous year; ↑ Increase of revenue referring to the previous year; NA: No answer; Data source: Survey conducted by author.

Regarding the figures reached on ‘online sales,’ Figure 4, data shows a higher incidence of business at lower values, with a growing trend, between a center estimate value of EUR 4.975k (2019), to EUR 5.375k (2020), and EUR 5.800k in an estimated 2021, in line with the international results for this segment of the art markets (McAndrew 2021, p. 21)¹⁹. Data shows an increase of 8% in online sales in 2020, but significant growth of 16.6% between 2019 and the estimated 2021.

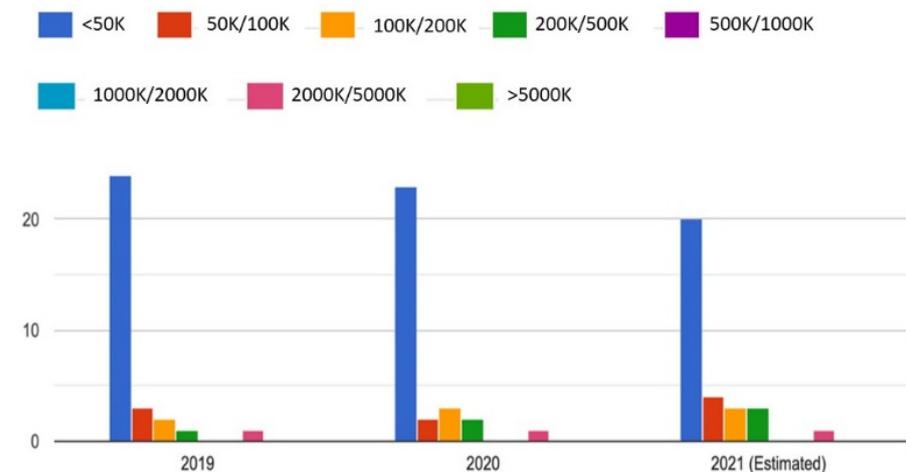


Figure 4. Online sales. Data source: Survey conducted by author.

Who are the buyers? According to data, the main buyer’s type (Figure 5) is the private collector (with 44 answers in 2019 and 2020). This category is followed by the private institutions, art market professionals (dealers), local museums, national museums and international museums, although with a low number, reinforcing the idea that the art markets are mostly dependent on private hands (Duarte 2020).

The Ministry of Culture was among galleries’ buyers, who answered in a percentage of 52.2% (24 answers). However, data shows low revenues from acquisitions from the Ministry of Culture: until EUR 5k (4 galleries), between EUR 5–10k (6), EUR 10–15k (2), EUR 15–20k (4), EUR 25–30k (3), and more than EUR 30k (just three galleries). The Municipality of Lisbon was also among institutional buyers, in a smaller percentage of 23.8% (10 galleries).

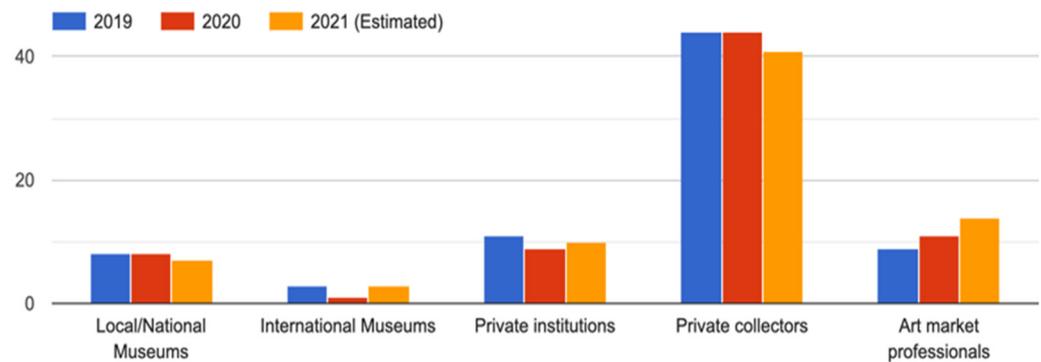


Figure 5. The main buyer's type. Data source: Survey conducted by author.

Concerning in-presence art fairs, data shows that 33 galleries participated in between 'one and five' in 2019, a number that tends to maintain in 2020 and in the estimated 2021. Only five galleries participated in 'six to ten' art fairs in 2019 but none in 2020, and only two are estimated in 2021. The number of online art fairs increased from 2019 to 2020, from 18 to 30 participations. Its non-attendance resulted in a decrease in revenue (admitted by 16 galleries) and in a positive balance due to the non-payment of attendance fees (registered by 6 galleries).

The exhibition plans were drastically reduced with the lockdown, admitted by 97.8% of the galleries (only one gallery stated for no changes). The lowest category, with only 'one to five exhibitions' per year, had a higher number of responses in 2020, and the same value is predictable in 2021. Along with the reduced exhibitions numbers, the art galleries noticed a strong reduction in public attendance, while safety protocols in place, in a percentage of 87% (40 galleries).

3.1.1. Strategies to Overcome the Crisis and Changing Priorities for the Sector

The Lisbon-based Bruno Múrias Gallery has recently come from Frieze New York, where Múrias had participated in the 2021 edition (5–9 May). He presented a solo project from Henrique Pavão in the Frame section devoted to emergent artists and to younger galleries that have been working for less than ten years (Keh 2021; Sutton 2021). To be part of the first in-person big event post-pandemic crisis, Múrias had to leave the Schengen space for 14 days, staying in Dubai, to get permission into New York and to participate in the art fair due to international travel restrictions between Europe and the USA. The gallerist found the art market in good shape as he reported relevant sales²⁰. The reopening of large-scale events brings to discussion changes predicted by scholars and critics concerning the scale of the art fairs, its heavy calendar and their high costs, and probably will come from inside of the art system the need to boost the scaled-down boutique art fairs (Saltz 2021; Duarte 2020).

In this subsection, it is our purpose to analyze the strategies the galleries used to react to the crisis impact. We will underline the changing priorities agents believe are useful to overcome the pandemic crisis, using data from the survey, and thus observed the need for public policies to further encourage the sector. Finally, and to complement the analysis, we will look at artists, seeing how they are reacting to the pandemic, based on field research.

"Agents need to think as one and work together": this anonymous statement, obtained in the survey, systematizes the need the sector feels for corporatism and to demand policies of convenience to boost business. In this regard, it would be useful to revitalize the association of art galleries or to relaunch another one capable of aggregating the sector around a common cause and use it as a mediation tool in defense of members' interest²¹. It is in the interest of gallerists to promote a stronger recognition in society of the role played by the sector in the economic and the cultural life of the country. As stated in the survey, it is useful to reinforce a deeper education at school in arts and culture, in its articulation with the art world (Becker [1982] 2010) and the art markets system, stimulating

curiosity, taste, and criticism on contemporary art, accustom students with the gallery milieu, reaching new audiences. It is also underlined the need to increment business with specific measures (as its characterization showed a sector predominantly with small size companies): tax reduces (VAT) from the current 23% to stimulate purchases; a regular investment in acquisitions from the State, increasing museum collections and stimulating private collectors, and financially support the participation at international art fairs (as it contributes to the internationalization of its artists).

As the market is much dependent on art fairs events, concerning participation from the Portuguese gallery sector in the pandemic period, it is noticed a decrease in the number of in-person participation, aligned with the global trend. Most of the art fairs were cancelled, postponed, or transformed into online versions. However, the ARCOMadrid, the most relevant art fair for Portuguese galleries, held in February, kept its full program, although agents already discussed the arrival of the pandemic in its corridors. In October 2020, the Drawing Room Lisbon opened a hybrid format, both in-presence and online, allowing business for 20 galleries, four of which from outside the country²². Besides Drawing Room, Lisbon did not have another art fair in 2020 (ARCOLisboa was an online edition, and JustLx was postponed)²³. Gallerists agree about the relevance of maintaining arts fairs in-person and stimulating the Government to increase purchases during the events, helping artists and thus gallerists who support and invest in their exhibitions. Still in this field, Portuguese gallerists increase their presence in online events, as we mentioned before.

Data showed that the galleries used the lockdown to work on an energetic presence on digital and social networks: Facebook, Instagram, online platforms (Artsy), WhatsApp, weekly newsletters and mailing clients regularly. Galleries improved their virtual communication and websites: created viewing rooms, short videos, talks with artists and curators streamed online. The aim was to gain visibility, reach new clients and collectors, stimulate online sales and diversify sales channels. This strategy was well succeeded, considering the increasing trend of the income revenues, but we are convinced that it could be properly explored and improved in the coming years because the higher incidence of digital business is at the lowest category.

A key priority to recover and further develop the art market sector pointed by gallerists is strengthening public policies. The systematic artworks purchase to swell the public collections will be a welcome step, gallerists claim. Just before the pandemic, the Portuguese Ministry of Culture reinforced the amount for artworks acquisitions, restoring a program of acquisitions, whose total amount went from EUR 300k to 500k in 2020, with the engagement of an increase until EUR 650k in 2021 (Cardoso 2018; Salema 2020). Agents saw this decision as a commitment sign but insufficient. We recall that 47.8% of the surveyed galleries did not have any acquisition from this program. Besides, the Government did not award any budget for acquisitions to the Museu Nacional de Arte Contemporânea, in Lisbon (National Museum of Contemporary Art), the museum devoted to modern and contemporary art under his tutelage. On the contrary, the aim, as it has been recently decreed, is to create a contemporary art network with several centers throughout the country²⁴. Therefore, what apparently is a good measure, is actually insufficient and seems poorly structured. Still, at an institutional level, the Lisbon municipality reinforced its contemporary art acquisitions, keeping the agreement with IFEMA to stimulate purchases during the ARCOLisboa. Although ARCOLisboa 2020 was an online edition, the municipality kept purchases, thus helping artists and galleries in the pandemic period²⁵. Those purchases wanted to stimulate the art market and the collecting practices, but the criteria for the choice of artists is not clear neither the acquisitions policy. These measures for the acquisitions of artworks do not appear to be structural but rather punctual, and public collections seem to be unarticulated in terms of new incorporations.

The survey we launched refers to artists indirectly, focusing on the gallery business and the dissemination of their work among collectors and potential customers. Field-based observation shows that artists who have representation in galleries are more protected from external shock situations, as COVID-19, and those who have not, have seen an

increasing difficulty on work conditions, exhibitions postponed, projects cancelled, and lower incomes (Anonymous 2020b; Neves et al. 2021a). Artists generally work informally, without a contract, with an irregular and precarious activity that does not guarantee the sector autonomy (Neves et al. 2021a, p. 1)²⁶. To further understand this external shock, Sara and André launched an *Inquérito a 263 artistas* (Survey to 263 artists), whose results were published in a special issue of the *Contemporânea* review²⁷. The authors gathered a set of testimonies from artists of different generations whose perspective is focused on how artists perceived the crisis, the strength of resilience and methods to overcome it. Their answers, however, look like an artistic project rather than a sociological analysis of the COVID-19 impact on their lives and work. It configures, nevertheless, conceptual material to discuss deeper the coming years through their lenses and the desire for change in the art system for a more inclusive system. Plus, it shows a growing sense of an artistic community.

The sense of community observed among artists helps us understand the creation of the Associação dos Artistas Visuais em Portugal (AAVP) (Association of Visual Artists in Portugal) on 17 September 2020. Its purpose is to mediate its interests and to discuss artists' concerns with tutelage (Anonymous 2021f). The first results can be seen in its contribution to the debate about the status of the artist. The non-existent tributary career is an obstacle to obtain financial support from the State, so this discussion is an important legal step to allow artists to have social protection²⁸.

Furthermore, we will underline a platform for artists, the SOS Arte PT, launched online at the beginning of April 2020. It aimed to foster resilience amidst artists and to minimize predictably high effects on their incomes. This platform evolved to an association, and one year later (May 2020), organized the first art fair edition. The peculiarity of this initiative is its statement, as it advocates to be a new paradigm for art fairs, i.e., not including taxes, neither intermediaries between artists nor buyers. Named Mercado P'Arte (Market for Art) (Figure 6), it gathered around 30 artists in a garage, claiming to be successful in facing the economic crisis²⁹. It is too early to evaluate its performance but is a sign that the system may change due to the joint action of artists and other market players or that it will find alternative measures to the mainstream system.



Figure 6. Mercado P'la Arte. 2021© Created by author, with permission of the artist Ana Fonseca.

What conclusions can we draft? In response to the ongoing crisis, galleries expanded digital activities, improved content and communication and kept participating in art fairs hybrid models (online and in-presence). They have not reduced artists' representation, employees or wages. However, they did have an economic impact on their total revenue

of 19.4% (between 2019 and 2020) but only 7.9% between 2019 and 2021, lower than international figures.

Regarding online sales, there is a growing tendency, particularly at lower categories until EUR 50k, but it can be improved in the coming years. The lower use of the online sales channel may be related to the buyers' profile as they are generally local and experienced buyers, which is well-known to the gallerist. Another hypothesis is the low impact of foreign buyers, a category that is under attention in the coming years as potentially a new driver, as 34 galleries stated, considering them a key priority to improve their performance. Therefore, the art market seems a very innovative and resilient sector that needs to diversify sales channels and clients (collectors and buyers) and continue to pressure the Government to keep systematic acquisitions to reduce taxes in the art business.

3.2. Spain: What Is the Extent of the Impact of COVID-19 in the Art Markets Sector?

2020 has been a difficult year in every way and has highlighted all the shortcomings, inequalities, imbalances and structural defects that had been suffered for decades and that have now made more evident and visible the precariousness in which the Spanish art market lives. Before entering into our analysis of the sector in the year in question, it is important to mention the lack of specific data in the main source of information on the situation of arts and culture in Spain, such as the Yearbook of Cultural Statistics that the Ministry of Culture and Sports publishes every year: in the yearbook referring to the year 2020, Chapter IV.B, Sectorial Magnitudes, includes all sectors of the cultural field, including Bullfighting Affairs, but not artistic creation or its management, distribution and commercialization (Ministerio de la Cultura y Deporte 2020, p. 261).

It is very strange to find that art galleries do not appear among the cultural companies by main economic activity, in Chapter 2 of the Yearbook of Cultural Statistics. The commercial activity of the galleries, which not only provides jobs, export and import of goods and the internationalization of Spanish culture but also fundamentally helps the survival of an entire group of artists, is not taken into account in the main source of information statistics from the Ministry of Culture. In fact, art galleries are mentioned only among the cultural habits of the Spanish public, where it should be noted that visiting galleries, with 16% of the population assiduous to them, is well above attendance at classical music concerts, opera, ballet, or circus (Ministerio de la Cultura y Deporte 2020, pp. 35, 211). This lack of specific data on the activity of art galleries, a lack that they share with the scarce data collected in the state yearbooks regarding the activity of artists, leads us to look for information directly from the galleries themselves, a fundamental primary source that has been the basis of our study.

At the health level, the pandemic and the generalized state of alarm resulted in total confinement in Spain from 15 March to 21 June 2020. All commercial premises were closed except those considered of first necessity, which did not include contemporary art galleries. Therefore, the activity of the Spanish market was reduced during those more than three months to everything that could be conducted by telematic or telephone means. The ARCOMadrid fair had taken place shortly before, from 26 February to 1 March, and many of the transactions scheduled were then put on hold, as we will see below.

One week after the state of alarm was decreed in Spain on 14 March 2020, some of the professional associations that are members of the Sectorial Table of Contemporary Art prepared, at the request of the Ministry of Culture, reported on the immediate impact that the confinement and its restrictions were causing companies and professionals in the sector. Among them, we may distinguish the reports prepared by the Institute of Contemporary Art (IAC), an association that brings together nearly 500 professionals from the entire sector, with 18.6% of gallery owners (the second largest professional group in the association after artists), and the Consortium of Contemporary Art Galleries, the largest association of galleries in Spain with 95 associated art galleries. The results of both reports, to which another one was added, carried out by the Consortium one year after the beginning of the pandemic, served to assess not only the impact of the restrictions caused

by the pandemic on an economic and labor level but also to determine which resistance and survival strategies had allowed the Spanish galleries to remain active during the year and what expectations for the immediate future they could venture³⁰. We have also taken into consideration the report that Dr. Clare McAndrew issued in the summer of 2020, *The Impact of COVID-19 on the Gallery Sector*. A 2020 mid-year survey (McAndrew 2020), whose results have helped us to contextualize and compare global data with those provided by the Spanish market.

The Spanish market is a weak structure, made up mainly of small or medium-sized galleries with few employees (Pérez-Ibáñez 2018, p. 61), which since the 2008 crisis, has suffered a significant decline, intrinsically related to the crisis suffered by the entire art system, of which still has not fully recovered³¹. The impact is still evident at a social, economic and labor level more than a decade later, and its repercussion on the cultural industries led to the appearance of innovative management models aimed at improving the sustainability of managers and artists' work (Schiuma and Lerro 2017). Said new management models tended to generate new strategies that would allow the artistic sector to adapt frameworks applicable at the business level, based on the characteristics of cultural organizations and artists, adapting to their demands, needs, resources and their objectives of development and sustainability (Miranda de Almeida and Tejerina 2020). Thus, during the last decade, we have seen the paradigm of artistic management evolve and adapt to a framework in which globalization, virtuality, interconnection and the need to grow became common guidelines for action both in the public framework and in the private. Saving the inevitable distance, the phrase that Jerry Saltz applied in April 2020 to the international art system could also be used in Spain:

Over the last decade or so, the art world in peril has seemed to lose the ability to adapt. Or, rather, it now seems able to adapt only in one way, no matter the circumstances: by growing larger and busier. Expansion and more customers were the answers to everything (Saltz 2020).

This last decade has shown how the evolution of the business model of many galleries has been growing towards greater openness to the global market by participating in international fairs, and not only in large high-cache fairs such as ArtBasel, Frieze, FIAC but also in the many other satellite fairs that take place in these cities in the heat of the big ones and that also provide visibility and contact with new international markets that are sought by participating in them, such as Volta, Scope, NADA, Liste, etc. Likewise, there have been quite a few that have opened new, more spacious and versatile spaces or with an almost museum-like approach over the last decade (Sabrina Amrani in Madrid, ADN in Barcelona), and they have added new premises in other cities (Juan Silió in Santander and Madrid, Aural in Alicante and Madrid, Parra and Romero in Madrid and Ibiza, Xavier Fiol in Palma de Mallorca and Madrid, Rafael Ortiz in Seville and Madrid, Cayón in Madrid and Mahón, Nogueras Blanchard in Barcelona and Madrid) or even in other countries (Travesía Cuatro in Madrid and Mexico City, Maisterrabalbuena in Madrid and Lisbon, We Collect in Madrid and London). This expansion model, which proved to be the appropriate one when it was hoped to progressively emerge from the 2008 crisis and which was supported by global presence, has turned out to be an important handicap for companies, professionals and artists around the world in 2020, and especially in Spain, as indicated by the reports issued during the pandemic (Consortio de Galerías de Arte Contemporáneo 2020; Consortio de Galerías de Arte Contemporáneo 2021; IAC 2020).

When the confinement forced galleries to close, to cancel art fairs, planned exhibitions, commissions of artworks, the situation of the galleries and the rest of the professionals linked to their activity became red hot. The Consortium of Contemporary Art Galleries demanded before the Ministries of Culture and Finance the exclusion of this sector from access to the extraordinary measures to support business solvency in response to the COVID-19 pandemic contained in Royal Decree-Law 5/2021, of 12 March. However, both the aid for the "Promotion of contemporary Spanish art" and the aid for the "Modernization and digital innovation of the visual arts sector" received 149 and 154 applications

submissions, mostly from art galleries, requesting support for the entire 2020 exhibition program, with some from artists and other professionals for specific projects. An average of 80% of the proposals submitted was granted, as evidenced by the listings issued by the Ministry. Public aid, also in the art gallery sector, has been essential to cope with the year of the pandemic.

As mentioned above, the art market in Spain is a weak structure in labor terms. In the report carried out by the IAC in March 2020, the fiscal situation of the respondents is divided into three large groups, data also representative of the entire sector: 56.8% of self-employed workers, 11.8% of entrepreneurs and 12.2% of employees, the rest being civil servants, retirees and workers on sick leave, with 4.7% unemployed. 8.2% of those surveyed state that they have been fired or have suffered permanent or temporary labor force adjustment plans since the beginning of this crisis. The report by the Consortium indicated that 70.9% of the participants did not reduce the number of employees, while 47.7% had taken advantage of temporal labor force adjustment plans, 60.9% of which expected to request a suspension of employment and 53.6% a reduction of working hours.

As stated by McAndrew (2020, p. 24) in her report, galleries in general face very tight employment structures, and during 2020 most of them had to furlough or permanently lay off staff in response to the crisis. One-third of galleries surveyed downsized their staff in the first half of 2020, and this was slightly higher for those with turnover above \$10 million, 37% of which reported downsizing. Downsizing was also more common in certain geographic regions, most notably for galleries based in Africa (42%), Germany and Spain (38%) and the UK (36%). However, engaging staff in remote work during lockdown was a common practice for all the galleries, and in many cases, it kept them from losing employees.

The use of new technologies and digital strategies has been decisive in consolidating the economic and commercial activity of Spanish galleries, as well as those of the rest of the world. As the McAndrew (2020, p. 36) report indicates, the growth of online sales accelerated in 2020 because of the absence of onsite sales. Online strategies and tools also moved to the forefront and became critical for most of the galleries' survival. The report by the Consortium analyzed the implementation and application of new digital strategies by Spanish galleries as a way to reach their audience and gain new markets. The study reveals that although it is true that more than 40% of the galleries have not implemented new methods in their day-to-day life, 46.5% of the participating galleries have mainly used social networks, and up to 12.8% have introduced streaming talks, reaching almost 20% as a new approach formula. The enhanced use of the gallery website has also been visible in up to 32.6% of the surveyed galleries. They have also used, although to a lesser extent (under 5%), virtual exhibitions, such as the so-called Online Viewing Room (OVR), or the editing and broadcast of videos of temporary exhibitions as a formula to distribute contents among clients.

When asked about whether this online impulse has brought real sales or new clients, 50% of the galleries answered no, while a very close percentage, 48.8%, affirmed that they had obtained responses to sales or increased clients through these channels.

As for sales, a high percentage of affirmative answers to the search for new strategies stands out, with up to 69.8% of galleries that have been forced to implement strategic alternatives or new formulas in the virtual space with online proposals, e-commerce through the website or different digital tools. Nevertheless, emphasis is placed on the importance and search for direct contact by the buyer with the artwork and with the in-person advice of the gallery owner. The new strategies respond as an alternative to the situation and connect well with new audiences and with a distant and younger type of collecting.

Regarding international art fairs, up to 26.7% of the galleries have canceled at least one and 18% up to three. Considering the expenses of these cancelations, 45.3% of the answering galleries had not advanced any payment. For their part, for those that had

down-paid for the presence in canceled art fairs, an average of EUR 7611 loss was calculated in 42% of the galleries.

Thinking about new venues ahead, 18.6% of the galleries do not intend to take risks in 2021, whereas 26.7% plan to attend up to three fairs in 2021. However, uncertainty leads 14% of the galleries to believe that at least one of the art fairs in which they plan to participate will be postponed or cancelled, and 11.6% believe that up to two fairs.

The report by the Consortium states that up to 67.4% of the galleries have suffered sales cancellations. Most of those cancellations referred to artworks that were reserved between the ARCO art fair, which took place in early March 2020, and the first wave of the pandemic. It is also relevant to point out that galleries mention the proliferation of longer payment delays.

Concerning exhibitions, the Consortium concludes in this report that 24.4% of the galleries have not canceled exhibitions during 2020 since all exhibitions were either elongated or postponed during lockdown. However, 22.1% of the galleries did have to cancel exhibitions from their programming, falling between one to five exhibitions with an estimated loss of EUR 11,811 on average.

As for rescheduling derived from postponed exhibitions, 25.6% have had to postpone at least one exhibition, 15.1% three exhibitions, and 8.1 % of the galleries up to seven exhibitions, assuming an average expenditure of EUR 21,794 for 20% of the galleries.

The Consortium was also interested in the subsidies and aids offered to gallery professionals by the Ministry of Culture and Sports. In the first place, the “Promotion of contemporary art” granted by the Directorate of Fine Arts of said Ministry, intended to cover the expenses of the exhibitions held in the gallery between March 2020 and March 2021. In total, 55.8% of the galleries requested one of those subsidies, of which 66.7% were granted. It is important to point out that gallerists refer to the long periods they must wait until the resources are provided, even after the subsidy has been granted.

In total, 39.5% of the gallerists positively value the format, conditions and requirements of these subsidies, considering that they convey to the collective they are aimed at. However, some galleries show negative assessments and considerations about the lack of real knowledge from the administration about how the art market really works, such as the following:

- capacity measures for commercial spaces that live off their sales have an impact on billing;
- there is a lack of consideration of galleries as a public service of cultural offer;
- the number of galleries and the subsidy amount must be increased, up to about EUR 20,000, since the actual subsidies are insufficient in relation to the work and reality of art galleries;
- the most important thing that will help save the sector would be the elimination of VAT for one year and subsequently its reduction to 10%;
- the needs of small galleries must be taken into account since their scope is the internal market.

Finally, the Consortium asked about the calculation of the economic deficit that the galleries had estimated at the end of 2020. It is presumed that 80.2% of the galleries have registered losses compared to 2019. Meanwhile, 13.9% did not declare any economic losses, and only 1.2% of the galleries have made a profit.

In general terms, based on the Spanish reports analyzed, the economic impact that COVID-19 has had on the activity of this sector is located in two large groups. For 67.7%, the losses in economic terms are between EUR 20,000.00 and EUR 50,000.00, but there is a 21.6% group of art galleries and artistic managers for those who exceed EUR 50,000.00. The general impression of the dealers surveyed about the current situation is mostly critical, reaching 94.6% who consider that this crisis can have serious consequences beyond the medium term in their professional activity and in our sector.

Strategies to Overcome the Crisis and Changing Priorities for the Sector

Spanish galleries, as well as all professional associations in the sector, have also made an effort by offering measures that can be implemented to help the market survive during and after the pandemic, facing a critical situation that's dimension and duration are unknown. They are fully aware of the gravity of the moment and the difficulties that are presented to all of the sectors, facing very serious problems. The following measures proposed are those that the galleries consider vital in order to plan the survival of a large part of the sector.

- (a) The first group of specific measures for art galleries:
 - Approving a subsidy for the production of exhibitions and canceled projects.
 - Immediate help of €2000 per gallery.
 - Streamlining of grants and contracts or institutional purchases.
 - Lines of credit without interest and in the medium or long term. They can help to face not as many of the expenses derived from a specific or special project but the normal operating expenses.
 - Financial help to produce exhibitions to be held in art galleries in Spain.
 - Increasing the amount dedicated to aiding the promotion of art (participation in fairs), as well as reaching more galleries. Expediting the process of call and concession.
 - Taking part in art fairs will be fundamental in order to regain activity. Applying and participating in them normally requires a significant advance payment, in what will undoubtedly be the worst moment of liquidity for galleries. On the other hand, due to the international nature of this crisis, many galleries have already faced the payment of international fairs that have either suffered a lot like those held in Spain or been delayed. Galleries have already paid all the costs of renting spaces in those art fairs, which will be held in what will still be a very complicated time, so it is foreseeable that they will throw more losses. Public aid to favor participation in fairs is therefore essential for the Spanish market. It is very important to point out that the previous measures would benefit the artists themselves and in a very direct way.
- (b) The second group of measures in line with other companies and professionals in the sector:
 - Postponement of tax payments.
 - Continuing with the review and rethinking the cultural expense of 1.5% of all public infrastructure works by the Government, in permanent dialogue with the sector.
 - Possibility of suspension for at least one- or two-month fees of the self-employed professionals and self-employed entrepreneurs.
- (c) Other measures:
 - Encouraging purchases of Spanish museums, public collections and institutions in Spanish galleries.
 - Finally, opening a fluid and committed dialogue on the part of the ministry with the gallery sector to deal in depth with some of the eternally pending issues, especially the aforementioned VAT that the Spanish galleries suffer in comparison with the other cultural sectors.

The main conclusion that we can obtain from the data collected in the analyzed reports and the proposals offered is that the Spanish market, despite the efforts made to maintain a sustainable activity, needs the financial support of the administration to face the crisis that occurred during the COVID-19 pandemic, which, as we have mentioned, overcomes the previous crisis of 2008, which had not yet been overcome by the sector. The structural weakness of the Spanish market, its limited specific weight in the global market and its difficulty in being considered at the same level as other neighboring countries and the

Global South context place it in a disadvantageous position that is difficult to overcome, a situation that the current pandemic crisis has only worsened.

3.3. Brazil: What Is the Extent of the Impact of COVID-19 in the Art Markets Sector?

Brazil is among the countries that suffered the most losses within the COVID-19 pandemic, a tragedy resulting from a set of wrong and non-scientific based decisions and measures taken by the Federal Government³². It should be said that Brazil did not have a true lockdown, at any moment, despite the gravity of the pandemic situation. In the void of federal policies, States and Cities adopt different strategies to deal with the situation.

São Paulo, the center of the art market, had, compared to the rest of the country, one of the most restrictive policies. There were two periods when galleries were not allowed to open: 20 March 2020 to 7 October 2020. New restrictions were imposed on 15 March 2021, when a second wave of the pandemic hit hard and only lasted until 18 April 2021. SP-Arte, the most important art fair in Latin America, usually scheduled in April, was cancelled in 2020, a few weeks before the opening, and postponed to 2021. It was planned to happen in August and now is expected to happen in October 2021. In Rio, measures were less restrictive, and a small in-presence edition of ArtRio happened in September 2020, with positive results according to some participating galleries. Nevertheless, many agents criticized the initiative, stating that it was still too early to host such an event.

Within a context of a pandemic out of control and weak public policies to fight its effects, it is left to the private sector (and to individuals) the choice about social distance and other measures to prevent contamination and dissemination of the virus. Since the first flexibilization of rules for opening to the public, most galleries started to operate by appointment and then open to the public with a limited number of visitors allowed. Some of them keep receiving visitors by appointment only. As we will see in the following pages, despite being immersed in the context of true chaos, not only in public health terms but also in political, social and economic terms, the art market and art market agents faced difficulties but reacted fast and remained active and resilient so far. As an art market agent put it: "The truth is, the pandemic did not affect millionaires . . . rich people are still rich, the art market is surviving very well, it has shown an enormous resilience"³³.

In this section, we will analyze the behavior of the Brazilian contemporary art market since the pandemic crisis started, exploring some aspects of its resilience and inquiring about the existence of significant structural changes in the way art galleries function. Our analysis will take data brought up by a survey conducted in September 2020 as a starting point, followed by a second survey applied between January and March 2021, complemented by wider field research in the process since March 2020. During this period, we contacted 80 art market players in total. We received 52 valid answers to the surveys. Semi-structured interviews, informal conversations and gallery visits allowed us to gather qualitative information from 23 art market players who shared their points of view about the impact of COVID-19 in the art market in Brazil and internationally. The ensemble of quantitative and qualitative data gathered so far allowed us to further understand the situation of the art market in a new context set up by the pandemic and to investigate conservation/adaptations/transformations of operating models deployed by Brazilian galleries.

The first studies on the impact of the pandemic on the art markets conducted in the USA and France (Art Dealers Association of America 2020; Comité Professionnel des Galeries d'Art 2020) published in the first half of 2020, pointed to a significant retraction in sales and the serious risk of definitive closure of around 30% of active galleries. Such a prognosis has passed a long way from what we can observe in Brazil.

There are no exact figures about Brazilian galleries' turnover in 2019 and 2020 available that could allow us to compare performance³⁴ before and after the beginning of the sanitary crises, but a few other indicators clearly point out the resilience of the sector so far: there were no permanent closings of galleries due to the crisis; sales volume declined sharply in the first months and at the height of social isolation measures, but recovered shortly

thereafter; a large part of formal jobs were kept, as well as the number of artists represented. Many of the current expenses for travel, art fairs and exhibitions have been reduced, allowing galleries to achieve a financial balance and even, in some cases, a greater profit than in previous years.

“In the very first months of the pandemic people did not know what to do, how to react, it was a shock. We expected it would not last . . . then, we realized that we had to react, to find new ways to work, to help our artists . . . ”³⁵.

The art market is doing well, in fact, we cannot complain, we see so many other cultural sectors struggling . . . we are fine, our artists are surviving, suffering due the political context, but surviving.”³⁶

The art market stands out, therefore, as a very privileged sector in the field of culture,³⁷ which quickly adjusted to the new context, finding solutions to keep itself in business.

In September 2020, we conducted a Survey aiming to assess the impact of the COVID-19 on the gallery’s sector in Brazil, Argentina, Chile and Colombia upon the request of the Association of Brazilian Contemporary Art Galleries (ABACT). The main aspects analyzed concern the economic and structural impact of the pandemic on turnover and exports, workforce, management and operation models (digital strategies, participation in fairs, partnerships and relationship with artists). The results were published in December 2020, showing a significant resilience of the sector in the region (Esmanhotto and Fialho 2020).

In order to detect the economic impact of the pandemic on the art market, we analyzed the variation of sales results in the first three quarters of 2020 (Figure 7), compared to the equivalent period in 2019.

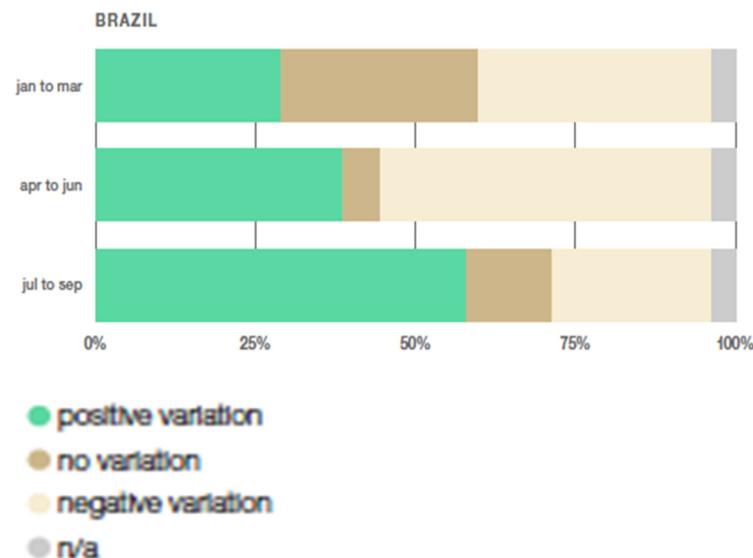


Figure 7. The variation in sales volume per quarter in 2020 (regarding the sales volume registered in 2019). Data source: Esmanhotto and Fialho (2020, p. 13), used with permission.

From January to March 2020, before the pandemic arrived in Brazil, a substantial contingent of Brazilian respondents (58%) indicated having had sales equal to or higher than the previous year, against a smaller percentage (38%) that indicated having had a volume of sales lower than the same period in 2019. It seems that the contemporary art market was performing better at the beginning of 2020 than in the previous year. The second quarter, from April to June, was the most difficult period for market players in Brazil, and 56% of the respondents registered a negative variation in their sales compared to 2019, which was expected considering that most activities of the art market were suspended or cancelled (art fairs and galleries exhibitions). Nevertheless, 40% of respondents registered a positive variation in relation to 2019. In the third quarter, from July to September, there

were already signs of recovery: 55% of respondents indicated a positive variation in the business carried out in the period, 14% did not register variation, and 27% registered a negative variation compared to the same period in 2019.

One can consider that perhaps galleries want to pass on a positive image, an image of stability and resilience in order to hold the trust of their collectors, and that motivation may bias their answers about sales results. However, other indicators support the perception about the resilience of the sector: no galleries closed, they kept employees and artists, and some galleries even opened new premises in Brazil and abroad.

There were some testimonies of struggle as well; a gallerist who had to shut down his second space said that he was reducing all possible fixed costs, but that was not being easy to balance out sales and expenses³⁸.

Some gallerists declared themselves surprised by the profits they were able to make and wondered if their results were extraordinary if compared to others. In fact, the qualitative research proved that this was the case of several galleries, a fact that was also noticed by the press (Ferraz 2020). Analysis of the variation in fixed costs of the players that operate in the market can help to understand the resilience of the sector and the good business results obtained by a significant part of the respondents, many with better results than those registered in 2019. The functioning of the art market before the pandemic was supported by a model based on international fairs and trips, especially for the most professionalized and internationalized players. Such a model implied quite high operating costs. Renegotiation of rent, cancellation of trips, fairs and exhibitions, expenses with wages and production of works were the most mentioned answers for the reduction of recurrent costs during the period of social isolation.

