3 The Indian Art Market

3.1 The Art Markets and the changes to come

The first and the second chapter gave an understanding of the concept of globalisation through an economic perspective and then its socio-cultural implication. The entire purpose of which was to trace, show and prove that the global economic change acted as a causal factor leading to the socio-cultural changes. This mapping was done primarily to understand the continuity of the events and the long-lasting impact they were to have. Now, getting to our core concern that is the field of contemporary Indian art, in this chapter we shall see as to how these changing global trends contributed to the attitude of possessing, procuring and viewing art. The entry point to this shall be done by first analysis the art market. It was clear that some significant changes did take place in the Indian art market, in the post liberalisation phase. These certainly need to be addressed as it transformed an outlook not just towards the art market but mainly towards Indian artists and their works. Since in the earlier two chapters we established the causal relation of the economic factors with the socio-cultural changes, it should not be erroneously assumed that we are trying to prove that the post liberalisation changes in the Indian art market were causal factors to the changes in the Indian art practices, works, etcetera. Even as the Indian art market and the art practices do share a correlation, it is certainly not of the sole dependency on the art market as a primary factor. Since the aim is to study the holistic impact of globalisation on contemporary Indian art, we have included the study of the Indian art market as it reflected the changes and development of the characteristic commodification, a trait directly influenced by the globalised economics.

The artists and their art works of the contemporary times have been fed by various other causes, of which some artists have created works as reactions to the growing and overpowering art market. Since the transition was so immense that ignoring it was impossible. Though at times the intrusion of financial interest gave an uneasy feeling to those who had been a part of this recluse art filed, on the other hand it seemed heartening that the Indian artists might be getting the due attention they deserved. What remains crucial is to understand the independent yet osmotic relation between the two entities as the global influences played a vital role by placing them on the global pedestal. Even though both the art market and practice have been interdependent, coexisting, yet partially exclusive entities, they started exhibiting changes in a near simultaneous manner, based on those taking place in the regional and global economies. The ones in the art market can be based directly on those taking place in the global and Indian economy, and the subsequent socio-cultural changes. The Indian art market character can easily be traced as it was quantifiable, for example, through the number of sales and lot sizes at auctions, or the variation in price of a single work which underwent multiple sales, or with the fluctuating number of market elements – like new galleries, art funds, market related publications, etcetera. On the other hand, the art practice and the artworks even as being fed by the similar factors, with its qualitative character makes it difficult to draw a dot-to-dot correspondence between the causal factors and the consequent changes. Therefore, the same shall be studied in the next chapter taking a purely non-quantitative outlook.

The current chapter we shall draw a systematic relation between the transitional aspects of the various art market entities and players with the causal relations. The range for which is diverse. The logic of capitalism, liberalisation and the transnationalism, characterised by globalisation, provided a different dimension of commodification, tradability and profit maximisation to the notion of transacting in art works. This to a large extent reduced the inherent emotionality, pride, prestige, love and the notions of taste associated with works of art. Just as the commodities started having representative 'branded' existence, the art works and artists too faced the same fate. With borders being no hurdle, the international and domestic economic forces played a part in many ways. Fluctuations, recessions, changing rules and regulations, endogenous and exogenous economic factors and stable growths, all started facing a ripple like effect on the connected entities of the art market. The technological progress and the ICT had its share too, in the aspects of redefining visibility, mobility and tradability of works. Along with the same the conventional factors like the

- subjectivity, choice, ambiguities and another inherent character of the Veblen goods[1] effect always associated with elite collectible goods still held an influencing hand.

Since we are tracing the changes which came about in the post liberalisation phase in India, we shall see how the art market moved from its old pre-liberalisation state to the latter. This shall be done firstly by analysing the conventional players like the art galleries and auction houses, as they have been the longstanding and dominant players. Simultaneously tracing the influences, which drastically altered the earlier character of the art market. Moving to what formed the newer addition to the list of the art market entities, and led to change in the art market structure. Over the period such changes have been internalised and seem to reflect the zeitgeist of the contemporary global world. The same has been done considering the quantifiable parameters and also the ideologies which have subjectively made a drastic impact on the now global arena in which the works of art circulate and are repeatedly invented and presented in a new light.

3.1.1 Earlier Market Structure

The notion of art and an artist, not long ago, was considered as a nearly romantic phenomenon. It was confined to a few practitioners who had willingly chosen to enter an unconventional field, which provided next to nil financial security to the artist as means of livelihood. The image of an artist as a penniless romantic was the first imaginary projection of the profession, with a struggle span to be calculated in decades. These individuals dedicated their life towards their creative faculties, renouncing the worldly norms of living a financially secure life. Though various connoisseurs, patrons, collectors, would support the artists, at no point was this profession considered as a lucrative and secure one. Similarly works of art too were always looked at with a sense of ambiguity, with not much willingness to understand them.

Before we venture our discussion towards the earlier existing structure of the Indian art market one has to take cognisance of the fact that the very term ‘art market’ was uttered with a sense of unease until recent times. Then financially labelling the transactions of the creative outputs of the artists were not very willingly done as direct, blatant and money-oriented deals, but as the exchange in hands of what can be called as a ‘emotional asset’[2]. Further there was a sense of assurance that the works wouldn’t be tossed through hands, but would be possessed by the buyer for a considerable time, at times, permanently. The temporal stability marked by the physical possession of the work for a considerable span, backed by the reason of personal taste marked and characterised the manner of the transactions that took place. This along with the restrictive market size calculated by the number of players, the close relation between the artists and art works, and the buying class, were some of the prominent characteristics of the earlier art market. Prior to gaining international attention the Indian art market consisted of an extremely small, handful of individuals, who knew each other personally. The deals and trades would take place only within these members. An introduction of a new person, would take place only if some of these members could vouch for the new entrant. Most of these participants hailed from the elite and hereditarily rich families. In extremely rare and exceptional case would a buyer be from a non-elite background. Hinting that very rare, rather negligible, would be a case where an individual without possessing such a history of collecting or of possessing wealth would deal in the art market. To roughly sum it up, it could be said that only those individuals with an exceptionally large, excess, disposable income would be the ones regularly involved in buying works of art.

It could be said that the earlier network reflected the inconsistencies, subjectivities and the absurd undefinable character of the art practice itself. It seemed as though these ambiguities had been taken for granted, with no desire for its rectification. Very rarely would buyers or artists try to keep a track of the prices of a given artist or the consistency of his or her works. The sales would take place based on extremely subjective basis. The visual quotient along with the aesthetic delight would play a large part on who wanted to buy which work of a given artist. This is just a matter of the primary sale, which would take place straight from the artist or the gallery with which the artist would be associated. These works were bought with a high probability to stay with the buyer, and would rarely be exchanged to different hands. Then the notion of 'possessing' the work was the said norm. This in a way helped build a relation between the trading and the creative entities, that is, the galleries, dealers, collectors and the artists. This informal market was also tainted with a lot of fraudulent deals. Many of the transactions would be done through non-white money, in a way instigating the growth of the grey market. Many transactions were not at all accounted for, thereby evading taxes and asset disclosure issues. Along with the same many issues related to the lack of authenticating bodies and subsequently sale of fake works added to the murkiness.

Over a period, there was an evidently rising need for some bodies which would act not as strict monitors of activities, but at least as entities which would help reduce such ambiguities and fraudulences. If we go to the period after independence in India, new galleries, art schools and artists groups were forming and establishing. The scene was of a search for a unique national identity. The post-independence period marked the need for formation of a strong collective national identity, by understanding and valuing our ancient heritage and contemporary culture. Attempts to achieve the same were being undertaken by the government and various private bodies. The Sir Jehangir Art Gallery was opened in Mumbai in 1952, one of the earliest public galleries in the independent India. The government too took steps to do the same, through the establishment of the Lalit Kala Academy and the National Gallery of Modern Art (NGMA) in the year 1954 in New Delhi. Further continuous efforts for the revival of the tribal and folk art and craft practices were undertaken. At the same time, various business houses considered art collection as one of their philanthropic responsibility. One such example which stands out is that of the Tata Sons. The businesses with leaders having a sensitive approach towards the cultural aspect of the country collected various forms of cultural emblems – both of the historic past as well as contemporary works. Though it was not restricted to patronising visual art only, the Tata Sons contributed heavily even by donating parts of their collections whenever required. Sir Ratan Tata and Sir Dorabji Tata, donated various paintings and artefacts to the then Prince of Wales Museum of Western India, Bombay, which was renamed as the Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (CSMVS), Mumbai.[3]

