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THESES

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The art industry in the new millennium

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Most of today’s non-professional consumers of art are unaware of the hidden, behind-the-scenes segment of the colourful and pleasurable world they admire, and whose values they treat as obvious truths. They are not concerned by the economic processes under the spectacular surface of what can be consumed as intellectual nourishment or a leisure activity (the self-sufficient entities of art and work of art, uncontextualized and unreflected on); by the conflicting interests of the actors of the art scene; or by the hidden intentions of politics, which has successfully turned art into its instrument (which are purposes openly acted upon in underdeveloped or autocratic societies).

In the middle of the last century there began a process whereby the modern art world, which was based on the dominance of institutions that maintained the traditionally personal and informal professional relations, while representing culture for the upper-middle-class elite – an art world that made the western perspective universal –, gradually transformed into an art industry, which works on the model of the other economic, social and political systems, each with its own stratification, position in the power hierarchy, and local differences.

The transformation that this study discusses, and which affected the very fundamentals of art trade, caught, at the turn of the 1950s and 1960s, unawares even such a professional artist as Lajos Kassák, who had accumulated decades of practice in the international literary and art scene, and had experience as a gallery owner. Kassák is cited at the beginning of the dissertation as an early, well-documented domestic “case” of an artist who encountered the phenomena characteristic of the art industry as a representative of the producers’ side. Though it was apparently only as a result of personal relations that the old master appeared in the western art world – which was in the process of transformation in the 1960s as it was reproduced and expanded into a market of ideas and commodities –, what happened to him and his works can be considered paradigmatic.

In the first decade of the new millennium, an unprecedented private investment was made into the Hungarian art of the recent past: with the clever deployment of all components of the local art industry – with the animation of institutions and persons –, the oeuvre of György Kovácsznai, who had died in 1983 at the age of 49, was turned into a “total installation” that converted, in the course of a few years, Kovácsznai’s output, which is intriguing and colourful in its own right, into a major presence in art history and the art market.

The study seeks to identify the components that distinguish the art world in which Kassák old-age career unfolded, and which only started to change during the paradigm shift that began in the 1960s, before acquiring industrial dimensions, from today’s complex system.
of production and consumption, which involves masses, and whose Hungarian variety provides the context for the Kovásznai project.

The dual structure

The late capitalist art industry comprises two, parallel structures, what I call the *pyramids of production and consumption*: the subject proper of the dissertation is the description of the former, the *pyramid of production*.

This hierarchy or chain runs from contemporary and classic artists with the greatest renown and/or market value; through public museums and commercial exhibition organizers; the biennales and fairs; the auction houses and commercial galleries; the producers of commodities that employ the visual topoi of elite art turned mass culture; down to the various forms of idea and publicity production. The dissertation discusses, at varying lengths, these productive entities, from the tip of the pyramid to its widening base.

Frequently appearing in the text, the terms *product* and *production* are used with an awareness of their current characteristics. I accept the argument that in our post-Fordian times the centre of gravity in capitalist production has shifted from material commodities to symbolic goods. In the case of works of art and other artistic products, I use the term *intellectual added value*, in acknowledgement of the verbal and symbolic value-making references that are made by the actors and institutions of the art world. This type of value is of substantial significance, because with art, we are talking about peculiar products that can transcend even such systemic assets as money.

It is necessary to distinguish the term *art industry*, which is used in the dissertation, from that of *global art industry*, which is a phenomenon of the global cultural industry. This latter is a different, relatively new paradigm. As a consequence, the word *globalization*, which is used in the text with some frequency, denotes globalized phenomena that also occur in the art industry. The two types coexist in the 21st century; the art industry discussed in the study is not isolated from the global art industry, which is why certain facets, which can be detected in the pyramid of producers – such as application in mass culture; products turned into brands – are discussed in the text.

Massiveness

Massiveness denotes the dynamic growth of the producers and consumers of art, the proliferation of products and buyers; the fact that the field now also has economic significance: “art (...) has been promoted in the course of twenty years from the margins of
society to its heart” (Pascal Gielen). With the growing economic weight of the art industry, art is now not only the scene of power and interest struggles with already very high stakes, an area where deception and corruption are possible, but also the medium of instrumentalization, of filling social and political roles, of reaching ideological goals under the disguise of art (which loses, in the act, all illusions of autonomy).