The majority of galleries surveyed managed to keep their workforce since the beginning of the pandemic. There were some dismissals and also hires, but the overall trend was to sustain the existing jobs, as shown in Table 2, below.

Table 2. Galleries' employees after COVID-19.

After COVID-19 Galleries	
Kept the same team	63%
There were dismissals	18%
There were dismissals and hires	12%
There were hires	7%

Data source: The author, based on (Esmanhotto and Fialho 2020).

The preservation of work placements in the art market contrasts with information about employment, and more specifically about employment in the cultural sector, which lost about 900 thousand work placements in 2020 (Observatório do Itaú Cultural 2020).

Among the companies that registered dismissals, the great majority only fired 1–2 employees. This data contradicts one of the very few findings about Brazilian galleries mentioned in an international report: according to The Impact of COVID-19 on the Gallery sector. A 2020 mid-year survey (McAndrew 2020, p. 24), galleries would have reduced their size in terms of the number of employees, losing an average of four employees, highlighting that the biggest losses occurred between multi-premise galleries and that Brazil would have the highest national average percentage of loss: eight employees per gallery, a percentage that is certainly distorted by the small representativeness of Brazilian galleries in the surveyed sample.

Art market players used to complain a lot about the insufficient support they get from the Government, even before the pandemic crisis. However, it is important to note that the contemporary art market in Brazil did benefit from some public policies, even though it is hard to measure their exact contribution to the capacity of galleries to face the crisis. According to our research, a significant part of art market players (71%) counted on resources and public policies to face the crisis caused by the pandemic in the first months of 2020. The initiatives mentioned most often were the support offered by the

Association of Brazilian Contemporary Art Galleries (ABACT) together with Apex-Brasil, through the program Latitude³⁹, which is a program that aims for the internationalization of the market to secure a more relevant digital presence of galleries, mentioned by 30% of participants. Additionally, federal emergency credit to support employment maintenance and postponement of tax payment deadlines, mentioned by 18% of them.

Strategies to Overcome the Crisis and Changing Priorities for the Sector

In Brazil, the growing process of internationalization of the primary art market started in the mid-2000s and is attested by a significant presence of Brazilian galleries in the international circuit of art fairs, the diversification of the destinations of international sales, the growth of sales made to private and institutional collectors, the opening of branches of Brazilian galleries abroad and the participation of Brazilian artists in programs of relevant international institutions, which are all factors that are reflected in the growth of the volume of exports made by the visual arts sector⁴⁰ in a broader way, as shown in previous publications (Fialho 2019).

The growth of international activities has been consistent, although national sales still drive most of the galleries' revenue (on average more than 80% in past years (Fialho 2019; ABACT/Latitude 2012, 2013, 2014, 2015, 2016, 2018). The 20% share of international sales may not seem significant; nevertheless, the international dimension of the business is not related to sales revenue only, but it is actively linked with the legitimation of artists and also with the galleries' reputation (Moulin [2003] 2007, pp. 25–26) and therefore is considered key by most galleries.

During the pandemic, it was expected that international activities and sales would drop. Indeed, the fall of exports among galleries is estimated at over 85% in 2020, compared to 2019 (Apex-Brasil 2021). However, considering the relatively low share of international sales over the years, one can presume that this fall has little impact on the revenue of most galleries, which would help to understand the positive results obtained by a considerable part of them in 2020. What is interesting to note, nevertheless, is that despite the decrease in international sales, market players in Brazil remained active in the international market in 2020 and that internationalization is not only a goal but continues to be an important strategy for galleries' development.

Until the advent of the pandemic, one of the most important platforms for connecting Brazilian galleries with the international circuit and the main sales channel abroad were international art fairs. A pressing issue, since art fairs were canceled, postponed and transformed into online events, was to understand the ability of Brazilian galleries to sell and to remain active on the international circuit.

The first survey carried out, covering the period from January to September 2020, indicated that about 66% of respondents made sales abroad, and within this universe, the majority made sales in equal or less volume than in the previous year (Figure 8). The survey also made it possible to identify that the younger and smaller galleries had greater difficulty in accessing the international market and that the larger, more experienced and internationalized galleries made international sales in greater volume and frequency.

An update of the research was conducted at the beginning of 2021, indicating that throughout the year 2020, 72% of the galleries made international sales. Among the respondents, there is a wide variation in the weight that international sales represented in the business of galleries in 2020, and some, very internationalized, especially those holding branches abroad, reported that sales made to other territories ranged from 50% to 85%. Conversely, galleries in the initial stage of internationalization had only 1% or 2% of their total sales volume related to international sales.

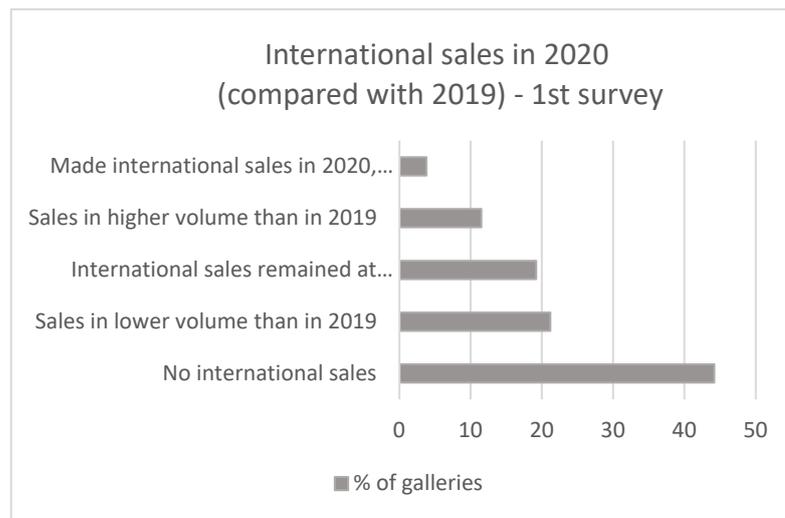


Figure 8. International sales—1st survey (January–September 2020). Data source: Author’s designed graphic, after Esmanhotto and Fialho (2020).

The following chart in Figure 9 shows the weight of international sales in relation to the total sales made in 2020.



Figure 9. International sales share over total sales in 2020 (% of galleries). Data source: Graphic designed by the author.

The percentage of international sales was not so significant before the pandemic, either, as we already pointed out. According to Latitude Contemporary Art Market Reports, from 2011 to 2014, the average percentage of sales made to the international market over the total sales of galleries did not change, ranging from 14% to 15%. There was a significant increase in exports, but it was accompanied by a growth in domestic sales, and the proportion remained unchanged. The same source indicated a change in 2015, when this percentage increased to 20%, returning to a percentage close to the historical series in 2017: 16.35%⁴¹.

These data show that Brazilian galleries are strongly anchored in sales to the domestic market, and one can suppose that most of them do not depend on international sales to continue their business in economic terms, which could be a positive factor in the context of the pandemic, when strengthening the ties with reachable clients seem so important. Most galleries underlined the importance of proximity strategies to cross the period of crisis without losing sight of their international ambitions. However, although the volume of sales abroad is not relevant in percentage and these sales have decreased in the context

of the pandemic, what we would like to highlight is that more than 70% of the surveyed galleries found ways to operate in the international market, even without the possibility of traveling and participating in art fairs, staying in their former business location, far away from the center of international market operations. Reaching the international market remains important and is part of the galleries' strategies for business development at large.

We were able to evaluate the destination countries of the sales made and compare them with the history of destinations registered by the galleries. Since data started being monitored (2012), every year, galleries would sell to over twenty countries. In 2017, 22 destinations were mentioned, the United States keeping the top position of international sales made by Brazilian galleries. Other recurring destinations used to be the United Kingdom, Spain, France, Switzerland and Colombia (ABACT/Latitude 2018).

In 2020, galleries reported sales to 25 countries, more than reported in 2017. The United States remained the main destination, mentioned by 25 galleries, almost half of all surveyed galleries, followed by the United Kingdom and Switzerland, as we can see in the graphic below in Figure 10.



Figure 10. The destination of international sales made by Brazilian galleries (by the absolute number of galleries). Data source: Graphic designed by the author.

The realization of sales to such diverse destinations to different countries and institutions⁴² at a distance, through different new tools and platforms, which were not commonly used before the pandemic, is an important fact for thinking about internationalization processes in the post-pandemic context, where, it seems, many market agents do not intend to fully return to the previous business model, highly focused on frequent trips and participation in a large number of international fairs. Many of them declared to have the intention of balancing out the participation in in-presence international art fairs and online art fairs and to keep investing in their digital presence to reach international audiences. Another aspect that we would like to draw attention to is that the transposition of face-to-face activities into the digital environment allowed the galleries to remain connected with the international circuit and opened new business opportunities for some agents. However, we also note that the ability to reach internationally through digital initiatives is not equally distributed among the galleries and that this capacity is still closely related to the visibility and recognition achieved by the galleries before the advent of the pandemic.

The qualitative analysis of international sales made by galleries indicates that the ability to reach international customers in the context of social distance and restrictions on circulation is largely related to previously established contact networks. The most important sales were made mainly to recurring customers (29%) and contacts made at face-to-face fairs (18%), followed by sales made through marketplaces (17%), online fairs (14%), social networks (12%) and in-person at the gallery (10%), which shows that the digital transition is not enough to ensure this international reach (as it is not enough to keep the sales in the national market either).

With these caveats in mind, it is worth noting that the presence in marketplaces and online fairs allowed some galleries to establish contact with customers and destinations never before reached. A young gallery, still in the initial process of internationalization, reported, for example, that a sale to South Korea was made through a marketplace.

Even though it is hard to measure, the capacity of galleries to face the crisis is also related to some public policies. A significant part of art market players (71%) counted on resources and public policies to face the crisis caused by the pandemic in the first months of 2020. The initiatives mentioned most often were the support offered by the Association of Brazilian Contemporary Art Galleries (ABACT) together with Apex-Brasil, through the program Latitude⁴³, which is a program that aims at the internationalization of the market, to secure a more relevant digital presence of galleries, mentioned by 30% of participants. Additionally, federal emergency credit to support employment maintenance and postponement of tax payment deadlines, mentioned by 18% of them.

Another aspect that called our attention refers to an artist's representation. The surveyed galleries represent a universe of about 1200 artists, or about 23 artists per gallery on average, a contingent that has not undergone significant variation due to the pandemic. There are great differences in scale of artists representation, small galleries representing only 6 artists, and, on the other end, a gallery with multiple sites, representing a total of 61 artists.

If the galleries retained the number of artists represented, as shown in Table 3, we can consider that the galleries, for the most part, did not reduce their size, scale and structure. It is also a sign of the resilience of the market.

Table 3. Artists' representation in Brazilian galleries.

Galleries in Brazil—Artists Representation	
Galleries that kept the same number of artists represented	67.4%
Galleries that increased artists represented	23%
Galleries that decreased artists represented	9.6%
Galleries that changed the way they work with artists	66%
Galleries that did not change the way they work with artists	34%

Data source: The author, based on (Esmanhotto and Fialho 2020).

It is interesting to note that, on the one hand, there is significant stability in relation to the number of artists represented and, on the other, a clear indication of ongoing changes in the way galleries work with artists, suggesting the rise of new roles and new functions.

The stability of the artist's roster among the majority of galleries and the emphasis they gave to the improvement of communication and greater proximity with artists may suggest an effort made, by gallery owners, to keep and support artists during the crisis.

Galleries registering changes in the way they related to artists pointed out that they engage them in activities they did not use to participate before, mainly in the production of new contents for digital platforms⁴⁴ but also in building up strategies to respond to the crises, including some new sales activities.

The concern with strengthening ties and maintaining support for the represented artists was repeatedly affirmed by several galleries. However, this greater proximity to represented artists also derives from the understanding that artists could contribute to finding creative solutions to go through a period of crisis.

In addition to the change in the way of working with the represented artists, some galleries also reported that they are exploring new partnerships, taking advantage of the digital environment to develop special projects with artists who are not part of the represented artists team, with whom they wish to establish some type of collaboration and, eventually, a future representation.

Periods of crisis tend to bring artists to an even more uncertain condition (Menger 2012), and the responses of galleries can go towards two opposite directions: some galleries tend to work with more stable values, focusing their energy on promoting well-established artists and not committing to emerging ones. Others take a riskier path by welcoming new artists to the market and experimenting with new forms to work with them.

The research allowed us to identify significant changes arising from the context of the pandemic. More than half of the respondents (66%) registered some change in the way they relate to artists. Among the most frequent changes mentioned by market players are those related to the method of communication, the collaboration for the production of online content, the engagement of artists in the dissemination of content and sales actions. They also mentioned collaborative initiatives and partnerships involving artists represented, other galleries and art spaces, indicating greater proximity and closer exchanges. The galleries also mentioned the reformulation of the model of contracts, the reduction of aid for the production of works, changes of the monthly amounts paid, agreements allowing the direct sale of artists in their studios and some change of artists represented.

One aspect that was not detected in the majority of the group of galleries but still is worth notice is the flexibilization of contracts in terms of exclusivity of representation and also commercialization. Some galleries reported to have agreed artists could sell directly from their studios and participate in commercial initiatives led by other agents. This flexibility may represent a significant rupture in some conventions, in Howard Becker terms (Becker [1982] 2010, pp. 59, 113) largely adopted by art market players, such as those artists represented by galleries would not get directly involved in commercial activities and sales negotiations; artists represented by galleries would not sell directly to buyers; and more established galleries and artists would have a clear agreement about representation and territorial exclusivity, with strict contracts often set by the main gallery representing the artist, followed by secondary galleries.

We would like to suggest here that innovation and revision of conventions may be a process that starts with some players, the ones who dare to break conventions, and may spread among the market at large within time.

4. Results and Discussion

The art markets in Portugal, Spain and Brazil seem to overcome with innovation and resilience the external shock of the COVID-19 pandemic. In the previous period of crisis, art proved to be a useful tool for the recovery of the economy due to its symbolic value (Bourdieu 2011) and to its capacity of being a “resistance” commodity (Moulin [1967] 1989), potentially desirable for investors and collectors (Roque 2020a, 2020b).

In times of confinement and in the subsequent return to a “new normal” not yet generalized, the resilience of contemporary art galleries has manifested itself on two different fronts: on the one hand, in the immediate adaptation to the impossibility of face-to-face access, cancellation of exhibitions at their venues and participation in art fairs. Adapting to the digital environment is not so easy in all markets, especially in those where small and medium-sized galleries with reduced resources prevail, such as the Spanish, Portuguese and Brazilian markets. The absence of large platforms that facilitate digital access for galleries to the global environment of the international market hinders any strategy developed by galleries and makes it more valuable. On the other hand, the resilience of the galleries in the area we analyzed is shown in the immediate adjustment to an uncertain future in terms of the calendar of upcoming fairs, access to new markets and clients and new conditions in the commercial activity itself, with scarce support of public policies.

Going back to the questions raised in the introduction of this article of how Portugal, Spain and Brazil are responding to the new context, in these three countries, although their specificities in terms of economic development and cultural policies in the sector, art agents (gallerists, artists) are reacting with decidedness and adopting measures that can minimize the economic impact of the crisis. The adaptability of contemporary art galleries in the three countries, from their peripheral position in the global market, is demonstrating a capacity to overcome the crisis caused by the health emergency that we can consider resilient, quickly adapting to unstable conditions in the near future and preparing for an uncertain medium term in difficult economic and professional conditions.

Data analysis and field-based observation showed a strong commitment by gallerists in overcoming the pandemic crisis: during the lockdown, gallerists worked backstage and improving contents and communication digitally, strongly participating in art fairs hybrid models (online and in-presence) and marketplaces. Digital strategies are not sufficient alone, so they are combined with the intensification of communication with collectors and investment in proximity networks. Some other findings are related to specific contexts: the majority of Portuguese and Spanish gallerists claim financial support from the State for participation in international art fairs, which are important platforms for the internationalization of artists and market players amidst international museum directors, collectors and curators, and, indirectly, it is also relevant for the country as it represents an image of strong contemporary culture and cosmopolitan status. In Brazil, the sector shows a strong commitment to internationalization, despite the challenges and changes required to keep galleries international reach, and this seems to be a valuable lesson for contemporary art galleries based in Portugal and Spain.

Despite the variation in galleries' revenues, it did not impact on artists representation, nor in the employment sector. In operational terms, it is noticed a reinforcement of the strategy of promoting ties with usual and experienced collectors, although looking for new buyers is also a relevant action to follow.

Concerning the main changes identified in the art market's activities, the digital turn seems irreversible. Online sales increased significantly in the pandemic period, and there is still a great potential for growth as we believe that the use of this tool will normalize and streamline the art business, particularly in the highest categories of segmentation value. When we observe the use of digital tools on an international level, aggregate online sales of art and antiques reached a record high of \$12.4 billion, doubling in value the previous year. These high figures mean agents were looking for alternatives to the general market fall⁴⁵. Digital platforms are becoming increasingly important in various markets domains, changing ways of production, circulation, mediation, and consumption of artistic proposals. Besides the overuse of this tool, many art agents seem not to be convinced that the virtual will substitute the face-to-face model (Anonymous 2020a), and some others advocate for a hybrid operating model on-offline.

According to many art market agents interviewed, digital art fairs did not bring great sales results so far, but they also cost much less, and most of them intend to continue to participate in future initiatives. Probably one of the long-term effects of COVID-19 will be a paradigm shift from the in-person art fairs to the hybrid models, both online and in-presence, as much as the downsized scale of these events, they may become more competitive and the reduction of the number of in-presence art fairs attendance per gallery.

Another important aspect of recent change detected by the research is the growth of collaborative initiatives and the revision of models for artists' representation, exhibitions, circulation and commercialization of artworks. Some of the changes here discussed were a response to the pandemic context, but nevertheless, they may not be circumstantial; in fact, they seem to be long-lasting effects that may transform the dynamics of the art market in the aftermath of COVID-19.

Regarding the most welcome strategies to overcome the external COVID-19 shock and considering the primary art market consensually as an economic driver, Portugal, Spain and Brazil have in common the challenge of stimulating political structures to implement

measures capable of fostering the art markets sector in a systematic way. Enhancing the deficient policies in supporting fine arts and the contemporary art sector is critical for the three countries. A stronger convergence of private initiatives led by sectorial entities and public policy for the sector could represent a sign of confidence within society and create a positive dynamic between players. Among the policies, education towards arts and culture is a desirable structural action, as some of the reports still point to low levels of cultural practices, namely in Portugal. The articulation between the public and private institutions in the field of acquisitions involving private collectors and investors would be also desirable.

The findings presented in this paper refer to an ongoing phenomenon. The pandemic is not over, and its effects will continue to be felt within the cultural sector for a while. We hope our contribution to this publication will be a useful tool for further discussion and research. We believe that sharing knowledge and strengthening collaboration are valuable ways to contribute to the development of the art markets studies field. We hope this paper can also be useful for decision making, policy building and advocacy in favor of the recovery and further development of the sector in Portugal, Spain and Brazil.

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Notes

- ¹ Some examples: TEFAF 2020 was interrupted; Art Basel Hong Kong 2020, ARCOLisboa 2020, SP-Arte 2020, Lisbon Art Antiques Fair, LAAF 2020, and among others, were cancelled; ARCOMadrid 2021 and SP-Arte 2021, among others, were postponed. The global estimate of cancellations in 2020 is 61% (McAndrew 2021, p. 20), but empirical observation indicates that the percentage can be higher. Still, the results of the art markets reports, such as the reports issued by Arts Economics and Dr. Clare McAndrew, must be handled with reservation as the estimated figures on the primary art markets show huge variations due to the lack of information, particularly of private sales. Nevertheless, sometimes academics use this data (Velthuis and Curioni 2015; Zarobell 2017).
- ² None of the three countries would fit the small group of “prescripteurs” of contemporary art (Quemin 2002) or the start system (Quemin 2013a).
- ³ For example, the contemporary art fairs, e.g., ARCOMadrid, Drawing Room, JustMad, launched a branch in Lisbon, since 2016 (Duarte 2020).
- ⁴ A recent initiative by 3 Brazilian galleries—Fortes D’Aloia and Gabriel, Galeria Luisa Strina and Sé—is presented in Portugal during the 2021 summer: “O Canto do Bode (The Song of the Goat) is a collaborative exhibition at the Casa da Cultura da Comporta. Three Brazilian galleries from different generations join global initiatives in building new working models in an unprecedented context for the art circuit. In total, 32 artists represented by the galleries, in addition to 4 guest artists, will occupy a former cinema within the historic Casa da Cultura at the Herdade da Comporta Foundation, which becomes a pop-up gallery in the European summer.” Luisa Strina and Fortes, d’Aloia e Gabriel are very well-established Brazilian galleries with a strong international presence, being part of the most prestigious art fairs as Art Basel and Frieze for decades (Fortes, d’Aloia e Gabriel also keeps an office in Lisbon since 2014), and Sé is a younger but internationally ascending gallery. The choice of hosting an event in Portugal is mentioned by gallery owners as part of a plan to strengthen ties with the country and to respond to artists’ expectations. Another example is Nowhere Lisbon, an independent space founded by Brazilian curator Cristiana Tejo and Brazilian artist Marilá Dardot in 2018. Shortly after the beginning of the pandemic, Tejo and Dardot, together with other artists and art market players, launched, from Lisbon, a hybrid commercial initiative called Quarantine, aiming to help artists and social projects to face the crisis.

- 5 The team had already organized workshops and lectures between its members, and a conference on the Art Market and the Global South, in Lisbon. For further information about the cluster's aim, see (Anonymous 2019): "Cluster art market and collection." Available online: <https://ihapgmercado.weebly.com/cluster-amc.html> (accessed on 28 May 2021).
- 6 We have not segmented the art markets typologies in terms of artistic representation because some of the categories would be under-represented in the three countries, for example, internationally recognized talents (Moureau and Sagot-Duvauroux 2006, pp. 23–27) or the blue-chip category.
- 7 The international dimension that participation in art fairs allows is of relevance and contributes to the ranking of the gallery performance and its artists (Quemin 2020, 2013b). Most Brazilian and some Spanish galleries in this study do have that international dimension, while the majority of Portuguese galleries have a local scope.
- 8 Mapa das Artes is a yearly update website, created in 2016, with information about galleries, museums and art centers active in the city (Anonymous 2021b).
- 9 The phone contact led us to exclude sixteen galleries from the first list because we concluded they had no activity in the years under study. The final number was seventy.
- 10 We do not pretend to have gathered all active art galleries in Portugal (there is certainly more than seventy), but we did have the cooperation of the most relevant between this set, and we estimate to have a very representative sample.
- 11 This declaration follows up the Decree of the President of the Portuguese Republic, published on 18 March (Decreto do Presidente da República n° 14-A/2020 de 18 de março).
- 12 The others cities pointed were: Coimbra, Figueira da Foz, Braga, Ponta Delgada in Ilha dos Açores, Ílhavo, Funchal in Ilha da Madeira.
- 13 In Figure 1, the lowest percentage in orange is 10.9% and in red is 6.5%.
- 14 In Portugal, the share of employment in creative and cultural sectors showed figures between 0.5% to 1%. Source OECD 2020 Regional statistics.
- 15 To further understand the simplified Lay-off, see the information on the Government website (Anonymous 2021c).
- 16 It must be underlined that all the conclusions of this topic are conditioned by the category's segmentation (intervals of revenue defined in the survey to respect the privacy of the data).
- 17 The global sales of art and antiques down 22% from 2019 (McAndrew 2021, p. 17). In France, the primary art market sector also showed a down: a survey conducted by the Comité Professionnel des Galeries d'Art concluded for a total loss of 184 Million Euros between February and June 2020, and one-third of French art galleries were at risk of shutting down (Comité Professionnel des Galeries d'Art 2020).
- 18 These calculations were made using corrections for an estimation of 39 answers for each year.
- 19 Internationally, the mega-galleries tend to dominate online sales and to face the crisis easier. The pandemic will probably underline the gap between art market players (Xydas 2020, p. 37).
- 20 This information was given to the author by Bruno Múrias through telephone message in 28 April 2021. Plus, he confirms in-presence on 15 May, stating that it was worth it because he sold well.
- 21 The Portuguese Association of Art Galleries (APGA) existed already but lost activity; it is known that it was created a new association in 2019, named Exhibitio, but its activity is not known yet.
- 22 The Drawing Room Lisbon is focused on drawing and worked successfully for gallerists (Anonymous 2020b).
- 23 As previously said, the art fairs for primary markets in Lisbon are branches from Madrid, which reinforces the common market at the Iberian Peninsula. ARCOLisboa, the international art fair for contemporary art, was launched in 2016, as an initiative from IFEMA, a consortium formed by the Madrid Regional Government, the Madrid City Council, the Chamber of Commerce and Industry and Fundación Obra Social y Monte Piedad de Madrid, with the support of the Ministry of Culture, from Portugal, the Lisbon City Council, and the Portuguese Tourism. The JustLx, devoted to emergent art, is promoted by the Spanish company ArtFairs, and it had its first edition in 2018, in Lisbon, as an ARCOLisboa satellite art fair.
- 24 The new acquisitions, and the former collection, will be available among those institutions (apparently, in a political of decentralization scope). See Resolução de Conselho de Ministros n° 50/2021 (2021) (Diário da República n° 91/2021, Série I, 11 May 2021). Abstract: Cria a Rede Portuguesa de Arte Contemporânea e o Curador da Coleção de Arte Contemporânea do Estado (Creates the Portuguese Contemporary Art Network and the Curator of the State Contemporary Art Collection).
- 25 Acquisitions have been made annually by a commission, the first between 2016–2019, the second commission acted between 2019–2021 (Matos and Faro 2021). Besides artworks acquisitions, the Municipality launched a specific program for independent workers of the cultural sector, called the Social Emergency Fund. In this context, curators have applied, opening exhibitions in galleries (for example, in the Balcony Gallery).
- 26 According to Observatório Português das Atividades Culturais, circa half of artists and professionals of art and culture have a wage of EUR 600 per month, an amount close to the minimum wage (Neves et al. 2021a, p. 8).
- 27 Sara and André are a couple of artists who regularly exhibited from 2006. Their artistic practice brings together themes of appropriation, authorships, and criticisms of celebrity in the art world. For this project, inspired in a previous work by Julião

Sarmiento, from 1977, also named “Survey to 60 artists,” Sara and André surveyed 471 artists by email, addressing four questions about the COVID-19 representation, its impact on artists’ life and work, and how they see the future after the pandemic crisis. There is a published version with the number of participants (263) (Sara and André 2020b) and an online version: Sara and André (2020a). Inquérito a 471 artistas. *Contemporânea*. Available online: <https://contemporanea.pt/edicoes/inquerito-471-artistas/inquerito-471-artistas> (accessed on 17 May 2021).

28 The pandemic crisis showed the need for social protection to artists (and professionals of culture) and the implications it has in this legal frame. According to OPAC, 88% of the inquiries showed a discontinuity contributory career (Neves et al. 2021b). It is under public discussion until 17 June 2021: see the Decree-Law that approves the Statute of Professionals in the Area of Culture. Anonymous (2021d). “Decreto-Lei que aprova o Estatuto dos profissionais na área da cultura”. Available online: https://www.consultalex.gov.pt/ConsultaPublica_Detail.aspx?Consulta_Id=195 (accessed on 17 May 2021).

29 The idea is to have a monthly art fair, and artists apply to the platform to participate. Mercado P’la Arte also gives ateliers for free (Anonymous 2021e). Simultaneously, it is observed a growing number of collectivities of artists as a resilience strategy, a growth that should be followed in the future.

30 Although the reports provided by the professional associations IAC and Consortium of Contemporary Art Galleries lack an academic orientation and methodology, they offer data from the primary source par excellence, the galleries themselves and the professionals who manage them. In addition, the fundamental objective for the preparation of these reports during the pandemic was to offer a realistic vision of the situation the sector was going through, which is why we consider them sufficiently reliable for our analysis.

31 The abrupt closure of galleries in Spain has been referenced in the different reports on the Spanish art market that Dr. McAndrew has published since 2012. While in the 2012 report, an approximate number of 3500 registered art galleries is declared, in the following 2014 report, the number of registered galleries remains at slightly more than 2950, quite lower a figure than the data reflected two years earlier.

32 The Federal Government is led by the negationist president Jair Bolsonaro. The total of deaths reached 500.000 in June 2020, in the second position after the United States, as well as figured among the 10 countries with the higher percentage of deaths by millions of inhabitants.

33 Art market player, oral communication with the author, São Paulo, 4 June 2021.

34 In global market reports, these figures are more often estimates, based only on a fraction of the market, and projected to what is supposed to be the market as a whole. We were more interested in indicators to assess variation of business results than in getting an estimate or a fragile global figure.

35 Gallery owner, oral communication with author, São Paulo, 5 December 2020.

36 Gallery owner, oral communication with author, São Paulo, 4 May 2021.

37 This scenario contrasts, in Brazil, with other cultural sectors, such as the performing arts, which have been suffering irreparable losses and whose entrepreneurs and artists may not be able to go through the crisis and continue their activities in a post-pandemic context (Observatório do Itaú Cultural 2020; Fialho 2020).

38 Gallery owner, conversation with the author, 28 May 2020.

39 Latitude—Platform for Brazilian Art Galleries Abroad, is a project aiming the internationalization of the Brazilian Contemporary Art Market, an initiative by the Brazilian Association of Contemporary Art (ABACT) in partnership with the Brazilian Trade and Investment Promotion Agency (Apex-Brasil), using a combination of private and public funds. For more information: <http://www.latitudebrasil.org/sobre-nos/apresentacao/> (accessed on 1 May 2021).

40 Export statistics show consolidated exports for commercial purposes and temporary exports for cultural purposes (participation in exhibitions, for example), so the volume of exports should not be confused with the volume of sales of works of art. In any case, the constant increase in the volume of exports in recent years points unequivocally to a greater international circulation of works of art, partly driven by the movement of art galleries. In 2019, exports surpassed the US\$400 million mark, according to the *Painel de dados do Observatório do Itaú Cultural*, data available at: <https://www.itaucultural.org.br/observatorio/paineldedados/> (accessed on 25 May 2021).

41 It is important to note that this is the average percentage in 2017; for example, for half of the respondent galleries, this percentage reaches 20%, and for a smaller group (eight galleries), 40% (ABACT/Latitude 2018).

42 In 2020, 23% of galleries surveyed reported sales to international institutions (in 2014, they were 21%; in 2017, 29%). Sales in 2020 were made to the following institutions: Perez Art Museum Miami, National Gallery of Modern Art New Delhi, Guggenheim Abu Dhabi, Contemporary Art Institute Chicago, Fundación Otazu/Spain, die Mobiliar Art Collection/Switzerland, Museum of Modern Art/New York, Dallas Museum of Art, Centre Georges Pompidou, Fundación Atchugarry/Uruguay. It is certainly not a complete list of institutions because some galleries did not respond to the request of information, but nevertheless, the partial information is sufficient to assess that Brazilian galleries keep reaching international institutions.

43 The engagement of artists in the production of digital content led some art market analysts to question the new role of galleries as content producers. The challenge to monetize this kind of content so far suggests that content production will remain a

promoting activity rather than a new core business for the gallery sector, but this too early to be sure about it. Some galleries are trying to “sell” digital content, workshops and talks, and the majority offer them for free.

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- 45 On the contrary, we recall that the global sales of art and antiques reached an estimated \$50.1 billion in 2020, down 22% from 2019 (McAndrew 2021, p. 17).

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Article

'The Lucky Country': How the COVID-19 Pandemic Revitalised Australia's Lethargic Art Market

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Abstract: Since its publication in 1964, Australians have used the title of Donald Horne's book, *The Lucky Country*, as a term of self-reflective endearment to express the social and economic benefits afforded to the population by the country's wealth of geographical and environmental advantages. These same advantages, combined with strict border closures, have proven invaluable in protecting Australia from the ravages of the global COVID-19 pandemic, in comparison to many other countries. However, elements of Australia's arts sector have not been so fortunate. The financial damage of pandemic-driven closures of exhibitions, art events, museums, and art businesses has been compounded by complex government stimulus packages that have excluded many contracted arts workers. Contrarily, a booming fine art auction market and commercial gallery sector driven by stay-at-home local collectors demonstrated remarkable resilience considering the extraordinary circumstances. Nonetheless, this resilience must be contextualised against a decade of underperformance in the Australian art market, fed by the negative impact of national taxation policies and a dearth of Federal government support for the visual arts sector. This paper examines the complex and contradictory landscape of the art market in Australia during the global pandemic, including the extension of pre-pandemic trends towards digitalisation and internationalisation. Drawing on qualitative and quantitative analysis, the paper concludes that Australia is indeed a 'lucky country', and that whilst lockdowns have driven stay-at-home collectors to kick-start the local art market, an overdue digital pivot also offers future opportunities in the aftermath of the pandemic for national and international growth.

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1. Introduction

Prior to the COVID-19 pandemic, Australia's second most populous city, Melbourne, was awarded the title of 'World's most liveable city' on seven consecutive occasions. By mid-October 2021, it became internationally renowned as the 'most locked down city in the world' due to multiple government lockdown mandates totalling 262 days across nineteen months. Taking advantage of the country's natural geographic defence as an island, the Australian government closed the border of the country, prohibiting incoming travel and preventing citizens from departing. Moreover, internal borders quickly slammed shut as well, as local governments juggled political and economic concerns with health implications for their citizens. Whilst Melbourne's ignominious change of title goes some way to explain the enormous social and financial impact of the Federal and State governments' COVID-19 pandemic response on the nation's broader arts economy, the same mandates counterintuitively played an integral role in encouraging a boom in Australia's art market. Overall, the ability to close Australia to the rest of the world resulted in far fewer deaths from COVID-19, compared to other developed countries around the world, particularly in western Europe and the USA, once again reinforcing the nation's reference to itself as a 'Lucky Country' (Horne 1964). However, as this paper will reveal, closer inspection of

Australia's art market reveals a landscape where some art market participants have been 'luckier' than others.

2. Literature and Methodology

This paper extends scholarly research on the art market in Australia, building on articles examining the state of the market subsequent to the global financial crisis (Archer and Challis 2019), and the initial impact of the COVID-19 pandemic (Archer and Challis 2020). It explores the local, Australian response to the COVID-19 pandemic from early 2020 to early 2022 and juxtaposes that experience against a global context. This paper builds on scholarly examinations of global art markets through its consideration of the recent history and current status of market development in Australia, and by focussing on two key aspects of global art market development: digitalisation and internationalisation.

In order to situate the Australian experience in a global context, this paper draws on qualitative and quantitative analysis, including parliamentary enquiry documentation, government statistical analysis, art market data, and stakeholder interviews with fifteen art market professionals from across the industry, so as to document industry experiences and identify key emerging themes.¹

The notion of a 'global art market' is contested. Whilst the convenience of this terminology permits examinations of market mechanisms and institutions that operate across the globe (such as art fairs, biennales, mega-galleries, and multinational auction houses) (Shnayerson 2020; Niemojewski 2021; Gerlis 2021)², scholars such as Quemin and Graw propose that the notion of a truly global art market is an illusion. Whilst Graw (2009, p. 20) concedes that local art scenes have networked to evolve a global reach, Quemin and Van Hest (2015, p. 180) maintain that the international art world is territorialised with the 'national context' being predominant. Belting (2013, p. 184) draws these perspectives together by describing the global art world as 'polycentric' and 'polyphonic', whilst Smith (2013, p. 186) refers to 'the multiscalar perspective of worlds-within-the-world'. In this scholarly context, this paper adds a southern-hemisphere, developed-market perspective to a global picture. Moreover, by using primary research, this paper adds qualitative and quantitative data to global art market report analyses, which are predominantly northern-hemisphere, Euro-American focussed. In particular, this paper provides evidence to support Arora and Vermeylen's (2013, p. 328) observations that digitalisation is driving the market from a supply-side orientation to a consumer-driven market. Overall, through its contextualisation of the Australian art market within, and in juxtaposition to, Australia's creative arts and financial sectors, this paper concurs with Zarobell's (2017, p. 8) argument that 'the arts are not insulated from larger economic processes'.