Apart from the government and corporate initiatives, the private galleries too started dealing in what was now proudly called as 'Indian' art. This too consisted of a close-knit circle. The relationship of a buyer or collector with the artist or the gallerist was crucial in determining the willingness of the artist or the gallerist for selling the works. It would also play a role in determining the price for which it would be sold; and at times also the manner in which the same would be done. It could be all through cash transactions or some other kind, at times the artists would just give their works in exchange of some favours; overall the nature of the market was extremely informal, contributing to the non-structured character and, ambiguous and arbitrary behaviour. A flash of few names would exhaust the list of the major market players. The artists favoured by them would constitute the cream. These galleries, collectors, patrons, dealers, connoisseurs would nearly take care of the artists, contributing to their growth as professionals. They would be informed about not just the professional performance of the artists but would also have a close knowledge of the personal, at times emotional side of their life. It is this interwoven relation which would build a sense of loyalty between these entities. To site an example which very well exemplified the then existing scenario is of the Bombay Progressives or the Progressive Artists Group, in their early years in 1940s and 50s. They shared a personal-professional relation with the three Germans, Rudolf von Leyden, Walter Langhammer and Emmanuel Schlesinger, an art critic, a practicing artist and an art collector respectively. The three were war émigrés from Europe, who immigrated to India after the rise of Nazism in Europe and played a dominant role in the field of Indian art, primarily in Mumbai (then Bombay). Langhammer was the director of the arts department at the Times of India, daily newspaper in Mumbai. Rudolf von Leyden, Rudi, as was usually addressed later worked as the official art critic for the Times of India and also contributed cartoons to the Illustrated Weekly of India, under the pseudonym, Denley. Schlesinger on the other hand a pharmacist by profession, he established Indo-Pharma Company in India. An avid collector of art, Schlesinger had left behind a large number of paintings when leaving Germany and in India he continued to buy works of young, emerging artists (Dalmia, 2001). It is interesting to see how the three played a vital role with respect to the Progressives. Langhammer as a practitioner himself studied the individual styles of the Progressives and introduced them to various Western artists. Leyden on the other hand having a keen eye, and backed by the knowledge on Indian and Western art tried to draw a comparative understanding of the works and working methods of these artists. His job as an art critic gave him scope not just to study their works but also of the other trends in the art which then existed in the country. Since the current section deals mainly with the art market the role of Schlesinger needs to be understood carefully.

Schlesinger had a past experience of collecting works in Germany; with respect to the PAG he played the role of connoisseur. As a buyer, he did not restrict his role to the mundane process of buying. He was known to visit studios of artists living in Mumbai. He would make such visits even if the artists would be placed in the deep suburbs. To him this was an act of encouragement to the young artists. A matter of interest he shared a personal rapport with many artist (Dhage, 2012). This gave him an understanding of their working temperament and also of the financially hard-pressed conditions. Knowing the same Schlesinger would try to provide monetary, at time by buying works or by commissioning young artists to make specific works, which would then be produced in the calendar of his company. Another example is, on knowing the skill of Sadanad Bakre, he introduced Baker to Holck Larsen of Larsen and Tubro and Wayne Hartwell, Cultural officer of United States Information Service, who provided Bakre with a working space (Bhagwat, 1984). Even as corporate collectors did exist, Schlesinger stood apart as he went beyond being a buyer of the final completed work, as he was an observer and discussant of their artistic processes too. Further the Progressives and the mentioned Germans would meet regularly and discuss about their individual works and the possibilities of further growth. Schlesinger would be a part of the artist-critic discourse, further contributing through his experience as an avid viewer of art. There wasn't any distinct divide between the practitioners and the collector. Further at no point could this informal setting be misinterpreted as casual conversations; but could be considered as one example in which the artists, the critic and the buyer rather connoisseur together formed not just a professional circle but reflected the ease of sharing their working temperaments, inclinations, roles and interests.[4]

At the same time, the relation amongst buyers, gallerists, collectors too shared a similar note. Just as we saw the relation of Schlesinger with Progressives, similarly many artists held a close term with galleries. For example, M. F. Hussain and Kali Pundole of Pundole Art Gallery, Mumbai, was more of a friendly nature than a strict contractual one; similarly, many artists from the Delhi Shilpi Chakra started associating themselves with the Dhoomimal Art Gallery in Delhi. At the same time the gallerists would be well aware of the taste of the collectors too. For instance, gallerists would inform the collectors in case of an arrival of a work of their possible interest. Further pricing was purely arbitrary, based totally on the artist and the gallerists, dealers, and the then available capacity and reactions of the buyer. Given which, it was impossible to draw a mental chart of the price variation of an artist, even as a simple average over a year. The sheer fluctuation in the price range and the lack of uniformity made the work of the artist look like an object of luck. These characteristics made it clear that the Indian art market formed a part of what can be called as the ‘informal market’. With no strict mechanism for valuation and arbitrary presence and control from multiple non-governmental bodies and factors, made the art market seem like a purely speculative one, this along with the requirement of high prices made it an obviously difficult hurdle to cross.

As the public galleries were taking shape and finding growing their collections, the then established private galleries became the lead players in the market over the decades. On the other hand, the public galleries never dealt with the trading of artworks, and remained purely as places to display works. During this period, we speak of the buyers – more as collectors, connoisseurs, patrons, etcetera. These were people with varied interests in arts and crafts and were backed with wealth. At no point was art looked upon as a tool for gaining profits through its tradeable value. The focus was purely on the aesthetic pleasure and visual delight; as stated earlier, it was valued for the visual and emotional quotient. The interest of these collectors would span a wide range of works of arts and artefacts; which could range from contemporary art works, miniature paintings, antiques, furniture, exquisite traditional textiles, religious manuscripts, coins, etcetera. Since our focus is of studying the early market structure, one has to take cognisance of the fact that the interest of these collectors shifted more toward contemporary art from the mid-1970s and 1980s, after The Antiquities and Art Treasures Act was passed in 1972. This act was a strong whip on the grey market deals as it had strict norms to be followed by the trading entities. According to the act any sale of antiques had to be done only through and by a licence holder. The registration of the works possessed though heirlooms, or recently purchased was mandatory. This meant that the original value of the asset would be clearly noted. Further the government would have the deciding power as to a work was an antique or not. The most stringent aspect was that the government had the power to enter a suspect's premise, in case of a doubt of possession of an unregistered antique, search and seize it. A violation of the act would mean stringent punishment (The Antiquities and Art Treasures Act, 1972). This act came as an outcome of various smuggling activities which were then taking place. The cultural, national wealth of the newly formed country was being illegally traded, giving it a bad name. This act thereby aimed at deterring such negative activities at an international level and locally of curbing the growth of grey deals. Though this Act brought about positive changes, it did fall short too. The categorisation of the works falling under art and antiques were not well defined, thereby not making it clear as to which works were to be registered and further under which category. The confusion increased as works of contemporary art fell on and off the list.[5] These factors made the trade in antiques increasingly difficult. Therefore, many dealers consider that the implementation of this Act was instrumental in the tilt of interest of various collectors, consequently widening the spread of the contemporary art market; and it marked one of the early factors to bring about the change in the art market.

Since the government reserved the right of determining which works fell under the category of an antique and also places stringent rules to be followed, these collectors started looking for easy alternatives, and found rising interest in the works of contemporary art. This field as mentioned provided easy modes of transactions, and was yet untouched by the government regulations. Since the market size was small, it had not caught attention of the regulatory bodies. Further the purely subjective nature of the market would have made it even more difficulty to regulate it. This shift in interest from the collectors proved beneficial for the contemporary art market to gain momentum towards growth. At the same time this change couldn't have been interpreted as the betterment of the state of the artists in the country. This mainly meant that the art market started having an increasing number of buyers.

Even as we refer to the term art market spanning from the post-independence period till that of the globalisation, it is necessary to understand what actually constituted the then art market, or the art market structure. The art market then roughly consisted of two entities, the core or the *primary market* – was of the artists, the creative entities and of the galleries, dealers, patrons, collectors, and, as organised bodies involved in the transactions of the art works. These would constitute the first-time sale of the works. The other was the *secondary market* – characterised by the subsequent sales of the works. These constituting of – the buyers side, auction houses, dealers, museums, etcetera. Therefore, the market consisted of these entities which dealt with direct trading amongst themselves. The reason primary market has been labelled so, as most of these entities could trade directly with the artists; with a preference to have a direct rapport with the creative entity, over a period of time. Though there would be buyers buying works from galleries over the artist directly, many did have the access and desire to transact without a middleman. The mentioned structure has been explained through the diagram (Figure 3-1). We see that there is a repetition of some entities like the dealers in both the sections. Since the dealers do function in both the markets, therefore it would be erroneous to show that their role is restricted to any one section. This was the structure of the art market till the time the domestic factors were dominating the trade and transactions that took place. Evidently then it was in a very nascent stage, before various layers of market entities started entering and finding their ground. The changes took place over the decade to follow, as India opened its economic borders. The closed domestic market found newer spaces to venture and of letting various global entities to enter in the Indian ones.

