The Value Industry

Reflections on Art, Money and Celebrity

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extract from **Chapter 8: Gazing into the Abyss**

Top of the Flops

In July 2015, some very strange things happened throughout the summer sale season known as 'auction week'. It was a sure sign that times were changing: although the much-lauded art bubble was in no danger of bursting, the greed and lust of the market was certainly plateauing.

Things got off to a rocky start at Christie's when 30 lots sold at or below their low estimate and 13% of lots remained unsold. That sounds bad, but Christie's still netted £95,600,000 in a single night. Nonetheless, a jittery saleroom and lacklustre bidding, stilted by a distinct lack of passion, speaks volumes about the state of the market.

Among the works that failed to achieve their low estimate was Sigmar Polke's *Moonlit Landscape with Reeds* (1969), which realised £3,900,000 and Christopher Wool's *Mad Cow* (1997) at £600,000 below the low estimate of £4,000,000. There is an argument that these are not major works and that Christie's had overpriced them, but it could also have been something altogether more sinister – more endemic – in the nature of the market. It could have been that the market was flooded with such works, since every post-war and contemporary art auction features these same artists over and over again. Perhaps the market reached the point of saturation insofar as everyone who was desperately vying for a Polke had got one.

The truth about the secondary market is that it is the same artists every time, just different works. Sometimes the works are important pieces, which collectors will fight for, and sometimes they are mediocre collection pieces, such as that unsold Polke. The danger is that

if the hunger for these artists subsides too much and pieces sell under estimate or not at all, then overall prices could crash. Prices, after all, depend upon other prices, as well as some ineffable notion of market confidence, which seemed to be waning at that time.
The unsold lots also included four Richters, which is a curious turn of events, given that Richter is consistently one of the world's best-selling, most expensive and richest living artists. Richter is an auction house's bread and butter, so the failure of these four lots sent shivers down the secondary market's spine. Christie's Brett Gorvy wishfully attributed this unnatural turn of events to the fact that the works were 'too intellectual'. We will return to this palpably absurd claim presently.

The YBAs had a rocky night, with two Sarah Lucas works, estimated from £100,000 to £400,000, failing to sell at all. Lucas' Venice Biennale show received a tepid, if not sometimes cold, reception from critics, which may explain the failure of her work to budge. Jake and Dinos Chapman enjoyed a bittersweet triumph when their seminal *Great Deeds against the Dead* (1994), once owned by Saatchi and showed in 'Sensation', sold below low estimate for £422,500 to none other than their then dealer Jay Jopling. However, a dealer protecting prices – and therefore their business interests – is very different from a collector, an enthusiast shelling out close to half a million pounds because they genuinely desire to own a work of art. And here is a concerning turn of events: if an artist's dealer is the only person in the room who is willing to win the bidding – or, worse, if nobody at all is – then this has a detrimental effect on cultural value, since it suggests that the work is undesirable in and of itself if the very people who have the means – the collectors in the saleroom – do not have the desire.

Over at Sotheby's that same week it was a yoyo of triumph and cataclysm. Andy Warhol's first and only hand-painted dollar bill, made in 1962, sold well above its high estimate for £20,900,000. And then something truly mystifying happened. Bacon's *Study for a Pope 1* (1961) did not sell. It was bought for $10,000,000 in 1995 and is widely thought to be one of Bacon's crucial works from the pope series, but on this occasion, it fell flat like the dead weight of art itself under all that money, resolutely failing to attract even a single bid. Not one bid. No sale.

The market explained this turn of events in the only way it understands: reporting for *The New York Times*, Scott Reyburn said, 'For those involved in the art world, the series of

sales…raised questions about the bankability of some of the market's most heavily traded names'[1]. That is, the explanation for this shocking downturn in the market's otherwise dependable, predictable fortunes is due to a lack of confidence in, or perhaps even a crisis of faith in the value of certain artists, whom are normally considered sure bets, as commodities of exchange rather than aesthetic pleasure. Something, somewhere, was very wrong indeed. In a single week of auctions in London, international trends of the art market ground to a halt. Richters and Bacons went unsold and a litany of other works crawled across the block for considerably less than they should have or were expected to. It was a big deal. It was a big deal because artists who were auction favourites were suddenly out of favour, and, if it continued that way, the entire mechanism of the international art market would fall apart, for the whole edifice is built on the guarantees provided by Richters and Bacons. The consequences for economic value are clear, but those for cultural value less so: the worry is that the fact that certain culturally significant artists have fallen out of favour with collectors indicates that those artists are not so culturally significant after all. Fortunately, the opposite is the case.