3. Impact and Policy Response in the Broader Australian Arts Economy

The onset of the COVID-19 pandemic in February 2020 found core aspects of the Australian arts economy in an already precarious condition. In part, this was the result of a clear pattern of reduced funding for the arts sector that has emerged at the Federal government level in the last decade (Pacella et al. 2021, Appendix 1 and page 4). Perhaps more damaging has been the decades long drift away from the focused national cultural policies that were developed and implemented in the late twentieth century (Throsby 2001, pp. 548–61). These actions have increasingly been out of kilter with Australia's international peers, who have taken a more supportive stance in relation to these industries. When compared to the 34 countries in the Organisation for Economic Cooperation and Development (OECD), Australia ranks 23 out of 34 in terms of overall government assistance for cultural industries (A New Approach 2022, p. 17). The art market in Australia represents only a small part of the overall arts economy. Demand for fine art has traditionally been strongly focused on domestic art production, and sales volumes have been largely stagnant since the Global Financial Crisis and a number of adverse Federal legislative changes in the early 2010s. Art sales in Australia amount to less than one per cent of global sales, despite

Australia's gross domestic product placing the country in the top fifteen economies in the world (McAndrew 2021, p. 36).

When Federal and State governments responded to the threat of the growing pandemic with restrictions on mobility and crowd sizes in early 2020, the already-vulnerable arts economy was immediately and severely impacted. Professional artists were prevented from earning direct income from commercial art exhibitions and live performances because these were some of the first events to be postponed or cancelled. The closure of all museums, festivals, and other cultural activities quickly compounded losses across arts-related businesses in both the public and private sectors. When the Australian Bureau of Statistics (ABS) started measuring the impact of COVID-19 restrictions on the economy in June 2020, they found that the Arts and Recreation Services sector was second only to the Accommodation and Food Services sector in terms of lost revenue and employment (Australian Bureau of Statistics 2020). As the pandemic and the related restrictions continued throughout 2021, the ABS found that businesses in the Arts and Recreation Services sector were the most likely to report that they were having difficulty meeting their financial commitments (Australian Bureau of Statistics 2020).

The complex nature of employment arrangements in the arts economy also complicated the effectiveness of government stimulus policies enacted during the pandemic (Throsby and Petetskaya 2017). Of the total AUD 4.32 billion of government payments to the sector in the 2019–2020 financial year, 70 per cent, or AUD 3.06 billion, was from the JobKeeper program, a program that reimbursed businesses for retaining furloughed employees (A New Approach 2022, pp. 13–14).³ However, many workers in the arts economy were excluded from the benefits of this program because they were either on short-term contracts, had not worked for their current employer for more than twelve months, or did not meet the definition of 'sole trader' (Pacella et al. 2021, pp. 7–9). These workers were forced onto the lower and less-stable JobSeeker payments, a rebadging of the previous unemployment benefit scheme. A total of fifteen additional funding packages worth AUD 1093 million were also directed toward the arts sector by the federal government (Commonwealth of Australia 2021, Appendix E). Unfortunately, these funding initiatives were not always well-designed and directed. Several of the packages were criticised for favouring large arts organisations over individual arts workers, as well as being cumbersome to access and slow to activate (Pacella et al. 2021, pp. 8–12).⁴ At the time of writing, pandemic-related restrictions have largely been lifted in Australia, but the long-term damage caused to many businesses in the broader arts economy has yet to be properly estimated and documented.

4. Art Market Paradox

As a sub-industry of the broader arts economy, the Australian art market was also impacted by the advent of the COVID-19 pandemic in early 2020. Many commercial art galleries reported a dramatic drop in sales in the first and second quarters of 2020, with several being forced to face the possibility of permanent closure (Interviews 2 and 4). Auction houses were similarly disrupted when major auctions were postponed or cancelled during this period (Interview 9). For these businesses, the JobKeeper initiative and the availability of government-underwritten small-business overdrafts were critical for keeping staff employed and riding out the loss of revenue brought about by the pandemic and related restrictions (Interviews 2, 4, and 9).

However, in contrast to the broader arts economy, the Australian art market recovered remarkably quickly from the initial economic shock of the pandemic. This can most clearly be seen in the publicly available art auction sales numbers aggregated by John Furphy in the *Australian Art Sales Digest* database (Figure 1). These records show that, other than 2017, the 2021 year was the most successful year for auction sales volumes in Australia since the previous peak of 2007. The AUD 121 million of sales in 2021 was the third-highest total in the thirty-three years for which records have been kept (Furphy 2022). Even the 2020 year, at AUD 108 million of sales, was remarkably robust given the reduced mobility of

art collectors, border closures, restrictions on people gathering, and the postponement or cancellation of several major auctions.

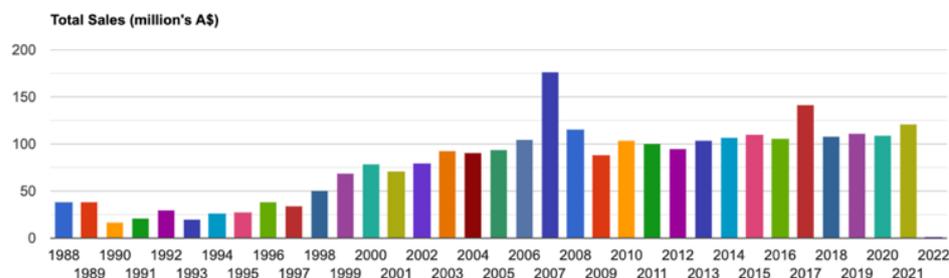


Figure 1. Annual Australian art auction sales. Source: John Furphy, *Australian Art Sales Digest* database, accessed on 18 February 2022. <https://www-aasd-com-au.eu1.proxy.openathens.net/index.cfm/annual-auction-totals/>.

Behind these headline auction sales numbers, three key trends can be identified:

1. Art collectors were particularly keen to purchase high-quality paintings by artists that were already well-established in the Australian art canon. Prices paid for well-known Australian Impressionists, such as Arthur Streeton, were significantly higher than in previous years. On 21 April 2021, Deutscher and Hackett set a new record price for a painting by Streeton when they sold *The Grand Canal* for AUD 3,068,182 (Figure 2) (Furphy 2022). This record was followed seven months later by the sale of the Streeton painting *Cairo* (Figure 3) by Smith and Singer on 16 November 2021 for AUD 705,682. This was a staggering 380% increase on the previous AUD 146,400 sale price for the same painting only fifteen months earlier, on 27 August 2019 (Furphy 2022);
2. The emergence of substantial demand for female Australian artists. Record prices were paid for the artwork of numerous historical and contemporary female artists, with momentum continuing to build toward the end of the year. Clarice Beckett, Bessie Davidson, and Kathryn Del Barton were just some of the artists that particularly benefited from this shift toward the overdue recognition of female Australian artists (Furphy 2022);
3. Finally, artworks by important Indigenous artists continued to draw the attention of international collectors from as far afield as Britain, Switzerland, America, France, and Germany (Interview 9). This recognition has spilled over to domestic collectors with some paintings by female Indigenous artists, such as Sally Gabori, benefiting from more than one of the emerging trends (Furphy 2022).



Figure 2. Arthur Streeton, *The Grand Canal*, 1908, oil on canvas, 92 × 168.5 cm.



Figure 3. Arthur Streeton, *Cairo*, 1897, oil on canvas, 50.6 × 61.3 cm.

Trading conditions for commercial art galleries and art fairs appear to have been more mixed over the COVID-19 pandemic period. A wide range of themes and observations on how the COVID-19 pandemic has affected this sector of the art market in Australia became apparent from the interviews conducted with gallery owners and art fair directors. Most established commercial galleries with loyal collectors and a stable of well-known artists experienced an unexpected surge in sales over the 2020–2021 period (Interviews 5, 7, and 10).⁵ For one gallery, this period represented their best years in the business’s twenty-eight-year history (Interview 10). On the other hand, younger commercial galleries found the pandemic environment extremely difficult and financially challenging (Interviews 5 and 6). This was compounded in some cases by losing artists within their stable to bigger galleries that were able to offer better prospects of making sales (Interview 5). One gallery director went so far as to say that emerging artists, who are often represented by younger galleries, had their careers put on hold in the 2020–2021 period as collectors remained loyal to established artists and galleries (Interview 5).

Galleries with a less-established clientele also suffered from being more reliant on art fairs, which were unable to operate as usual and were instead forced to move their business models online (Interviews 4 and 5). In some cases, this pivot was conducted successfully, with reports of the Darwin Aboriginal Art Fair achieving record sales of AUD 3.12 million in 2021 (Fairley 2021). The Sydney Contemporary Art Fair reported selling double the volume of artwork in 2021 compared to their 2020 online experience (Interview 11). However, a number of gallery owners reported an element of ‘digital fatigue’ as the pandemic wore on and were looking forward to returning to the networking opportunities presented by attending physical art fairs and dealing with collectors in real life (Interview 11). In all cases, commercial galleries reported having to quickly pivot to more nimble business models than they had previously employed. Development of their online capabilities, social media, monthly magazines, alliances with interstate and international galleries, and offering insightful artist-led webinars were all seen as ways to make their business models more robust (Interviews 1, 2, and 10).

One overriding trend was the emergence of increased demand from Australia-based art collectors during the COVID-19 pandemic period. All operators of auction houses, commercial galleries, and art fairs reported an increase in the number of collectors interested in acquiring new artwork, in some cases by as much fifty per cent. In nearly all cases, the rationale for the increased interest was related to the restrictions on mobility. As Australian collectors were forced to postpone or cancel all international travel, the money not spent on airfares, accommodation, and overseas spending swelled their discretionary savings. As more time was being spent in their homes, people naturally turned their minds to improving their built environment. This has fuelled a wave of home renovations, furniture purchases, and a desire to acquire fine art (Interview 10). One gallery owner gave an example of a show for an established Sydney-based artist, where ninety per cent of the paintings offered were quickly sold. More than half of the buyers explicitly stated they were buying artwork in lieu of travelling internationally (Interview 10).

And yet, the depth of buying interest suggests something deeper than simply pecuniary motivations. A number of gallery owners detected a strong sense of willingness to support the local Australian art scene in the face of devastating circumstances for artists and arts-related businesses. By buying domestically produced artworks, collectors were able to express a deeper sense of loyalty to their local communities, and perhaps even a sense of latent nationalism (Interview 7). There were also reports that stay-at-home collectors were finding time to re-engage with cultural interests that had otherwise taken a back-seat to busy work schedules and international travel. For wealthy Australians, the slower pace of the pandemic meant they had more time available to research and purchase artworks they had been inclined to buy but were simply too busy or distracted to act on (Interview 9).

One final factor fuelling the demand for Australian artwork over the COVID-19 pandemic period sits more obviously within traditional art market mechanisms. It was not a simple coincidence that significant exhibitions at major public art institutions preceded the recent art market demand for artists such as Arthur Streeton, Clarice Beckett, Bessie Davidson, and Sally Gabori.⁶ The added status bestowed on an artist through the celebration of their work in public art institutions has always translated to increased symbolic value and cultural capital. From that point, it is only a short step to increased economic values, as collectors compete to own artworks that have been canonised by institutions, curators, and art historians. One art market professional described how the Arthur Streeton exhibition at the Art Gallery of New South Wales in late 2020 and early 2021 had the effect of not only reminding older collectors of the outstanding quality of his work, but also introduced many younger collectors to his important place in the history of Australian art (Interview 9).

5. Australian Art Market in a Global Context

When thinking about the strong performance of the Australian art market over the COVID-19 pandemic period, it is important to properly contextualise this performance in relation to the global art market. According to the *Art Market Report 2021* prepared by Clare McAndrew, the global art market suffered a significant decline from early 2020 to early 2021. Global sales of fine art and antiques were valued at USD 50,065 million in 2020, which represented a 22 per cent decline since 2019 and a 27 per cent decline since 2018 (McAndrew 2021, pp. 30–31). The Australian art market does not produce an equivalent total sales number to that used in Clare McAndrew's report; however, the annual auction sales values given above and the anecdotal feedback from the commercial gallery sector clearly show that the Australian art market's experience of the COVID-19 pandemic was one of growth rather than decline.

A significantly different story emerges when the respective numbers are considered in the context of the last decade. At the lowest point of the recession induced by the Global Financial Crisis (GFC) in 2009, the global art market recorded USD 39,511 million of sales. Between 2009 and 2018, global sales increased to USD 67,653 million, equating to a 71 per cent increase (McAndrew 2021, p. 31). The equivalent increase in the sales values recorded in the Australian auction market was a far more tepid 21 per cent increase, with total auction sales increasing from USD 88 million in 2009 to USD 107 million in 2018 (Furphy 2022). As can be seen in Figure 1, auction sales numbers in Australia have essentially been stuck in the AUD 100 million region since the end of the GFC. In light of this comparison, the COVID-19 pandemic period of increased sales in the Australian art market is more correctly seen as catching up to growth already seen in the global market, rather than a period of isolated outperformance.

Understanding this anomaly in the performance of the Australian art market versus the global art market requires a deeper dive into a number of structural differences between the two markets. The global art market was immediately buoyed in the aftermath of the GFC by booming sales in the newly emergent Chinese market and a rapid rebound of sales in the United States (McAndrew 2021, pp. 31–33). This sales growth was underpinned by rapidly rising prices for marque artists, particularly in the Post-War and Contemporary market sector (McAndrew 2021, pp. 132–42). The decline in global sales over the last

two years is in large part explained by the inability to sell these types of artworks in the optimal manner during the pandemic period. Collectors were reluctant to consign major artworks for sale without the lavish exhibitions and in-person auctions that are likely to optimise their value, but that were made impossible by the pandemic-related restrictions (Interview 9). The Australian art market does not share in this geographic diversification or in the predominance of big-ticket sales for star artists. Instead, the Australian art market was muted by a number of structural changes that occurred shortly after the GFC recession subsided.

In 2009, the *Resale Royalty Right for Visual Artists Act 2009* was passed in the Federal parliament. This act required a royalty payment of 5 per cent of the sale price to be paid to the originating artist or their estate for all secondary sales of artwork valued at more than AUD 1000 (Commonwealth of Australia 2009). This legislation immediately introduced a one-off price increase to all art sold in the secondary market in Australia and has been blamed by some commentators for a lull in collecting activity at that time (Fairley 2020a).

Probably of greater significance to the overall art market in Australia were the 2011 amendments made to the *Superannuation Industry (Supervision) Act 1993* (SIS act). In summary, these amendments disincentivised self-managed super funds (SMSFs) from owning collectables and personal-use assets (such as artworks) by prohibiting fund owners from storing and displaying such assets in their personal residence (Challis 2020).⁷ Using data recorded by the Australian Tax Office, it is very straightforward to see the impact these changes have had in the last decade (Figure 4). While SMSF balances have experienced a 112 per cent growth between 2011 and 2021, the value of collectables and personal-use assets owned by SMSFs has decreased by 30 per cent in the same period (Australian Tax Office 2021). This represents a rapid decline in the pro rata allocation of SMSF assets to the collectables and personal use asset class amounting to a loss of AUD 848 million of investible funds over the last ten years. For the Australian art market, this represented an unfortunate and unnecessary loss of a large portion of the local demand for fine art. A strong argument can even be made that fine artwork should not have been included in the 2011 amendments to the SIS act in the first place. Looking at a painting does not diminish its value in the same way that drinking a bottle of vintage wine does. This non-rivalrous aspect of fine art's intrinsic nature makes it a far more suitable SMSF investment than other collectable assets (Challis 2020, pp. 7–9).

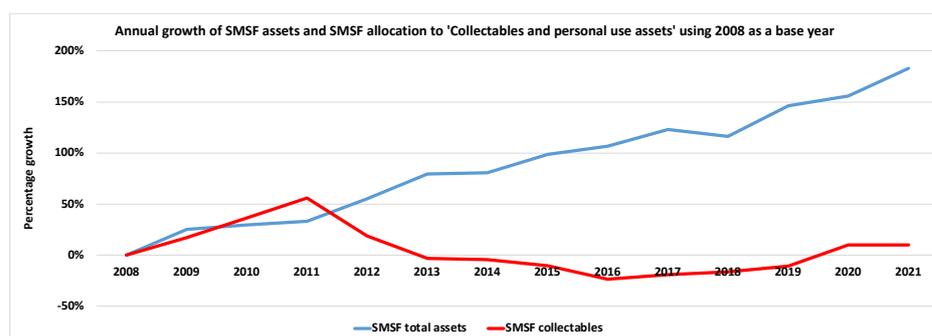


Figure 4. Annual growth of SMSF assets and SMSF allocation to 'Collectables and personal use assets'. Source: Author, using data from the Australian Taxation Office. <https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/SMSF/Self-managed-super-fund-quarterly-statistical-report---September-2021/> (accessed on 18 February 2022).

Much of the difference in the performance of the Australian art market relative to the global art market in the 2009 to 2018 period can be explained by these two legislative changes. However, to a large extent, these factors have now been overtaken by the impact of the COVID-19 pandemic on stay-at-home art collectors and the emergence of other

important themes, such as the digital pivot, which has irrevocably changed the landscape of the art market in Australia.

6. The Digital Pivot

The digital pivot driven by COVID-19 lockdowns has been a significant factor in the recalibration of the global art market. In contrast to the stuttering performance of the overall global market, online art sales trebled in the first eighteen months of the pandemic compared to 2019 totals (Hiscox & Art Tactic 2021, p. 1). Globally, both the primary and secondary markets had been digitising their operations since the turn of the millennium, with digital images and PDFs being standard mechanisms for illustrating artworks and generating catalogues and price lists (Israel 2021, p. 226). In the decade prior to the pandemic, the digitalisation of art market systems increased through the formats of online auctions for brick-and-mortar auction houses and online viewing rooms (OVRs) for commercial galleries.⁸

The impact of the pandemic-driven digital turn was amplified in the Australian art market due to a rapid shift in consumer behaviour more broadly. Prior to the pandemic, Australians were already considered to be laggards in their participation in online shopping compared to their peers in Europe and the USA. However, the extensive limitation on the mobility of the population through lockdowns, which were both widespread and localised, forced consumers to turn to online options (Fairley 2020b). This meant that art market growth via digital technology was exacerbated in Australia, as collectors rapidly adapted to and adopted this new mode of engagement (Child et al. 2020). Although there is no specific data, all of the interviewees reported the paramount importance of technology during the pandemic to sustain, and then in many cases to grow, their businesses.

The success of the digital pivot for Australian commercial galleries has aligned closely to the prior digital competence of the gallery, as well as the financial and human resources to exploit the multiple digital opportunities. Only a very few of the galleries had interacted with OVRs prior to the pandemic, and this had predominantly been facilitated by international art fair activity. Many turned to third-party software to create online viewing room experiences that replicated the in-room appearance of exhibitions. Indeed, many gallery interviewees noted the importance of the 'phygital', the real or virtual appearance of a physical art-viewing experience (Interviews 1, 2, 7, 10, and 12). One gallerist noted the important intersection of the virtual gallery presence on their website and the physical opportunity of exhibiting in their shop window, where collectors could view the actual artworks within their lockdown-designated travel boundary (Interview 10). Another gallerist noted their use of government pandemic funding to invest in equipment (such as high-resolution video cameras) to improve the quality of the digital presence (Interview 7). Overall, the majority of galleries who had a successful experience with their online exhibitions have confirmed that these will be an ongoing feature of their gallery presentations post-pandemic.

Social media was also cited as an important element of digital success for galleries. This was across multiple platforms, although Instagram was credited most highly as being a successful tool to attract the attention of collectors. Several galleries suggested that social media generated by their represented artists was also an important aspect of collector awareness and generating sales traffic to the gallery (Interviews 1, 2, 4, and 7). Additionally, many galleries suggested the need to do more than simply present artworks in a digital format to their captive audiences (Interviews 1, 2, 4, and 7): online content needed to be dynamic and contextual. Again, the intersection with the physical was highlighted, such as a gallery that innovated an online magazine and printed a short run of glossy hard copies to be delivered exclusively to their VIP clients (Interview 2).

The most transformative element of the digitalisation of the Australian commercial gallery sector has been the publication of prices. In the words of one gallerist, this has been 'a game changer' (Interview 2). Prior to the pandemic, the publication of prices either online or in the gallery was minimal, as gallerists believed that it was important to talk directly to collectors in order to determine their level of interest and drive a sale. By

contrast, the publication of prices in the OVRs encouraged a higher level of engagement by collectors more broadly, and generally resulted in more enquiries leading to actual sales (Interview 2). Many galleries proposed that they will continue this practice in the future, thereby demonstrating a significant systemic shift in Australian commercial gallery operations as a result of the pandemic (Figure 5).

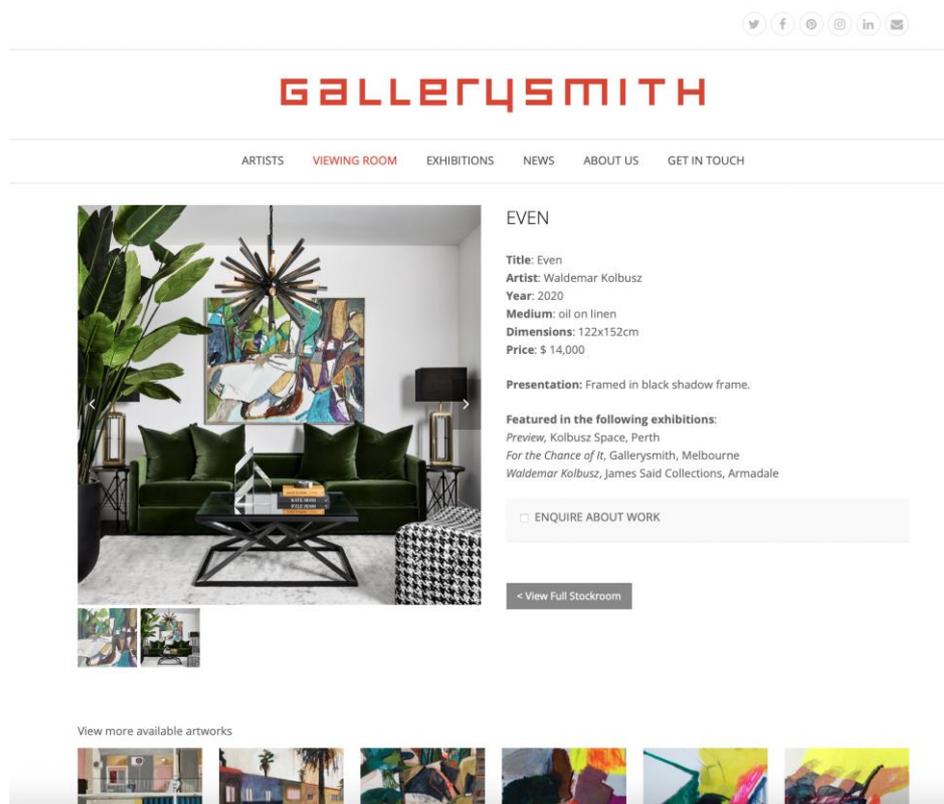


Figure 5. Gallerysmith, Melbourne. Online viewing room embedded in website. Image courtesy of Gallerysmith.

It is important to note that some Australian galleries did not find success with their digital interactions. However, closer inspection reveals that this often aligned with the overall structure of the gallery business. For example, one gallerist whose business model is entirely based on the pop-up exhibition model found that the OVR format did not replicate the collector excitement driven by the 'pop-up', and perhaps this suggests the importance of the physicality of exhibiting space and artwork for collector confidence (Interview 5). Similarly, those gallerists who had limited human capital or were newer to the marketplace struggled to generate sufficient digital engagement with collectors to make a meaningful impact on their businesses during this time. For some newer galleries, this resulted in their closure entirely (Interview 8). Overall, the best outcomes for galleries and artists were where the collectors had an established relationship, and the digital environment became the transactional facilitator.

Australian art auction houses experienced a boom during the COVID-19 pandemic, as did many auction houses globally (Boland 2021). Most of the houses attributed this to digital engagement. Predominantly, the fine art auction houses in Australia had begun to experiment with online auctions at the lowest value end of the market in the early 2010s. Consequently, they all either had the technology, or had access to it via an intermediary platform (particularly *Invaluable*, which is by far the most commonly used online auction platform in Australia).⁹ As one auction house specialist proposed, the auction houses were ahead of the curve on the technological front and they were waiting for collectors to catch up (Interview 3). This is a little disingenuous: whilst the auction houses were

technologically prepared and were, thus, waiting for Australian collectors to feel more comfortable using the technology, the online offerings by Australian auction houses were usually of lower value and quality, thereby restricting this option to a specific collector demographic.

During the COVID-19 pandemic, auction houses were permitted to continue operating but without audiences. Consequently, all collectors had to engage with auction houses digitally, and the ‘stigma’ of online auctions, in terms of quality and value, was removed (Interview 3). Thus, the growth in business for auction houses was across the board: increased buyer registration as more collectors embraced the concept of online shopping; increased volume of lots once vendors realised the growing number of potential buyers; increased value of lots as the stigma of online activity diminished; and increased sales results as multiple bidders competed over each lot (Boland 2021; Coslovich 2021).

Like the commercial galleries, the auction houses also emphasised the importance of the ‘phygital’. Some were able to offer viewings by appointment, and most of the major auctions were not entirely online but were conducted through livestreaming an auctioneer in the auction room taking bids from online platforms and telephones. Indeed, a completely novel format arose from the benefit of a captive audience with digital capabilities: the single-lot auction, often badged as a ‘masterpiece’ opportunity.¹⁰

Moving forward, all of the Australian auction houses believe that the online aspect of their businesses will continue to grow; however, most also suggested that ‘some auctions’ need to remain being held in the room as collectors are motivated by the theatrical experience and sense of community engendered by a live sale (Interviews 3, 9, and 12).

The element of the Australian art market that has been most impacted by the COVID-19 pandemic has been the art fair. The Australian art fair landscape was already problematic prior to the pandemic, and the strict lockdowns and interstate border closures resulted in the two main fairs—Melbourne Art Fair and Sydney Contemporary—having to close their physical iterations for two years (Figure 6). Melbourne Art Fair (MAF), a biennial event dating back to 1988, was struggling before the pandemic due to the arrival of a strong competitor, Sydney Contemporary, and its complicated governance structure run by a not-for-profit foundation (Wilson-Anastasios 2016). Scheduled to run in mid-2020, MAF aligned itself with the online platform Ocula to run its 2020 iteration. It then abandoned a 2021 offering, preferring to wait for the opportunity to run a live event. The annual Sydney Contemporary, on the other hand, opted for the OVR format in both years of the pandemic and developed their own software programme (Interview 11). Response to the success of Sydney Contemporary from commercial galleries was mixed, and again this appeared to align with the overall digital success of each commercial gallery, with art fair participation forming one element of a broader digital sales strategy (Interviews 1, 2, 4, and 11).

Overall, both the primary and secondary Australian art market sectors noted particular shifts in digital engagement across the duration of the COVID-19 pandemic, usually in alignment with the rhythm of lockdowns and openings. Digital engagement has been particularly important to overcome the tyranny of distance in a large country and the multitude of changing interstate border rules across the years of the pandemic. Chronologically, it appears that 2020 represented a rush to digital engagement by previously reticent Australian consumers, alongside a digitally native younger generation who embraced digital mediums to become engaged with art for the first time. The year 2021 demonstrated a consolidation of online trading as the ‘new normal’, whilst requiring more effort on behalf of art market operators to keep collectors interested and engaged. Reports in early 2022 have suggested a level of digital fatigue; however, the shift of governments and the community from a pandemic mode to an endemic approach has meant that in-person activities can now resume in Australia, which should inject renewed vigour in a sector that thrives on sociability and mobility.

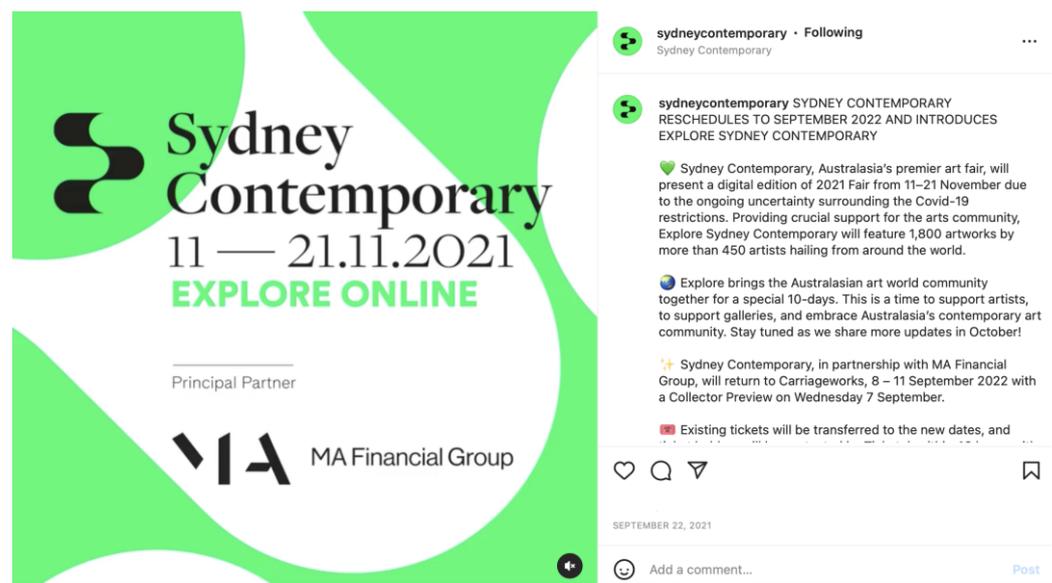


Figure 6. Sydney Contemporary Instagram post, announcing rescheduling of physical edition to 2022, and launch of 2021 digital edition, 22 September 2021. Image courtesy of Sydney Contemporary.

Perhaps the most notable difference between the Australian and the global art markets in relation to digitalisation during the COVID-19 pandemic is the absence of interest to date in non-fungible tokens (NFTs). One might claim that the notorious sale by Christie's auction house of Beeple's digital artwork *Everydays—The First 5000 Days* as an NFT on 11 March 2021 for USD 69.34 million represents a watermark in global art market history (Reyburn 2021). It signified the moment of intersection of digital art as a genre, cryptocurrency as an investment boom, and the activities of auction houses as primary market operators.

In Australia, to date, there has been only very isolated engagement by either artists or the art market with this aspect of digital technology in a commercial sense (Buetti 2021). That being said, the Australian visual art sector has a strong presence in the global history of digital art and its exhibition.¹¹ Furthermore, the Federal government arts funding body, Australia Council, has recognised the importance of this sector in its report *In Real Life—Mapping digital cultural engagement in the first decades of the 21st Century*, published in July 2021, and has pledged to increase funding and support for innovation and experimentation in this field in the future (Australia Council for the Arts 2021a). These developments would therefore suggest that whilst Australia lags in this sector at the moment, there will be greater expansion in the near future.

A potential extension of this phenomenon is the growth of the 'informal economy' of artists transacting works directly to collectors. The disintermediated marketplace afforded by digital platforms offers economic opportunities to artists to bypass traditional financial structures of the 'formal' art market. Whilst it is currently difficult to quantify and measure the value of this activity, there can be no doubt that the 'digital pivot' presents systemic change to both global and local markets and warrants further research.

Overall, it appears that the Australian art market has benefitted greatly from the digital pivot driven by the COVID-19 pandemic. With initial support from government funding, both the primary and secondary markets have been propelled into the digitalisation of their systems and have consequently experienced economic growth through expanded digital engagement. Moving forward, it appears that a 'phygital' approach—blending physical and digital aspects of their businesses—will continue to strengthen the operations of Australian auction houses, galleries, and art fairs into the future.

7. Domestic vs. International

The closure of Australia's international borders on 20 March 2020 demonstrated the advantage of being an island that is relatively isolated from adjacent continents. In comparison to other nations, the rapid lockdown of the country protected the Australian population from widespread coronavirus infection (Haseltine 2021). International border closures also prevented Australian citizens from leaving the country without special government permission for two years (Jefferies and McAdam 2021). The impact on the Australian art market was swift and deep, as Australians rapidly became inward-facing.

Prior to the COVID-19 pandemic, Australia's art market was predominantly domestically focussed, notwithstanding a strong historical connection between Australia and New Zealand. However, primary market operators have endeavoured to increase the country's international engagement over the past two decades. Australia has had a presence at the prestigious Venice Biennale since 1954, with its first Giardini della Biennale pavilion created in 1988, and a new structure completed in 2015. This event has long featured as a focus of the Australia Council's international strategy for the visual arts sector (Gardner 2021). The primary market has shifted in recent years to engage regionally with Asia, particularly through initiatives led by government-funded institutions, including the Department for Foreign Affairs and Trade (DFAT), Asialink, and the Australia Council. According to their *International Arts Strategy 2015–2020 Impact Report*, the Australia Council increased its investment in Asia to 25% of its total investment in international engagement (Australia Council for the Arts 2021b, p. 12). International art fairs have played an important role in exposing Australian artists, galleries, and collectors to a broader market, with Art Basel Hong Kong, KIAF, and Art Stage Singapore being of particular relevance and interest (Fairley 2015).¹² Simultaneously, a small number of international artists have been represented by Australian commercial galleries, whilst a few international galleries have participated in the local art fairs, although very few on a prolonged basis. More recently, the high costs and high risk of featuring in international art fairs has become a burden for some Australian galleries, and participation had begun to wane prior to the COVID-19 pandemic and the border closures (Interview 5).

The domestic nature of the secondary market has grown even deeper over the last two decades subsequent to the withdrawal of both Christie's and Sotheby's auction houses from the Australian market in 2006 and 2009, respectively.¹³ The second-tier, British-based auction house Bonhams has moved in and out of the Australian market over several decades and is currently present in both Sydney and Melbourne. However, the company's focus has rarely been on the domestic market. Instead, Bonhams' strategy in Australia is to target arbitrage opportunities for moving material in and out of the country via its global network of offices to locales best suited to produce the optimum sale result (Interview 12). All of the other major Australian fine art auction houses are locally owned and cater predominantly to a local audience with local content. A recent trend has been the presentation of international modern and contemporary art at auction in Australia, such as the work of Fernando Botero and Henry Moore, coming out of older Australian collections (Interview 9). These works have driven European collector interest through online auction platforms with collectors seeking bargains in remote markets.

The predominant consequence of the closed international border has been to focus the attention of Australian collectors on Australian galleries and artists (Price 2020). Almost all of the gallerists interviewed proposed that this was a major factor in their financial success during the pandemic. For those galleries who normally participated in the international art fair circuit, the restriction in mobility was cited as a positive impact through giving staff and artists a break from the pressures of travelling (Interviews 2, 4, and 7). Any loss of engagement through lack of physical participation in the fairs has been balanced by digital communications, as well as an increase in support from local collectors. Whilst several galleries appreciated the opportunity to focus on the domestic market, others expressed concern about the possibility of a 'further disconnection' of Australia's art market from the international community (Interview 6). In particular, several interviewees cited that

Australian artists wanted their galleries to be more internationally involved (Interviews 1, 2, and 7).

Indeed, internationalisation is an important consideration for the Australian art market. The market is relatively small (in line with Australia's small population of just under 26 million people in 2020) and international development will be essential for the market to grow (Interview 11). A key area for potential growth and success in the international arena is Australian Indigenous art (Archer 2020, pp. 9–14). The market for this genre of art has been developing since the 1980s, with waves of popularity domestically and internationally, particularly through genre-specific galleries and auctions (Coslovich 2020b). Its market has distinct characteristics and a separate infrastructure that has been investigated by scholars in depth, most recently by Chow (2021), Akbar and Sharp (2020), Archer (2020), Myers (2020), and Fry (2020). After a lull for the last decade, Australian Indigenous art was experiencing a boom of international interest prior to the pandemic, driven by the exhibition of artworks by leading Indigenous artists at the mega-gallery Gagosian in New York. With subsequent iterations planned for Gagosian Hong Kong and Gagosian Paris, the pandemic lockdowns forced the down-scaling and rescheduling of these exhibitions (Coslovich 2020a). The impact of these exhibitions remains to be seen. In the meantime, the domestic market for Indigenous art has grown rapidly, with many of Australia's contemporary galleries incorporating First Nations artists into their stables.