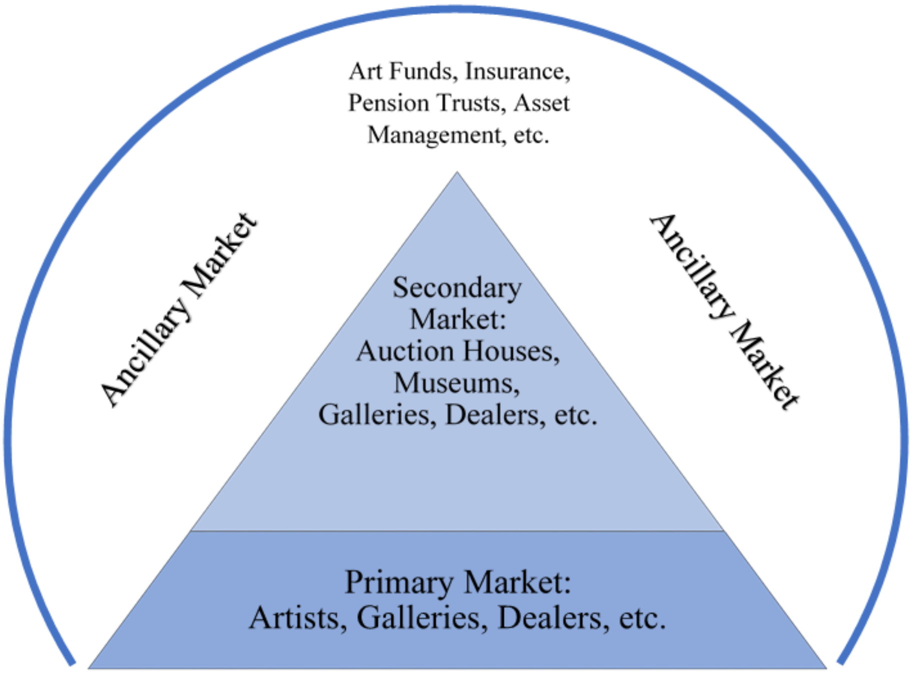


Figure 3-1: Art Market Structure

3.1.2 Global Influences

One major and early factor fuelling interest of buyers towards contemporary Indian art was the Antiquities and Art Treasures Act of 1972, evidently unrelated to the influence from the process of globalisation. The factors drawing influences from the process of globalisation can be traced from the 1980s with the liberalisation of the Indian economy. Liberalisation proved beneficial not just for the core sectors of the national economy but also had a cascading effect in the field of art. A validation of these changes can be traced not just through the numbers in terms of the total transactions taken place and prices of works of art, but of a change in attitude towards viewing art. It is this attitude which moved the very understanding of art from its territory of aesthetic pleasure to that of a tradable asset valued for its financial worth. Though it seemed extremely incongruent to the field, the attitude rapidly gained popularity and a strong grip. This did fissure the art market in sections of conventional players who were not willing to commoditise art, and on the other hand the newer entrants who steeped in the field, primarily aiming to gain from its commoditisation.

Just as the economic liberalisation in the 1980s in the Indian economy had created categories of believers and non-believers in the opening of the domestic markets to the global platforms, the art market too reflected the same. The liberalisation of the economy had certainly placed India on a broader platform, it benefitted many educated Indians from modest backgrounds to gain financial strength, provided technological progress, at the same time it also widened the gap between those benefitted from it and those who were left behind. With respect to the art market too, we can trace factors which were characteristic of the globalised world, which had a direct impact on the art market, and subsequently brought about a radical change in a very short span of time, again similar to the change that came about in the Indian economy as an outcome of globalisation. As mentioned the ICT played a major role in providing information about the global art scene. At the same time, many of these transnationals now had higher surpluses to expend on collectibles – and art being one of them. At this juncture, it is necessary to explain the role of the media which catalysed the entire process of building up the investors' clan. The notion of 'tricks of projection', a typical trait of the commodified global world, of in garnering interest, played by the media were certainly a success. Further the cautious yet keenness of the financial fund managers to look at art as an investable, partially changed the shade of art from that of a randomly valued emotional asset to that of a calculable investment option. And lastly, the need to be a part of this growing trend, brought increasing number of investors to heed to field of art.

A simple search on the web from the 1990s made it possible to gather information about any possible field. Empowered by the Personal Computer (PC), majority of the people across the globe had access to information, beyond any possible limits. The knowledge of the different art markets was available easily too. The western art world had shown that its faith in its own culture, heritage and art practices, was not just a matter of pride but also of financial benefits. The western art world with its mature players had always been techno and media savvy. The success stories of prices of various artworks skyrocketing over a span stood startling. Various market tools were being drawn do enhance stability – like authentication boards, art insurance companies, legal contracts, advisory bodies, government rules, etcetera. These gave an idea of the infrastructure required for the growing markets to stand steady. These seemed like models to be replicated by the local Indian players.

Having a special interest in India as an emerging economy, with its devalued Rupee in the 1990s, it seemed like one of the best potentials to invest in. This was the period when Indian galleries wanted to stay technologically updated, and started having their own websites, which would display information about their history, artists, artworks, exhibitions, list of publications, opening events, etcetera. Somewhere the need to be 'visible' on the global circuit became a necessity. These websites were mainly designed taking their western examples as models. In a way, this exhibited the need for standardisation, as explained in the previous chapters. These sites with the names of artists flashing, automatically made the artists fall in the global visibility circle. The need for an impressive virtual presence became a norm to decide the worth of the individual. Anyone who chose to evade this intentional instance of web presence was considered as a near fossilised entity, and thereby not worth much attention.

The same was magnified through one's presence in the media. Then with increasing number of private businesses wanting to find an impressive presence in the media and willing to pay for the same gave rise to the Page 3 culture. The name derived from the news of the celebrities and their lives printed on the third page of the supplements of the newspapers.[6] These could range from trivial reports on parties of the glitterati to the social and cultural events attended by them. The reason to mention this is that even as galleries would house shows of artists regularly which would be attended by the individuals from the art circle, now the need was much more. Somehow the need was to create a spectacle of these events. The humble and serious openings were getting diluted by the need of spectacle creation, again a trait of the commodified global world. A constant bombarding of such information regarding art shows, prices of art works and events, eventually led to the interest in the field of art even from people not directly related to it. The media also started carrying information regarding the prices of art works.

Liberalisation along with the advent of the ICT and the investors from the diaspora, let the international auction houses to enter the Indian art market. Further with the expansion of the financial markets various tools were created by these entities to cater to the investments in art. The change which directly affected the field of art over that of the art market was the developments of newer ways of exhibiting art. This was seen through the rise participation of Indian artists in art fairs, large-scale shows, biennales, etcetera; some of which were established in India itself. Since this is related to the practice of art and of viewership, we shall discuss it in detail in the fourth chapter; but shall cover the aspects related to its economic functioning in the current one.

3.1.3 Emerging Market Structure

The expanding global and international art market can be read and studied through various perspectives. It could be through the notion of visibility, of a change towards democratic participation, evolution of various practices, or the one of economic transitions. From the very beginning we have stressed the correlation of globalisation to that of economics, the art market too showed a similar correlation with the globalising forces. Therefore, in India we can trace these changes from the 1990s when the art market started attracting global attention and consequentially expanded in terms of its financial size, number of participants, geographic spaces of reach, continuous circulation of works and rising visibility, of spreading beyond the very boundaries of art towards pure financial entities and of various new functional entities or ancillary bodies grew in tandem with the art market. The changes took place at a relatively rapid pace. This altered the earlier modest structure in a drastic manner. The pros and the cons of which shall be studied in detail.