But before we consider what follows from this turn of events, we should pause to reject the two explanations for it that have thus far been offered. Recall that Brett Gorvy said the unsold works were 'too intellectual' and Scott Reyburn claimed that collectors were starting to doubt the 'bankability' of certain artists. To respond to Gorvy first, we might observe that the commercial artworld is a universe in which there are Richters floating around as freely as oxygen: something that is mass-produced on a grand scale and appears in auction houses with clockwork frequency is unlikely to be overly intellectual, since products of intellectual labour are hard won through toil and not dashed off as quickly as the hammer hits the block. In any case, the abstract works, as we know, are more about aesthetic experience than they are about intellectual posturing, so Gorvy's claim falls flat on all accounts[2]. The only real explanation is that the works are too abundant and, for once, collectors decided to pass on a Richter knowing there would be plenty of other opportunities.

As for Reyburn's claim, we should first consider the worldview it indicates: the term 'bankability' clearly betrays the idea that collectors go to auctions to buy art as an investment

[1] Scott Reyburn, 'At Art Auctions, Missed Expectations for Some Big Names', *The New York Times,* 3 July 2015.
[2] See Chapter 7, For Richter or Poorer, for an account of the aesthetics of Richter's abstract paintings.

opportunity or as an alternative form of currency. Indeed, earlier in the same article Reyburn describes how Sotheby's London presented eight Warhol dollar sign works displayed in a witty mock bank vault, explaining how it was a literal expression of the notion that 'collecting valuable art has, for some, turned into an alternative form of banking'. It should be clear by now that Reyburn is generally wrong in this, since, as a matter of empirical fact, relatively few collectors treat art in this way. As we have seen, collectors are regarded the custodians of art history, gaining personal pleasure from a work while preserving it for posterity. Some, it will turn out, collect work as an alternative form of banking, but most, as a matter of fact, do not. Even if you are inclined to reject this claim about the reasons why collectors collect, there is an internal contradiction in Reyburn's claim: if buyers are interested in bankability, then they have no logical, sound reason not to buy a Bacon, which is guaranteed bankability every single time. That is, if they doubted, even for a minute, the bankability of Bacon, then they are fools and very poor judges. So, either bankability is not the issue at all because that is not what collectors are truly interested in, or bankability is the issue but is not a legitimate reason for not buying a Bacon, in which case we still need an explanation of why it did not sell.

The concept of value with which we have been working provides a much more plausible explanation for the no-sale of Richters and Bacons. If buyers were making decisions based upon economic value, the works in question would have sold, since they have a guaranteed resale or investment value. However, buyers were, on that occasion, making purchasing decisions on the basis of a species of cultural value: whilst they were not judging the cultural value of Richter or Bacon, as such, they were judging the value of these particular pieces to their collections. As such, buyers were making aesthetic decisions on how the works on offer would fit into the rubric of their collections. This is a judgement of cultural value in the sense that it judges the work as an aesthetic whole which fits, or not, into an overall picture where its significance to culture is evidenced in relation to other works. It was not, on this occasion at least, just about having money to burn and the insatiable desire to own a stake in the artist's brand; it was about owning a work of a certain ineffable quality that compliments a collection, that stimulates the aesthetic sensibilities in a way that no other work by that artist could.

It is worth remembering that, even in a saleroom of millionaires, art will not always sell just because somebody can afford it, and even the mechanisms of the market are capable of

making aesthetic decisions that hold cultural value as the key. Who knows how things will pan out in the future of the market, but if there is a developing trend of more aesthetic decisions, where collectors are concerned with cultural value, then maybe the hubris of the boom years is finally dying down. Perhaps collectors are coming to mass consciousness of the fact that they are in communion with an aesthetic phenomenon that has to chime, not with the endless clatter of the market, but with the taste and judgement of the beholder.