Perhaps the biggest challenge for the internationalisation of Australian contemporary art, including Indigenous art, is the comparative value of artworks. Dealers in Indigenous art report that their international collectors consider this genre to be very low-priced, compared to international contemporary art. Indeed, when a major American collection of Australian Indigenous art was sold by private treaty in December 2020, Henry F. Skerrit (curator of the Indigenous Arts of Australia at the University of Virginia) noted that "You can't buy a decent American modernist painting for \$10 million so the idea that you can pick the 250 best works from the largest collection of Indigenous art for \$10 million, that seems like a bargain" (Coslovich 2020b). One gallerist specialising in Indigenous art said that international collectors often associated value with price, and they questioned the merit of Australian Indigenous art because 'it was too cheap' (Interview 13). This is a vital consideration for the Australian market that merits further research. How can this inequity in pricing be resolved? Can Australian commercial galleries successfully recalibrate prices to be equitable to international levels, or might artists be forced to relocate to representation overseas in order to take advantage of international collector interest?

Another concern for Australian contemporary galleries on a global front is the shifting art fair landscape that has occurred during the pandemic (Interview 2). As some fairs have consolidated, others have disappeared, and some are impacted by changing geo-political issues. This is particularly relevant in a regional context, especially in the hubs of Hong Kong and Singapore. Australian gallerists are uncertain about the strategy of committing to these international events, particularly whilst the domestic market remains strong and reliable (Interviews 2, 4, and 7). Conversely, international galleries remain reluctant to participate in the Australian market due to hesitancy around long-term planning (Interview 11).

In summary, there is a general recognition within the Australian art market that internationalisation is both desirable and important to expand the current ecosystem. Whilst the secondary market in Australia has always been strongly domestic, the COVID-19 pandemic has exacerbated a developing trend of domestic focus for the primary market as well. Digital interactions are currently maintaining international connections, engagement, and sales. However, whilst the domestic market remains buoyant and reliable, it is unlikely that there will be a rush to drive international expansion once the borders are reopened. That being said, the systemic pivot to digitalisation in Australia may be the key mechanism that facilitates this growth (such as international collectors engaging with Indigenous art by bidding online). Overall, it does appear that, once again, Australia is a 'Lucky Country'. Its art market has benefitted from its experience of the COVID-19 pandemic: through short-term domestic growth as the country has become more inward looking, but with

much greater international opportunity in the future through its expanded digital capacity and competence.

8. Conclusions

Australia greatly benefited from being an island continent in its efforts to contain and eliminate the COVID-19 pandemic. This geographic advantage, combined with severe government restrictions on public mobility and gatherings, resulted in significantly fewer deaths and hospitalisations in Australia than in many other countries. But these same factors also produced a complex and contradictory business landscape for the Australian art market during the COVID-19 pandemic period. On the one hand, stay-at-home collectors became a major force in the Australian art market and contributed to a robust sales performance that contradicted the significant contraction experienced in the broader arts economy. This was in many ways facilitated by an overdue digital pivot in Australia that allowed auction houses, commercial galleries, and even art fairs to not only stay in touch with the growing body of art collectors, but also more easily monetise their demand for high-quality Australian artworks. On the other hand, Australia's geographic isolation and a renewed sense of needing to support the local arts industry intensified the already introspective nature of Australia's art market. Ambitions to expand the market for Australian art to international art collectors were necessarily put on hold as restrictions on the physical mobility of people and goods became too onerous. Overall, this paper has revealed a systemic shift in the Australian art market driven by the COVID-19 pandemic—from an investment-driven boom pre-GFC, to a decade of stagnation, to revitalised growth driven by stay-at-home collectors and increased digital engagement. The extent of this digital pivot perhaps offers new hope for breaking down the tyranny of distance and parochialism that has, to date, limited the marketability of Australian art outside its domestic borders, and thereby might facilitate for this 'Lucky Country' a deeper and enduring intersection with the global art market.

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Notes

- ¹ Interviewees comprised nine gallerists, three auction specialists, two art fair directors, and an art financier. All interviews were confidential; the names of the interviewees are withheld by mutual agreement. The interviews were conducted in person and by phone with the authors in February 2022: Interview 1 with gallerist, 2 February; Interview 2 with gallerist, 2 February; Interview 3 with auction house specialist, 2 February; Interview 4 with gallerist, 3 February; Interview 5 with gallerist, 4 February; Interview 6 with gallerist, 4 February; Interview 7 with gallerist, 3 February; Interview 8 with art financier, 7 February; Interview 9 with auction house specialist, 7 February; Interview 10 with gallerist, 9 February; Interview 11 with art fair director, 9 February; Interview 12 with auction house specialist, 10 February; Interview 13 with gallerist, 11 February; Interview 14 with art fair director, 17 February; and, Interview 15 with gallerist, 18 February. The artists' perspectives, particularly by NAVA (National Association for the Visual Arts) and the Australia Council for the Arts, can be found on their websites. This is the first analysis to date that specifically focuses on the experience and perspective of Australia's art market professionals. It thereby focuses on the 'formal economy' for art in Australia. The authors recognise the significance of the 'informal economy' both globally and locally (Zarobell 2017, pp. 243–53) and propose that this is an area that is beyond the parameters of this article but is significant for further research and analysis.
- ² Adding to earlier scholarship on these elements of the art market, multiple recent publications, including many written by art market insiders, focus on these specific areas.
- ³ A full discussion of the JobKeeper and JobSeeker programs is given in Ben Phillips, Matthew Gray, and Nicholas Biddle, *COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios*, Australian National University, August 2020.

- ⁴ The headline dollar value of other packages, such as the RISE Fund, were also inflated to some extent by concessional loan facilities that were always intended to be repaid, as opposed to acting as outright stimulus payments. In many cases, State governments were required to provide additional funding to support arts workers left in precarious economic circumstances. The headline dollar value of other packages, such as the RISE Fund, were also inflated to some extent by concessional loan facilities that were always intended to be repaid as opposed to acting as outright stimulus payments.
- ⁵ Note that Interview 4 indicates that this was not entirely the case for established galleries. This gallery had two-thirds of their planned exhibitions cancelled in 2020.
- ⁶ Art Gallery of New South Wales, *Streeton*, 7 November 2020–14 February 2021, Art Gallery of New South Wales, *Clarice Beckett: The Present Moment*, 27 February 2021–23 May 2021, National Gallery of Australia, *Know my Name: Australian Women Artists 1900 to Now*, 14 November 2020–9 May 2021.
- ⁷ The intention behind these amendments was to ensure SMSF investments were made for the sole purpose of building fund balances, as opposed to any current-day benefit for the fund trustees. Investments in collectables and personal-use assets were seen as potentially contrary to this purpose. There was also a sense that art investments were too speculative and not suitable for SMSF investment strategies, although other risky asset classes, such as speculative stocks, currencies, or venture capital investments, did not attract the same attention. Specifically, the amendments prohibited SMSFs from leasing collectables and personal-use assets to a related party; prohibited such items from being stored in the private residence of a related party; required decisions relating to the storage of such items to be documented; required such items to be insured under the SMSF's name; prohibited such items from being used by a related party, and required any transfers of such items to a related party to be independently valued.
- ⁸ The concept of online viewing rooms dates back to 2007, with formats offered by Art Logic and the David Zwirner Gallery. Refer to Matthew Israel, *The Rise of the OVR*.
- ⁹ The Boston-based online auction platform company *Invaluable* is used by all the major art auction houses in Australia, including Bonhams (to a limited extent), Deutscher and Hackett, Lawsons, Leonard Joel, Menzies Brands, Shapiro, and Smith & Singer.
- ¹⁰ Initiated by Smith & Singer Auction House with the offering of Cressida Campbell *Night Interior* on 5 May 2020, this format was followed shortly thereafter by Deutscher and Hackett offering Del Kathryn Barton's *Hugo* on 3 June 2020. Several 'masterpiece' solo artwork auctions have taken place throughout the pandemic period.
- ¹¹ 'Scanlines' is an online resource collating information about new media art in Australia since the 1960s. <http://scanlines.net> (accessed on 25 January 2022).
- ¹² In 2015, eight Australian galleries participated in the prestigious Art Basel Hong Kong.
- ¹³ In 2009, Sotheby's International withdrew from Australia, and sold a 10-year license to operate under its name to two local operators, former curator Geoffrey Smith and former city mayor Gary Singer. In 2020, the license was not renewed.

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Article

Facing the Pandemic: A Perspective on Patachitra Artists of West Bengal

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Abstract: The COVID-19 pandemic has intensely impacted art production and the art market all around the world. This is dramatically visible inside the Patua or Patachitra communities in Medinipur, West Bengal, where Patachitras' scrolls characterise the economy of folk-art communities in the so-called villages of painters. Patachitras' singing pictures belong to an ancestral tradition of storytelling and performing art. For centuries, new themes have been embodied inside the Patuas' repertoire, creating a living heritage that has always reflected the political, religious, cultural, and social main events and, ultimately, COVID-19. Resilience has always been an important component of this heritage, as social changes and new kinds of entertainment have changed the audience addressed and the performances' function. In the last few decades, the role of travelling artists has resisted and been readapted to the global art market by approaching art fairs and festivals both inside and outside the villages. Now, the impact of COVID-19 on the economy of these artists has been severe, as art fairs and exhibitions have been cancelled, and lockdown orders have stopped tourism and travels, significantly reducing their income. Thus, new approaches and virtual spaces of exhibiting are being experimented with to support the survival of these artists and keep the performances' essence alive. This article aims to address how the pandemic has affected Patuas' art market and production both from an economic and social perspective. The difficulties encountered due to the restrictive measures and the impossibility of performing will be analysed through an empirical approach. Based on telephonic interviews conducted with 30 hereditary Patuas from Naya between April 2020 to April 2021 as part of the project "Folk Artists in the Time of Coronavirus", the article hopes to shed light on the impact of the pandemic on hereditary, performing castes in India, which might mirror the experiences of similar groups in the rest of South Asia. The article will also try to outline the future perspectives for the art market of these folk artists. The article consists of two parts: the first traces the transformative journey of Patachitra and Patachitrakars, and the second focuses on the impact of the pandemic through deploying the concepts of precarity, precariousness, and resilience.

Keywords: Patachitra; scrolls; Patuas; folk art; pandemic; storytelling; singing pictures; living heritage; cultural industries; precariousness; precariat; precarity; art market

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1. Patachitra Cultural Heritage: An Ancient Tradition Facing the Art Market

Patachitra art, dating back more than 2500 years, is probably one of the oldest artistic traditions in the whole of India (Chakraborty 2017). The expression "Patachitra" is a combination of the Sanskrit word "patta", which means woven fabric, and "chitra", that is, painted (Chakraborty 2017). The word "patta" was then transposed into the Bengali language as "pata" or "pat".

The "pata" or "Patachitra" is made by storyteller artists who have transmitted this cultural tradition for generations. Although these artists are traditionally referred to as Patuas, they now prefer to be known as Chitrakars, which means "producers of paintings".

Patachitra heritage is a traditional folk art in which the artist performs a song accompanied by the unfolding of a painting to visually show the content of the narrated story.

The peculiarity of Patachitra paintings is that they are lined with fabric on the back to give them their characteristic rolled shape and make them more comfortable to carry and preserve, as they originally were made by itinerant artists. The typical scroll, “jarano pat”, reproduces a series of images depicted vertically with a length that may vary between 10 and 20 feet depending on the extent of the story.

Over the centuries, the artistic and narrative practices have remained unchanged.

Traditionally, chant and painting are two joint elements. The chant or “pater gaan” is the central element of the Patachitra, and the painting is realised only after the composition of the melody for the purpose of explaining the song visually and entertaining the spectators. The songs are divided into three phases: the story (“kahini”), the moment of glory (“mahatmya”), and finally the introduction of the artist (“bhanita”) in which he states his name and the village he comes from (Bajpai 2015).

Patua communities are located in different districts of West Bengal: Purulia, Bankura, Birbhum, Murshidabad, and Midnapore. The Midnapore region can be called the home of the Chittrakars, as it houses the majority. The largest community of artists is located in the village of Naya in Pingla district. Particularly from this village, Patachitra art became known also abroad (Chakraborty 2017).

The Chittrakars’ repertoire consists of both traditional songs handed down by their ancestors and new compositions that enrich the personal collection of each artist. It can be divided into three main groups: traditional, social, and contemporary or global.

The traditional register deals mainly with mythical stories and characters from Hinduism as well as some from Islam. The religious aspect is certainly one of the predominant components, as Hindu mythology and Muslim saints have been part of the repertoire for generations. Interestingly, Patuas have changed religion several times over the centuries, moving closer to the most influential or convenient one. Originally, they were Hindus (Chandra 2017), but now they constitute a very special case within Indian society by reproducing mainly Hindu images and idols but formally residing in Islam.

Among traditional episodes, there are also scenes of tribal life, wild animals, and folk tales, such as the marriage of fish and birds.

Besides religious and epic contents, secular themes related to Bengali society, its history, and life in the village also play an important role. Namely, another relevant aspect is covered by social issues. In the past, as itinerant artists who moved from village to village, the Patuas used to spread the news and have an informative function. It is possible to say that they have always looked carefully at the context around them, allowing themselves to be influenced and influencing it in turn. Thus, Patachitra also recounted deeds of kings and locally significant events both from a political and social perspective.

In recent decades, social themes have emerged more systematically with the support of local NGOs and the development of social awareness projects through Patachitra art. Themes such as HIV prevention, sexual diseases, education, women’s health, and rights have now become popular stories for Patuas:

[...] they needed to innovate for their performances to remain fresh and relevant to contemporary society and the issues that confronted it. The Patuas thus developed a new genre of a song called samajik gaan, or “social song”, which did not replace pauranik gaan, but supplemented it.

(Korom 2017)

In addition to social themes, from the late 1980s onwards, Chitrakar’s repertoire has continued to evolve to include contemporary global affairs. Already started during colonialism, this attention to global themes has increased with the arrival of new media and international news. Particularly, they had a strong impact not only on the Patachitra audience but also on the artists themselves, influencing their production and stimulating their sensitivity to global events in a strong manner.

Moreover, artists who now have the opportunity to participate in fairs and to travel are more exposed to the world around them and tend to receive more inspiration from

these topics. Among the most popular ones are terrorist attacks, natural disasters, and political events.

Due to these dynamics, the Patachitra art market has also significantly changed since the last century. During the decades, several instances have changed the role of Patuas artists and the function of Patachitra singing paintings. External influences, such as the introduction of new types of entertainment, the arrival of tourism, and the logic of the western art market, introduced mechanisms unknown in the rural villages, influencing Patachitra's production in different ways.

In origin, Patachitra was not for sale, and Patuas reused them several times during their itinerant journeys. The scrolls were used to accompany the performance and usually were not sold or left to the audience, as Patuas had to move from village to village.

During the XX century, Indian society underwent profound changes as a result of new social and cultural influences. In the thirty years between the period of independence from colonialism and the 1980s, the role of the Chitrakar started to decline as a consequence of the growing disinterest in rural entertainment.

With the introduction of new forms of entertainment, such as radio, television, and cinema with Bollywood films, patrons and villagers began to show less and less interest in the Patuas' epic-religious performances (Hauser 2002). Many artists were forced to abandon their traditional occupation for more lucrative jobs: some migrated to the cities for day jobs; others took up farming, trading, and rickshaw transport (Sen Gupta 2012) to survive and provide food for their families.

Towards the end of the twentieth century, few Patuas still pursued their occupation, and the art of Patachitra appeared to be a tradition on the verge of disappearing.

This art form would have risked extinction if it had not found a way to introduce a double evolution: the themes addressed and the role of the artists (Chakraborty 2017).

Therefore, Patachitra's commercialisation mainly emerged with the decline of Patuas' demand to breathe new life into the tradition and provide the artists with an economic return.

The new phase began in the 1970s with the demand of Calcutta's urban elite (Hauser 2002), who were uninterested in performances and willing to buy Patachitra and other artefacts just for collecting reasons as a demonstration of their social status.

Soon after, with the growth of tourism due to the promotion activity of local NGOs, these selling dynamics started to increase, and the traditional practice was applied to new artefacts to satisfy the touristic demand.

It is possible to say that Patachitra cultural heritage followed a two-fold direction: first with the diversification of artefacts and then with the mass sale of Patachitra.

The diversification of Patachitra art onto new objects became functional to satisfy the tastes and needs of new potential buyers and to provide the Patuas with a more secure economic income. Begun as early as the 1990s, the production of new artefacts increased exponentially over the years.

The style, subjects, and decoration of Patachitra were applied to various commercial items, such as umbrellas, vases, lamps, t-shirts, bags, scarves, and other items.

At the basis of this diversification were the needs of the buyers, for whom it is easier to carry something small rather than a long scroll. Moreover, these objects are preferred as they are part of everyday life and can be used for other purposes while at the same time being a tangible memory of the visit to the rural context.

By now, almost all Patuas have dedicated themselves to these new productions. This phenomenon mainly regards the village of Naya and, to a lesser extent, also the village of Habichak in Medinipur. For Habichak, the creation of artefacts began more recently and only after workshops organised in collaboration with the Chitrakars of Naya. While in other villages further north, like in the Purulia district, no alternative products can be found because of the extreme poverty of the artists who do not receive any external support and therefore can only afford to buy the sheets of paper.

The new objects on which to paint were first introduced by the NGOs, while today, the purchase mainly depends on the economic availability of the individual Patua. Naya village, more involved in these activities, was able to enjoy the income from sales right from the start, which enabled the artists to buy back the items and diversify their production. Today, every artist at Naya offers a large number of objects decorated with this technique along with Patachitra scrolls.

But with the selling, another significant change has involved Patachitras' production and types. Whereas in the past, each artist used to create a dozen Patachitras to take with him for the travelling exhibitions, today, the quantity produced is extremely large.

Earlier, each painting was a unique piece, used several times until it was almost worn out. Today, dozens and dozens of scrolls depicting the same theme can be found at local markets or in artists' villages. In terms of production, sizes also have changed. While in the past, only long Patachitra ("jarano pat") used to circulate, over time, smaller rectangular and square formats ("chaukosh pat") were introduced. The latter are easier to sell, as they are usually preferred by buyers and tourists for their easy transportation.

Some Patuas of Midnapore have also taken up the Jadupatua scrolls of Bihar, i.e., smaller scrolls depicting tribal themes and painted only in different shades of brown (Hauser 2002). Still others have started painting mainly horizontal formats, which were in great demand among the urban elite to be used as wall decoration. Commercialisation has thus led to more consistent production of "pata" depicting a single image or character.

For visitors, Patuas' exhibition often represents a kind of entertainment whose intrinsic meaning is not grasped, as they are more interested in the final purchase. This partly explains why it is no longer the performance that is remunerated but the individual scroll. The lack of attention paid to the songs depends on the demand of the audience. Earlier, the Chitrakar's activity was rewarded through barter; now, the sale is done through a price that buyers are used to bargaining for.

The market is now almost exclusively tourists, art dealers, collectors, and museum curators. Prices have skyrocketed over the past two decades, but Patuas still live in a barter universe, and everything is negotiable. Therefore, also the Patachitra art market follows the offer and supply chain (Korom 2017).

On one hand, there is still a willingness to entertain through the practice of singing the paintings; on the other hand, the mechanism of selling is slowly weakening the correlation between the two. Some Patuas only perform the most representative scrolls to make the visitor understand the ancient oral tradition, limiting the repertoire to a few popular episodes:

Now the equation is reversed: it is the scrolls that have taken on artistic value as fetishized objects, resulting in the accompanying songs becoming mere curiosities for a newly emerging international audience whose interests are not simply to be entertained by the vocal performance, which is transitory, but to purchase an object, which is permanent.

(Korom 2017)

Sometimes, the sung scrolls will not be for sale but instead are functional to the purchase of other smaller Patachitra dealing with the same theme.

In this case, the correlation between the communicative experience lived by the observer during the performance and the painting (s)he will take with him is missing. In a way, artistic practice has adapted to the hectic pace of tourism and the market in which visitors have little time to devote to these narratives and are looking for a souvenir to take with them, a tangible symbol of their passage through that place.

If until a few decades ago, the Patachitra of Midnapore had both the characteristics of an artistic and theatrical genre; now, the latter is in danger (Chandra 2017). The art of the Patachitra has changed from performative to primarily descriptive, and it is the revitalisation phase that has reversed the mechanism (Hauser 2002). Whereas before, the scroll had only an accompanying function to the main element, which was the song, now, the opposite occurs.

For Graburn (1969), tourist art stems from the need to reformulate tradition with clear commercial intent. It must not only reflect the tastes of buyers but also maintain a strong link with tradition and community identity, conveying meaning within the context of its origin. It also represents the creativity of the artists by facilitating the of developing new styles, techniques, and content.

In the villages, there was a declination of the style of the Patachitra on goods subject to consumerism without the latter being loaded with identity meanings or coming from the development of new ideas.

However, interviews have shown that, even if the rural life of these artists is now being replaced by the rhythm and influence of the market, many Chitrakars, especially the more experienced ones, are extremely attached to the practice of singing and practice it as in the past. Therefore, Patachitra art continues to be the communicative tool of this heritage and its tradition, while the new objects are a means of pandering to the demands of the market for financial gain.

Many people who are now taking up this art form do so to seek a source of income and are not interested in learning the creative process and avoid creating songs as well. In this case, a distinction should be made between Chitrakar artists and other artists who are more interested in the economic return.

It is undeniable that many experienced Patuas are now following the marketability dynamics and are influenced by the city life, looking at being more competitive and rewarded.

Nevertheless, the opening to the global context has also brought new opportunities for the Patachitras' market. Besides the topic of tourism and commoditization, Patuas have also the chance to perform and show their traditional art to several art spaces, museums, and galleries all around the world. Patuas' scrolls can be found both in local and international galleries, and before the pandemic, Patuas were often invited to cultural exchanges, seminars, and workshops, creating interesting opportunities for exchanges and promotion of this rich cultural heritage.

Due to COVID-19, the exhibition process and the performances have faced an unavoidable arrest, and obviously, Patuas' life has also changed. In the section that follows, the paper examines the impact of the pandemic on Patuas through the lenses of precarity, precariousness, and resilience, which have been seen as characterizing the creative and cultural industries (CCIs). The analysis is situated in the large body of literature that has addressed the rising uncertainty and unemployment in a number of sectors and focused on the precarity and vulnerability of certain kind of workers, particularly CCI workers.

2. Patuas' Art Market Facing the Pandemic: Between Precariousness and Resilience

2.1. Precarity, Precariousness, Precariat

Wilson et al. (2020), in their introduction to the special issue "Planetary Precarity and the Pandemic" of the *Journal of Postcolonial Writing*, trace the etymological roots of the word precarious to "the Indo-European root *prek-* which came into Latin as the term *prex*, meaning 'entreaty' or 'pray', but which is also connected with the word 'uncertain'." They argue that the etymological meaning buried in this centuries-old term has been re-enacted and endowed with new meanings in the 20th century and that precarity today has been caused by the effects of global neo-liberal capitalism in increasing worldwide inequality as "more extensive and less visible patterns of global dispossession" and "relatively unstable and dispersed conditions of deprivation and insecurity gain ground" (During 2015). Kasmir (2018), in the *Cambridge Encyclopedia of Anthropology*, concurs that precarity has not only been perceived as a new condition produced by the neoliberalist regime of capitalism in the late 20th century but has also been defined as an ontological condition marked by anxiety, insecurity, uncertainty, and fear that is transhistorical.

It was Judith Butler's seminal distinction between precarity and precariousness that set the conceptual framework for the precarity debates. In *Frames of War*, Butler (2010) defines precarity as "a politically induced condition", a state of affairs often caused by

failures in the national state. In her scheme, precarity is different precisely because it is unequally distributed. Precariousness is the inherent state of vulnerability and dependence resulting from such inequality whereby subjects might be exposed to disease, violence, poverty, and civil war. Butler regards precariousness as a generalised human condition that accrues from the fact that all humans are interdependent on each other, and therefore all are vulnerable. Precarity is often used together with the terms precarious, precariousness, and precariat. In contrast to the term precariousness, by which human life can be understood from a collective, communal, and interdependently political point of view, the precariat refers to the individual's vulnerability as a result of his or her material existence, illustrating Giorgio Agamben's notion of *vita nuda* or bare life (Agamben 1998). As Butler has shown, some lives are perceived as more legitimate as lives in the frames established by state and the media discourses. The economist Standing (Standing 2016) proposes the notion of the "precariat," a neologism combining "precarious" and "proletariat" that describes a "class-in-the-making." Its condition is marked by labor insecurity, stable occupational identity, and the lack of a collective voice. Standing's notion of the precariat as a new global class has been disputed by many, such as Breman (2013) and Harvey (2012), who advances the position that given that the secure workers and the precariously employed are antagonistic classes, Standing's precariat concept may stall rather than facilitate that project.

2.2. Precarity and the CCIs

The term precarity entered the academic vocabulary in the 1980s to describe the general condition of workers, the majority of whom are engaged in the informal economy (Casas-Cortés 2014; Castel 2003; Neilson and Rossiter 2008; Lorey 2015). This condition is articulated to the new labour regime in the post-Fordist economy characterised by a permanent feature of capitalist development, as production was being reorganized through flexible labor regimes. According to Castells and Portes (1989), precarity is the outcome of the normalization of informal work or employment as the defining feature of work in Western economies in the late 20th and early 21st century. Disengaging the notion of informal economy out from a geopolitical hierarchy in which the informal was understood to exist primarily within the Global South, Castells and Portes (1989) argued that the "informal economy is universal" cutting across countries and regions as well as diverse economic classes. This transformation of the nature of work has placed middle class workers with informal, unstable employment in the global North in the same category as marginalised, low-paid workers in the global South, a large percentage of whom have always been and continue to be employed in the informal sector (Han 2018). According to Standing (Standing 2016),

As the 1990s proceeded, more and more people, not just in developing countries, found themselves in the status that development economists and anthropologists called 'informal'.

Over the years, a large body of work has emerged that has foregrounded the difference between the creative and cultural industries (CCI) with other industries in terms of the uncertainty and insecurity that has always characterised the cultural and creative workers (CCWs). This is largely due to the fragmented and irregular nature of the employment, short term contracts, freelancing, self-employment, transitory nature of work, and so on. Abbing (2002) focuses on the CCIs' distinctive characteristics and presents them as "exceptional". Caves (2000) identifies three important principles in the creative and cultural industry, namely the "nobody knows" principle with respect to the nature of demand and supply; the "art for art's sake" orientation of workers; and "the motley crew" and "how time flies" principles that acknowledges the time-bound nature of the work. Other scholars highlight the interconnected nature of skills and highly skilled individuals as well as the collaborative nature of work in the CCIs.

2.3. Precarity, CCIs, and COVID-19

Since the onset of the COVID-19 pandemic in March 2020, a large body of literature has addressed the rising uncertainty and unemployment in a number of sectors and focused on the precarity and vulnerability of certain kind of workers. In particular, the literature on the CCIs has brought to light the increasing vulnerability and precarious state of workers employed in this sector. Comunian and England (2020), in one of the earliest essays “Creative and Cultural Work without Filters: COVID-19 and Exposed Precarity in the Creative Economy”, focus on the UK to examine 22 surveys conducted in the beginning of March 2020 to raise certain fundamental questions related to the cultural and creative industries. They identify three features of the CCIs, namely the characteristic precariousness of the industry due to uncertainty of the length of employment, the need to look at CCI work with filters, and the resilience that has been isolated in CCI workers following the 2008 economic crisis. Their findings reveal that although the surveys bring out visible critical factors, invisible personal and long-term sustainability has not been addressed. Banks and O’Connor (2021), in their introduction “‘A Plague Upon your Howling’: Art and Culture in the Viral Emergency” to a special issue of *Cultural Trends*, trace the international emergence of state policy in relation to the cultural and creative sector in the wake of COVID-19. In their view, the induction of the cultural and creative sectors in the industry and their entry into the market 40 years ago has made them vulnerable to the instabilities of the market economy and that state cultural policies are often influenced by the CCIs’ new status as industry where the market is expected to regulate the demand and supply curve. Another way of justifying state policy’s neglect of the culture and creative sector is to cite the flexibility, freedom, and self-employment avenues that CCI workers demonstrated during the last economic crisis in 2008. A report, “Culture, the Arts and the COVID-19 Pandemic: Five Cultural Capitals in Search of Solutions” by Anheier et al. (2021), reviews the cultural policy responses of Berlin, London, New York, Paris, and Toronto during the first wave of the COVID-19 pandemic through the lens of their respective governance capacities. Although these scholars have pointed to the wide disparities between state policies in different parts of the world, particularly those between the global South and the global North and within affluent nations with respect to ethnicity race and gender, not much research has been done on the impact of COVID-19 in the global South, particularly on marginalised folk artists.

2.4. Patuas, Precariat, and Ontological Precarity

Han (2018), in her essay “Precarity, Precariousness, and Vulnerability”, focuses on the terms lumpen proletariat and informal economy, which have had an impact on the notion of precarity as a historical condition in relation to the notion of the precariat to explore the ways in which these terms offer an image of the state that is inherited by the term precarity. Then she turns to examine the exclusion of impoverished peasants and other informal workers in the term lumpen proletariat, which has a Marxist lineage, in describing the struggles of the urban working classes employed in the formal sector in the global North. This inherited meaning of precarity that percolates to the states’ understanding of the definition of the precariat, she argues, fails to address the issues of poverty, uncertainty, and unemployment that have always plagued the majority of informal workers, particularly in rural parts of the global South. It is her turning to the second meaning of precarity “to chart a tension between asserting a common condition of ontological precarity and the impulse to describe the various ways in which vulnerability appears within forms of life”, which might offer a framework for examining the hereditary performers of Naya in relation to the term precariat.

Unlike the urban proletariat and those who have been cast in the informal economy under neoliberal capitalism, the life worlds of these hereditary performers who eked out a meagre living and led a hand-to-mouth existence as nomadic entertainers until the 1970s have been defined by uncertainty and insecurity about their own, their community’s, and their art’s survival for centuries. Korom (2006) argues that the Patuas’ lifeworlds

were defined by abject penury and hardships before they found their way into settlement, security, and acquired some degree of material well-being. As Dukhushyam Chitrakar (2020e), one of the Patua elders of Naya, explains, subsistence has always been a matter of chance and probability for the nomadic performers:

Patuas have undergone all sorts of oppression be it social or economic. And yet they have been able to earn their subsistence to this day overcoming all types of adversities, no matter how difficult that might have been. At the very beginning [...] we used to go to villages and act as entertainers, showing our paintings and narrating the depictions that were set to tune by us. There was no guarantee as to whether we would get anything in exchange from the households we visited in the village. Some days were worse than the others when we would return empty handed and had nothing to eat. We, as a community, have been able to put food on our plates for quite a long time now. Our children have the opportunity to attend schools and colleges, and we are done with the fear of going hungry for a day.

Dukhushyam Chitrakar's niece, Baharjaan Chitrakar, who lost her father at a very young age, recalls that she would often accompany her father, and even her grandfather, to villages, where they would perform to their scroll paintings and receive rice, pulses, and other items in return for providing entertainment. The breakthrough, in their case, occurred when her uncle sold some of their creations in Kolkata and earned a decent amount of money, which he shared with his family members, including Baharjaan Chitrakar (2020d). Amit Chitrakar grew up watching the difficulties faced by Patuas in earning a livelihood. For someone like his father, who was formerly a resident of Chaitanyapur in East Midnapore district, Patachitra was not sufficient for providing even bare subsistence. According to the now well-known artist, their families would have to wait till dusk for Patuas to return with whatever they would have collected throughout the day from the rural households to be able to prepare their dinner in the past. Now an established artist, Jaba Chitrakar and her husband had to wander around in nearby villages in the past displaying "pat" in order to make both ends meet. Jaba recalls the days when they would both go to different villages and bring back food and clothes in return for the entertainment that they would provide.

The instability in the Patuas' lifeworld, a part of the socio-economic difficulties they face, accrues from the irregular nature of patronage until recently. Due to instability, several Patuas were forced to abandon painting for other occupations before returning to their hereditary calling. Poverty stricken Dulal Chitrakar, now in his 70s, who moved to Naya during the 1950s, had to spend a number of years doing odd jobs, including pulling a rickshaw. The London-returned, now celebrated Yaqub Chitrakar faced many challenges while growing up that compelled him to set aside his desire to be a Patua and work as a cattle driver, a porter, and even as a mason, for varying periods of time. The son of the well-known Patua Amar Chitrakar, National Award winning Patua Anwar Chitrkar, felt disinclined to take up "pat" as a career due to his family's impoverished condition. Instead, he decided to pursue tailoring and left his job only in the latter half of the 1990s to resume his hereditary profession. Sanuyar Chitrakar, too, joined his brother Anwar after working for nearly fifteen years as a tailor before returning to Patachitra.

Despite having found economic stability due to the growing demand for their products and increased recognition since the 1990s, the Patuas continue to be afflicted by an undefinable angst and insecurity, which conforms to the second meaning of precarity as an ontological condition. Rahim Chitrakar (2020h), Dukhushyam Chitrakar's son, believes that these existential insecurities continue to haunt them:

Our experiences in being Patuas have been enlightening but nevertheless tormenting too. While growing up, we used to hear that our fathers used to go to villages to beg for food. We are lucky now that none of us have had to beg for food. But those memories are always haunting us like a specter from an ignoble past, affecting our present dispositions. We have always felt threatened.

2.5. COVID-19, Patua, and Precariatization

Precarity, as an ontological condition experienced by the Patuas for centuries, has become intensified after the onset of COVID-19.

But the current precarity is primarily due to the economic instability caused by the severely diminished demand for “pats” and live performances during the epidemic: “The art market had always been volatile if you ask me. It is more now due to the virus”. (Bahar Chitrakar 2020c)

It produces an unnamable anxiety, voiced in Sushama Chitrakar’s “pat” and song:

The corona virus is so scary. So scary!
The corona virus is so scary. So scary!
Hitherto, the name of the virus had never been heard of.
The corona virus is so scary. So scary!
The more I watch television, the more anxious I feel.
The corona virus is so scary. So scary! (2020)

Thirty Patuas, specifically interviewed to share the economic impact of COVID-19 on their lives, reiterated that their inability to travel outside to sell their “pats” or participate in live exhibitions and workshops had led to a rapid decline in their incomes, carrying the threat of precariatization that would eventually recast them in the space of the precariat:

I had to sell the little jewelry that I had. I am now thinking whether it would be a good idea if I go and beg for food in exchange for showing my “pats”. It has completely destroyed all our savings and has imprisoned us in an impoverished life.

(Manimala Chitrakar 2020f)

The Patuas were quick to link their own economic instability to the prevailing economic insecurity due to job losses, closure of businesses, and so on that left most people resources sufficient only for their essential needs:

The art market is destroyed just like any other market. I have friends who work in different professions and are facing the same difficulty as I am.

(Bahadur Chitrakar 2020b)

When they were invited to exhibit and sell their products in the Handicrafts Mela in Kolkata in December 2020, most were either unable to sell their products or had to sell them at lower prices due to the limited footfall at the Mela. Dukhushyam Chitrakar (2020e) avers,

With this recent rage of the pandemic [,] however, things have changed again. I hear it from my sons that they are not getting the amount of work they used to. Exhibitions and displays have come to a standstill is what I gather from most of those living in the villages.

Another Patua elder, Shyamsundar Chitrakar (2020j), who is in his 80s, sums up the feeling of uncertainty mentioned by each Patua:

But all of us are very unsure about what might happen next. You see, there are fresh cases emerging again and then there is the talk of lockdowns once more. This has made all of us feel very unsure and insecure about the future.

His wife, Rani Chitrakar (2020i), unpacks the uncertainty further:

It is not because of the virus, but there are certain indirect implications because of it. Personally, I have been worried about how we are going to continue with our work if this pandemic continues.

Manu Chitrakar (2020g) echoes their sentiments:

Everyone is worried more about their survival and about their individual health because if the pandemic doesn’t kill us, we’ll surely die because of hunger.

Anwar Chitrakar’s (2020a) response captures the ontological precarity that appears to have been ingrained in the Patua community affecting his creativity:

To be very honest [,] we aren't being able to work properly. If you ask me, there is always this tension at the back of my mind. I cannot do anything creative because of this. I have to wonder always where I should put my concentration, my paintings or my survival?

Rani Chitrakar's plaintive appeal to God for cursing the world with the scourge in her "pat" on the coronavirus (Figure 1) and the accompanying song encompasses the etymological meaning of precarity as to pray and entreaty in Wilson et al. (2020):

O merciful Lord, what have you done!
Why did you curse people all over the world with the coronavirus?
That is why artists like us—the patuas—wonder when the lockdown would be finally lifted.
When can we finally start selling the patas that we have composed?
O merciful Lord, what have you done!
Why did you curse people all over the world with the coronavirus?
Why did you do this?
Why did you do this?