The earlier art market as stated consisted primarily of two distinct spheres - the primary and the secondary market; one consisting of the first-hand sale of the works, and the other of the subsequent ones. Along with the changes which came about due to rising global interest, there was an expansion of various businesses which did not directly deal with the trade of the works of art, but played a supportive or derivative role. These were fields which took benefit of the strengthening art market, like - the interest from financial advisors in portfolio diversification and art investment. These formed a part of the asset management products for the HNI and UHNWI investors. The increasing investment in art, the frequent mobility of works for shows across borders and the escalation in value made the investment sector consider specialised products for art works. Similarly, the authentication bodies, restoration firms, specialised storage facilities started gaining prominence. The market started showing other forms of investment options like the art funds and pension trusts. These options attracted people who were not necessarily related to the field of art. The funds contributed to the expansion of the art market, moving from a restricted number of art aficionados towards a larger number of individuals with pure financial interests. Since these entities grew after the opening of the art market and showed a loose connection to both the primary and secondary markets, yet cannot be categorised under any of these. Since these new developments were difficult to be categorised we shall consider them as a part of a new strata which we shall address as the *ancillary market*. The name clarifies that there is a certain dependence of the entities falling under this category on the art market as a whole, but these individual businesses also had a distinct character, thereby requiring segregation. The same can be seen in (Figure 3-1). To give a few examples of the businesses falling under the ancillary market like - the insurance sector which branched into art insurance, the asset management too absorbed the option of art in their regular products, the art fund on the other hand though based purely on art works drew its model from the financial markets.

At this juncture, it is necessary to understand that just as we study the transformations the conventional players like the galleries, dealers, and auction houses underwent, as an outcome of the global influences, these were an expansion of their regular practices. For example, of galleries showing artists at international fairs, biennales, or placing their works in collections of buyers beyond India, was an extension of their regular practice of promoting the artists. In the case of the ancillary players the global influences created a need for their presence and resulted in their entry in the art market. Therefore, they need to be studied separately. In order to understand the new market structure which emerged as an outcome of globalisation we shall begin by tracing the changes that came about in the conventional players, and consequently move to the establishment and evolution of the entities of the ancillary market.

3.2 Galleries: Arenas of Viewership

When discussing about globalisation, various unrelated yet seemingly valid arguments can be undertaken. For example, looking at the office structures of Google, Yahoo, or even the Swami Narayan Temples, as seen earlier, across various global locations there are commonalities suggested through their inherent attitudes. Even as we have taken examples of incongruent entities like the business houses and a religious body, but what is common to both is their globalising tendency. There is an inevitable and incessant need to spread across geographies. For the prior two – the goal is of financial benefits and for the latter the spread of religious thought and strength stand as the reasons for expansion. In this process of expansion of these entities, two things stand our as near characteristics. The first one is to maintain one's own brand, roughly as an insistence of its own identity. The second one of being unique yet merging into whatever the local provides, so as to not run the threat of being a total outsider. This process of merging can be read through various factors. For example, the appropriation of the architectural spaces, or of following the softer characters like local rules, traditions, practices, etcetera. Reading this at a global level brings us back to the transnational attitude discussed earlier. Where, while spearing across geographies, the retention of one's identity coupled with the appropriation of the global standards becomes an inherent character.[7]

Just as we witnessed that transnational businesses had a pervasive impact on not just businesses structures but also on the peripheral infrastructure, the longstanding Indian art market players too started exhibiting the transitional traits. This can best be understood by first studying the longstanding or what could be called as old-time galleries which had witnessed the change and well adapted to the new requirements. To begin with, most of the galleries sensed the need to move out of their long-followed practices of working within close-knit networks, of following peculiar methods of documentation and sales, and also of sharing ties with artists, inviting international artists to exhibit for either group or solo shows. With India becoming a sought-after target by global businesses, the need was to move towards a larger global approach. It could be said that a near step-by-step approach was undertaken. One of the first steps was of marking their presence on the web. Beginning with the adoption of the technology characterised by globalisation, that is, the ICT. Galleries started making use of the web-based information, which was now easily available and also started making their presence felt in the same. And the other step was of attuning of the physical space of functioning with the global standards. This reflected the desire to be a part of what was now commonly labelled as 'cutting-edge' global players. The notion of national importance somehow seemed not sufficiently adequate to state one's reputation in their field. To sum it up, the galleries were now concerned about the actual physical as well as projected virtual image.

3.2.1 The Web Presence

The web based tools gave the galleries the first step to be directly visible beyond the physical restrictions. In the latter part of the 1990s galleries started having websites made or revamped by professionals to match their global counterparts. This is also the time when the Information Technology industry in India had proved its potential.[8] At the same time this growth had proven the inevitability of its effect cascading in every possible field. Given which detailed lists of artists, their works, curriculum-vitae, exhibitions, various events, publications, virtual tours of shows, creation of archives, etcetera; with an attractive and an easy user interface, became the virtual face of these galleries. Constant reminders of events, publications, or important happenings would be posted to the subscribers or members. The numbers of which were regularly monitored with a hope to increase continuously. Various social media tools too became ways of gaining publicity, informing interested individuals, starting discussion boards, inviting people, basically making one's presence felt in a manner that would state the active and progressive nature of the galleries. Apart from reflecting a transnational attitude, in undertaking this change the aim was the belief that in the global scenario a client could be from any part of the world, and had to be catered to not just through personal relation but also in the absence of any gallery representative. Therefore, the websites were to become the 'soft-face' of the galleries. This by no way should be considered as a generalised benefit of technological progress. It is because of this change that various galleries which were distant from the main centres of the art market too got a chance to make themselves and their artists visible. Representing their artists, shows and collection, also provided them an opportunity to fall on the circuit. Regardless of the fact whether these galleries benefitted directly from the same, it in a way marked an act of assimilation of these entities towards the mainstream players. We shall discuss the role of globalisation and the art galleries in satellite towns in the later sections.

Another important aspect was the rise of the globetrotting curators. These curators, most of who were from western countries, with the intention of searching fresh talent for large-scale shows or for collaborative projects, would take pride in moving towards the less explored markets. Then India certainly fell in this category. Interestingly the manner of hunting talent for the curator was mainly through a cursory online search or of sifting through region specific publications. Given which the online presence marked as an assurance not just for visibility but also of the chance of building working ties. Further this virtual experience had to be crisp to prove the seriousness and accessibility assuring smooth sailing of the working methods in case of a professional tie-up. The availability of such information and the manner of presentation further assured that the galleries were proactive, in their marketing skills, and would therefore promote the artists, thereby financially benefitting all those who would show interest or work with their respective artists.

To note, that it is during this period of the late 1990s that a new field called as the UI/UX designers, had just started gaining prominence. The User Interface and User Experience designers, would conceptualise the entire web-based experience of the users, based on the domain knowledge and the profession specific experiences. The aim was usually to not just facilitate the easy use of the sites but of visually impressing the users. This in a mitigated way reflected the need of the transnational tendency of creating a spectacle. This attitude of convincing the user of one's credentials though the projection of one's image, and of making the experience pleasurable for the user, gave rise to one of the most important aspects of the art market which was of 'client experience'.

3.2.2 Between the White and Black Spaces

The client experience was not restricted to the virtual image and information posted on the websites but also at the tangible level of the visits to the gallery spaces. At the physical and tangible level, too most of the galleries underwent transformations. The quintessential 'white cube' set a stronger foot. A concept with its roots in western modernism, aimed at creating a pristine and decontextualised space for placing and viewing the works of art. The galleries with the crisp white interiors, untainted walls, unobtrusive light, created a different world inside, and stood detached from the world outside. This was a necessity as the viewer would have to shed the mental baggage as s(he) would step in to experience the works. It was believed that by doing so the inevitable focus would turn towards the works, as there would be nothing else to hurdle the visual scape. The minimal space would enhance the presence of the work, which by some has been described as the creation of a 'meditative space' to experience the work. Though this sounded precise and convincing, and at the same was faced with criticism. One is reminded of Brian O'Doherty[9], an installation artist, critic, who wrote an essay titled, *Inside the White Cube, The Ideology of the Gallery Space*, 1976, first published in the *Artforum* magazine, and later in 1986 in a book edition. Being an installation artist and a practitioner going beyond the limits of tangibility and a static object as a product of an art practice, O'Doherty looked at the white cube differently. To him the white cube was not just a blank void which made the viewer look at the works, but aimed at the attainment of object-hood of the works, which was an outcome of the commercialised art world. The pristine quality of the gallery was to be looked upon as an aesthetic object in itself, such that many viewers would be struck by the quality of the space over that of the work. The works would intentionally be restaged in these white spaces, such that the context would become the -new content. The following is an exact excerpt from the mentioned essay.