The forms of artistic products constructed for the masses – which are underpinned by populist and educative ideologies and related activities – put into practice the paradox of canonized values (artworks and ideas) that are (traditionally) created by high art turned into mass art for entertainment and leisure use. I call this application in mass culture, whose distinctive characteristic is that it is actually based on the undeniable worth of the values used; paradoxically, these values are made suitable for mass application by the very historical, aesthetic and critical theories and practices which have performed (keep performing) the task of canonization and value creation.

The levels of the pyramid of production

*The artist, the forger and the artwork as producer*

The mechanisms of the art industry shape not only the “raw” work of art, but the artists as well who enter the structure and work on various levels of it, making them to undertake to perform a given function optimally, or forcing them, directly or indirectly, to leave the system.

While the forger works in the grey zone, the product is a challenge, a provocation, which haunts the public and the professional discourse, and suggests that the aura of the original can be questionable. With its ambiguous representation of forgery as an anomaly (as a crime, and as a bravura challenge to the institutional framework of art and its representatives), the mass media designates, as it were, the limits of the validity of the general principles, demonstrates that they can be limited or suspended whenever the need arises.

The artwork that has “lost its creator” must also be considered as a producer, because the works of deceased artists (like the classics of art history) provide the art industry with “raw material” that is even more serviceable than the pieces living creators offer for use.

*The apex institutions of the non-profit sphere, and private museums*

In the environment of the art industry, the classic non-profit institutions began to manifest “corporate” organizational structures and mentalities—with the difference that they
reinvest their income in their professional activities. Though the prioritization of revenues takes (can take) place in the non-profit sector only with limitations, it is enough of a concern to generate conflicts of principles and ideologies, thanks to the changing structural and power relations within the institutions (business-minded manager-directors, commercial attitudes v. professional considerations).

At the same time, private institutions become more and more like museums. The main source of tension is the long-term maintenance or survival of institutionalized private and corporate collections. The resultant, ongoing conflicts, as well as collectors having the upper hand in their power struggle with museums, suggest a crisis in the latter institutions’ sense of identity.

*Biennales and art fairs*

The key factors of the biennale boom are prestige and resources (or uses thereof): such events are beneficial not only for city marketing and tourism, but also as regards raising cultural prestige, *shaping the developments of the art industry*, initially regionally, and then (if the expansion is successful) in the global dimension. Shaping trends and canons has economic consequences – the way city marketing influences tourism –; quantifiable benefits, if all goes well. At the same time, it is no longer possible to ignore the appropriation of space that marks the western scene – not only at the Venice Biennale –, which is based on power and symbolic community construction, and is backed by a conservative-nationalist ideology.

Art fairs are to be understood as parts of the pyramid of production not only because trade can transform works of art into commodities, but also on account of their current structure of organization and content; the fact that they adapt *more and more elements from the exhibition and biennale industry*. In addition to the selection of “paying” galleries, the fairs have started to feature thematic, curated exhibitions (though they cannot ignore the artists represented by the galleries), and there are now phenomena like “curated art fairs” and “art fair curators” (Paco Barragán), as well as professional events and urban interventions, which are already standard fare at biennales. Over and above being the mere venue for the trade of artworks, fairs also seek to be (self-)reflective occasions for the presentation of the intellectual value to be found in the works, as well as of the various practices of the institutions and individuals of the art scene.
The producers of ideas

From position-hogging stars to specialists doing background work; from the popular media to specialist publications aimed at a select readership, the producers and products of the art industry have undergone an explosion in quantity, which has created, especially since communication via the internet became dominant, an inflationary pressure. Though (or perhaps, because) the eminence of art as an intellectual pursuit is continuously “declared,” with the silent power of this evident truth creating a definitive context for the whole structure of art (the spheres of producers and consumers), the work of art (and then such other practices attached to it as its presentation, classification and trade) is surrounded by the commodities of idea production in countless ways and forms, for innumerable purposes. Selection is not arbitrary in the art world: these decisions, which are of cardinal importance, serve the production and choice of products and product lines in a quantity and quality that are optimal for the profitability of the capitalist enterprise. All decisions with a relevance for the whole of the system are simultaneously marked by the compelling-constraining power of the hierarchically layered network of the art industry – which, however, also lends them authority –, and the motivating force of opportunities that occasionally open for personal inventions and innovations.