The explanation Rani Chitrakar (2020i) provides for what she was trying to represent in her painting conveys the connected meaning of uncertainty attached to the etymology of precarity:

My painting is, in principle, a question to God as to why He plagued our lives with a virus as deadly as the corona. It seeks an answer for the cause of such a disaster from God Almighty while creating awareness among people at the same time. In addition to our efforts and strength that are needed to battle this pandemic, we also need God's blessings.

The plaintive prayer in Swarna Chitrakar's painting (Figure 2), commissioned in April 2020 by Anjali Gera Roy for the project "Folk Artists in the Times of Coronavirus", which returns to the etymological roots of precarity as to pray and entreat, perhaps accounts for its power to touch thousands of hearts when it went viral in May 2020:

Listen O Merciful Lord,
How do I tell you?
My heart shatters in grief, listening to the woes of people in this corona-stricken world.
Scientists all over the world are working hard to find a cure to this.
O Merciful Lord, you are capable of doing anything and everything in this world.
Kindly listen to the woes of people.
You have made the scientists and the doctors very intelligent.
There will again be a day when we'll all come together and spend our days happily.
Listen O Merciful Lord,
How do I tell you?
My heart shatters in grief, listening to the woes of people in this corona-stricken world.
How do I tell you?
Thank you. Greetings!

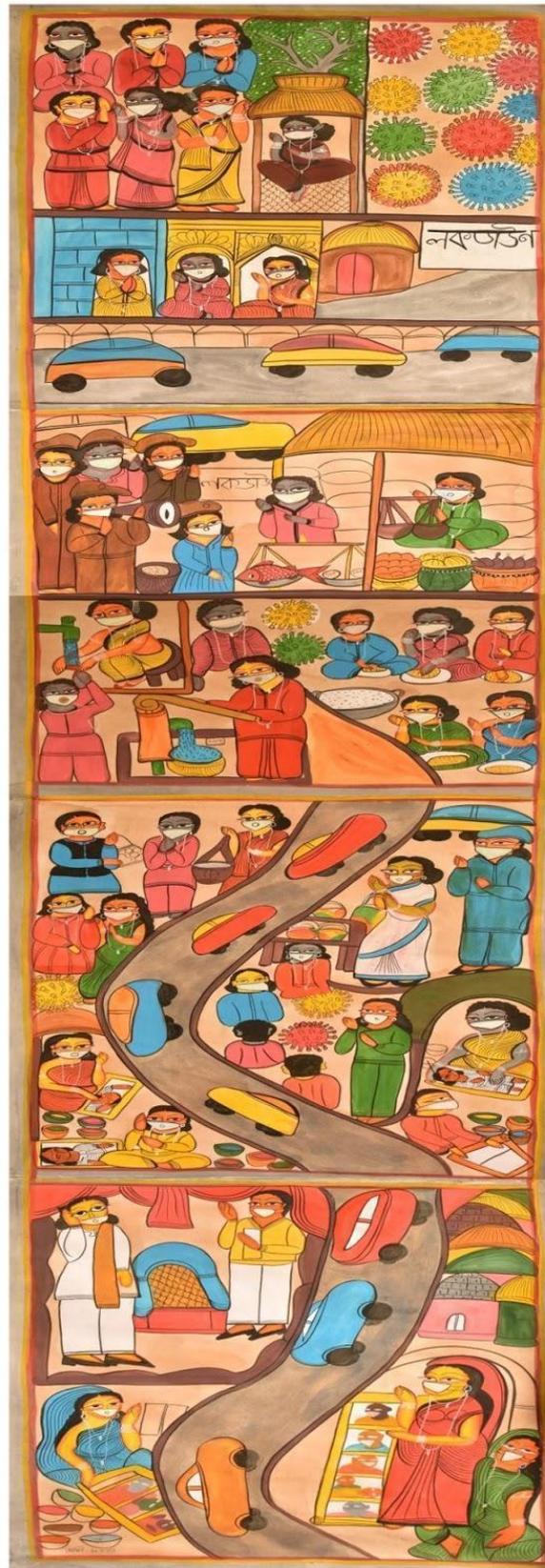


Figure 1. Rani Chitrakar, "Coronavirus". Commissioned by Anjali Gera Roy for Project "Folk Artists in the Time of Coronavirus"

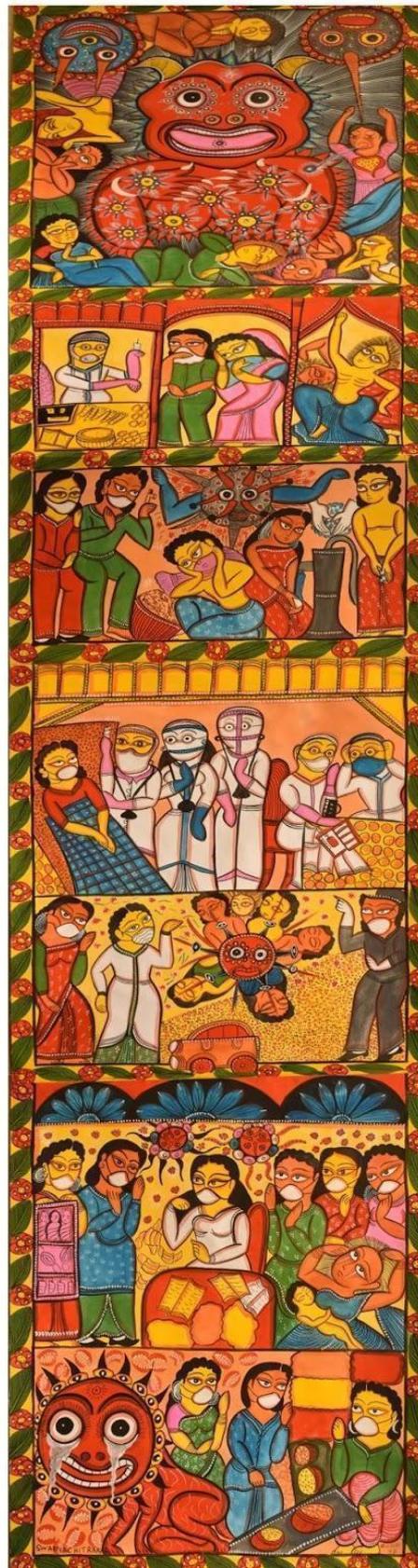


Figure 2. Swarna Chitrakar, "Coronavirus". Commissioned by Anjali Gera Roy for Project "Folk Artists in the Time of Coronavirus"

Although Swarna Chitrakar's painting brought her and Naya considerable media attention (Figure 3) since its being shared on several social media and attracting tweets by several Indian ministers, such as then Minister of State for Human Resource Development, Communications and Electronics and Information Technology, Sanjay Dhotre, and Textiles Minister, Smriti Irani, almost immediately, it did not translate into short-term monetary compensation or long-term state policy on folk artists.

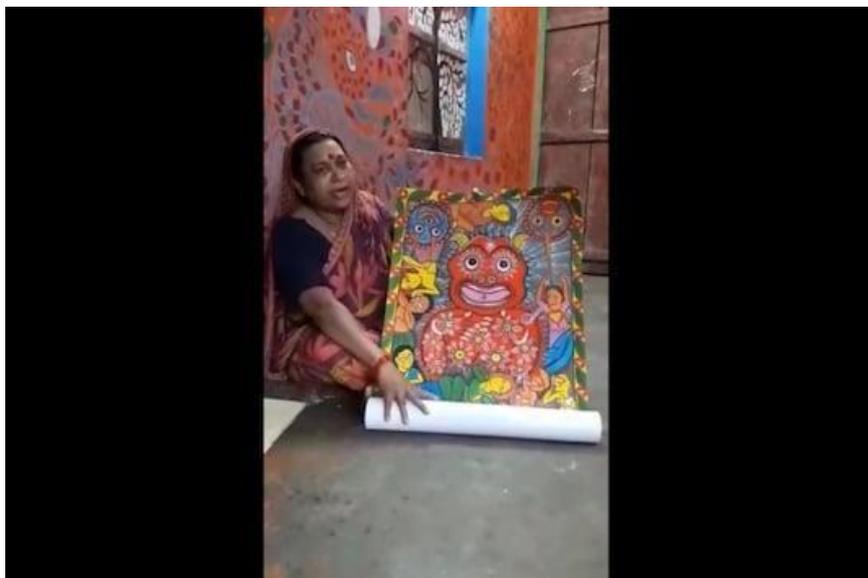


Figure 3. Swarna Chitrakar's "Pat" Goes Viral. Acknowledgments to Swarna Chitrakar.

Anwar Chitrakar's "pat" (Figure 4) garnered another award for him, namely one by the Indian Council for Cultural Relations.



Figure 4. Anwar Chitrakar, "Coronavirus". ICCR Award-winning Scroll without Song Acknowledgments to Anwar Chitrakar.

2.6. Resilience

The notion of resilience has acquired wide currency in the recent times and has been adopted in policy-making debates in the 21st century, particularly after the global financial crisis of 2008–2009. The ability of the CCI workers to generate forms of self-employment, short-term contracts, and project-based work during this crisis was hailed as equipping them with a resilience lacking in workers in other informal and formal sectors (Felton et al. 2010). This “creative class thesis” (Florida 2002) has been interrogated over the years since the crash with Donald et al. (2013), asking “if members of the creative class have been less likely to experience unemployment than workers in other occupational groups.” The “received notion of resilience that is atomistic and closed (Pratt 2015)” has been equally critiqued. Asserting that resilience has become a hegemonic term, Pratt (2015), in “Resilience, Locality and the Cultural Economy,” questions “the normative interpretations of resilience as they apply to the local cultural economy” and concludes that “resilience does not mean one thing for the cultural sector.” Rozentale and Lavanga’s (2014) questioning of “the universal assumptions about the nature and characteristics of the creative industries” in relation to “a less economically advanced city” in “The Universal Characteristics of Creative Industries Revisited: The Case of Riga” paves the way for their applicability to rural creative economies, particularly folk and traditional ones like that of the Patuas.

Resilience, as defined in the post 2008 CCI analysis, would definitely not have taken into account the hereditary resilience that has enabled the Patua community to survive for centuries by adapting to the need of the hour. Korom (2006), in *The Village of Painters: Narrative Scrolls from West Bengal*, highlighted the resilience of the painters of Naya by arguing that the Patua have worked to create a unique form of modernity. The precarity and precariousness that has underpinned Patua existence for centuries due to oppressive penury, instability, and marginalization is compensated by their ingenuity, innovativeness, resourcefulness, and resilience that has ensured the continuity of their practice dating back to several centuries (Korom 2006). Patuas’ adaptation to the market economy following the demise of their ritual informational and entertainment role and the subsequent loss of patronage from the 1970s is a classic example of their inherent resilience.

The Patuas interviewed for this project cited the inability of tourists and visitors to travel to their village; closure or limited avenues for participating in fairs, exhibitions or performances; and economic slowdown and diminishing of the purchasing power of buyers as the prime factors in their inability to market their creative productions and economically sustain themselves after the onset of COVID-19. A few of the Patuas have since been commissioned to prepare “pats” on the coronavirus for governmental and nongovernmental organizations and individual curators and invited to participate in exhibitions, such as the Netaji Subhash Chandra Bose’s 150th Centenary Celebrations in National Museum Kolkata in January 2021, opened by Prime Minister Narendra Modi. Some, such as Rani Chitrakar, Swarna Chitrakar, and Jaba Chitrakar, have also been invited to do online and live workshops and exhibitions by state and private institutions. However, invitations have been restricted to approximately 20 to 25 Patuas among the 139 practising Patuas for several reasons, including age, talent, visibility, media savviness, adaptability to new digital modes, and networks but, most of all, manipulation of market networks by a few to the exclusion of the majority.

While some of the established and well-connected Patuas, like Rani, Ranjit, Swarna, and Gurupada, acknowledged having been invited to conduct live workshops or programmes and being paid a handsome fee, the majority were able to sell their products, albeit fewer and at lower rates, only at the Handicrafts Fair in Kolkata. Most of the Patuas have become adept at using Whatsapp and other social media to share their paintings and products with regular or potential buyers to market their products. However, only a handful, like Rani, Swarna, and Ranjit admitted to having received orders for painting scrolls or objects from their regular or new clients and couriering the same. Elderly Patuas, like Dukhushyam, Shyamsundar, and Dulal lamented that everything has gone online and

that they were unable to avail of the opportunities offered by the digital mode, as they were too poor or old to own or use smart phones. Younger Patuas, like Manimala and Bahadur, called attention to the appropriation of the digital marketing openings by a few Patuas with strong NGO and market networks in contrast to others who were contemplating selling their assets or taking up hard labour through the MNREGA scheme of the Indian government to make ends meet.

After having waited for state invitations to create awareness programmes on coronavirus, as they have been since the outbreak of HIV AIDS for nearly a year, the more resourceful Patuas, led by Anwar Chitrakar, Gurupada Chitrakar, Manu Chitrakar, and Bahadur Chitrakar, formed four teams of performers who went around creating awareness in the surrounding villages on their own initiative and expense initially. This perfectly illustrates their paradigmatic resourcefulness in generating self-employment. Subsequently, they were invited by several state departments, including IIT Kharagpur, to stage these awareness programmes using Patachitra performance techniques on remuneration (Figures 5 and 6). Notwithstanding the resilience that the Patuas have imbibed and demonstrated over the centuries and was visible in the initiatives taken by them to find avenues for self-employment, the deadly virus claimed the life of the most enterprising and ingenious of them all, Gurupada Chitrakar, in June 2021.



Figure 5. Third Left Panel from Top: Manu Chitrakar, Swarna Chitrakar, Rani Chitrakar, Manimala Chitrakar, and Gurupada Chitrakar Live in Online Exhibition “Life on Scroll”, Co-hosted by Gurudev Tagore Centre For Culture, Embassy of India Mexico, and IIT Kharagpur, 20 February 2021. Photo Courtesy Gurudev Tagore Centre for Culture.



Figure 6. Poster Exhibition and Live Performance by Naya Patuas Outside Farmers' Market in IIT Kharagpur, 18 April 2021. Curated by Anjali Gera Roy for Project "Folk Artists in the Time of Coronavirus".

3. Conclusions

As we saw, lockdown measures forced Patuas to stay in the villages without the possibility of exhibiting and performing and with the risk of starving, as they were not able to travel to fairs and sell their works. Initiatives from the government helped them, but the rations received were not enough. Therefore, with some external support from universities and organisations, Patuas artists started to turn their performances into online contents.

Online exhibitions have become an incredible opportunity also for those Patuas who did not have the chance to travel to show their work and connect to different parts of the world. Surely, this will represent a possible path to be followed in the future also to give all artists the possibility to showcase their scrolls and to promote the oral tradition through live performances.

As scrolls can be found in art galleries, it may represent an opportunity to promote and revitalize the performances, putting the attention on the songs and the processes and not merely to the painting. If properly exploited, this temporary arrest may lead to new opportunities and positive development for safeguarding this cultural heritage and promoting the processes behind the scroll.

Patuas have always understood their heritage in a very dynamic way and have undergone several processes of transformation over the centuries.

They do not simply report these events in a systematic way but add valuable comments as if to convey their own ethical truth. As we have just seen, this happened also with the pandemic and their condition as folk artists.

The adaptation of the Patachitra to influences, both external and internal to society, is an almost continuous symbolism that is intrinsic to their history and tradition. By negotiating their role in the surrounding world, they express the changing identity of the community of artists but also of India itself. Thus, Chitrakars have taken up the challenge of updating their tradition in a novel way, allowing them to assert that metamorphosis and reworking are part of the life cycle of this art.

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Article

Global Art Market in the Aftermath of COVID-19: A Case Study on the United Arab Emirates

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Abstract: How has COVID-19 affected the global art market? This virus interrupted 2020 in unforeseen ways globally, including the cancellation of the most important art events of the year. Through a close chronological study of the Emirati art scene's response, both in commercial and noncommercial venues, this essay explains how, and why, the UAE's art scene was able to react quickly and perhaps more effectively than that of other nations, and what that means for its future. Based on fieldwork and press articles, this article posits that the Emirati art scene evolved from being virtually non-existent to a thriving contemporary art hub in a matter of decades because it has always had to adapt to challenges such as nonexistent art infrastructure or the 2008 financial crisis. By studying the UAE, we find examples of exhibitions that quickly moved from being in situ to online, a rare instance of galleries and art auction house collaborating, government and institutional structures stepping up to support artists and galleries, and the renaissance of Art Dubai taking place in person in 2021 after being abruptly cancelled in 2020. This knowledge provides insight into how the global art market is changing to face the consequences of COVID-19.

Keywords: United Arab Emirates (UAE); Art Dubai; Alserkal Avenue; Sotheby's Dubai; virtual exhibitions; Abu Dhabi Art; post-COVID-19 art market

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1. Introduction

COVID-19 interrupted nearly every industry internationally in 2020, and in some places still does. The United Arab Emirates (UAE) was, however, less affected than other locations, which is evident in its contemporary art scene. Due to the quickly growing nature and innate adaptability of this market—whose epicentre is Dubai—contemporary art in this small country was able to not merely survive but prosper during the pandemic. It should be noted that the sources for the arguments put forth in this essay are largely based on fieldwork and press articles, not theoretical academic research. This is a conscious choice for two reasons: first, to not reveal longer-term research currently underway, and second, since this article addresses a current phenomenon that is still ongoing, the decision was made to give greater importance to historical context, in addition to providing a highly detailed account of the Emirati art scene's reaction to COVID-19—and how they are related—since this collective behaviour is precisely what we posit has helped it fare well through the pandemic.

As a brief history, the UAE (see Figures 1 and 2) became a federation of seven states—Abu Dhabi, Dubai, Sharjah, Umm al-Qaiwain, Fujairah, Ajman, and Ras al-Khaima—in 1971 (Heard-Bey 1982). Its art community emerged only a few years later, in the late 1970s and early 1980s, through a variety of structures, both commercial and not-for-profit sectors. In 1979, Sheikh Dr. Sultan bin Muhammad Al Qasimi, the ruler of Sharjah, declared a 'Revolution of Culture' for his emirate, which placed an emphasis on the fine arts and higher education, established a book fair, and a theatre (Kazerouni 2017). That same year, British expatriate Allison Collins founded Dubai's first art gallery—Majlis—in her home in Bastakiya (Collins 2020). Throughout the gallery's first decade, Collins hosted many shows

without an official license, but it became officially registered as an LLC in 1989 (Moghadam 2012). The Emirates Fine Arts Society (EFAS) opened in Sharjah to host classes and annual exhibitions for its members and invited artists.



Figure 1. Map of the Arabian Peninsula illustrating the UAE in relation to neighbouring countries. Used with permission from Pnggg.com accessed on 1 June 2021.

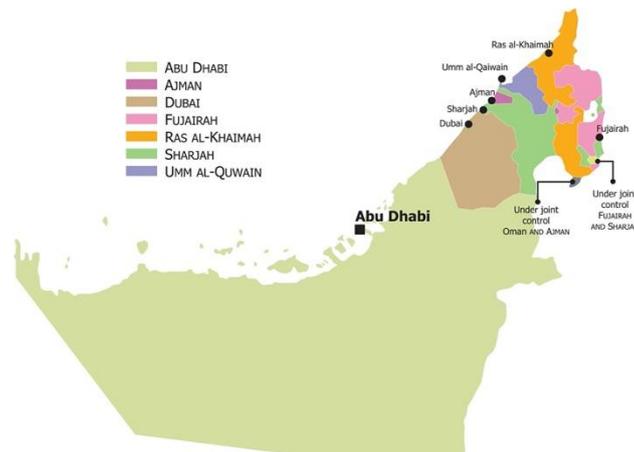


Figure 2. Map of the seven states of the United Arab Emirates. Used with permission from Pnggg.com accessed on 1 June 2021.

A year later, Abu Dhabi’s Cultural Foundation opened as an arts and culture centre and hosted the first national library. In 1987, the ‘father’ of the Emirati art scene, Hassan Sharif, founded the Dubai Art Atelier (Allison 2017), and since the 1990s, residencies such as those at the Khor Fakkan Public Library (founded in 1990) and EFAS (1992) were launched, establishing a long tradition of artistic support: Today, those at Tashkeel (founded in 2008), Alserkal Avenue (founded in 2015) and the Sheikha Salama Foundation (Salama Emerging Artist Fellowship, SEAF, founded in 2013) in Abu Dhabi continue to nourish the arts. In 1993, Sharjah remained at the forefront of the noncommercial scene by establishing the Sharjah Biennial, and two years later, the Sharjah Art Museum. Since 1997, the UAE French Cultural Centre has hosted exhibitions that showcase the local art scene, such as *UAE Artists* and *Emirates Identities* in 2000 (Allison 2017).

In the mid-1990s, the current commercial art landscape began to take form. In Abu Dhabi—known less for its galleries and more for large, international, and institutional partnerships—the Salwa Zeidan Gallery opened in 1994. In Dubai, the following year, the Green Art Gallery, established in 1987 in Homs, opened another branch in a villa in the

residential neighbourhood of Jumeriah; in 1996, the 1 × 1 Gallery in Satwa (Dubai) was founded, and between 1997 and 1998 the Iranian architect Dariush Zandi opened the Total Arts Gallery in Al Quoz—one of the first galleries in this industrial district. Joining Zandi in the area, Sharon Harvey launched the Showcase Gallery at this time; this district is now the centre of Dubai’s most reputable galleries. In 1998, Alanood Al-Warshaw, the first Emirati gallerist, opened the Hunar Gallery in Rashidiya (Figure 3).

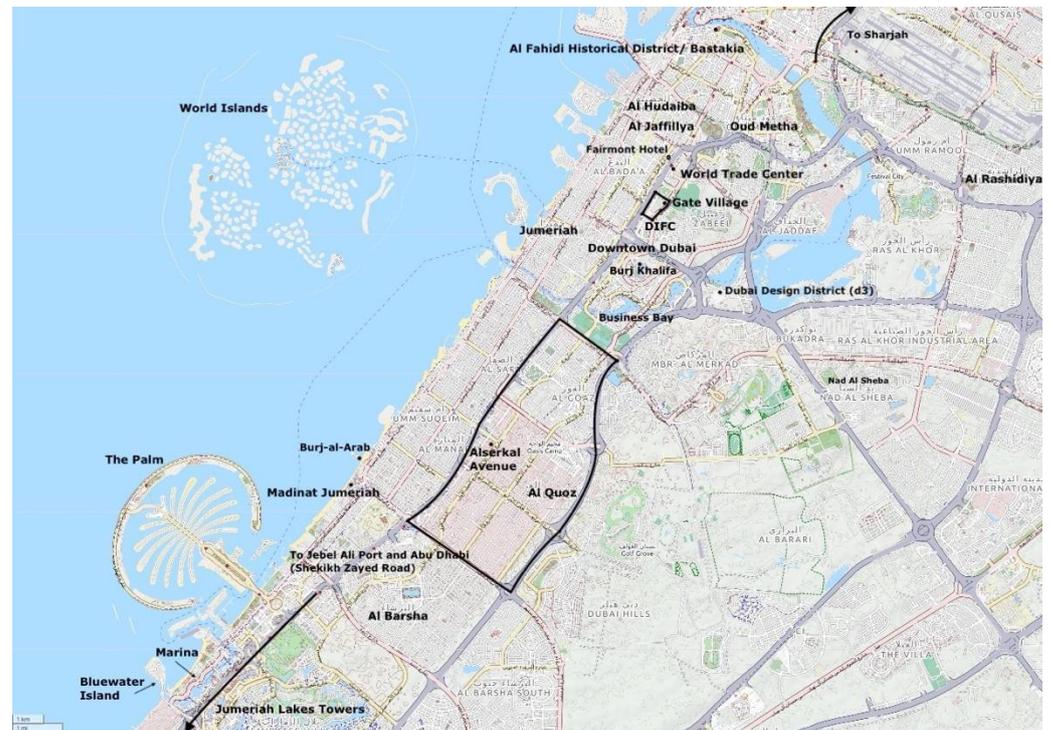


Figure 3. Map of Dubai indicating various neighbourhoods or buildings associated with the city’s art market. Original map courtesy of OpenStreetMap.org, edited with permission by the author.

The 2000s witnessed an equally dynamic growth of galleries around Dubai, from the XVA Gallery in 2003 in Bastakiya to the Tabari Art Space Downtown in 2003, and in 2005 and 2006 the Meem Art Gallery, The Third Line, and B21 (now the Isabelle van den Eynde –IVDE—gallery), all in Al Quoz. The development of galleries in this area encouraged Hassan Sharif to open the Flying House in 2007; although considered more of an artist collective and exhibition space than a commercial gallery, it is nonetheless an example of a budding artistic climate (Allison 2017).

In the late 2000s, the establishment of larger exhibition spaces, though not commercial, contributed to the valorisation of local artists and galleries, helping the art scene flourish. These included the Dubai Community Theatre & Arts Centre (DUCTAC) in 2006, Traffic (an exhibition space), and Creek Art Fair (noncommercial, rebranded as Sikka Art Fair) in 2007, Alserkal Avenue (Alserkal) in 2008, and the Sharjah Art Foundation (SAF) in 2009. As for the commercial market, the first edition of Art Dubai (then known as the DIFC Gulf Art Fair) occurred around this time, as well as the opening of a branch of Bonhams in 2007, and the first local sale by Christie’s in 2008. Magazines such as *Canvas*, *Bidoun*, and *Harper’s Bazaar Arabia* were also founded to report and reflect on the burgeoning art scene.

While the presence of illustrious auction houses bolstered the UAE art scene—notably thanks to Christie’s first auction whose sale of Farhad Moshiri’s work for over a million dollars stunned the global art scene (Moghadam 2012)—other international ventures such as the Louvre and the Guggenheim announced their intention to open museums on Saadiyat Island, Abu Dhabi. The creation of such a cosmopolitan presence in the two largest emirates demonstrates a more international recognition of the local scene, which

continued to grow despite the 2008–2009 financial crisis. Despite this economic recession, the art market persisted, and galleries continued to open at hubs such as Alserkal Avenue (Figure 4) or the Dubai International Financial Centre (DIFC), and elsewhere in the city. Art Dubai (now with its current name, and new location at the Madinah Jumeriah hotel) continued to present a growing roster of galleries and programming every year; Alserkal Avenue announced a few years later a mirroring expansion, doubling the number of creative spaces, including international galleries such as Leila Heller and Stéphane Custot.



Figure 4. Aerial shot of Alserkal Avenue, 2017. Birds-eye-view of the art hub, with the original warehouses on the left and the newer expansion on the right. The view continues west towards Dubai Marina, over Al Quoz, with a view of Sheikh Zayed Road on the far right. Image courtesy of Alserkal Avenue.

This comprehensive pre-COVID timeline is necessary to demonstrate the astonishing rate at which the Emirati art scene, both commercial and nonprofit, grew from the early days of the country’s history. Despite the lack of an established art history discourse, galleries, foundations, residencies, and artist collectives emerged, even though there was no existing infrastructure for aspects such as artistic or creative trade licenses, art handlers, art insurance companies, knowledgeable professionals to ensure correct light or climate control in exhibition rooms, etc. (Moghadam 2012). Indeed, in 2018, Antonia Carver, Director of the Dubai-based Jameel Art Centre and former director of Art Dubai, wrote an opinion piece on ‘What Most of the World Still Does not Understand About the UAE Art Scene’, in which she discussed the importance of adaptation and reinvention:

The challenges we faced were often matters of infrastructure—how to build an audience in an emphatically diverse country of many languages, where many residents were unfamiliar with the district’s galleries popped up in; how to establish nonprofits when the relevant government codes didn’t yet exist; how to support young artists who were between residency visas. These challenges may have prompted invaluable creative collaborations, but frustratingly, many still exist. These include challenges with residency visas for artists who have a studio practice rather than a traditional 9-to-5; the lack of dedicated art supply specialty stores for working artists; the need for more higher education arts programs, plus under-developed archives for historic art practices. But each of these have been improving over the past decade and a new wave of arts governance is ambitious and intent on change. The growth of the scene in the UAE was, and is, messy

and non-linear, but it has a momentum that feels fresh and urgent, and a deep sense that the arts really matter. (Carver 2018)

The fast-paced nature of the UAE allowed those now considered art ‘pioneers’ to create a scene and market where none existed before. Doing so demanded a great deal of flexibility, as described by Carver. Each player involved in creating the market from the ground up had experienced what the ‘art scene’ meant, how it appeared, and functioned, elsewhere in the world (though not necessarily in a professional context). Being in the Gulf and not Europe, North America, or elsewhere in the Middle East, where there was already an art scene, those who endeavoured to cultivate the Emirati scene are exemplary of both the dynamic nature of the UAE and flexibility or open-mindedness, knowing they could never implant a preexisting art scene and history in the Gulf. As one simple example, earlier galleries were held in private homes rather than purpose-specific places. This flexibility does not exclusively mean financial flexibility—as most of the earlier galleries and artists funded their own projects and worked on the side—but rather flexibility of thought process, work habit, and the ability to break away from traditional art practices. Today, parts of the art scene do benefit from greater economic freedom but not, for example, the galleries that are the backbone of the UAE market. This flexibility served in their favor for such obstacles as the 2008–2009 financial crisis and has proven to do so again in with the COVID-19 pandemic. Rooted in the historical emergence of the Emirates’ art world, this article outlines how the art scene’s ability to adapt quickly allowed it to persist and retain a degree of normalcy during the pandemic. Many of the strategies employed by the different players in the art scene, in both the private and public spheres, were not unique in the world; what was unique, however, was how early on these approaches were implemented, and that, being a smaller market, in a country with a smaller population, nearly all actors adapted promptly and consistently throughout the different phases of the pandemic.

2. Chronology of the Pandemic in the UAE: Through the Lens of the Art Scene

Usually occurring in March, Art Week is the busiest time in the contemporary art calendar. Historically happening in Dubai, and revolving around its fair, this period has evolved to include events in Sharjah (Sharjah Biennale, spanning over several months, and March Meeting, over several weeks, as well as talks and exhibitions in that emirate’s expansive variety of museums and foundations), and in Abu Dhabi, with shows at Manarat Al Saadiyat, Warehouse 421, NYU-Abu Dhabi (NYUAD) Art Gallery, the Louvre, etc. In Dubai, the schedule is even more robust with, for example, in 2019, three other art fairs occurring at that time (Fully Booked, Sikka Art Fair, World Art Dubai), and at least thirty-one exhibitions and events at art galleries, residencies, and foundations (Sartore 2019).

Art Week 2020 should have transpired similarly. The first cases of COVID-19 in the UAE were reported on 29 January and were the first in the Middle East (Gambrell 2020). A month before its opening date, on 24 February, Art Dubai was slated to go ahead as planned (Chaves 2020e). Indeed, most events that necessitated people gathering continued as planned: despite cases of COVID-19 rising in the UAE and the world, the *National* published an article entitled ‘66 things to do in Dubai, Abu Dhabi and the northern emirates this March’, (National 2020a). New gallery spaces opened, such as the Oblong Gallery—originally founded in Forte Dei Marmi, Italy—on the new Bluewaters Island (Shehmir 2020b), and acquisitions at art centres such as Jameel (in the case of the Abraaj Art Prize collection) continued as usual (Gronlund 2020b).

Just a few days later, however, Art Dubai announced that the fair would not occur with the original agenda but would rather present a downsized version of events and talks, during the same dates, catering to a local audience. Chief executive Benedict Floyd, artistic director Pablo del Val, and international director Chloe Vaitso said in a statement on 3 March:

Given the essential role the fair plays in promoting local and regional artists, we have made the decision to stage a program tailored to the local cultural

community instead, including existing fair program contributors and thought-leaders. (Proctor 2020)

At this time, there were only 21 COVID-19 cases in the country (Gambrell 2020), but the directors reacted immediately to the growing numbers by simplifying the fair. Over the course of the next week, nearly every day presented the announcement of art events closing or being postponed: Sikka was deferred from late March to October (to coincide with Expo Dubai 2020), DIFC Galleries Night, scheduled for 23–24 March, was cancelled, through at the time the galleries remained open during normal business hours. In surrounding emirates, Warehouse 421 and NYUAD closed public programming and art spaces (and the latter preemptively announced reopening in early April), whereas SAF's March Meeting was delayed 'until further notice,' though the exhibition spaces remained open. The Louvre also closed its doors, initially for two weeks on the 14 March, only to be extended later; around this time, the museum also announced, 'the museum galleries may be temporarily closed, but our digital platforms continue to narrate our stories of cultural connections,' (Chaves 2020l). It should be noted that these closures were not government-implemented rules but the decision of the directors or the board of each institution or business, many of which were private, not governmental, entities. That being said, in the UAE, the lines between governmental, royal, and private are not always clearly defined. Governmental intervention to help the art scene survive will be discussed later, but the initiatives first taken by smaller, private groups should not be discounted.

At this stage in March, not everything was cancelled: Gallery Night in Alserkal Avenue (private) was still planned for the end of the month, and the galleries were not yet required to close; the non-profit spaces Jameel Art Centre (private) and Tashkeel (royally established but not run by the government) remained open (Chaves 2020f). Yet, on 14 March, Alserkal—despite intending to keep their programming as planned just a week prior—postponed or cancelled several exhibitions and their spring residency cycle. In the same statement, they revealed that the over 15 shows scheduled for Art Week would soon be viewable via online viewing rooms (OVR), providing prerecorded 3D tours (Gillet 2020). Art Dubai (majority private) followed suit, further altering plans for its 14th edition by moving all programming online: virtual performances, OVR, and a catalogue to replace booths, and the Global Art Forum talks broadcast live. For context, Art Basel Hong Kong—not surprising due to its proximity to the epicentre of the outbreak—and Frieze New York had also already completely cancelled (i.e., did not occur virtually) at this time (Chaves 2020d). Given the scope of this article, we cannot delve into detail on how Emirati art world entities reacted more quickly than their counterparts in different countries, though we will attempt throughout the article to provide examples of how the UAE did so earlier on and more consistently.

For the online fair, despite being virtual, the protocol to inquire about an artwork remained the same: interested collectors were still required to express their interest to the gallerist (through a form on the website), allowing for something familiar in these unchartered waters. We will later attempt to demonstrate that the evolution of this fair throughout the pandemic can be seen as representative of the entire UAE art scene's response to the pandemic: always adapting to new circumstances and always attempting to move forward. The online catalogue was rather complex and was searchable by artist, medium, and gallery, and specific works could be flagged as favourites. Thus, within a matter of days, the Art Dubai team succeeded in developing this platform, quickly adapting to the rapidly evolving pandemic. Another novelty for Art Dubai 2020 was that it refunded galleries half of the booth cost for this year, and granted a 50% credit for the 2021 fair, which they were certain would take place. Even the curators and subject of the Global Art Forum changed last minute to 'address the new stories emerging from this moment of global narrative collapse . . . collectively, with a group of brilliant thinkers, all of whom have something nourishing and provoking to say' (Shehmir 2020a).

Likewise, on 23 March, Alserkal Avenue launched its aforementioned virtual platform, allowing visitors to embark on a 360-degree tour of the exhibitions that were meant to

open for Galleries Night during Art Week. Beyond just a digital inventory of artworks, their tool provided details of the featured works, tags linking viewers to the website Artsy—where it was possible to purchase works online—and informational videos of the gallerists explaining the works on view, as if on a real gallery tour (Chaves 2020n). For the ‘opening,’ there were over 300 works from 15 different galleries and project spaces. Jameel implemented the same strategy by the end of the month (Chaves 2020g), as did all cultural spaces in Sharjah (Haza 2020). In the case of the latter, this was a government decision and not one of the private entities, as had been the case at art venues in Dubai and Abu Dhabi.

Thus, over the course of just one month, the UAE art scene changed how it presented itself many times—from more simplified programming to postponements or ‘temporary’ closures, to going fully digital. Both for- and nonprofit institutions remained resilient through the first month of the pandemic, setting the pace for months to come. Allowing for this resilience was their flexibility, which helped them react promptly to the unprecedented effects of COVID-19.