> With postmodernism, the gallery space is no longer, 'neutral'. The wall becomes a membrane through which esthetic and commercial values osmotically exchange. As this molecular shudder in the white walls becomes perceptible, there is a further inversion of context. The walls assimilate the art discharges. How much can the art do without? This calibrates the degree of the gallery's mythification. How much of the object's eliminated content can the white wall replace? Context provides a large part of late modern and postmodern art's content. This is seventies art's main issue as well as its strength and weakness. The white wall's apparent neutrality is an illusion. (O'Doherty, 1986) [10]

As stated the same time these spaces had become emblematic of the normative, conventional exhibition spaces. By the 1960s various practices had begun simultaneously, which moved beyond the need of the wall for displaying works. The New Media art, film and video screenings, reversed the logic, as it required a dark, black space for viewing, giving rise to the 'black box' (Nikolett, n.d.) (Sheikh, 2009).

Interestingly these contemporary galleries had to make space for both the forms of exhibits. Even as the white cube was criticised, it still remained the preferred mode for exhibiting tangible works. The galleries had to show the flexibility of accommodating the black box too, firstly as the promotion of such works, and secondly suggesting to the market the progressive attitude of the galleries. In order to accommodate both the approaches the galleries had to take, what could be roughly labelled as 'mouldable, re-organisable space'. The interior spaces were made either from temporary partitions to facilitate rearrangement of the space based on the requirement of the works. In case of the presence of fixed walls, the space had to be divided innovatively such that these sections would add an aesthetic sense to the spatial logic. It could be said that in India this was not a conscious radical jump, rather it has been an oscillation between the white cube to the black box, the vehement debates over the politics of exhibiting had never really affected the functioning. This was predominantly a western debate, only an outcome of which was adopted in India. Further many Indian New Media artists of the late 1980 and 1990s were not exhibiting such works in India but abroad. Even in the 1990's when artists like Vivan Sundaram, Nalini Malani, Rummana Hussain were making videos, they were greeted with cautious enthusiasm. The World Wide Video Festival in Amsterdam made the first presentations of Indian Video art in 1998, and showed the three mentioned artists (Pijnappel, 2005, p. 33). Surprisingly these artists were experimenting with and working largely in newer mediums and were exhibiting abroad, nearly giving a sense of a practice in exile.

Globalisation got about the need to be progressive in order to be accepted by the international markets. Therefore, the opening up of the attitude towards these works further accelerated the above mentioned mouldability in the gallery spaces. The galleries could now house shows of works done in conventional mediums like painting, sculptures or prints and at the same time host New Media works and performances too. This, in a way, ensured that the works would find similar spaces for exhibiting across the globe; which would involve other galleries with which the Indian ones would have tie-ups in the long-run, or art fairs, biennales and similar large-scale shows.

3.2.3 Galleries and international interest

The growing need for tie-ups with international entities, apart from showing artists had a different face too. During this period, the demand for works of art by Indian artists took a different dimension. NRIs living in different parts of the world were keen to procure works which would reflect the contemporary cultural ethos of their homeland. If understood from an emotional quotient, these NRIs or the Indian diaspora were not interested in simply buying works from their homeland, on a nostalgic note, but some had financial analysis to support it. This was backed by the data proving the economic benefits garnered by the previous generation of collectors who had bought works of the Indian Modernists. At the same time the interest of these artists was varied. Some who could afford the Indian Modern masters, considered them as a safe investment knowing that the scarcity of their works would assure a rising price. The second category was of those who with a limited investment and with a willingness of taking a chance were ready to invest in younger budding artists, or relatively safer young masters. This was also done considering the fact that for these buyers, purchasing works of contemporary artists or young masters from the respective foreign lands would have been much more expensive. Given which, they would have to settle for lesser quality works. Whereas buying works of the relatively young Indian Masters, was still a safer bet, as their works had already started scaling international boundaries and with the currency difference proved affordable. It was this relative comparison, of the financial evaluations and of certainly the desire of possessing the cultural wealth from one's own country that pulled these buyers to the Indian market. With the Indian galleries now exhibiting a welcoming professionalism made it even easier for the NRIs to undertake such purchases. Further with the advent of the auction houses these works were exhibiting a steeply upward price trend. We shall discuss the price analysis in the section on auction houses.

The international interest had two forms. One was of the rising potential shown by India through the economic performance and options presented by the national economy. With this the opinion of overall prosperity existed. Due to which the desire to invest in India was on a surge. The investors backed by this approach, diversified their investments through various sectors, art being one of them. The second form of international interest was based on the procurement of works due to the rising financial feasibility of the buyers. The purchased would take place from various entities of the art market, art galleries being one such option. What marked a distinction of the rising interest in Indian art fuelled by general desire and predilection over the one based on the global economic interest was its inherent character. The prior one barely showed any signs of dampening even in the uncertain or disturbed economic scenarios; whereas the latter nearly replicated the pattern of the economic fluctuations. It is this distinction which forms the core of the transitions brought about by globalisation.

3.2.4 Between the Two Recessions

The opening up of the boundaries for ties and trade made spelt the necessity to garner economic profits in order to maintain the volume and value of the sales and also of maintaining a global status, for entities trading in artworks. This could be traced in both the ways, that is, with Indian galleries for international buyers and the foreign players for the Indian HNIs and UHNWIs. The NRI interest and the need to gain international buyers now proved instrumental for the foreign galleries to have tie-ups with Indian counterparts. Such that Indian artists would show abroad and the galleries would promote them, even by aiding their sales. This could be considered as one of the primary reasons for such opportunities to be offered to Indian artists. This began with participation in group shows and later many Indian artists were called to hold solo shows; a trend which took only after the recovery from the jolt of the first financial crisis of the late 1990s. Therefore, before tracing of the art market with respect to the galleries and their international presence it is imperative to compare the timeline on which they were treading as one of the primary reasons affecting it.

This growing interest of the international galleries has to be understood in two phases, as the crucial phases 'between the recessions'. The establishment of the global trends in India, certainly kick-started the interest towards Indian art, that is, in the period of early and mid-1990s. The Dot-Com bubble and the Asian Financial crisis of 1997 did dampen the general economic scenario locally but did not draw away the trust from the art scene. Since the Indian art market had not really grown and established as strongly by the 1990s the first recession did not do much harm. Further since it dealt mainly with the fall in the stock prices, there were no large-scale cases of bankruptcy. It was predominantly a contagion from which there was a relatively quick recovery. On the contrary, it could be said that the devaluing rupee and the then relatively recent entry of the auction houses provided prospects for buying credible, Indian art at a relatively lower price. Therefore, the market was looming over in a state of stagnancy, without getting badly scarred. But the case was rudely different with the drastic downfall which was witnessed later in 2007 - 08.

The 2007 Great Financial Crisis followed by the 2008 Depression, was not an outcome of a single sector failure. The housing bubble in the U.S.A., lead to the banking crisis, the threat of illiquidity also affected the stock prices, thereby having a deep impact. Therefore, it took more than four years, nearly till the mid of 2012 to stabilise. This time was witnessed by large-scale layoffs, declaration of bankruptcy by longstanding financial bodies, banks, and a widespread fear in possibility of recovery and a sudden distrust towards the enthusiastically adopted and lauded model of the capitalist economy by the U.S.A., as a secure money-making mechanism. To cite an example even in the field of art, Damien Hirst too laid off forty-five technicians from his studio in the period from 2008 to 2012. This came in spite of the major success of his auction at the Sotheby's, titled, *Beautiful Inside My Head Forever*, 15th of September 2008, the day Lehman Brothers declared bankruptcy (Thompson, 2014, pp. 98-102). This example just gives an understanding as to how the market played harshly even on the most established entities in the art world. They were under pressure, if not about mere or immediate sustenance but certainly had to rethink about the regular monetary matters.

When comparing the scenario with the Indian art market, one has to consider the earlier discussed economic scenario during and in the post liberalisation phase. Just as the economic liberalisation was adopted in India without a strong infrastructure to support it, the art market elements too had grown during the phase between these two recessions, marked by a boom in the economy, beginning from 2001. Since the economic markets gained strength the art market grew in an unprecedented manner. In this section, we shall compare only those aspects which were specific to the art galleries, the others shall be discussed as required.