The forming of strong opinions (a critical spirit, if you will), which has been a traditional part of the curator’s work, and is backed by the dominant canon-making narrative, and the will to make decisions and to select – all that today may look like authoritarian traits –, have resulted in role conflicts (autonomy v. the sponsors’ interests), as well as the division of curatorial power and responsibility.

Professionals in the same category will create intellectual products whose forms and types of communication are very similar and mutually compatible, from print and web publications that meet the criteria of academia, through the publishing of specialist and popular books, catalogues and journals, to personal blog entries. The regulatedness that follows from the expectations of different customers (academia, exhibition industry, art trade, media) does not only become part and parcel of how a given specialization functions and innovates, but also represents its power relations. The balance of economic and political powers ensures that the statements and value judgements of the intellectual product that has been commissioned by the market come into action in accordance with the interests of the customer.
On the critical position – The Stallabrass Paradox

Usually funded from public money or resources provided by sponsors and supporters, the goods of idea production are also connected to the circuit of the pyramid of production. Products active on the market, with massive audiences, can do without criticism, while their producers ignore it, or, in the worst case, under less well-developed democratic conditions, reject it.

After Julian Stallabrass, I introduce the Stallabrass Paradox to describe the phenomenon wherein the more attention criticism devotes to the real economic, social and political issues that lie under the surface of art—the more precisely it describes the working of the mechanisms that move the scene—the more it undermines the “distinguished” position of artistic products, and the more effectively it participates in dispelling the transcendental aura around art—takes part, in the end, in the corruption of the intellectual added value of the products on the art market.

Publicity-production

The massive production of publicity for art communicates the consumption of artistic products as being associated with events, experiences, attractions, and entertainment. The art industry produces a mass culture hybrid, which, for the sake of efficient marketing, combines two kinds of methods: it “sells” the artistic product, the “eternal value,” with the help of some ephemeral communication potential. Manipulation can be incomparably successful in this sector because it is vindicated by the idea of art (unreflecting public opinion related to art), which is of a consensually positive and general validity.

Case studies

I. Contemporary art fair in Madrid: ARCO

The changes in concept and structure that could be witnessed in Madrid between 2001–2012 are paradigmatic. In the case of ARCO, the “fair paradigm” has undergone three metamorphoses. 1. The period of the mass event that presented, in a consensual form, the emerging local scene’s ambitions for a central position in the South-European market, while seeking to reach a wide audience. 2. The period when especial attention was devoted to actors interested in reliable trade and an emphasis on professionalism, while the appeal to a broad audience continued to be a priority. 3. The period when both the organizers and the public
were discouraged by sceptical views on ARCO and the event type in general; as a way out, ARCO began to concentrate on the elite segment of the market and gave up on mass appeal.

**II. The exhibitions of a contemporary art festival – Styrian Autumn, Graz**

Similar periods can be found in the history of the Styrian Autumn Festival. 1. During the period of expansion, the ambition was to involve as large a circle of professional collaborators and supporters from society as possible. This was a period of openness and inclusivity, when the smallest “fellow travellers” had high prestige as they broadened the base of legitimacy. 2. The festival grew stronger, both financially, and in the way professional competences solidified into powers. The time of selection and conceptualization arrived: themes and slogans were coined to identify the actors that were willing to cooperate along principles and world views. This made identification more difficult, and selection simpler. 3. The brains of the organization kept concentrating their definitive power, and kept clashing with other authorities. The number of partners decreased, thanks in part to selection, and in part to the decision of those who stayed away, first with some reluctance. The concept kept growing stronger, the profile of the event was getting “cleaner.” The individual events and exhibitions could appear as the freely understood dialects of a language that was created for a few weeks.

**III. The central exhibition of the Venice Biennale – 2001–2013**

The last case study concentrates on the so-called central exhibitions of the Biennale, the concept each of which is created by the incumbent artistic director (chief curator). Problems discussed elsewhere in the dissertation – such as the non-profit v. for-profit aspect; global perspective v. national representation; mass appeal v. elite audiences; professional concerns v. visual attractiveness – do make appearances in this part, but the analyses of this section are mostly related to the *curator problem* described in the chapter “The producers of ideas.”