3. Adaptations: Private and Public Financial Support

Adjusting to the pandemic did not stop there. Beyond individual businesses (Art Dubai, and the various galleries) and nonprofit spaces (SAF, Jameel, Warehouse 421, the Louvre, etc.), the government announced at the end of March an initiative to purchase AED 1.5 million (over USD 400,000) of art from local artists (Binlot 2020). This level of financial support is unprecedented in the UAE for its art scene and also suggests an openness from the government to operate differently to survive the pandemic. First destined for Emiratis but later included long-term residents, the goal was to send a message of ‘solidarity’ to its artists. The art purchased would first be displayed in an online exhibition with Alserkal and then distributed to UAE embassies around the world. This initiative was conceived before the pandemic, but the urgency to support the arts presented the opportunity to launch it in late March (Dafoe 2020a). Hoping to support the entire art community, the UAE Minister of Culture and Knowledge Development (MCKD) Noura Al Kaabi revealed in an online Cultural Majlis on 1 April that freelancers and art businesses could benefit from government support as well. During this discussion with the founder of the Barjeel Foundation and co-founder of the Meem Gallery, Sultan Al Qassemi, she stressed the importance of ‘adapting and modifying’ their ways to see how the government ‘can support the sustainability of the creative and cultural sector.’ In this case, these are suggestions for the government to be more flexible—developing new ways of thinking about how to support the arts, beyond additional funding, but it should be reiterated that the arts sector, beyond this new government support, always had this kind of professional adaptability. Among certain measures discussed were rent and utilities relief and VAT exemption (Chaves 2020k), and they remained open to other suggestions.

The Ideathon was conceived in early April by the Dubai Culture & Arts Authority (DCAA)—a government entity—and Art Dubai—a private entity—to support the arts (Chaves 2020h). This online ‘suggestion box’ allowed anyone to submit ideas about how to support the local cultural scene, primarily with a focus on human capital, financial stability, the business community, and sustained creative production (Chaves 2020b). In addition, Al Kaabi’s office also created, mid-April, a survey for the creative industry to ‘... get a better understanding of the challenges facing the talent in the creative sector of the time ... the next step will be to develop appropriate initiatives and incentives to ensure that the creative community is aptly supported to thrive’ (Bedirian 2020).

Beyond these governmental initiatives, some real estate groups implemented rent relief policies (Chaves 2020k). Among them, Alserkal Avenue waived rent for its galleries for three months, as part of their ‘Pay it Forward’ initiative to help other local businesses and to try to keep operations, and salaries, afloat throughout lockdown (Chaves 2020o). Around this time, early April, the country’s ‘National Sterilisation Programme’ was extended for another two weeks, with a strict 24 h lockdown: only one family member could leave at a time for necessities such as medical visits or groceries (Kell 2020). This was later

extended for another few weeks, only allowing businesses to open at the end of May (Harper's Bazaar Arabia 2020). While we cannot discuss in more detail how the Emirati government's sanitary and lockdown measures compare to that of all other countries, these were certainly stricter than that of the United States and most countries in Europe, for example.

Mid-May, Warehouse 421 (run by a royally established private foundation, though not a government entity) granted additional support through the Project Revival Fund. Open to regional 'mid-career visual artists, curators, writers, designers, and musicians,' recipients got up to AED 7300 (USD 2000), with funding available for at least 30 projects. The grants could be used for the costs of completing projects, renting equipment, conducting research, etc.—anything to keep the art and cultural world running. Jameel also announced a similar initiative, the Research and Practice Platform, providing funding for practitioners in the MENA region, putting aside a total of AED 550,000 (nearly USD 150,000) in grants (Chaves 2020m). In both cases, these are private, not governmental, initiatives run by Emirati art world pioneers (i.e., not necessarily native Emirati) that spearheaded these programs. In the case of Jameel, and perhaps also Warehouse 421, this funding came from the reallocation of the exhibition and event budget that was not being used at the time.

Despite this support for artists, galleries still suffered. The year 2019 had already been a difficult one due to the 2018 oil crisis. In Dubai, this meant less tourism, which makes up a large part of its wealth. While most tourists and—more recently, influencers—are not art collectors, the decrease in tourism had a negative effect on the art scene. As much of the arts programming happens in March, the timing of the coronavirus was particularly difficult.

This precarity was recognised by the government, specifically the MCKD, and by mid-May, the National Creative Relief Programme provided financial support to arts sector professionals such as freelancers, artists, and small businesses; the stipends ranged from AED 15,000 to 50,000 (approximately USD 4000–14,000). Spearheaded by the MCKD, the programme was a joint effort with the Corporate Social Responsibility (CSR) UAE Fund, allowing donations from individual and corporate sponsors, in addition to government support. This program was one of the results by the MCKD to the abovementioned survey launched in April, for which there were over 1400 responses. It is also perhaps because of the consequences of the 2008–2009 crash, in addition to 2019 being a particularly hard year for galleries in Dubai, that both public and private entities came together in so many ways to support this industry (Gronlund 2020a).

4. Unprecedented Collaborations: Response and Resilience

Collectively aware of their shared instability, several galleries joined forces to put together Not Cancelled Dubai: a week-long virtual event in May 2020. This digital fair featured OVR, talks, and tours (Chaves 2020j). The event was run by the Viennese Treat Agency, which inaugurated the initiative at home in April (Brown 2020) and then in other cities throughout Western Europe and the US (Artnet News 2020). The featured galleries were Carbon 12, Green Art, Grey Noise, IVDE, Lawrie Shabibi, and The Third Line, all of which are located at Alserkal (Figure 5).

In a comparable manner to how unconnected government entities came together to support the arts (i.e., the MCKD and the CSR Fund), this group of galleries—already closely tied by physical proximity and belonging to the same community—came together through this online fair with the aspiration to survive the pandemic together. Various gallerists expressed the importance of unity to confront:

... the same set of challenges and disruption to our businesses. Being able to air those concerns has helped us all immensely—we are sharing resources, ideas and even staff ... This is a turning point in our way of working ... While nothing replaces the physical experience, the content that we will provide expands what you may probably get when you visit an exhibition at our galleries. (Chaves 2020j)

Later in 2020, another collaboration between the semi-private Art Dubai and the governmental DCAA, the Dubai Collection, emerged. The goal of the programme is to exhibit privately owned artwork—either from individual or corporate collections—throughout the city, instead of developing a national collection. Similar to the Art in Embassies programme, this scheme was in development previously, aiming to promote local collecting, thereby supporting local artists and galleries. This October announcement further demonstrated the UAE art scene’s perseverance through the pandemic to continue past projects by adapting, rather than resisting, the effects of COVID-19. (Gronlund 2020f; Khaleej Times 2020). In a more in-depth study, it would be valuable to discuss the government response beyond its contribution to the art world during this time, though being limited in space, and because the government role is only a part of the art scene—especially the commercial one—such considerations cannot be taken at this time. Likewise, another pertinent addition to a longer work would include if and how there are examples in the past of a national culture authority partnering in such a way with an art fair elsewhere.

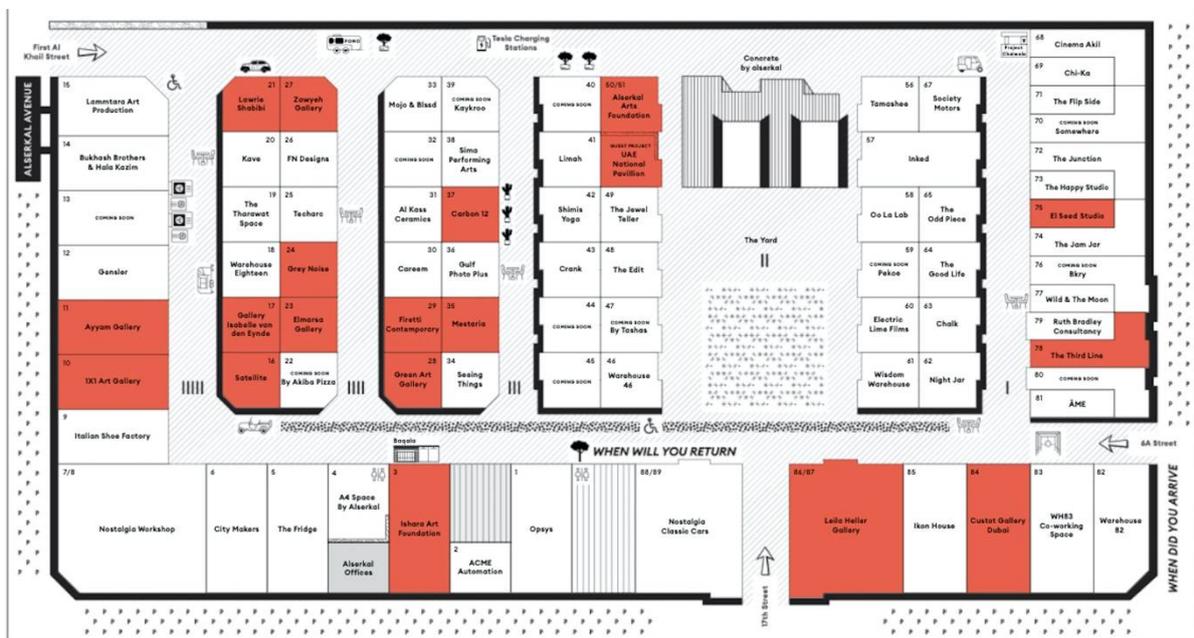


Figure 5. Map of Alserkal Avenue, 2021. Art spaces are highlighted in orange. Courtesy of Alserkal Avenue.

Along the same vein of earlier collaborations, and uncommon unity among otherwise competing ventures, one of the most apt examples of the UAE’s art scene’s resolve was a joint charity auction between Sotheby’s and seven of the Alserkal Avenue galleries announced 11 June, scheduled for a week later. The funds were intended to support the Dubai galleries and contribute ten percent of the proceeds to the COVID-19 relief fund organised by the UN High Commissioner for Refugees. According to Will Lawrie, of Lawrie Shabibi, the community service encouraged by Alserkal’s ‘Pay It Forward’ program further motivated people to give back. Entitled ‘This Too Shall Pass: Bridging the Art World’, The Third Line, IVDE, Carbon 12, Green Art, Leila Heller, 1 × 1, and Lawrie Shabibi contributed 63 lots from 45 artists for a total expected value of AED 2.9–4.4 million (USD 800,000–1.2 million).

Beyond this unlikely partnership, this sale also represents the first time many of the featured artists would participate in a Sotheby’s sale. Moreover, the financial arrangements were also unconventional; the buyers’ fee was maintained, and a portion of the selling price would contribute to the UN Relief Fund, but the commission from the seller (the gallery/artist) was waived, and the remaining revenue to be divided between the two of them (Gronlund 2020e). Of the 63 lots auctioned, 41 were sold, 6 were withdrawn, and

13 were not sold. Among those sold, 13 had a hammer price above the mid-estimate, and among those 5 sold at 100 percent more than the estimate (Mutual Art Auctions 2021).

Gallerists and auction house professionals on each side agreed that this kind of radical change was necessary; as Ashkan Baghestani, Sotheby's head of contemporary curated sales, stated:

This is a time when people need to be open to new ideas . . . I'm happy that after years of trying to find different ways of engaging, finally the primary, secondary, and tertiary markets are interacting. The lines are a bit more blurred. It opens an infinity of possibilities in terms of partnerships. (Gronlund 2020e)

Lawrie agreed with Baghestani's remarks and added that the pandemic forced the art world to change established practices, such as pricing and budgeting, in order to survive (Gronlund 2020e). This is demonstrated the following year at Art Dubai 2021 and will be discussed later. By the end of June, despite being hindered by the cancellation of Art Week in March, some gallerists felt that life was 'business as usual', because, with the high temperatures, walk-in clients were always rare in the summer, and traditionally most sales were made with longstanding clients through outreach and email exchanges (Chaves 2020a).

While there have been occasional instances of collaborations of gallery-gallery; gallery-auction house, they are infrequent. The fact that so many of these nearly exceptional partnerships took place in such a short period of time makes their existence more important, and further representative of the necessity of "thinking outside the box" to survive the pandemic. Due to the length constraints of this essay, we cannot go into detail regarding such alliances.

5. Inclusion of the Virtual Realm: A New Normal?

The digital strategies that were initially out of necessity and catalysed by the pandemic, have since been recognised as a valuable sales tactic, despite lockdown being over. Online galleries were on the rise before the pandemic but certainly have benefitted as a result; one gallerist described sales 'exploding' thanks to COVID-19 (Kewlani 2021). Furthermore, as the Emirates has an art scene that represents artists from regions less present in the Western market, collectors who seek art from the Global South or MENA region have a long tradition of forging strong relationships with local galleries. Thus, for example, when the Tabari Artspace was forced to launch a virtual version of Palestinian artist Hazem Harb's solo show—destined to occur in March—the show nearly sold out (Chaves 2020a). While there is no way of knowing what the results would be if the show were to occur in person, but given the sought-after nature of this artist's work, its success is of no surprise, and the gallery's quick reaction early in the pandemic to hold the show online foretells the local art scene's overall resiliency and adaptability.

Furthermore, such options were important because of how complicated international travel became. While the UAE opened relatively early, compared to other countries, artists, and artworks from elsewhere could still be delayed by the pandemic, as flights were subject to change and lockdowns could suddenly be announced (Chaves 2020a), and thus, the possibility of maintaining shows and sales online made sense financially. The UAE art scene has long been accustomed to fluctuations and forced to adapt in the past, helping it survive the pandemic.

While summer in the UAE is always slow, summer shows, and even new gallery openings, continued in July. The Ramallah-based Zawyeh Gallery, established in 2013, had its inaugural show at Alserkal in July 2020: *Palestinian Art: Resilience and Inspiration*. The title aptly demonstrates both the Palestinian resistance and the UAE's resistance against COVID-19 (Vakil 2020b).

In August, despite being far from its usual November date, Abu Dhabi Art published an online catalogue to further support galleries. The catalogue included over 200 artworks from 48 galleries which had previously participated in the fair. Dyala Nusseibeh, the fair

director, expressed the purpose of this programme being simply to help struggling galleries by offering connections with the fair's wide range of collectors during this difficult time:

It is a simple effort to reach out to our collectors and visitors to encourage sales for these galleries. We hope to generate sales for galleries at a time when any extra support collectors can provide is much needed and appreciated. (Chaves 2020b)

The participating galleries were not charged to be featured in the catalogue, and the fair also announced an additional online campaign, Artist of the Week, to promote individual artists through pictures of their work and video interviews on the fair's website via social media (Chaves 2020b).

Other novelties that remarkably happened in August include Abu Dhabi's 101: more of a community than a gallery, 101's goals are to better represent younger UAE artists to create a more 'sustainable and ethical' art ecosystem. Aware of the fact that young artists often lack experience and know-how for pricing, this privately run platform holds quarterly sales of emerging and mid-career artists, splitting profit an uncommon 30/70, the majority going to the artist (Gronlund 2020d).

September harboured further announcements reflective of a thriving, though different, art scene. Warehouse 421 reopened after five months of closure. Despite this hiatus, the foundation remained in support of the arts through their relief fund, a residency program, a new podcast, and a focus-group initiative, in addition to continuing to organise the yearly SEAF exhibition. Appropriately telling of the UAE art scene's response to the pandemic, Faisal Al Hassan, general manager of Warehouse 421, summarises this moment clearly:

The year of 2020 is the year of coping, and we're starting to look at 2021 as the year of experimentation. This is the new reality that we are living in. Even post-COVID, things will not be the same. We just need to be patient until we find the right formula where we can continue to have a physical space, go back to being social beings, but also making sure that the experience is right, with the digital and physical working together. (Chaves 2020c)

6. The Return to the Physical: Adapting to COVID-19 Safety Precautions

In the commercial realm, both Art Dubai and the less prestigious World Art Dubai announced plans to open in person for the next iterations during their regular springtime dates in 2021. World Art Dubai (private), which had postponed its event in March, revealed the next edition would occur in October 2020, at its usual Dubai World Trade Centre, with strict temperature screenings, ubiquitous gel-sanitising dispensers, and real-time tracking of crowd numbers and density. In addition, the fair set up contactless registration and ticket purchasing, as well as a partnership with fynd.art, an application designed to give visitors more information about an artwork, an artist, or galleries through a QR code (Rodrigues 2020), rendering physical, thus tactile, documents unnecessary. Returning to normalcy in 2021, World Art Dubai also held that year's version at the traditional time, following Art Dubai in early April as the region's more affordable fair. Boasting 250 galleries (Bedirian 2021) with over 200 artists from 27 countries, including, for the first time, Israel (National 2021), which in and of itself demonstrates progress despite the pandemic. The 2021 version, only a few months after the delayed 2020 event, was its biggest fair yet (Grover 2021).

Art Dubai also announcing both a new regional director, Hala Khayat, and a different format spread out throughout the UAE to celebrate the country's 50th anniversary during the 2021 fair. As another international comparison, while many fairs at the time, such as Frieze and Art Basel still resorted to the OVR model, Art Dubai planned to proceed with its programming, in an adapted format (Gronlund 2020c). This trajectory and determination are perhaps even more noteworthy considering that other large-scale fairs such as Art Basel Miami Beach and FIAC completely cancelled their events for later in the year (Dafoe 2020b).

Other artistic advancements continued in the fall. The private, members-only Arts Club, originally founded in 1863 in London, opened its doors in the DIFC area in November.

While not a traditional arts institution, this club fosters relationships between collectors, artists, and aficionados, and has a permanent collection of both established and emerging artists; it also features various cultural programming. Its existence in the UAE contributes to the growing arts community, and the fact that it opened a branch in 2020 is another example of how UAE art fared well during the pandemic (Bains 2020).

7. Returning to Normal, Continuing to Adapt

The UAE art scene's success through the pandemic relied on its adaptability—long part of its history—allowing the milieu to resume a somewhat normal functioning earlier than other countries. *Future Trends: Culture and the Creative Sector* (Dubai Future Foundation and Dubai Culture & Arts Authority 2020), published in October by the Dubai Future Foundation and DCAA, declared unsurprisingly, as this had already been the case, that the artistic and creative sectors require innovation in order to survive the pandemic. The collaboration between the two organisations was already novel, but beyond that, this partnership highlighted shared efforts already made (such as those between Sotheby's and Alserkal, or DCAA and Art Dubai) and presaged future efforts to come to support the art industry. Hala Badri, director-general of DCAA, aptly summarises this effort:

In light of these exceptional circumstances, it is imperative that all those in charge of the sector in Dubai and the UAE intensify efforts and take measures to develop mechanisms and solutions to support the creative community and enable it to ensure its continuity and prosperity in the future, especially for small companies and independent entrepreneurs working in this sector. (National 2020b)

Though on the periphery of the contemporary art scene, the inaugural Dubai Design District (d3) Architectural Festival took place in November (Carpio 2020), as well as Dubai Design Week—both in person—further demonstrating the country's determination to persevere (Olele 2020). Abu Dhabi Art opted to hold its 12th edition mostly online, keeping in mind the difficulties that numerous other art fairs faced that year because of the pandemic, though some of the works were nonetheless viewable at their traditional location at Manarat Al Saadiyat.

By December, Art Dubai reaffirmed that it would launch as planned, in situ, in March 2021. It was the first major international fair to announce a physical event for the first quarter of 2021. The fair planned to present 86 galleries from 36 countries—over 90% of the galleries who sought to participate in the 2020 version. Artistic director Pablo del Val emphasised the importance of adaptability during the past year, yet also the desire to come together again for physical events (Thackara 2020). The organisers announced a new layout to allow for better crowd control and social distancing, in addition to hygiene measures that had become standard by then. At this time, the UAE had already vaccinated tens of thousands of citizens (Thackara 2020) allowing, in part, for Art Dubai to move forward as planned, while vaccination numbers stagnated in other countries that should have held fairs at the time. This prompted certain art critics elsewhere to doubt that having a fair so early on would be a good idea, or even feasible (Gerlis 2020a). In addition to its plans to open in person, Art Dubai maintained a visual presence online through its Portrait Exhibition, focusing on individual artists from the Global South, with works available for sale. The exhibition was scheduled to run from late December 2020 through 20 January but was later extended through February 2021 (Art Dubai Online Exhibitions 2020; Vakil 2020).

For galleries willing to participate in the fair but unable to travel, the organisers created the Remote Participation Programme: this entailed the Art Dubai team hanging works according to the gallerist's plans and have staff occupy the booths to coordinate between the collectors and the galleries. The fair also revealed a revolutionary sales model: rather than paying for the booth upfront, galleries would reimburse Art Dubai 50% of their profit after sales, up to the cost of the booth. Further anticipating hygiene measures, the fair also designed an application to allow visitors to book tickets directly without having to interact with staff in person (Dawson 2021). Sanitary measures were taken very seriously by Art Dubai, and it also helped that the UAE maintained one of the best vaccination rates

in the world, second after Israel (Said and Faucon 2021). These numbers are of course thanks to the governmental response and not that of the art world, but they nonetheless contributed to a relative return to normal in the cultural sphere. Art Dubai also offered free storage for three months after the fair, taking into consideration augmented shipping delays due to the pandemic, and allowed galleries to postpone their participation last minute to the 2022 edition (Brady 2021).

As many Western countries had stricter travel regulations at the time—in addition to fewer vaccinations with higher infection rates—most galleries represented were from the Global South. While Art Dubai had for a few years endeavoured to benefit from its central geographic location and establish itself as a gateway between cultures, the consequences brought on by the pandemic expedited this process (Gronlund 2021g).

Elsewhere in the UAE, galleries and museums continued to host physical shows with social distancing and sanitary regulations, while new ventures continued to be announced: NYUAD revealed the country's first MFA program (Gronlund 2021h) to open in the fall of 2021. This was an important advancement as collectors had previously expressed a lack of approval of the UAE art scene since there were no art schools (Proctor 2021b).

In March 2021, Art Dubai officially became the first major fair to launch since the start of the pandemic, after being one of the first to close a year prior. In terms of programming, the traditional curated sections (Modern and Bawwaba, focusing on individual artists from the Global South) were not realised but were supplemented by an outdoor sculpture park and a greater emphasis on video art, with screening locations spread out throughout the fair (Chaves 2021a). Food venues, VIP lounges, and other social activities were eliminated, reducing the event to its primary goal—to sell art. Executive Director Benedetta Ghione, said in an interview:

We thought, if we can't have it all, then let's strip it down to the core and keep the essentials. How are we trying to make a difference here? Ensuring the sustainability of galleries and artists in these difficult times was and is our most essential goal. (Selections Arts Magazine 2021)

The final numbers show that 50 galleries from 31 countries were present, a smaller group than the 2019 iteration, which hosted 92 galleries from 80 countries; however, many visitors preferred the more simplified layout and the new location in the more central DIFC. Galleries were also pleased, since many, such as Leila Heller, Custot, Meem, Perrotin, Templon, Comptoir des Mines, Galleria Continua, and Gallery 1957, all reported successful sales (Proctor 2021a, 2021b). The first public day alone had sales of up to three million dollars (Chaves 2021b; Batycka 2021), demonstrating collectors' desire to return to in-person purchases, as well as the fair's unexpected success. The final sales amounted to 'over three million dollars . . . in line with pre-pandemic figures' (Said 2021). Despite the stagnation caused by the pandemic, the fair occurred at a time of change for the UAE: in September 2020, the Abraham Accords were signed with Israel, and the embargo placed on Qatar (whose ruling family are major collectors) was lifted (Proctor 2021b). Just after the fair, the ruler of Dubai, Sheikh Mohammed bin Rashid al Maktoum, also loosened restrictions during the holy month of Ramadan, allowing restaurants to serve customers during fasting hours, whereas before establishments, they had to either close, or put up curtains, dividers, or facades (Government of Dubai 2021).

While Art Dubai succeeded in taking place in person, many other international fairs—The Winter Show in New York; BRAFA in Brafa in Brussels; Tefaf Maastricht; Art Basel Hong Kong; Freize Los Angeles; ARCO in Madrid; and Art Rotterdam—remained online or postponed their dates to later in the year (Brady and Jhala 2021; Reyburn 2021). The fact that it was one of the first to cancel in 2020 and yet the first to take place in person in 2021, and boast lucrative results, exemplifies the Emirati art scene's overall successful handling of the pandemic. Beyond the fair, other events such as SAF's March Meeting were maintained and institutions such as the Louvre, Jameel, Sharjah Museums Authority, Alserkal, SAF Warehouse 421, NYUAD Art Gallery, and Abu Dhabi's Cultural Foundation

(i.e., much of the UAE art scene) also held physical shows and programming while still adapting to the new circumstances (Chaves 2020i; Chaves 2021c).

Progress continued elsewhere as well: in April, Alserkal Avenue revealed new goals and a different artistic direction. These measures included an art advisory programme to encourage 'public and private sector entities in developing sustainable and responsive business models', a sustainability plan, and Alserkal.online, a 'digital platform led by the creative community, as a forum for cultural discourse, digital art commissions and multidisciplinary editorial content' (Yusuf 2021).

The public sector announced new cultural projects that same month. Sheikh Mohammed revealed plans to bolster the arts with an objective to increase the gross domestic product from around two to five percent and to double the number of creative businesses by 2025 (Reynolds 2021). A few days after this announcement, as the first manifestation of this goal, Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, the Crown Prince of Dubai and Chairman of the city's Executive Council, declared plans to transform Al Quoz into a creative zone for artists and designers (Arabian Business 2021). While this project is nascent, the campaign for realising these ambitions continues to unfold.

Within one year, the Emirati art scene succumbed, as did everywhere, to the devastation of COVID-19, but thanks to this scene's ability to innovate, renew, and adapt, it has emerged stronger than before. The fact that the timeline of events and notable moments since March 2020 is entirely filled is a testament alone to the scene's resiliency. This phenomenon is partly due to the flexibility, from its origins, that all actors in the art milieu had to possess to adapt to, rather than resist, the pandemic. The fast-paced creation and evolution of the UAE art scene, present since its inception and outlined in the introduction, also contributed to its survival. Beyond that, the arts scene, that of Dubai especially, has a tradition of persevering through sudden forced change and economic woes. In another comparison to other countries, the creative sector in the UAE strongly came together during the pandemic, while at this time in France, the Comité Professionnel des Galeries d'Art sued the government for not being allowed to remain open during the spring 2021 lockdown, even though auction houses could (Rea 2021). It was perhaps easier to create unity among the different players in the UAE art scene thanks to its lack of historical tradition and smaller size.

8. Conclusions: Possibilities in a Post-Pandemic World

Keeping in mind the timeline and success of Art Dubai as a microcosm of the country's art scene, this also reflects the entire art scene's adaptability. Before the pandemic, the fair had already undergone major changes in leadership, funding, and activity. After several years under Antonia Carver, Myrna Ayyad became the director in 2016. After only two years, she stepped down and, initiating further change, the fair altered its leadership structure entirely to have multiple directors. In 2019, Art Dubai was forced again to adjust: Its long-term and most important sponsor, the Abraaj Group, filed for liquidation and pulled all funding (Shaw 2018). In addition to these vicissitudes, for nearly every edition, new programmes were implemented, or other organisational changes were made. The impact of COVID-19 was thus just another, albeit more extreme, change for Art Dubai, and seeing how it, along with the rest of the UAE art scene, adapted to the pandemic reflects both its past and suggests how it will evolve in the future. Many gallerists agreed that Art Dubai met all the challenges and necessary changes for this year's fair and that with a 'clear vision and a lot of flexibility', it can 'meet the demands of the market and of the local and regional scenes' (Estiler 2021). One pertinent example is the post-fair payment system. While Ben Floyd said that this was going to be a one-off practice due to the pandemic, he did not exclude the idea of something similar in the future (Kerr 2021). Gallerists such as Sunny Rahbar of The Third Line understand that this model may not be possible for all fairs going forward, but she did express the desire for it to be considered:

I wish more art fairs considered it, basically the fair is taking the risk that normally the galleries take upfront. It's quite a novel proposal and I realise it's likely not

possible for other fairs to adopt this model but why shouldn't this be considered or at least something more along these lines versus standard models ... The world has changed and so will the models of engagement whether financial or social. I think we all need to adapt in order to continue to do what we do. (Brady 2021)

Looking onward, certain actions and adaptations that parts of the UAE art community made during the pandemic may presage how the international art world will continue to evolve in the future. For one, art fairs may be reduced to smaller, more human-scale events. Even in early April 2020, articles discussed the possibility of the pandemic having the benefit of lessening 'fairtigue'—in 2000, there were 55 art fairs globally, and 300 in 2019. While little was known about the outcome of the pandemic or the future of the art scene, early on, one author predicted a smaller number of fairs (Adam 2020). Nearly a year later, many fairs have been cancelled, and for those that have been realised, they are either far reduced in size, online, or a hybrid of both. Frieze New York (5–9 May 2021), moved from Randall's Island to a smaller venue in Hudson Yards with less than a third of exhibitors than the 2019 event, and it also opened its OVR to over one hundred galleries through 14 May. Other fairs continue online: Art Basel Hong Kong planned to launch at the end of May with art present, but no dealers, and have a remote booth system similar to Art Dubai, but it was later postponed; 1–54 Art Fair took place in May in New York, though most of the works were shown online (Gerlis 2021). While many gallerists agree that online viewing is not the best way to experience art, it has saved many galleries, and thus artists, during the pandemic; the global art scene in the future may present a combination of both smaller fairs, some with an online option, but also the possibility to visit in person (Gerlis 2020b). This article did not attempt to put forth the notion that none of the measures taken in the UAE were taken elsewhere, but rather that they were executed more promptly and in a more widespread manner. We fully acknowledge that part of this is due to the smaller size, population, and wealth of the UAE, but as this essay focuses on that country as a case study, we have endeavoured to give an in-depth view of how it reacted—and survived—the pandemic.

A greater online presence may also manifest itself for auction houses and galleries as well. In the first days of lockdowns in March 2020, Sotheby's launched its first online-only auction for Modern and Contemporary Art from Africa and the Middle East, making over GBP 2,193,625 (USD 2,679,294), 'with sixty percent of lots exceeding their pre-sale high estimates' (Sotheby's 2020). In March 2021, while the UAE art season kicked off, the online marketplace Artsy launched two initiatives focusing on the region: Middle Eastern Galleries Now, an online fair-like presentation of galleries from the region, and Legacy Trilogy: Past, Present, Future, a fundraising exhibition. The former ran for several weeks in March, and while some galleries before such as 1 × 1 and Carbon 12 first resisted the platform, many are now open to it as collectors adopt this technology. As mentioned earlier, this also reflects the rise in online galleries. Legacy Trilogy, organised in partnership with the nonprofit ArteEast, was designed to replace that organisation's annual benefit auction to raise COVID-19 relief money; this philanthropy may have been inspired by Sotheby's charity auction in summer 2020 (Chaves 2021d). As the world inches out of the grips of the pandemic, the art scene of yesteryear will not return, but some of the changes outlined in this essay may illustrate what is yet to come.

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Article

Bidding Better Online in Belgium: The Value of Auction House Expertise during the COVID-19 Pandemic

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Abstract: In this article, we present our analysis of how one of Belgium’s largest auction houses has creatively dealt with the forced transition to online auctions during the COVID-19 pandemic. Based on in-depth qualitative interviews and participant observation conducted at Bernaerts Auctioneers in Antwerp over a period of three months between February and April 2021, we show how the auction house has succeeded at maintaining relations with its clients and the public while exclusively moving its sales online. Our specific focus was on the mediation of expertise. Drawing on recent publications from the fields of economic sociology and anthropology, we analyzed how expert narratives of origin, authenticity, and uniqueness are communicated online to affect an object’s auction value. Based on our empirical research, which also includes narrative analyses of Bernaerts Auctioneers’ internet publication *Prelude*, as well as content shared online via social media, we argue that expert knowledge and practices of expertise are resilient and—contrary to what neoclassical economic theory might suggest—that they continue to be central to negotiations of value, as well as in online auctions.

Keywords: online auctions; online art market; COVID-19 pandemic; expertise; value

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1. Introduction

On 29 June 2020, when the COVID-19 pandemic was at its preliminary worst, Francis Bacon’s 1981 *Triptych Inspired by the Oresteia of Aeschylus* sold for a record-breaking value of USD 84,550,000 in an online auction. Bidders from around the world participated in what Sotheby’s had advertised as a “multi-camera, global livestream” event, resulting in the most expensive work sold in 2020 (Sotheby’s n.d.; Mun-Desalle 2020). Since the 1990s, the art market has been undergoing a slow but steady digital transformation, with the online auction market growing into a full-fledged market segment (Adam 2014; Pownall 2017; Sidorova 2019). Thus, when the pandemic effectively threw the entire world into lockdown, auction houses were in a good position to improvise, and they quickly abandoned what was left of any initial reticence to sell art digitally. According to ARTnews, the global health crisis saw major players like Sotheby’s and Christie’s “swiftly adapt their marquee evening auctions for a new era, ushering in live-streamed hybrid mega-sales that saw a host of masterpiece-level works reach staggering prices” (Villa 2020). However, although many auction houses were already working with variable hybrid formats when the pandemic hit, the complete switch to online auctions overnight brought with it some difficulties, and it continues to test the creativity and resilience of the auction market.

In this article, we take a closer look at how Bernaerts Auctioneers in Antwerp creatively deals with the forced transition to online auctions. Based on in-depth qualitative interviews and participant observation conducted at Bernaerts Auctioneers over a period of three months between February and April 2021, we mapped the consequences of the COVID-19 pandemic for one of Belgium’s largest auction houses. Considering that Bernaerts Auctioneers’ marketing slogan is “Better in Belgium”, we show how the auction house has succeeded at maintaining relations with its clients and the public while exclusively moving its sales online. Our specific focus was on the mediation of expertise. Drawing on

recent publications from the fields of economic sociology and anthropology, we analyzed how expert narratives of origin, authenticity, and uniqueness are communicated online to affect an object's auction value. Based on our empirical research, which also included narrative analyses of Bernaerts Auctioneers' internet publication *Prelude*, as well as content shared online via social media, we argue that expert knowledge and practices of expertise are resilient and—contrary to what neoclassical economic theory might suggest—that they continue to be central to negotiations of value, as well as in online auctions.

2. Three Decades of Auctioning Art Online

In the pre-COVID era, it was striking that the shares of online sales at the second- and third-tier auction houses were significantly higher (18% in 2019) than at their top-tier peers (McAndrew 2020). According to Rachel Pownall, the diverse offerings of these auction houses (often including memorabilia and collectibles), as well as the lower financial risk within that segment contributed to this difference (2017). In addition, the online art market initially did not appear to accommodate the needs of high-end collectors well enough. For example, the essential trusting relationship these buyers were looking for prior to their purchase was traditionally sought through live and in-person interactions with a dealer or auction house expert (p. 28). Finally, buying art is very much about the experience. As Georgina Adam notes, apparently the pleasure that comes with visiting art fairs abroad and the testosterone-fueled excitement hanging in the air in the auction room during a bidding battle cannot yet be replaced by a virtual surrogate (Adam 2014, p. 128).

Nevertheless, the growth of the online art market has been steady, peaking in 2018 and plateauing right before the COVID-19 pandemic in 2019. According to the *Art Basel & UBS Art Market Report*, the online art market comprised 5% of the total art market in 2013, with its volume estimated at \$3.1 billion. In 2018, the segment was estimated at \$6 billion, with its share of the total market volume having risen to 9%—a share that remained stable in 2019 (McAndrew 2020). The *Hiscox Online Trade Report* reached a similar conclusion (Hiscox 2021, p. 4). Apparently, the online art market had evolved into a stable component of the global art market, though it did not exactly seem to be likely to dominate the offline scene soon—until the global pandemic changed things.

In fact, when the pandemic hit in early 2020, many auction houses had already been working with a hybrid format of auctioneering. These auction houses quickly adapted their practices and switched to fully online, live-streamed sales that took place in front of an empty room as if it were full. According to the *New York Times*, auction houses tried “to make sure selling their high-ticket objects doesn't devolve into an eBay frenzy, where wealthy buyers are sitting around in their pajamas stalking deals on their laptops” (Sullivan 2020). Rather, auction houses did everything they could to bring the excitement and sensation of live auctioneering into the homes of the bidders, and they seemed to do this surprisingly well.

When taking a closer look at the figures, it became clear that 2020 was an extremely positive year for the online auction market, with a record turnover of \$12.4 billion (McAndrew 2021, p. 17). Perhaps unsurprisingly, due to the restrictions posed by the pandemic, the market share accounted for 25% of the global art market in 2020, up from 9% in 2019. Notably, the willingness to buy art online increased, especially among millennials; “high-spending art buyers” also found their way to the online market, if only out of necessity (McAndrew 2021). Furthermore, the *ArtPrice* report noted that the number of online auctions in the high-end segment rose by a colossal 262% for Christie's and by a staggering 440% for Sotheby's (ArtPrice 2021, p. 15).