3.2.5 New Entrants and Quick Exits

In the pre-liberalisation era, much of the demand for purchase of artworks came from cities like Mumbai and Delhi. Major artists would hold their shows in these cities, and evidently this was the buyers' base too. By the mid-1990s other smaller cities like Chennai, Hyderabad and Bangalore also started picking up. Interestingly these cities were the ones where the IT industry had set its foot and transformed their economic topography. The overall number of HNIs in these cities grew drastically. Most of these professionals had a global presence and aimed for a constantly updated lifestyle and at tapping new forms of investments. The economic boom brought another - new class of investors in the field of art. For these investors, it was just not the returns earned from the appreciation of the works which satiated their ambition. Some who had a background of the Visual Arts or any bleak knowledge of it, or even knew individuals equipped with such knowledge, banked on the prospects of starting new galleries. Evidently many such attempts were absolutely haphazard.

With the presence on the web, their viewership was not as restricted as earlier. It could be said that these galleries did get a fair chance to set up their own working methods and financial support systems. The benefits were presumed to be huge and direct. A sale of any artwork would give the gallery a commission varying from 15 to 33 per cent of the total price of the work. This excluded profits from ‘distress sales’,[11] loaning works and relative prices of holding. Therefore, one saw more and more galleries mushrooming in Mumbai and Delhi, also the other mentioned cities. Well, an investor having a decent capital and a decent size flat converted it into a gallery. The belief in the simplicity of the art market structure and the false assurance that art works of all types were in demand were erroneous assumptions made by some such individuals who started their own galleries.

Majority of these new entrants were mainly unwary of the knowledge and the skill required for running a gallery efficiently. Yet some of these new entrants managed to succeed and formed a strong place in the art scene. For example, Centre of International Modern Art (CIMA), with the support of the ABP Pvt. Ltd. Group was established in Kolkata in 1993. Kalakruti Gallery in Hyderabad in 2002. In Bangalore Gallery Sumukha was established in 1996, just prior to the Asian Crisis; and Gallery Ske in 2003, and later in 2013 it set a branch in New Delhi. Some of these galleries have managed to not just enter the mainstream but also exhibited a keen eye to select good upcoming artists.

Many tied up with established artists too. Even as these cities were not a part of the earlier established art circuit, these galleries should be credited for placing these cities within it. Just to mention that the intention is not to produce a directory of the galleries, their presence and the closures, these are some examples to show the galleries which came into the picture within short interval of time, in places which had not had a long-standing presence in the art trading circuit.

Mumbai and Delhi which had been longstanding centres of the art market, outpaced the increase in number of new galleries in comparison to other cities. In Mumbai for example, The Guild Art was established in 1997, which also had a branch in New York till recent, Shalini Sawhney the Director of Guild had a working presence in the field prior to the setting up of the gallery. Usha Mirchandani and her daughter Ranjana Steinruecke were practicing dealers and later owners of the Gallerie Mirchandani and Steinruecke in 2006, which had another gallery in Berlin till recent. Gallery Chatterjee and Lal set its foot in 2003. A sister concern of Gallery 88, Kolkata, also established a space in Mumbai and was renamed as Project 88 in 2006. Amongst those who came from a background different from the field of art was, Aditya Ruia of The Bombay Art Gallery; the gallery did exhibit good artists from its inception since 2003, but was unable to sustain. An ex-Microsoft Professional, Abhay Maskara, started the Maskara Gallery. Similarly, Tushar Jiwrajka, Founder and Director of Volt Gallery, hails from a business background.

A continuous addition to this list of galleries, very specific to the locality of Colaba, Mumbai, which was always held as the art district of Mumbai, has given rise to a group called the Mumbai Gallery District or Mumbai Art District. The galleries falling under this group collaborate to plan initiatives and opportunities for people to participate, further plan events such that the art crowd in Mumbai gets to attend multiple events in a single visit downtown.[12]

In Delhi, a similar growth in the number of galleries clustered together can be seen. Deepak Talwar, founder of Talwar Gallery was working closely with artists since the 1990s. Unlike most of the other galleries which operated first in India and then moved abroad; Talwar Art Gallery, was first launched in New York in 2001, and in Delhi in 2007. Siddharth Tagore of Art Konsult had been not just in the gallery business, but also running a publication names Art&Deal. Like the Mumbai Art District, Delhi also has its version of a new art district which came up in the locality of Lado Serai. It soon picked up as a location for the emergent and promising art galleries of the capital. Galleries namely Anant Art Gallery, Exhibit 320, of Rasika Kajaria, a young collector turned gallerist, Art Positive established in 2005 by the Bajaj Capital Art House, then Art Motif, Gallery Threshold and Latitude 28 run by Bhavna Kakar, who has a background in Art History, have been functioning in Lado Serai. Not a strict collaborative effort but these spaces started the concept of an Art Nite in 2011, when the member galleries would plan openings of their shows on a same evening. This would assure maximum footfall and viewership for such events. At the same time, it proved beneficial in terms of gathering publicity and also gave an impression that the art world is not fragmented but closely knit. This event soon started getting listed on not just art magazines, portals and the newspapers, but also on the ‘to visit’ lists of travel portals.

Even as the art scene seemed to have swelled in numbers – be it the gallerists, collectors, investors, etcetera, the second recession largely changed this positivism. The soaring in the number of galleries was witnessed with large exists too. Some just chose to operate within the art market as dealers. Some closed down, like, The Art Mill, in Byculla, the Bombay Art Gallery, Gallery Articullate of The Yash Birla Group. At the same time, some galleries chose to move in other smaller spaces, or would hold less number of shows to reduce the overall logistic expenses. Though the sales would continue on a private level, the fall in the number of shows, did dampen the spirit of the new investors from further buying enthusiastically. Though not as a long-run, but in the short run itself, the manner of exits of these galleries, exhibited their attitude with which they functioned. Some did take effort to launch their artists with more stable galleries, some continued trading and allowed artists to have contracts with other spaces. The category which displayed low ethical behaviour was the one in which these new galleries simply garnered their profits through quick sales and abandoned their artists in no time. Here we have to recall that this attitude was of characteristic of the earlier discussed transnational businesses, which would plunge in and out of businesses without strong involvements, and assuring absolute risk aversion. Here the intension is to prove that the economic globalisation and the rising transnational business attitude was finding presence in fields other than the conventional ones. This could be traced in the field of art, where many some galleries, art funds and similar businesses aimed simply art garnering or exploiting profits from the field, with no significant contribution to the field. In the following section, we shall consider an example to fortify this belief; whereas later we shall see how the same has been proven through various other businesses which grew in the art market.

3.2.6 Transnational Attitude: Bodhi Art

One example which should be considered as quintessential of the attitude of commodification, a dominant trait of globalisation was that of the gallery named Bodhi Art. It opened a new space in the prime locality of Kala Ghoda, Mumbai, the core of the art world, in 2004. The massive space was redesigned to meet the international standards; as discussed having a mouldability of the white cube and the black box. It had a presence in Delhi, Singapore and was then planning a space in New York. Amit Judge, a businessman was the one behind the Bodhi Gallery. Having played the role of an art dealer Judge, on gauging the potential of the Indian art market decided to plunge into it. In no time of its establishment the gallery functioned with the established names of the art world, including artists, curators and collaborative projects with international participants. It held impressive shows, hefty catalogues, glamorous openings, all of which created a strong stir in the market. The gallery was backed by a PR – Public Relations team which would assure what could be called a media blitzkrieg, making the artists and the event a star occasion.[13] The gallery claimed to promote experimental art and provide the infrastructure to support it. Consequently, many artists drifted from their old time tie-up galleries towards Bodhi. He was known to have lured artists by providing luxurious travel arrangements, designing the exhibition spaces, providing financial help and also favours in working processes which would barely be funded by other galleries, etcetera. The lavishness was so obvious that some artists had jocularly named Bodhi Art as ‘make a wish foundation’, proving that Judge would provide them with whatever they wished for, as an attempt to prove that the gallery would provide full support to the artist. In a short period of time it had the best of the artists in its list. These consisted of the established artists and also some promising new talent. Therefore, the gains though the sale of their works were evident. It also started having an annual Emerging Artist Award.

To give a background of Judge, he was responsible for the establishment of the coffee chain Barista in India. Just as the business was caught in controversy and exhibited a trace of downfall, instead of managing the situation he exited from the business (Verma, 2012). Having made his share of profit an exit seemed the best option to Judge. Similarly, with Bodhi, with his wont for garnering profits, Judge started inflating prices of these artists at an unimaginable rate. With no regulatory body in picture there was no stopping for the same. The old-time galleries were disturbed by this as they knew this was an unnecessary pushing of prices. Collectors could also sense the incongruity in the prices within such a close market.