The current success of the online art auction market is not exclusively due to the adaptability of the auction houses, but was helped also by the macro-economic context informed by the lax monetary policy of the years following the 2007–2008 global financial crisis (see e.g., Adkins et al. 2020). Buyers are resorting to art as an alternative form of investment or speculation—be it to diversify their portfolio of assets for fear of inflation, to avoid or evade taxes, and even for criminal money laundering purposes (Adam 2018;

Rausch et al. 2021). In other words, during the COVID-19 pandemic, there have been strong incentives for buyers to continue to acquire artworks, no matter the auction format. Nonetheless, to effectively play into this favorable context under the restrictions caused by the pandemic and to make the switch to online auctions work, auction houses had to become increasingly creative in opening alternative channels of communication.

How exactly do auction houses maintain their relationship with the public when their sales have to take place behind closed doors? What role does the expertise of art experts and auctioneers play in online auctions? To answer these questions, we first focused on the situation at Bernaerts Auctioneers in Antwerp before and after the COVID-19 pandemic, reflecting on the impact of the “corona crisis” on their regular operations. In this paper, we highlight the extra efforts the auction house has made to maintain its relationship with its client base and audience, and we discuss how Bernaerts Auctioneers uses alternative forms of mediation to bring its expertise to potential bidders.

3. Adapting to the Challenges of the COVID-19 Pandemic

Within the densely populated Belgian art market, Bernaerts Auctioneers is one of the leading auction houses. In terms of online presence, this auction house was an early pioneer. For example, Bernaerts Auctioneers’ first website was up and running already in 1996 (P. Bernaerts and C. Bernaerts, personal communication, 1 April 2021). In addition, they were the first auction house in Belgium to integrate methods of bidding via the internet. Having started with timed online auctions in 2010, in 2011, Bernaerts started live online auctions, during which bidding can take place in the hall, by telephone, via purchase order, or online.

Bernaerts Auctioneers’ first technological cooperation for this was with the American company NextLot, for which Bernaerts fulfilled a demo role, as NextLot hoped to attract other Belgian auction houses. In 2019, however, Bernaerts Auctioneers switched to Auction Mobility, white-label software that presents itself as a competitor to Invaluable (the top platform to date) due to its suitability for mobile devices. Using Auction Mobility’s software, Bernaerts Auctioneers has now set up its own online platform under the URL <https://live.bernaerts.eu> (accessed on 31 August 2021). Via this website, customers can bid online during the auction, buy at an after-sale, or submit their pre-bids online. In addition, Bernaerts Auctioneers remains present on Invaluable and utilizes Drouotonline, platforms functioning as alternative auction marketplaces online. Taken together, these initiatives led to Bernaerts Auctioneers selling an average of 12–17% of their annual sales online before the COVID-19 pandemic.

Then, in March 2020 the art market was almost completely paralyzed by the first lockdown. When, for sanitary reasons, the public was no longer allowed in the auction rooms, initially, most of the Belgian auction houses effectively stopped offering their services. According to Peter Bernaerts, the co-owner of Bernaerts Auctioneers together with his brother Christophe Bernaerts, there were multiple reasons for this. According to Peter Bernaerts, it was a combination of the lack of exhibition possibilities, the perceived lack of the right tools, as well as a fear of failure that caused the majority of the national auction houses to cease their operations. Peter and Christophe Bernaerts had long debated whether or not to take the plunge and organize a complete online auction “live in an empty room”, without a prior exhibition. One of the decisive factors to try it now, in the face of the COVID-19 pandemic, was the already existing functionality of their fully operational online platform.

The brothers Bernaerts wanted to guarantee continuity within their operations. They did not want to let buyers and sellers down. In addition, they were acutely aware that if all auctions in Belgium were postponed until “after corona”, they would end up in a “bottleneck” situation with other auction houses, resulting in scheduling conflicts and an oversupply of art, resulting in lower prices. To reduce the risk of “burning” lots—the failure to sell, resulting in a significant reduction in future sales opportunities—Christophe Bernaerts explained that in May 2020, they held a smaller auction than usual, with fewer

offerings. Due to the restrictive measures, this sale was conducted entirely on the basis of photographs; nobody was able to see the work before buying it and the auction house hoped to build on their own already existing customer base and reputation.

To compensate for the lack of (or limited forms of) exhibition possibilities and to maintain their relationship with their clients and the public, Bernaerts Auctioneers went to great lengths to continue to bring expertise to its potential customers. Although the auction house temporarily stopped printing traditional catalogs, as there was no longer any need for this due to the lack of exhibitions, they did start up an online magazine entitled *Prelude*, in which the top pieces of their auctions are highlighted. In addition, extra effort was put into the use of social media, and an additional staff member was hired to take care of Bernaerts Auctioneers' online channels. Besides messages with text and explanations, the auction house also posted videos in which knowledgeable experts explain a particular work from the auction.

The auction house installed a chat function on its website, claiming that the threshold for sending a chat message is lower than for sending an e-mail, as customers get an immediate answer from an expert. Moreover, Bernaerts Auctioneers began to invest more in its targeted online marketing; for example, it sent customers deemed specifically interested in a particular artist or a particular type of work a personal e-mail to inform them that a potentially interesting piece was included in the auction. According to Christoph Bernaerts, the response was generally positive; he believes that people felt honored and appreciated that they were being considered personally. At a time when there was absolutely no possibility of exhibiting on site, the intermediation of expertise via social media appeared to work as a surrogate for a different kind of social interaction.

4. Value and Expertise in a Market of Singularities

In *Auctions: The Social Construction of Value*, the economic sociologist Charles Smith (1989) describes auctions as “social processes for establishing socially acceptable definitions of value and ownership” (p. ix). Based on empirical research and sociological theory, Smith explains that traditions, values, and norms play a significant role in the auction room (p. 4). According to his analysis and contrary to the orthodox economics of supply and demand, bidders are not driven purely by individual, rational interests, but collectively engage in resolving issues concerning the price and allocation of objects. For Smith, these dynamics ensure the reproduction of collective definitions of value (p. 4). According to him, actual auctions, contrary to what some neoclassical economic models might suggest, are not exclusively or even primarily exchange processes. Rather, they are practices of managing the ambiguity and uncertainty of value by creating meaning and consensus (p. 163). As such, auctions are always influenced by social and personal constraints, such as preferences, opinions, rules, habits, and institutionalized practices (p. 175).

Similar to Smith, the economist André Orleans argues against neoclassical economics, its suggestion that value is intrinsic to objects, and that their supply and demand determines the fluctuation of prices. In *The Empire of Value: A New Foundation for Economics*, Orleans argues that “market value is an autonomous phenomenon that cannot be reduced to any preexisting magnitude such as utility, labour or scarcity” (Orléans 2014, p. 4). Rather, Orléans calls for the dissociation of value and price and proposes to approach exchange value as a social institution. This is essentially what the economic sociologist anthropologist Lucien Karpik does in *Valuing the Unique: The Economics of Singularities* (Karpik 2010).

According to Karpik, neoclassical economics structurally overlooks a certain category of markets (Karpik 2010, p. 3). According to him, this is a logical consequence of theories that, in their pursuit of universalism, use a definition of exchange goods and services in which price is seen as the only differential characteristic (p. 4). Other types of values and alternative ways of measuring (so-called “calculating devices”) find no place in these theories. Instead, Karpik argues, they gradually convert qualities into quantities, which is why the world they describe “becomes more homogenous, more impersonal, and more of

a threat to the aesthetic, sensitive and moral richness of humankind" (p. 7). According to Karpik, this results in a blind spot, which is what he calls the "market of singularities".

Karpik defines singularities, which include works of art, as objects and services that are part of our daily lives and which have three distinguishing characteristics—they are multidimensional, characterized by uncertainty, and are incomparable (p. 10). For Karpik, uncertainty about the quality of these services and objects is the main factor that excludes singularities from a traditional economic vision of supply and demand as determining their price. In a "market of singularities", the quality of an object or service is often only partially known at the moment of purchase. It usually takes some time to arrive at a realistic assessment of the quality, or—under circumstances of radical uncertainty—a definitive assessment can never be reached (p. 12).

According to Karpik, because of the multidimensionality and diversity of consumer preferences, a "spontaneous and happy encounter between supply and demand" is extremely rare in a market of singularities (p. 14). Often the search for quality prevails over price competition and, consequently, there is a need for a variety of "coordination devices" that assist the consumer in making choices. For example, in the case of art, the search for the "right" artwork is rarely reduced to the cheapest work, which is why knowledge of and expertise about the art market is imperative. In fact, buyers of art consult both "personal and impersonal judgement devices" to decide on purchases, and the effectiveness of these devices depends mostly on the credibility attached to them. Ultimately, then, it is reliable and trustworthy expertise that is needed to determine the quality and to reduce uncertainty regarding the pricing of art (p. 134) (also compare Bonus and Ronte 1997; Velthuis 2007, 2011; Arora and Vermeylen 2012, p. 4; Beckert and Rossel 2013).

Indeed, according to the sociologist Olav Velthuis, the prices of artworks are themselves embedded into the structures of meaning governing the art market, in the pre-existing institutional frameworks of this market, and in the shared norms and values of the agents who populate it (Velthuis 2011). In this context, the role of experts can perhaps best be conceptualized as "gatekeepers" of an established art world or market segment (Becker 1982; Arora and Vermeylen 2012, p. 3). Expertise is a connecting factor between artists and dealers, auction houses, and their clients, and it is experts that produce the knowledge necessary to reduce the uncertainty characterizing the art market—uncertainty that seems to be proliferating online (Adelaar 2000). However, this uncertainty can be exploited, and value can be made or added in the online art auction market through the mediation of expertise.

Indeed, the art market is symptomatic of the rise of what social anthropologists Luc Boltanski and Arnaud Esquerre call an "enrichment economy." In *Enrichment: A Critique of Commodities*, they argue that an enrichment economy involves experts creating and shaping the identities and differences between objects as a way of establishing value (p. 46). In fact, Boltanski and Esquerre situate "value" as a fact that comes after "price"; they define the value of an object as "an arrangement for justifying a price" (p. 92). According to them, a reference to value is "relevant only insofar as it permits the prices of things to be criticized or justified" (p. 73). As such, the value of an object can never be stabilized once and for all, "rather it is the result of a process of valuation that belongs to the order of events rather than the order of facts" (p. 92). For Boltanski and Esquerre, the value of an object, thus, fundamentally depends on the very ways in which it is evaluated.

Contrary to the industrial economy which traditionally values newness and innovation above all else, in an enrichment economy, special attention is paid to the uniqueness of objects, the values of which may increase with time and parallel to the expert narratives that can be told about their heritage (p. 17). In fact, Boltanski and Esquerre show how processes of enrichment make use of narrative structures "in order to select, from the multiplicity of potentially relatable phenomena, the differences presented by the object in question that can be considered especially pertinent and that must therefore be singled out and highlighted in the discourses that accompany the object's circulation" (p. 45). A growing interest in so-called blue-chip artworks that are traded at exceptionally high prices

and a flourishing luxury industry are cases in point (p. 19). For instance, the value of high-end artworks does not stem from their use-value, but from their position within a collection of art, historical relevance, and perhaps from their ability to be turned into an asset that generates a steady stream of income, such as when used as collateral against a loan to be reinvested and used for purposes of speculation (p. 43).

Boltanski and Esquerre identify what they call the “collection form” and the “asset form” as the dominant ways of creating value in the enrichment economy. In the “asset form”, “a thing is a commodity transformed into money, treated as quasi-money, or treated as a substitute for money” (p. 241). Artworks are distinguished here based on their financial liquidity and the predictability of their commercial potential. Particularly, large auction houses, which widely publish the hammer prices of works of art, grant these works the status of “liquid assets”, allowing them to serve as the virtual equivalent of money (p. 247). Moreover, the fact that a work is sold at a prominent auction house such as Sotheby’s or Christie’s in and of itself may increase the price of that object, which, in another transactional context, would perhaps have remained unsold or would, in any case, have only sold for a lower price (p. 244). According to Boltanski and Esquerre, the expansion of the secondary art market, the proliferation of online ranking lists and price indices for artists and artworks, as well as an increase in the convergence of the art world and the worlds of finance contribute to the significance of the asset form (p. 33); (also compare Birch and Muniesa 2020).

However, it is first and foremost in the collection form that Boltanski and Esquerre claim artworks acquire their value. According to them, in the collection form, value is added to objects through the stories constructed around them by highlighting distinctive features and creating a form of scarcity in relation to already existing collections. Boltanski and Esquerre further explain that the collection form calls upon the “memorial power” of objects; a power which is not immanent to these objects but rather a “socially attributed quality” (p. 192). For example, the physical proximity or presence of people or important moments in history may contribute to artworks’ memorial power. In addition, the attribution of authorship has a strong influence on the memorial power of an object in the collection form, and in turn, on its price. If a work of art is first attributed to an old master painter and if expert research later shows that it is by a student employed in the master’s studio, this can lead to a collapse of the memorial power while the materiality of the work remains unchanged (p. 192). Finally, in the collection form, copies of works of art are generally not accepted as legitimate and proof of authenticity is required. According to Boltanski and Esquerre, an object is considered authentic if authoritative expertise backs its origin and provenance (p. 181).

Boltanski and Esquerre emphasize that the collection form is not only aimed at collectors in the narrow sense of the word, but they see it as a way “to appreciate the value of things judged ‘exceptional’ by envisaging them from a point of view comparable to the one which a collector would consider them” (p. 194). This way of appreciation is a guiding principle in the “enrichment economy” and it is intrinsically linked to the art market, where the value of objects is directly proportional to their singularity and uniqueness. In fact, evaluations of artworks depend largely on the authority and legitimacy of experts and their expertise, and it is thus that we used recent economic sociological theory and Boltanski and Esquerre’s anthropological theory of value and “enrichment” as lenses through which to analyze how expert narratives of origin, authenticity, and uniqueness are communicated online to affect an object’s auction value in the case of online auctions at Bernaerts Auctioneers.

5. Online Auctions and the Value of Expertise

During the May 2020 online sale at Bernaerts Auctioneers, at the height of the first wave of the COVID-19 pandemic, some very expensive pieces were offered without the bidders having had the opportunity to physically inspect them. Initially, this caused some concern to the brothers Bernaerts, who, in addition to their roles as owners, also fulfill

the roles of the auctioneer (Peter Bernaerts) and head of expertise (Christophe Bernaerts) within the auction house. However, the brothers reflected on a very successful sale and they indicated that the fact that there were few or no complaints about purchased pieces pleasantly surprised clients and auctioneers alike. According to Peter and Christophe Bernaerts, it is primarily the reputation they had built up in the previous years that makes their online auctions a success. In fact, they believe a good reputation and an already existing “name” to be a must in the online art auction market. They do, however, stress that “a good reputation comes on foot and goes on horseback”, which is why they invest heavily in research and the mediation of their expertise (P. Bernaerts and C. Bernaerts, personal communication, 1 April 2021).

Indeed, following Boltanski and Esquerre, institutional authority plays an important role in creating value for an object at auction. If auction houses with a certain status sell an object, this contributes to the price the object will fetch (Boltanski and Esquerre 2020, p. 244). However, open online platforms challenge this transactional context, which, according to the sociological and anthropological literature, must be taken into account to make sense of value creation throughout auctions. In fact, with the rise of online platforms, such as, for example, the Catawiki website, which facilitates online auctions against the clock and where both private individuals and dealers can offer their works of art, memorabilia, and collectibles for a starting bid of EUR 1, many traditional auction houses, including Bernaerts Auctioneers, initially feared heavy competition.

The commissions on websites such as Catawiki are extremely low, and expert intervention is minimal. Therefore, one could perhaps argue that these websites organize online auctions as traditional neoclassical economists would imagine them—assuming that the mechanisms of supply and demand will do their work. However, Peter and Christophe Bernaerts argue that, in practice, websites such as Catawiki cause the middle price class of objects to level off. They claim that many objects from the traditional middle class achieve lower prices on these sites and a gap is created between a very low and very high price class, which, according to them, is one of the very reasons why, when this website emerged, the traditional auction houses were worried (P. Bernaerts and C. Bernaerts, personal communication, 1 April 2021).

However, after positive experiences of exclusively selling online during the COVID-19 pandemic, Peter and Christophe Bernaerts are now convinced that traditional auction houses like theirs—where experts research the objects offered for sale and promote them through various channels—are not actually threatened by Catawiki’s business model. Bernaerts Auctioneers has found a workaround using Auction Mobility, Invaluable, and Drouotonline, or what Rachel Pownall describes as “auction marketplaces” (Pownall 2017, p. 31). These are platforms that only host authorized online auctions from traditional auction houses, but allow for users to follow multiple auctions simultaneously. For instance, Invaluable and Drouotonline collect bids as well as absentee bids from potential buyers on behalf of the auction houses, passing them through their software. Bernaerts Auctioneers’ experience has long utilized these platforms alongside their physical auctions. Contrary to Catawiki, they allow traditional auction houses the provision of extra services, thereby maintaining their exclusive “gatekeeper” role and guaranteeing high-quality sales. In fact, the brothers Bernaerts note that their price segment has only increased since selling online.

This illustrates Boltanski’s and Esquerre’s theory of enrichment, where the creation of value begins before the auction starts. According to Boltanski and Esquerre, the prices that lots fetch depend largely on the expert narratives that are created about these particular objects, particularly regarding their authenticity and uniqueness. It is of great importance who creates these narratives, too. After all, these accounts are only considered legitimate if the credibility or reputation of the expert in question is accepted and trusted (Bonus and Ronte 1997; Beckert and Rossel 2013). Correspondingly, the creative efforts that Bernaerts made during the pandemic were mainly targeted at communicating its expertise to potential bidders and proving it as resilient in an exclusive online sales environment.

One of the new channels through which Bernaerts achieves this is its online publication *Prelude*, which is integrated into its website, and which has effectively come to substitute its classic printed auction catalog. Another channel is social media, including Instagram.

In this study, we reflected on two examples of mediating expert knowledge about lots that Bernaerts Auctioneers offered at its April 2021 auction—a double portrait by the painter Geldorp Gortzius and a work by the painter Renee Guiette (each sold for EUR 26,000 and EUR 32,000 respectively). Central to our analysis was Boltanski’s and Esquerre’s collection form of value creation (Boltanski and Esquerre 2020, p. 192). Accordingly, we paid specific attention to the mediation of expert narratives supporting the memorial power of the lots, including their authenticity and uniqueness. For example, the proximity to important persons or events in history, the recognition of the worth of an object by institutions (p. 126), the known origin of an object (p. 181), or the presence of signatures play a crucial role in this.

When considering our first example, the expert narrative in *Prelude* on Gortzius’ painting “Double portrait of Martin Hureau (1575–1630) and Margaretha de Groote (1590–1670), Cologne 1608”, we noted that Elise Boutsen, Bernaerts Auctioneers’ expert for old master paintings and her co-author Christophe Bernaerts, head of expertise at the auction house, paid attention to the fact that both portraits are “dated and monogrammed”. In addition, Boutsen and Bernaerts traced the provenance of the work from the collection of Hureau and de Groote himself to the Le Grelle-Moretus family, whose grandchildren now offer the paintings for sale. In fact, the portraits are part of a thematic sale in which the entire art collection of this prominent Antwerp family goes under the hammer. In the view of Boltanski and Esquerre, both the presence of signatures and the ability to guarantee the authenticity of a work of art by naming all the links between the moment of production and the present contribute to the creation of value for a work of art (Boltanski and Esquerre 2020).

Once Boutsen and Bernaerts established the authenticity of the works, the experts switched to writing a narrative about the creation of the two portraits and the story behind the marriage of the depicted. These narratives contributed to the memorial power of the works. For example, it is told how “the young Martin Hureau is traveling to Cologne with a troubled mind to meet his fiancée from whom he only knows that she is rich but ugly” (Bernaerts Auctioneers 2021). This storyline was then substantiated by the reference to a plaintive letter by Hureau that it “is still kept in the Antwerp city Archives”, a material proof. In a narrative tone, it was then stated,

The 33-year old groom was right about the wealth of his young bride. Margaretha de Groote was the daughter of Nicolaas de Groote (1549–1631), an important merchant in spices, textiles and luxury goods who established his business during the Antwerp Golden Age.

The fact that Margaretha de Groote was affiliated with an important merchant also contributes to the memorial power of the works. It is, after all, built on the physical proximity of objects to important events or persons in history (Boltanski and Esquerre 2020, p. 192).

Another point relates to the role of cultural institutions, as emphasized by Boltanski and Esquerre. According to them, institutions such as museums and universities are capable of conferring authority and legitimacy to the memorial power of an object, for instance, by including them in collections that cannot be sold (Boltanski and Esquerre 2020, p. 126). Accordingly, Bernaerts’ *Prelude* concluded its description of these portraits by stating,

The Rijksmuseum in Amsterdam owns two family series by his hand, including two very similar portraits of Lucretia del Prado and her husband Jeremias Boudinois from 1610 (inv. SK-A-916 and SK-A-917).

In fact, the value of objects in established public museums is often seen as generally accepted. The visible resemblance, supported by photographs, between the portraits

auctioned by Bernaerts and those hanging in the Rijksmuseum, contributes, in turn, to the creation of value for these works of art.

Bernaerts Auctioneers devoted a lot of space to the description and images of the two portraits by Gortzius on auction in *Prelude*. As stated earlier, Boltanski and Esquerre see the value of an object as the justification for its price. The detailed description can be seen as a way of justifying the estimation price (EUR 15,000–20,000). After all, the fact that two distinguished merchants from the seventeenth century are depicted here, and that one could substantiate this claim, added to the memorial power of the object. It rendered the portraits unique and, thus, more desirable to a potential buyer. By actively employing expert knowledge and disseminating narratives about origin and authenticity online, Bernaerts thus established the value of the lot and managed to fetch a price that substantially exceeded the initial indication of value.

Of course, similarly elaborate descriptions as those included in *Prelude* would also have been found in a traditional auction catalog. However, our participant observations indicated the resilience of expertise in an online setting. We witnessed how Bernaerts Auctioneers invest a lot of time and effort in incorporating intricate hyperlinks in *Prelude*. Through this particular form of online mediation, for instance, linking to the relevant pages on the website of the *Rijksmuseum*, the experts succeed in visualizing the similarities between works in a user-friendly manner. Other hyperlinks in *Prelude* lead visitors to the catalog of a previous Christie's sale and to the website of the Louvre, where similar objects (e.g., a chimneypiece after Pierre Phillippe Thormire) have been sold and exhibited. Ultimately, these links lend legitimacy to the expertise and allow associations to be made with major cultural institutions and other credible market actors, thus contributing to the value of the particular objects on sale.

Our second example is René Guiette's (1893–1976) painting "Composition with Maison Guiette, around 1928", in which Guiette depicted his house and studio designed by the famous architect Le Corbusier. To describe the painting, Bernaerts resorted to publishing in full a text by the art historical experts Siska Beele and Bob Daems, both working at the Royal Museum of Fine Arts in Antwerp and authorities in their fields. *Prelude* plays into establishing the memorial power as well as the uniqueness and authenticity of the painting featuring Beele and Daems, explaining,

René Guiette was captivated by the artistic innovations that were taking place at that time in Paris. As a supporter of the rigorous ideals of the art magazine *L'Esprit Nouveau*, he took an initiative that was considered revolutionary at the time: for the building of an atelier in Wilrijk, he called upon the modernist architect Le Corbusier (1883–1965).

Next to the experts' narrative about the special historical status of Guiette's house, Bernaerts also communicated about the recognition of LeCorbusier's architecture by heritage institutions. For instance, right before the auction of Guiette's painting, the restoration of the house, which is located in Populierenlaan in Antwerp, was subsidized with EUR 95,000 from the Flemish government. Bernaerts' swiftly exploited this news to generate attention for its auction of Guiette's painting in an Instagram post explaining how "Maison Guiette, the only preserved building by Le Corbusier on Belgian territory, lives up to the name of this modernist and cubist architect", and how it was for this reason that it won its place on the UNESCO World Heritage List in 2016. This listing and the recently granted subsidy are tantamount to recognizing the value of this house, according to Bernaerts. Its Instagram post emphasizes the structure's uniqueness as the only building by Le Corbusier in Belgium, aiming to establish the value of Guiette's painting too. Bernaerts Auctioneers also makes use of relevant hashtags under its social media posts, as in the case of Guiette's painting, when #unescoworldheritage was used. This, again, offers the possibility of affiliating the work or the auction house with certain institutions, as well as attracting Instagram users who might find alternative ways to Bernaerts Auctioneers' account.

Further to the attention generated via social media about Guiette's house, additional narratives published in *Prelude* about his painting, again, focused mainly on establish-

ing the artwork's memorial power, as well as its uniqueness and authenticity. Next to the traditional mentioning of the artist's signature and the painting's provenance, the historical significance to the painter and the proximity to the legendary architect of the depicted building contribute to this. In addition, the Flemish government's and UNESCO's recognition of "Maison Guiette" promotes this appreciation process, as they place similar emphases on historical relevance.

Ultimately, our examples show how Bernaerts Auctioneers considers expert knowledge essential to establishing the value of lots at online auctions. Through their use of various online formats, they seek to allow for a broader mediation of expertise compared to the classic auction catalog. In fact, for both of our examples, Bernaerts Auctioneers recorded videos in which a specialized expert explains the particular works of art. These videos, which are posted on the social media channels of Bernaerts Auctioneers and directly link to *Prelude*, constitute a virtual surrogate for a personal interaction with the trusted experts in question, who employ the format to highlight certain characteristic elements of the work and to show it from multiple angles. This is further enhanced by the inclusion of high-resolution photographs in *Prelude* so that potential buyers are able to thoroughly inspect an artwork from behind their screens. Last but not least, a chat function is permanently available in the bottom right corner of Bernaerts Auctioneers' website, representing approachability and imitating onsite personal conversation at the auction house.

In their creative online mediation of expertise during the COVID-19 pandemic, Bernaerts Auctioneers appears to have been quite successful. As in our examples, many of their lots have sold above the price indication. Moreover, it is striking that when the brothers Bernaerts compared their business figures for 2019 and 2020, there were noticeably fewer expenses in the year with COVID-19. They claim that this is partly due to fewer catalogs being printed and fewer casual staff needed for surveillance during the exhibition. Bernaerts also distinguishes between the traditional, well-attended exhibition weekends in the pre-COVID era and the exhibition weekends during 2020 (which, halfway into the pandemic, were allowed again under strict conditions and for a limited audience), concluding that the online format yielded real benefits. In fact, Peter and Christophe Bernaerts assert that by working by appointment only, they attracted more quality buyers to whom they could provide better service.

Looking back at our participant observation at Bernaerts Auctioneers, as well as considering the Bernaerts brothers' reflections on the performance of their auction house during the past year and during the COVID-19 pandemic, it is noteworthy that the number of online registered buyers during the crisis tripled compared to the previous year. In addition, the auction house sold 55–65% of their lots online in 2020. Peter and Christophe Bernaerts conclude that the COVID-19 pandemic has positively accelerated their digitization process. Previously, their attitude towards online auctions was characterized by reluctance, so as not to offend the regular (often elderly) clientele. Now, everyone had to jump on the online bandwagon if they still wanted to participate in the auctions. Because of the sanitary measures, there was simply no other choice.

In fact, when presented with the assumption that, due to what Georgina Adam describes as "testosterone-driven behavior", people would be more likely to bid in the auction room than online, Peter and Christophe Bernaerts state that, in their experience, this is not at all the case. In online auctions, they say, the game element of pushing the button and the associated thought of "am I going to make it or not" continues to play a prominent role. According to them, what used to happen in the auction room translates to the screen, and with online auctions, one equally runs the risk of being carried away "in the heat of the moment".

When asked how he experiences the lack of live social interaction in the auction room as an auctioneer, Peter Bernaerts admits that he of course sometimes has the experience of "crying in the wilderness" if there is no interest in a particular lot. Nevertheless, the same feeling overcomes him when there are people in the room, and he wonders aloud which of the two situations is the most annoying. He explains how his auction house tries to create

a dramatic effect during online auctions, to get the bidders' adrenaline going. This is done, for example, by using multiple cameras in the auction room, with the telephone panel also regularly coming into view when bids are being made there.

In fact, Bernaerts Auctioneers does everything it can to reach its clients and the public online. During our participant observation, we witnessed many discussions among the auction house staff—about what attitude the auctioneer should adopt and how he can best address the online bidders to involve them in the auction, as well as how best to mediate relevant expertise, and apparently with good success; by now, Peter Bernaerts believes that a physical presence in the auction hall does not necessarily play a role in the bidding behavior of his customers and he considers it to be rather overestimated. In the wake of the COVID-19 pandemic, Bernaerts Auctioneers seems to have found effective ways to negotiate the value of artworks at auction and to influence their prices—all online.

6. Conclusions

Auctions are institutionalized social practices of managing the ambiguity and uncertainty of value by creating meaning and consensus. The value of an object on auction is not absolute but dependent on the context in which it is set. Online art auctions are no exception. In fact, based on recent economic sociological and social anthropological scholarship, and in contrast to neoclassical economics, we argue that the authority and legitimacy *of*, as well as the trust *in* experts and their expertise influences negotiations of value in markets of singularities, including art auctions online.

In this article, we presented our specific analysis on how exactly Bernaerts Auctioneers in Antwerp mediates its expertise in the wake of the forced transition to “online-only” sales during the COVID-19 pandemic. Our analysis shows how one of the largest Belgian auction houses creatively communicates expert narratives of origin, authenticity, and uniqueness online to establish the value, and ultimately to affect the price of its commissioned artworks. Aiming to allow its clients to bid better online in Belgium—to put it in a variation on the auction house's popular marketing slogan “Better in Belgium”—Bernaerts Auctioneers pursues online surrogates for live personal interactions. This illustrates how the establishment of the value of objects at auction and, correspondingly, their hammer price, extends beyond market principles of supply and demand. Ultimately, our interpretation of Bernaerts Auctioneers' creative ways of dealing with the challenges and opportunities posed by the pandemic thus speaks to the resilience and lasting value of practices of expertise and expert knowledge.

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Article

Disruption, Digitalization and Connectivity: Asia's Art Market in Transformation

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Abstract: This study investigates the ongoing transformation in galleries, auctions, and museums in Hong Kong, Shanghai, Taipei, and Singapore, where new models for art transactions and exhibiting practices lead to unprecedented evolution in the global art market. While the pandemic hit the art market unprecedentedly, art organizations in Asia are seeing the light at the end of the tunnel as the digitalization of online auctions and virtual art-viewing technology has made up for the cancellation of art events. We are also seeing increased cross-regional and cross-national collaborations in marketing and exhibiting activities. Whether or not it is part of their active strategy, to keep up with the rapid market changes, galleries and auctions must now devote more resources to their digital platforms. Affluent art collectors in this region see art consumption not only as a socially conditioned, symbolic mechanism manifesting wealth and cultural capital but also as an attractive investment vehicle with an increased appetite for the financialization of artworks. What are the benefits and complications of the digitalization of online art transactions and art viewing? How do multi-sited auctions and exhibitions indicate the increased demand for collaboration between commercial art organizations and art institutions? Based on fieldwork and semi-structured interviews with actors in the art markets and secondary Chinese resources, this research generates insights into organizational behaviors in Asia's art scene and how the art market players actively adapt and persevere via taking on new, entrepreneurial models of operation and speeding up trans-regional and trans-national connectivity with their Western counterparts.

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Keywords: Asian art market; inter-connected Asia; art and technology; emerging art market; art exhibitions; sociology of art; hub cities; networks

1. Introduction

The 1990s–2020s saw a remarkable artistic transformation in Asia, particularly in the rapidly expanding art hubs of Hong Kong, Shanghai, Taipei, and Singapore¹. While the COVID-19 pandemic hit the global art market unprecedentedly, art organizations in Asia are seeing the light at the end of the tunnel as the digitalization of online auctions and virtual art-viewing technology make up for the cancellation of art events. We are also seeing increased cross-regional and cross-national collaborations in marketing and exhibiting activities.

Whether or not it is part of the active strategies of marketing and promotion, to keep up with the rapid market changes, galleries and auctions must now devote more resources to their digital platforms (Walmsley 2016). Affluent art collectors in this region see art consumption not only as a socially conditioned, symbolic mechanism manifesting wealth and cultural capital but also as an attractive investment vehicle with an increased appetite for the financialization of artworks.

How did the Asian art market players actively adapt and persevere via taking on new, entrepreneurial models of operation and speeding up trans-regional and trans-national connectivity with their Western counterparts, such as bold experimentation with new tariff-free zones and existing infrastructure of free ports? What are the benefits and complications of the digitalization of online art transactions and art viewing? How do multi-sited auctions

and exhibitions indicate the increased demand for collaboration between commercial art organizations and art institutions? This research studies the ongoing transformation in Asian galleries, auctions, and museums, where new models for art transactions and exhibiting practices lead to irreversible changes and refreshing dynamics in the global art market. Based on fieldwork and semi-structured interviews with actors in the art markets and secondary Chinese and English language resources, this study generates insights into organizational behaviors in Asia's art scene in the framework of building and re-configuring an interconnected paradigm that is centered around concepts of inter-Asian and Asia-global connectivity.

2. Literature Review and Inter-Connected Asia as a Method

An emerging cluster of research tracks the patterns and dynamics of the development of Asia's art markets from embryonic to the more mature stage. Claire McAndrew's art market research report (McAndrew 2013) captures the Asian art trade as an essential category in the distribution of the global art market from 1990 onward. Fieldwork-based research of commercial galleries (Kharchenkova 2017), education of creative practices in art schools (Chumley 2016), art fairs and auctions (Molho 2021), amongst other cultural institutions in Asia's rising art scene, suggest the importance of individual agency, creative entrepreneurship (DeBevoise 2014), and cross-cultural appropriations and links with the more established Western models of operation in the cognitive processes of institutionalization.

Case studies focusing on the concept of hub cities adopt a comparative angle while examining the key characteristics of the organization and strategic models of Asia's major art market centers confronting accelerated "liquid modernity (Bauman 2000)", varied geographic and organizational contexts, and policy discourses. Art institutions and actors working in these institutions in the Asian context and their interconnectedness with the global art distribution chain are relatively under-explored, mainly due to their relatively short history and limited access to documentation of primary and secondary resources in this geographical location.

Adopting a comparative lens to study the Asian markets has proved helpful, for it allows us to examine patterns of organizational models and policies in a more nuanced manner. Svetlana Kharchenkova (2019) uses cross-border *mimetic isomorphism* to investigate the institutional differences, similarities, imitations, and appropriations of the institutional practices in China's contemporary art market benchmarked against those in the West while taking into consideration the indigenous context. As Jeremie Molho (2021) elaborates, comparing the Hong Kong and Singapore art markets shows contrasting approaches to positioning Asian cosmopolitan cities as art hubs (market-driven vs. state-led) from the perspectives of organizational configuration and infrastructure building.

Literature in social science illuminates the impact of social networks on individual and socio-organizational evolution and success (Burt 2009). Departing from *symbolic interactionism*, Becker (1982) emphasizes the importance of interacting actors in shaping and adjusting social structures and conventions rather than the structure itself. Bourdieu's theory of the field of cultural production (Bourdieu 1993) and Becker's postulation of the art world complement one another in the dealings of social networks in the sense that the former emphasizes the objectivity of the positional interconnections implicitly embedded and structured in the artistic field, whilst the later more subjectively focuses on the visible social relationships and networks. Becker's concept of collective art production has fostered discussions in the art market about the joint construction of social value through the socially mediated network structures of individual actors, including artists, art critics, dealers, auctioneers, curators, and consumers (Morgner 2014; Chong and Alexander 2008; Velthuis 2003).

When invoked to signify globalization and the impact of COVID-19 on the Asian art market, "interconnected Asia" calls forth multi-level paradigms meant to expand beyond Euro-American-centered perspectives and the intellectual traditions associated with them:

Instead of focusing on the interior of a single region-, country- or city-based, “interconnected Asia” conceptualizes and situates Asia in global terms with local expressions, formed through ever-shifting, dynamic and fluid networks, cultural connections, processes, and experiences. Instead of focusing on the fixed essence defined by temporality and spatiality, taking on the inter-connectivity-centered approach helps shape a productive understanding of Asia as a transforming process re-activated and re-invigorated by critical connectivities and flexibilities of people, objects, and shared human experiences (Tagliacozzo et al. 2019; Leung 2019; Xiang and Toyota 2013). This may help us realize the many still-unexplored possibilities beyond the disciplinary frameworks and capture nuanced organizational patterns and strategies in the new context, especially as technology-empowered tools enabled and facilitated accelerated trans-regional and trans-national connections, flows, and movement of commodities, individuals, organizations, and communities (Manzenreiter 2014; Ching 2008).