Even when backed by established artists and with prospects of gaining profits, with the first sign of the economic downturn, the gallery withdrew and closed down. This happened in mid-2008, in an extremely rapid manner, to the extent that the staff of Bodhi Art too was shocked at the sudden termination of their services (Rajan, 2009). This came as a blow, as the image created by Bodhi gave an impression that it was there to stay and expand. Interestingly it had been a part of the art market of the two most lucrative cities in India. The worse hit from this closure were the budding artists. The gallery had managed to increase their prices at a phenomenal rate, which seemed irrational. Now with Bodhi not in the picture their works saw a drastic decrease in demand. Further the reduction of the prices for these younger artists would be spelt as a devaluation of their market credibility. It was a precarious scenario from which not all of the young artists managed to struggle out.

Here I propose a comparison of Bodhi Art with the attitude of transnational businesses. As discussed in the first chapter, there is always a desire for profit maximisation for the transnational businesses, regardless of the time duration of presence in the field, the need is to look for an emerging market, create a need for one's presence in this new market, hedge returns on the investment, and without any moral obligations exit from the same market with the first sign of saturating and slowing of returns. It characterised the upswing and the price bubble creation, and a freefall of the markets (Ghose, 2011). The need for creating a spectacle, an unquestionable position, of garnering power through monetary supremacy are just a few characteristics of the transnational businesses which could be read in the episode of Bodhi Art. The only positive outcome of Bodhi's exit, was that the both artists and the art market players alike understood the value of moderation of prices. This also restored faith in the conventional attitude held by the old-time galleries.

3.2.7 The Old-timers and other stable galleries

The issue of financial globalisation and its effect on the gallery system through the two recessions provides an understanding of the actualities of the profession. The galleries are usually considered as the first front of the market, as they undertake the responsibility of not just selecting artists but also of augmenting their careers through their creative trajectories. Therefore, the galleries have to be well-informed not just about the works of the artists, but also carry the knowledge of finding good visibility to the works; for example, finding a 'place in an appropriate art collection'. This ensures the growth prospects for the artists. To the old-time galleries this attitude helped fortify the artist and evidently the gallery from falling short of right visibility and representation, consequently of financial assurance. Galleries like Vadehra Art, Dhoomimal Art, Chemould and now Chemould Prescott Road, Pundole Art, Sakshi, Apparao Art, have been around for decades. Some functioning as the second-generation gallerists, feel that just as every business requires moderation, art is no exception.

As explained earlier, these galleries did update themselves with respect to the gallery spaces, web presence, and also by setting ties with international bodies. Majority of these have the works of their artists presented in reputed venues like - art fairs, museums, exhibitions, biennales globally, etcetera. And have also managed to set working ties. In 2006, Grosvenor Gallery, London collaborated with Vadehra Art Gallery in New Delhi to form Grosvenor Vadehra. The purpose of this collaboration was to promote international art in India and Indian art in the UK. In this guise, it held international exhibitions in India including a Pablo Picasso exhibition in 2006 and a highly acclaimed exhibition of Lucien Freud and Francis Bacon along with Tyeb Mehta and Francis Newton Souza in 2007 (Grosvenor Gallery, 2017). Arun Vadehra of the Vadehra Gallery, in 2006 felt a sense of unease, as the market was pushing prices of works in an unreasonable manner. Even as the prices did rise, the benefits were being reaped in the secondary markets and the artists barely benefitted the artists directly. Further the artists too were sceptical of selling the other works as such prices, as were the sensible gallerists. Majority of the poised players felt that a correction in the prices was bound to happen and it would be beneficial for the market. Vadehra did mention that the same thing happens in the stock market too; after a constant upward escalation, the markets do correct themselves.

Dadiba Pundole, of the Pundole Art Gallery, one of the revered galleries in Mumbai, had felt that it was good that more galleries were being setup, as there would be more opportunities for artists to exhibit. At the same time felt that the issue was of the approach adopted by them. Many were ready to flow in the tide and were unaware of the consequences; but there was space for those who came with a good study of the logic of selecting artists and of the ethics of the business. These galleries could protect their artist and their businesses against the disruptive prices which in a short time had violated the pricing logic. Pundole, since 2011, functions as art specialists, and has started an auction house too.

As stated by some of the old-time gallerists, it was evident that only those gallerists survived who had developed a good eye for art and artists, and had understood the vein of this business, which was unlike any regular business. Along with those who made it big by working with young masters, some galleries took benefit of those buyers who could afford less expensive works. Therefore, these formed the category which was colloquially labelled as ‘second best’ preferences. These artists would be some young students, or those who were doing well in particular regions but had not had the opportunity to explore, and therefore were not favoured by the stronger galleries. These works were not as lucrative as those of the young masters with large price tags, but were preferred as they had a low principal investment. Further many of their buyers were not aiming for a resale. Such works were shown by a new category of galleries which had a modest approach, a dominant local presence and not many international ties. These galleries did manage to survive as they maintained a moderate approach and were not excessively ambitious about garnering profits.

The prime reason to discuss the fundamentals of the gallery business and the peripheral factors in detail is because they formed the first face of the primary art market. Though dealers and buyers have existed, the galleries have always been considered as the primary unit in the art market which not just increases the visibility of the artist but play a dominant role in protecting the artist against the market elements which might harm their reputation as practitioners; thereby assuring the position of the artists as a stable entity in the art market, and assuring to help maintain their position as potential investable options.

3.3 Auction Houses: Mammoth Players of the Secondary Market

Studying the primary markets especially with respect to the galleries brings out the relational logic connecting the financial aspects with that of the artistic involvements like the works made and the entire creative processes which the artist is involved in. This is especially true with the surviving artists. When the artists are or might be involved or at least informed with respect to the financial deals for their works. This is prominent especially when consulted during some specific sales, or loaning contracts and most importantly while pricing the works. Most of the stable and reputed galleries, maintain the tradition of consulting artists in the process of determining the prices of their works. Most often this is the only time the artist has a say as a player in the art market. Though ironic, it is true that once the work steps in the secondary market, it seems as though the creative realm no longer has any dominant control over it. Therefore it could be said that the control of the artist ceases over the valuation of their own works. Apart from the artists what is always a matter of concern for the galleries is that any new buyer, on purchasing the work could consign it to an auction within six months of purchase. This could lead to drastically altering the moderation of the prices; which stands as an indicator of stability and an assuring factor for serious buyers.

As mentioned it is only in the primary market where the artist may play a role. Certainly the case differs when it involves established masters. But with the entry of the works in the secondary markets, the artist loses control over such market involvements. Now it becomes a play between the major market elements, which can be called as the churners of deals and prices. The auction houses remain the unchallenged, dominant players of this section. Global art markets started gaining financial volume and importance, predominantly by the activities of the auctions. This is not just with reference to the phenomenon of globalisation but historically true, that trading of valuables through reputed auctions has been a matter of assured benefits and to an extent of credibility.

Certainly the auctions as a category have had a long historic presence. And have aimed throughout at attaining increasing profits through price escalation. The very term derives its roots from Latin, *auctiō* or *augēre,* meaning an increase. Since our interest is to understand the logic of the art auctions, we need to understand the setting under which this category performs. Most of the auctions have a spectrum of valuables they deal with. These could range from – ancient art and antiques, high worth assets like vintage cars or realty, or collectibles like watches, wines, precious stones and jewellery, exquisite items of home decor, and their likes. The wide spread assures diversification of risks for the auction houses. These risks could be due to sudden imposition of specific taxes, laws on trade and transactions, as seen in the implementation of the Antiquities and Art Treasures Act, 1972 in India, or even as rumours of fakes floating in the markets. At the same time the spread helps build a wider clientele, what could be called as a battery of HNIs; each being a current, potential or a repeat bidder, to be lured towards various articles.

Since the items of trade involved are of high value, for long the auctions, like the local art galleries and dealers have functioned in a close-knit circle of elites. Knowing the clients, consignors, buyers and collectors over a period of time gave the advantage against the arrival of fraudulent items. At the same time, it reduces the risk of defaulting of payments. Since the auctions play the roles of the buyer and the seller simultaneously, it has to assure a strong balance between the two. A close networked working circle seems an evident solution. With globalisation, the number of HNIs increased in a short span of time; hinting at the increase in number of potential clients for the auctions. Evidently various businesses across the world were adapting to these changes; and the auction houses too had to adapt to the same.