Situating interconnected Asia in the context of the visual arts scene (Antoinette and Turner 2014; Clark 2010) sheds light on how profit and non-profit art intermediaries, artists, collectors, curators, and the general public have collectively contributed to the formation of transcultural, trans-regional, and transnational networks, inter-Asian reach and mobilities through multi-sited collaborations and sharing of online and office spaces for art viewing and sales, as well as increased flexibilities realized and reconfigured through contemporary art curatorship and exhibitions (Sambrani 2011), creative virtual viewing, and sales technologies (Figure 1). The shared experiences and sensibilities of online and office exhibitions and dealership practices were crucial for the formation of the interwoven inter-personal networks and are therefore meaningful for studying Asia’s visual arts scene and cultural landscape, reconstituted in a new economy of the cultural field where creative cultural consumption is continuously re-configured and re-shaped through technology-empowered tools and access.



Figure 1. Christie’s Shanghai to London Evening Sale Series Realized USD 334 million (RMB 2 billion), 1 March 2022. Image Courtesy: Christie’s. The auction, entitled “20/21 Century Shanghai to London”, started out in Christie’s new office and gallery space at Bund One Shanghai, front-loaded with works by young artists that were nearly fresh from the studio, before turning over to the British capital, where a Surrealist art evening sale was held.

This study relies on mixed sources of data, including semi-structured interviews conducted in the author’s multi-sited fieldwork during 2016–2022, immersive participatory observation, archival materials collected at the Asia Art Archive and the Hong Kong Collection, the Library of the University of Hong Kong, and secondary data. In 2016, the author worked in the marketing department at the fair Art Central Hong Kong (“ACHK”) and conducted eleven-month immersive fieldwork at multiple fair sites, gallery openings, studio visits, and auctions. This led to an accumulation of contacts via the snowballing method (initial contacts leading to others with more institutional knowledge or relevance), including some of the key art world insiders of Greater China.

The pool of key interlocutors consists primarily of art fair organizers (n = 8), art dealers (n = 9), collectors (n = 5), curators and art specialists (n = 7), and artists (n = 8). In addition, numerous visits to artists' studios, art fairs, gallery events, and conferences in Beijing, Shenzhen, and Shanghai further complement the fieldwork. Archive materials, such as exhibition and auction catalogs, art journals and periodicals, press release articles, recorded interviews with artists, dealers, art fairs, auctions, and gallery managers, provide diversified sources of information complementing the field-based research and form an essential part of the mapping of the institutions and networks of actors as well as contextualizing the different perspectives of the art market development.

Multi-disciplinary in nature, this study is also informed by the contextual history of modern and contemporary Asian art and the evolution and configuration of its art world. The art-historical literature on the history of private art patronage, especially those on pre-modern and modern China's art market, provides coherent and inter-connected narratives on the emergence of the modern marketplace of art commodities that interface with the discourse of modernization of the country and its art and continue to inform the historical and cultural contextualization of this geography's art market in present days (Cahill 1994; Chan 2017; Silbergeld 1981; Wue 2015; Zhu 2005).

3. Contextualizing Asian's Art Market

In historical China's urban hubs, the imperial court and the private art marketplace were not divorced in the context of collecting, commissioning, appreciating, and exchanging artworks, and especially evaluating their commercial worth and aesthetic quality (Wang 2010). Buying and selling antique paintings, works of calligraphy, and precious decorative arts in varied forms, art dealers busied themselves weaving a complex network of the art trade. Demand for these commodities came from the ruling emperors and princes, the elite collectors with highly educated backgrounds, foreign diplomats, missionaries, business associates, and humble traders and *nouveau riche* that played an increasingly prominent role in this market (Clunas 2017).

We must not neglect the important social and cultural norms that have been deeply rooted in the culture of art collecting and patronage when studying high culture consumption in Asia, especially in the Sinophone world (Latham 2002), while acknowledging its rapid growth and at times a shared tendency to appropriate and imitate the *habitus* of Euro-American peers. The main body of literati artists in pre-modern (Clunas 2003) and modern China, mostly well-educated officials, created paintings and calligraphy and commissioned fine curios for leisure and social reciprocity (Bai 1999; Ko 2016), as buying and selling art for money was considered a less revered practice with a certain amount of social stigma than creating art for pastime. It was until the late 19th century that with the burgeoning merchant culture in the Yangtze River delta area, especially in Shanghai and Yangzhou, an active private art market meeting the demand of the merchant class rose and supported professional artists that produced art for a living and consequently the early galleries and dealer shops (Wue 2015) (Figure 2). Awareness and understanding of the cultural and historical context complement our perception of the contemporary attitudes and sensitivities towards pricing and marketing strategies and individual and organizational behaviors in this geography in a more nuanced manner.

Situating the dynamics of modern and contemporary art development into the political field of power in twentieth-century China, studies address the intersection between the political, social, and moral concerns of the state and intensified commodification of visual trends as represented by actors in the private sector of the art market (Andrews 1994; Kraus 1991). In *Viewing Paintings*, Chinese painter Chen Shizeng (1876–1923) depicts mixed crowds of Chinese and Westerners appreciating painting scrolls in an exhibition held in Republican Beijing to raise funds for charitable purposes in times of political and military turmoil in the early twentieth century (Nie 2004)².



Figure 2. Chen Shizeng (1876–1923), Viewing Paintings (*Du hua tu*), 1918. Ink and color on paper, 87.6 × 46.6. The Palace Museum.

With the changing socio-political atmosphere in Mainland China after 1949, the conventional practices of private art dealerships became largely obsolete. The market for art shrank as traditional art galleries withered. Chinese artists faced a tightening of control on artistic production: instead of creating art for private patrons, most now had to paint for the state. To quote China’s founding Chairman Mao Zedong’s famous talk at the Yan’an Forum on Literature and Art in 1943, art should be “in the service of the people”. In Hong Kong and Taiwan, however, the art and antiquities trade thrived with the flourishing merchant economy and the arrival of galleries and auction houses with an international mindset. It was the liberation of art from the China state monopoly in 1978 that brought the beginning of a nascent regime for Mainland China’s art market. President Xi Jinping urged for “innovative models for China’s cultural industry and consumption sector, providing the people with quality cultural products to ‘improve the culture, the happiness, and well-being of the people’ (Zhao 2021)”.

Hong Kong is one of the few places in world history that came into being on the frontier of an irresistible globalization process that is still actively continuing and evolving (Wang 2016). Under the neoliberal market forces, Hong Kong has established a leading position as an important international financial center and trading hub, on a par with New York, London, and Shanghai. Since the 1990s, it has risen to become Asia’s major hub for increasingly globalized exchanges in the art trade. Accounting for 48% of Chinese auction sales, ahead of Beijing (37%) and Shanghai (8%), Hong Kong has long kept a historical role in terms of facilitating and promoting cultural and economic exchanges between the East and the West and enjoyed a simple and low tax system³ as well as geographical proximity to the increasingly affluent Mainland China. Hong Kong’s experience in coping with the increasingly important transcultural art world encounters in its unique cultural landscape—both before and after the British colonization—has positioned it as a microcosm of international society. The Western art market takes it as a model for China and Asia’s art hub and has paid great attention to its internationalization in the art marketplace. The influx and soaring of galleries, art fairs, and auction houses set up good case studies of how Hong Kong’s growing international art networks have increased both the volume and speed in promoting and facilitating the commodification of art (Molho 2021).

The core strength of the Asian art hubs relies on two facts, taking Hong Kong for example:

First, the easy tax policy is clearly advantageous for making it a competitive art hub: there is no goods and services tax, import or export tariffs, and there are no local sales, consumption, or value-added taxes for art. For commercial galleries operating in Hong Kong, corporate taxes can be as low as 6% of the revenue. In comparison with Hong Kong, Mainland China has a very high tax system on art, especially art produced outside China, with the tax of importation at 20–34% and value-added tax at around 17% of the transaction price⁴.

Second, the technological, operational, and logistical know-hows jointly contribute to the first-rate efficiency and capacity of hosting international art sales and exhibition events. Post-colonial Hong Kong has a higher degree of freedom of speech and a more democratic and open political environment than Mainland China, rendering it compatible with the established conventions and expectations in the international art market.

4. Cannot Walk Back: Post-Pandemic Changes Are Irreversible

According to the 2021 annual global art market report (McAndrew 2021), global sales of art and antiques (USD 50.1 billion) were down 22% in 2020 from 2019. Asian dealers reported an 11% decline in sales, and dealers in Greater China at 12%. They experienced a more severe impact in the first half of 2020 as this geography was among the first to experience the negative impact brought by the immediate lockdowns. With a market share of 36%, Greater China replaced the US (29%) to become the largest market in the auction sales segment. With slower economic growth, China plans a strong fiscal policy and tax and fee cuts (estimated USD 173.68 billion) in 2022 to prop up the economic growth (Reuters 2022, February). During the National Two Sessions (*lianghui*) in 2021, China's leadership issued plans to (1) issue legal documents related to the public listing of artworks; (2) further infrastructure building of art trade and exchange centres (*yishupin jiaoyi zhongxin*) with an estimated goal of 1000 centers nationally in 2025; (3) strengthen professional education and training of licenses art intermediaries.⁵

The pandemic and the accompanying restrictive administrative measures taken by governments have exerted an unprecedented impact on the Asian art market: stagnated growth in overall art sales, gallery employment, and organization of touring art fairs and exhibitions, cancellations of fairs, and delays in commissioning (Reuters 2021, March). Facing the pandemic-related disruption and uncertainty, some galleries and auctions closed or shrank exhibition space and pivoted to adopting a mixed online and offline strategy for marketing and sales.

Cautious about long-distance travel and concerns about inflation, Asian collectors, especially those in Mainland China, Hong Kong, Taiwan, and Singapore, shared a focus on local-oriented purchasing, increased acceptance of online sales channels, and stronger motivations to invest to hedge inflation and diversify the portfolio. The increasing openness and acceptance of online art viewing and sales observed in these locations aligned with global performance: in 2020, global online art sales doubled to a record high of USD 12.4 billion, accounting for 25% of the market's overall value, up from 9% in 2019. Including art fair Online Viewing Rooms ("OVRs"), the share of dealers' revenues from online art sales tripled from 13% to 39% (McAndrew 2021). As dealers, fair organizers, and museums increasingly adopt digital engagement with audiences that facilitates online participation through social media platforms, anyone curious about a faraway exhibition can virtually attend the event by simply hitting the web address or social media account for JPGs and live updates.

The digital transformation in the art world has had important and lasting effects on cost structure, pricing, content, and distribution of cultural goods and services. Prior to the pandemic, art dealers reported financial burdens in rent costs and expenses for participating in the art fairs (Leung 2019) (Figure 3). While the pandemic hit the art market unprecedentedly, whether or not it was part of their active strategy, galleries and

auctions devoted more resources to their digital platforms to keep up with the changing market sentiments, especially in developing the digitalization of online platforms and virtual art-viewing technology with the hope of making up for the cancellation of art events (Feinstein 2020). In other words, dealers replaced the cost of venue rent and fair participation with one taking on an online- and community-oriented model, increasing budget allocation for developing OVRs, digital transactions, and social media marketing. Although virtual reality (VR), augmented reality (AR), and mixed reality (MR) supported exhibitions cannot completely replace the conventional experience of viewing, now, with social distancing, the mimicking of the real-world gallery setting, embedded video content, live-chat conversations, and customized interactions with artists enabled in OVR platform and stream services, they have proved effective in reaching existing and new audiences and collectors.



Figure 3. Visitors at the Art Basel Hong Kong 2021, May 2021. Image Courtesy of Art Basel.

According to the Fine Art and Antiquities Auction Indices issued by the China State Price China State Price Bureau (2021), the breakdown of sales of art and antiquities in Mainland China, Hong Kong, Macau, and Taiwan in 2021 suggested Chinese paintings and calligraphy at 42.1%, antiquities (porcelain, jade, and other curios) at 29.9%, oil paintings and Chinese contemporary art at 12.4%, collectible curios at 5.9%, and fine jewelry and accessories at 9.6%. The data inform us that while the traditional sector of paintings, calligraphy, and antiquities remained stable and resilient after the pandemic (Art & Market 2019), there was an increased appetite for consuming the less conservative contemporary art and non-Chinese art. Experienced collectors were buying conservatively after the pandemic, with nearly half (46%) focusing only on galleries they had patronized before.

For dealers and specialists of masterpieces by established artists and collections and/or blue-chip artworks that had already established trust and reputation with clients, the impact of the pandemic was mainly reflected in the changing channels of communication with increased reliance on OVRs, e-catalogues, and social media communication tools like Wechat, Zoom, Whatsapp, and Instagram. Some reported a higher frequency of communication. As a signifier that stimulates trust, evidence that backs up the authenticity and quality of artworks is positively correlated with sales success rate, price levels, and returns in art auctions and sales (Li et al. 2021). The new viewing options, marketing strategies, and communication tools were able to deliver and highlight such evidence when long-distance traveling and on-site viewing options were reduced and limited.

In March 2021, *Warrior* by Jean-Michel Basquiat became the most expensive Euro-American artwork (USD 41 million) ever sold in Asia. In March 2022, Christie's five-hour marathon evening auction—which for the first time bridged an auction with 20 works in Shanghai to another 68 in London and 22 in the Surrealist offering—achieved sales of USD 334 million and was seen as the auction house's move to further advance into the Asian market, with nearly 30% bidders from Asia and 28% *Generation-Y*.

The increased appetite for less conservative international modern and contemporary art (Artprice 2018) was closely tied to market demand from new collector demographics that were keen on exploring diversified choices and willing to trade off the stability in price ranges for expectations of future return and social glamour, in which the latter is correlated with a community-based value-creation mechanism that provides an alternative proxy to value, setting itself apart from dealers' and specialists' estimates and historical price performances in the secondary market. The high-net-worth *Millennials Collectors* or *Generation-Y* (born between 1981–1996) made a significant contribution to this sector with their openness towards online transactions, virtual viewing experiences, and community-based purchasing habits, as well as demand for increased transparency in price and historical transaction records. Asian collectors accounted for 30% of all of Sotheby's sales in 2020, with nearly 40% being new to the auction house (McAndrew 2021). Often with overseas education and living experiences, these collectors had access to the latest trends in the international art world and self-invented initiatives to educate and familiarize themselves with resources of art history, collections, and museum studies. Besides, relatively unscathed by the economic grips of the pandemic, they were entrepreneurial about tailoring collecting strategies, forming personal tastes, and developing consumption *habitus* aligned with their social media community, especially as we identified the profound impact of celebrities promoting and curating contemporary art (Villa 2021).

Art market performance and returns on investment in art are sensitive to economic and financial recession and stagnation (Géraldine et al. 2021). As a glamorous, high culture form of investment that makes it stand out from fixed-income options, art investment may not outperform equity (Mei and Moses 2002), but it has emerged as an attractive option for diversifying assets and investment portfolios, enriching cultural capital, and performing social distinction (Bourdieu 1979), which has met the demand and expectations of the new crop of middle-to-upper class (Osburg 2013) (Figure 4).



Figure 4. Poster of online art auction. When Tradition Meets Contemporary Art (contemporary ink art, famous prints, sculpture, and Japanese paintings). December 2021. Courtesy: YIT Art and Fine Art Asia. The online auction event, held by the Shanghai-based YIT Art and Hong Kong-based Fine Art Asia features sales of contemporary ink art, famous prints, sculpture, and Japanese paintings.

In this instance, “platformization”, which reduces the importance of intermediaries, has rendered online art sales platforms appealing venues for consumers to access artworks, artists, and prices in a more straightforward manner. Underpinning the trend of merging online and offline marketing and sales is an unmistakably economic-and-technological-determinist ideology, which, in turn, serves greater scale and larger projects of producing new relations and business opportunities that transcend conventional boundaries and

restrictions. Before Cecilia Xiunan's current role, responsible for leading the online art platform YIT Art, based in Shanghai (the art business is part of the rapidly expanding Chinese media and e-commerce company Yitiao Group), she was a specialist in fine Chinese art at an international auction house in Hong Kong. While acknowledging the promising growth potential of the Chinese art market and increased trans-regional and trans-national interconnectivity and collaborations between involved actors, she also suggested (interview conducted in February 2022):

"The goal is to strengthen the networks (*guanxi*) and create as much fluidity and collaboration as possible so. We would like the platform to be able to identify and find the right set of artworks and promote artists that would be compatible with consumers and are interested in working with us. [Another goal of the digitalization transformation is to] save as much cost of labor as much as possible via experimenting and introducing new online marketing channels and transaction models".

What can also be observed in the post-pandemic art market is a shard sense of ambivalence consisting, on the one hand of the pursuit of speed and glamour with less regard to boundaries between nations, cultures, and pre-established socio-cultural norms and restrictions, and, on the other hand, of a contradictory sentiment which continues to question the sustainability of a demand-driven market. Under the increasingly 'invasive' pressure and irreversible trend of adopting technology in art viewing, marketing, and sales practices, the boundaries between artists, collectors, art institutions, and the public have been utterly transformed, bringing about profound mutations that remap transformation and rediscovery of priorities and hierarchies in the art industry.

A sense of uncertainty in the high-end art consumption sector can be identified in the fieldwork observation:

First, China's existing COVID-19 pandemic policy—the zero-tolerance approach—led to isolation in affected communities. Second, as engineers and product managers busy themselves with constant trials and errors on the online art sales platforms, one should also factor in the need to take into consideration the cost of "intangible labor" for developing various channels and tools. Thirdly is the delay of art students entering the market. With an increasing number of college graduates delaying their entry into the job market, we should be aware of the potentially dire implications and ripple effects if the trend persists or intensifies.

In addition, with the rise of new public and private art organizations, there seems to exist a shortfall of talents in museum and art market practices. Universities in Hong Kong and Shanghai launched new academic programs in the museum and curatorial studies, cultural management, and art history to meet the increased demand for talents (Lingnan University 2021; The University of Hong Kong 2020).

Fourth, policies remain uncertain and ambiguous when it comes to regulating digital art assets, especially in the NFT market, leading to space for speculative investment and hyped market sentiment. Implicitly buttressed by a ritual economy of digitalization of art production and transaction models favoring disintermediation, the NFT phenomenon is increasingly an economic and technological determinist ideology. The current policy does not support NFT trading in Mainland China, though many have expressed avid enthusiasm to participate via the multiple platforms available online.

5. Towards an Inter-Connected Asia and Its Integration into the Global Art Market

With the overall art ecology undergoing significant changes, Hong Kong and Shanghai are among the fastest-growing Asian art megacities, both eager to connect to the global art discourse and use the commercial and non-commercial art scenes as useful instruments in urban regeneration, city-branding, and cultural tourism.

Sotheby's opened the first representative office in Hong Kong in 1973 and Christie's in 1986. The first art fair took place in the former British colony in 1992. The auction boom started in the early-to-mid-2000s, and the art fair boom started in the late 2000s with the

arrival of Art Basel. After New York, Hong Kong became the second-largest auction market for modern art in 2020, overtaking London.

A prominent feature of the Hong Kong art market scene is the *laissez-faire* economy, where the government takes on minimal intervention in the private sector and yields to a market-actor-driven model for the structuration and formulation of its art infrastructure. The government has set aside HKD 20 billion (USD 2.6 billion) for arts and culture expenditure in 2019, compared with HKD 840 million (USD 108 million) in 2017. In the meantime, the West Kowloon Cultural District project introduces two new museums to the city's art infrastructure, showcasing cultural policy makers' ambition to champion contemporary art and promote creative innovation in the visual arts scene: the M+, the museum of modern and contemporary visual arts, and the Hong Kong Palace Museum, a collaborative project between Hong Kong's West Kowloon Cultural District Authority and Mainland China's Beijing-based Palace Museum (*gugong*) (Chow 2021). One of the many intriguing aspects of the development of the M+ project has been under debate and critical discussion about how hegemonic Western-influenced exhibition models and curatorial strategies have pre-conditioned the growth of the city's cultural institutions, problematizing expectations for the museum's cultural languages and operational models to engage with distinctively unique local characteristics (Ho 2014).

The Hong Kong art market, despite its many advantages, is faced with two potential stringent issues:

First, it has to do with increased competition from other Asian art hubs such as Shanghai, with a three-folded population of 24 million and the potential for the government to introduce increasingly beneficial tax policies and cut administrative costs associated with importing and exporting artworks, especially in the designated freeport areas with "bonded" customs status, storage facilities, and logistics support and services for artworks to invigorate the art business (China State Taxation Administration 2019). China recently adjusted the value-added tax rate for imported goods, leading to a reduced VAT tax for imported artworks of 13% and further discount policies for VAT for corporate consumption. Since 2019, the tax rate for purchasing an imported oil painting has been reduced from 20% to 14%. The Shanghai Pudong district's fine art storage bonded warehouse waives the VAT on works of art, saving more costs for collectors and dealers.

Besides Shanghai, the South Korean capital city Seoul, with an active track history of operating local galleries with an international reputation, such as Gallery Hyundai (since 1970), Kukje Gallery (since 1982), and Arario Gallery (since 1989) and an influx of international galleries and art fairs, including KIAF (since 2002), Perrotin (since 2016), Pace Gallery (since 2021), Lehmann Maupin (since 2022), and the Frieze Art Fair (September 2022), has become itself a major destination for international art dealers and collectors to access Asia's art market (Artnet 2021). With less political risk faced in its peer cities in Mainland China and Hong Kong and the expedited growth of young collector demographics, the strength of Seoul relies on the fact that South Korea does not have import taxes on art or sales tax for artworks below USD 50,000 (KRW 60 million) (The Art Newspaper 2021).

Second, with the influx of mega international galleries and emerging regional galleries in Hong Kong over the past three decades, the galleries are faced with potential saturation, especially since the most important sales tend to take place during the Basel Hong Kong art fair week and the spring and fall auction seasons, and the rental cost for gallery space is expensive (Kanis 2019; Artnet 2018). Factors such as China's anti-corruption campaign, the pro-democracy protests in Hong Kong, the Sino-US tensions, and the COVID-19 pandemic have generated anxiety in the art scene in this geography. Although the major international auction houses and the Art Basel Hong Kong fair have reported resilient performances despite these impediments, many regional art market players are reeling from the impact of the pandemic lockdown and social distancing.

Shanghai's state-owned Shanghai West Bund Development Group holds a key position in Shanghai's contemporary art ecology (Shanghai National Foreign Cultural Trade Base 2017). In 2014, the Shanghai West Bund Development Group and the Swiss art logistics

provider company EuroAsia Investment Group jointly developed a fine art bonded storage and service platform, which is part of the West Bund Fine Art storage project, providing custom bonded and other storage services for over 200 art pieces from international organizations, including the Long Museum, Yuz Museum, West Bund Art and Design, Design Shanghai, Pompidou Centre Shanghai, and Sotheby's. In 2017, the Shanghai government launched plans to "accelerate the innovative development of cultural and creative industries", and set out a clear ambition to support the art trade with favorable policies in the pilot free port district, such as partial exemption from customs deposits and import duty and customs clearance facilitation for imported artworks for world-class art fairs (ArtsAsiaPacific 2012).

Before COVID-19, in 2018, the Shanghai-based West Bund Art Fair and Art 021 fair attracted 70,000 visitors, in a tie with Art Basel Hong Kong at 80,000 and Art Basel Miami at 83,000 (Yicai 2020). In November 2021, the ART021 Shanghai Contemporary Art Fair opened at the Shanghai Exhibition Centre with 134 participating galleries, and visitors entered the fair with negative test results as a prerequisite. As of October 2021, Shanghai had 96 museums, including 25 state-owned and 71 private, and hosted 2000 exhibitions on average each year (Figure 5).



Figure 5. Visitors at the China International Import Expo, Shanghai, November 2021.

In 2020, the third edition of China International Import Expo introduced an art and cultural relics section in the services trade exhibition area. This section granted each exhibiting organization a zero tariff on five pieces, with the hope of attracting overseas exhibitors and a flow-back of fine artworks and cultural relics (Chinese News Services 2021). A total of 9 international exhibitors, including Christie's and Sotheby's, reported sales of 41 items totaling USD 120 million (RMB 760 million) at the exposition's fourth edition in 2021. The Japanese artist Yayoi Kusama's iconic Pumpkin was the first tariff-free item on exhibit. According to Shanghai customs, it took 24 h for the customs process to be completed, from the shipment's exiting the Waigaoqiao Free Trade Zone to its arrival at the exposition site (Figure 6).

Lorenz Helbling, founder of ShangArt Gallery, one of the first and most important commercial galleries in Shanghai, comments on the comparison between Shanghai and Hong Kong's commercial art scene: "Each side [of Hong Kong and Shanghai] has its pros and cons. Hong Kong may be easier for business and more streamlined with the international world, but Shanghai is a city of 30 million people with a surrounding population of 300 million in a country of a billion". New online marketplaces for galleries, auction houses, and fairs have been launched in China's art megacities. Art institutions have seen increased trans-regional collaborative partnerships as joint efforts to broaden access to clients and audiences.



Figure 6. The customs transaction was managed and completed within 24 h for Yayoi Kusama’s Pumpkin to arrive at the fourth China International Import Expo, Shanghai. Image courtesy: Shanghai Customs.

For galleries with operating franchises internationally, this can be easily achieved by touring exhibitions in multiple locations (Figure 7). Such collaborations also strengthened the reproduction of international prestige as a vital currency in today’s art world (Harris 2013). In 2018, the New York and Hong Kong-based Sundaram Tagore Gallery collaborated with the Beijing-based Ink Studio on a collaborative project where the latter exhibited one of the represented artists at Sundaram Tagore’s gallery on Madison Avenue, giving the gallery access to a completely new audience outside China. In 2021, Para Site, one of the oldest and most active independent art institutions in Hong Kong, collaborated with the Rockbund Art Museum in Shanghai to co-present programs, hoping to bring the art communities in the two cities together and evolve into new synergies.

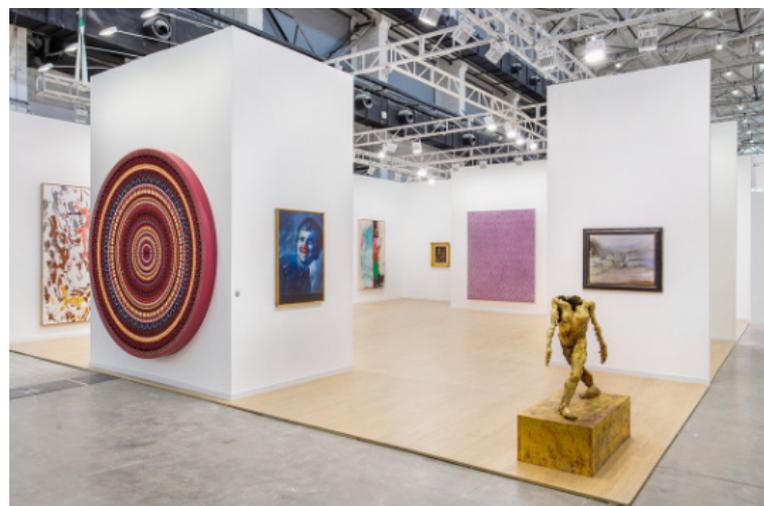


Figure 7. Gagolian’s booth at ART021 Shanghai 2021. Image Courtesy: Gagolian and JJYPhoto.

The Hong Kong art dealer Pearl Lam (Artnet 2017), whose gallery business is operated in Hong Kong, Singapore, and Shanghai, sensibly lamented the lack of a local-focused model for successfully promoting Asian artists to the international art market: “Every artist wants to have institutional success and international recognition, but in order to get that they have to cater to the ‘Western approach’” (Figure 8).

Pearl Lam and several other Asian galleries—Kwai Fung Hin, Alisan Fine Arts, and Galerie du Monde—adopted a “fusion strategy” where they promoted Asian artists with considerable training or living experience in the West or whose styles were interspersed with notable Western artists to the vastly uninitiated, demonstrating a shared desire to foreground Asian art in a unique Asia-focused locale in a transcultural context.



Figure 8. People travel on a tram covered in an ad for the Botticelli and His Times exhibition at the Hong Kong Museum of Art, December 2020, image courtesy of Xiaomei Chen. As part of the Hong Kong Jockey Club Series, the Hong Kong Museum of Art collaborated with the Uffizi Galleries in Florence to bring and exhibit a total of 42 Renaissance-era masterpieces. Botticelli’s work is prominently shown with other Renaissance painters, such as Filippo Lippi and Piero del Pollaiuolo.

Multi-sited, mixed online and offline curatorial projects and international art exchange programs have populated international and Asian regions. In 2021, the Museum of Art Pudong opened an inaugural collaborative exhibition showcasing the collections of artworks sent over from the London-based Tate Gallery, including those by Claude Monet, John Martin, and Anish Kapoor. This exhibition was part of the partnership between the museum’s developer, Shanghai Lujiazui Group, and the Tate Gallery in the UK. University-based exhibitions and research-oriented curatorial programs featuring multi-sited exhibitions and art and technology received funding and institutional support. The Hong Kong and Beijing-based curator Janet Fong and her international team launched “CITYA”, a multi-city art exchange program and exhibition taking place concurrently in six global cities: Beijing, Hong Kong, Macao, Rome, San Francisco, and Tallinn. Commenting on the impact of the pandemic on the nature of exhibitions, she suggested that post-pandemic changes were irreversible as the calling for collective inter-connectivity has become increasingly important. The fact that a rising number of Euro-American museums have been actively collecting, studying, and displaying artworks from Asia has also led to collaborative interpretations and shared curiosity about what constitutes Asian art, as well as engagement with cultural diversity (Jiao 2021) (Figure 9).

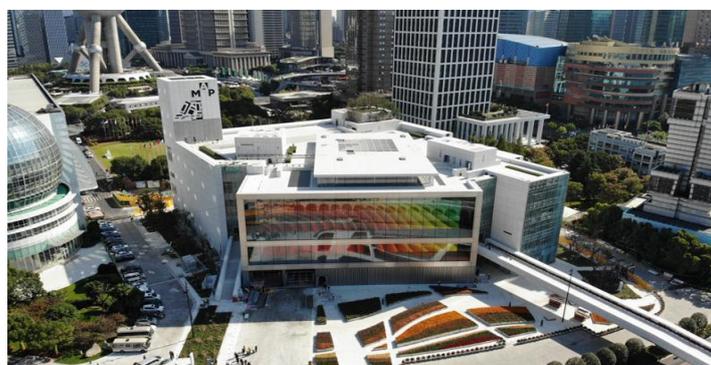


Figure 9. The Jean Nouvel-designed Museum of Art Pudong launched in 2021 with a partner exhibition from Britain’s Tate, image courtesy of Rider Levett Bucknall.

Competition presents equal opportunities to collaborate (Hong Kong Business 2019), maintain relationships with longstanding contacts, and share and exchange resources, especially when demand for stable blue-chip artworks remains high and there exists a shared interest to protect and ensure stable market growth for the represented artists. Trans-regional cooperative commercial exhibitions are case studies of collaborations between dealers and collectors, as well as between multi-sided art communities. Since 2017, the London and Hong Kong-based contemporary art gallery White Cube has collaborated with the Long Museum, China's leading private art museum founded by the billionaire collectors Liu Yiqian and Wang Wei to exhibit the works of Antony Gormley and Beatriz Milhazes at the museum space in Shanghai. The curatorial concepts, interpretations, and design of the exhibition were led by the gallery's staff based in London. At the execution level, the installation, marketing, logistics, and business development were shared between the gallery's operating franchise in Hong Kong and the partnering private museum in Shanghai.

6. Conclusions

The COVID-19 pandemic hit the art market unprecedentedly. Although the major international auction houses and Art Basel Hong Kong reported resilient performances despite the pandemic-related impediments, many regional art market players are reeling from the impact of the pandemic lockdown and social distancing. However, art organizations in Asia see the light at the end of the tunnel as the digitalization of online art sales and virtual art-viewing technology made up for the cancellation of art events and even, in certain situations, replaced conventional on-site exhibition and art sale events. To keep up with the rapid market changes, galleries and auctions devoted more resources to digital platforms, and we are seeing increased cross-regional and cross-national collaborations in marketing and exhibiting activities in the art industry.

New online marketplaces for galleries, auction houses, and fairs have been launched in China's art megacities. As engineers and product managers busy themselves with constant trials and errors on the online art sales platforms, one should also factor in the need to take into consideration the cost of "intangible labor" for developing various channels and tools. China's existing COVID-19 pandemic policy—the zero-tolerance approach—led to isolation in affected communities. In the midst of the pandemic-led recession, we also observe the delayed entry of art students into the job market, as well as a shortage of funding for art and cultural institutions. With an increasing number of graduates delaying entry into the job market, we should also be aware of the potentially dire implications and ripple effects if the trend persists or intensifies.

In addition, affluent Asian art collectors see art consumption not only as a socially conditioned, symbolic mechanism manifesting wealth and cultural capital but also as an attractive investment vehicle with an increased appetite for the financialization of artworks. Behind the NFT hype phenomenon, implicitly buttressed by a ritual economy of digitalization of art production and transaction models favoring disintermediation, is the economic and technological determinist ideology. There are still a lot of questions about how digital art assets are regulated, especially in the NFT market. This leaves room for speculative investment and hype in the market.

Situating interconnected Asia in the context of the visual arts scene sheds light on how professional art intermediaries, artists, collectors, curators, and the general public have collectively contributed to the formation of transcultural, trans-regional, and transnational networks, inter-Asian reach and mobilities through multi-sited collaborations and sharing of online and office spaces for art viewing and sales, as well as increased flexibilities realized through virtual viewing and sales technologies and joint efforts to broaden access to clients and audiences. Increased opportunities to form trans-regional and inter-Asian collaborations and partnerships are in parallel with intensified competition between the major Asian art capitals (The Art Newspaper 2021).

Asian art market studies share much with film, music, fashion, and other sectors of the creative culture industry in terms of inter-Asian mobilities and flows of people and capital. However, this research suggests features of the Asian art market under transformation that give distinctiveness to the evolving and changing shared experiences, conventions, and sensibilities of online and office exhibitions and dealership practices. The features and changes unveiled in this study implicate that discovering and understanding the development processes of inter-Asian connectivities in global terms makes a meaningful framework for investigating Asia's visual arts scene and cultural landscape. In so doing, it emphasizes the connective medium of the art market's organization and human players as an important bridge in forging connections for the region.

New patterns and complexities observed in the post-pandemic art market in Asia and its increasingly interconnected nature may provide implications for researchers and participants in the global art market. As the 59th edition of the Venice Biennale entitled "The Milk of Dreams" (Alemanni 2022) continued to explore the relationship between individuals and technologies and the ever-evolving technological reality we live in and encounter (Paul 1990), one may share similar concerns and curiosity when it comes to the art market. This research has left many interesting issues for future research, for instance: Have the art market actors become increasingly alienated from the experience of engaging with artworks? Or rather, has the enabling of technologies strengthened the accessibility and frequency of art viewing and collecting and the human networks involved in this new reality?

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Notes

- ¹ The TEFAF art market report includes Mainland China, Hong Kong, Taiwan, and Macao for China. Within the scope of this research, the discussion of China mainly refers to Mainland China and Hong Kong and incorporates and highlights the international and trans-regional mobility and travels of the individual actors in the art market in this geography. In addition to the hubs mentioned in this study, other Asian art hubs such as Tokyo, Seoul, New Delhi, and others are of no less importance and demand comprehensive investigation.
- ² For discussion on the modernization of art exhibitions in China see: (Andrews 2007). Exhibition to Exhibition: Painting Practice in the Early Twentieth Century as a Modern Response to 'Tradition'. In *Turmoil, Representation, and Trends: Modern Chinese Painting 1796–1949*, International Conference Papers. Gaoxiong, pp. 23–58. In addition, see (Claypool 2011). Ways of Seeing the Nation: Chinese Painting in the National Essence Journal (1905–1911) and Exhibition Culture. *positions: east asia cultures critique* 19.1, pp. 55–82.
- ³ There is no import and export tax, sales tax, and value-added tax for art trades and sales in Hong Kong. Licensing procedures are required for the import and export of some goods. They are mainly to fulfill obligations undertaken by Hong Kong to the trading partners or to meet public health, safety, or internal security needs.
- ⁴ The income tax rate for companies is 16.5%. Wealth tax is not applied to works of art owned by individuals or companies.
- ⁵ China's National Two Sessions (lianghui) mark the start of the next five-year plan and reveal important information about long-term economic plans.

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