3.3.1 1990s and the changing clientele

Many of these new potential clients were a part of the transnational world and proponents of the non-location specific businesses. Having a non-rooted presence these individuals had to cater to what can be called as global standards of living. These could range from general professional behaviour to personal lifestyles. The aim was to attain not just financial worth but also gain benefit from the softer qualities associated with it. Art fulfilled this function perfectly. These individuals at least through some cursory research or at least through the media knew the importance of art as a good investment. Later we shall see how art entered as a valuable asset in the financial portfolio management. Further, possession of such a valuable work had the potential to also add value to their social status. Given which art seemed an optimum option to invest the excess spill-over income. It is during this time that reports would be circulated stating the importance of art at a personal, economic, cultural and social level. These were done to lure the HNIs towards investing in the same. Most of these potential clients had willingness to enter the art market but no knowledge of it. At the same time, they were backed with the belief that the knowledge required for any business could be outsourced. Therefore, they would employ dealers, consultants or art advisors to help them make the investment choices. These affected the auctions in two ways. Firstly, with the non-region-specific character of these entities the need was for auction houses to now cover various locations with the prospects of rising number of interested clients. Therefore, their conventional business model would have to be altered, moving from simply a close-knit circle. Secondly, the fact that these potential clients would outsource or would hire experts or consultants to undertake deals, also meant that the auctions would have to make space for what in the past few years has been (in)famous as 'proxy deals'. These transitions had to be coupled with what we witnessed with galleries, that is, the need to be technologically updated. A lag in this part would dampen the spirit of these new clients, as many of them hailed from the technologically advancing world and stood as strong proponents of it.

As we discussed in the previous section the art galleries had to undergo changes in terms of the physical spaces and also by marking its presence on the web. With globalization, most of the business models turned more towards a role encompassing more than that of their core practices towards client satisfaction and client capturing; with this stressing on the increased role of marketing techniques in all fields. Auction houses started having their own public relation teams, marketing strategies and sales operatives dedicatedly creating and projecting an impressive image of the company. These supporting activities took place prior and post auction events. Thick catalogues, glossy images, chain of emails, commentaries on social media were to add to the aura of stable, extremely professional and lustrous status these auctions had. On one hand these bodies had a stable and renowned presence in their homeland, and demanded business in huge volumes. The tricky part was the manner in which these auctions would venture into newer emerging markets, where the volume of the trade would be low, as the markets were fresh. Further they had to retain their standards while making their mark in the new spaces.

3.3.2 International Auction Duopoly

The art market for long has seen and has been used to, two names which are synonyms for auction houses; those are Christie's and Sotheby's. Though these auctions have a wide range of collectibles and assets in their list to offer, their reputation as art auctions stands apart. The two auctions have built their reputation over centuries and have managed to maintain their superiority. To give a background of these two houses. Sotheby's was founded in 1744 by a book dealer Samuel Baker, in London. It grew over time and currently has a global network of 80 offices. The company's annual worldwide sales turnover is currently in excess of $4 billion (The History of Sotheby's Auction House, n.d.). Christie's was founded twenty-two years later by James Christie in 1766, in London. It was purchased by Françoise Pinault[14] an art collector in May 1998 for just over $ 1 billion. Christie's too has spread its web over the time to cover major destinations.

Interestingly these two auctions, even as they fiercely compete with each other in terms of acquiring works, consigners, and price guarantors; on a larger level, they seem to co-exist peacefully. One such example is of these bodies coordinating the dates and venues of their auctions close to each other. This is to ensure maximum presence of the buyers for the events. Most of their buyers travel across countries to procure the works of their respective interests. The presence of two auctions in one city with near concurrent dates provides incentives for buyers to make such visits, and make the best out of them. It could be said that these two bodies have very efficiently managed to maintain a duopoly in the art auction business.[15] Other equally old 18th century auction houses like Phillips de Pury[16] and Bonhams[17] do exist and aim for large consignment but do not fall in the same league as these two. Don Thompson an economist, who writes on the art market, in his book titled, *The $12 Million Stuffed Shark: The Curious Economics of Contemporary Art*, writes about the strong and unchallenged status of these two auction houses. He compares their duopolistic chemistry with competitive pairs like: Coke and Pepsi, McDonald's and Burger King, or Boeing and Airbus. Further sharing the statistics that the Christie's and the Sotheby's share eighty percent of the world auction market in high-value art, and an almost absolute monopoly on works selling for over $ 1 million. He provides additional data that, in the year 2006, 810 works of art – all art, not just contemporary art – were auctioned for more than $ 1 million; of these 801 were sold at one or other of the two auction houses (Thompson, 2008, p. 95).

Sotheby's and Christie's are of particular interest to us as these houses have been selling Indian art for a considerable period of time. The works sold could include, miniature paintings, antiques, photographs, etcetera. Along with these they have been largely instrumental in bringing international attention towards Indian Modern and Contemporary Art. These works were presented in small numbers with other works from the same period or regions. The story changed with the auction of Contemporary Indian Paintings from the Chester and Davida Herwitz Charitable Trust at Sotheby's New York in June 1995 (Sotheby's (Firm), 1996). This was Sotheby's first ever standalone sale of Contemporary Indian Art. This was the first time when a sale of such a scale took place for Indian contemporary art at an international level. Further being a part of the Chester and Davida Herwitz collection, proved the value of the works. In a way, the representation of the Indian works of an internationally reputed collection and presented at a prominent auction, nearly legitimised the value of these works in the international art market.

As mentioned these two duopolistic players would aim at having an equal grip over the market. In this attempt Christie's too made its way to tap the Indian art market. Christie's London started an annual sale titled the Modern and Contemporary Indian art in 1995, as part of the London India Week, this sale continued each year till 1999. Due to rapidly expanding interest, in 2004 Christie's introduced semi-annual sales of Modern and Contemporary Indian Art in another venue in New York. The Spring sale would take place in London and the Fall sale in New York, still as part of the Indian and Southeast Asian Art sales. These were to be taken place on regular semi-annual basis, where as some additional auctions were held under the title of Contemporary Asian Art in Hong Kong. These occasional sales did not reflect the actual prolonged interest and the health of the market for Indian works but were parameters to understand the geographic spread of the possible buyers' base for Indian art.

The first major historic moment with respect to the art market and Indian art was with the sale in September 2002 at Christie's, when Tyeb Mehta's triptych *Celebration* was sold for $317,500 (USD). This was for the first time that an Indian painting surpassed the $100,000 level at an auction. Crossing the six-figure price at one level brought about large-scale international attention, and locally it was a matter of assurance and hope for young Indian artists, who were aspiring to be represented at these reputed auctions and thereby a part of the global markets.

It is necessary to understand that Sotheby's and Christie's have been operative since the 18th century. They have been trading in Indian art and craft, antiques, etcetera since a considerable time span. Certainly, then the profit margins from these wouldn't have been high enough for these houses to establish a working presence in India; either by conducting auctions at venues in India or by setting up offices here. It is only in the 1990s that we see these auctions setting a working foot in India. After which the number of auction events either solely dedicated to Indian Modern and Contemporary art or those which included works of Indian origin with others have been rising. We shall also see in the analysis done ahead as to how the lot sizes of Indian works too reflect the confidence in the Indian art. A relative performance of the India specific sales shall be analysed keeping the performance of the overall economy in consideration.

3.3.3 Indian art auction houses

Just as Sotheby's and Christie's started exhibiting increasing interest in the Indian works from the year 2000, the local auction market also took shape. The Osian's and Saffronart were the first two auction houses of the Indian origin and marked their presence focusing on Indian Modern and Contemporary art. Later in 2006 the Apparao Galleries started their auction house, but have not been as large as these. In 2011, the longstanding gallery Pundole Art Gallery started their auction too. We wouldn’t be considering Pundole Art auction for analysis, as they do not have a continuous dedicated sale or a section on Modern and Contemporary Indian Art, but have a mix of various collectibles.

The establishment of the Indian auction houses gave an impression that the Indian art market was getting the required infrastructure in place. As in any economic markets the presence of a local player always gives a sense of assurance to the investors, that they would always have a local option to bank on, as opposed to the foreign parties. The auction houses had a further advantage, as it was believed that all the deals that are done in the auction houses are through the white economy; no grey deals would take place. This to many was a major point of assurance, as the ambiguity of the art market was the primary reason for many investors or buyers to remain distanced. Further the certificate of trade from the auction houses was considered as a strong clearance of authentication, erasing the other most dreaded aspect of buying art. Osian’s from its very inception claimed to not just focus on the basic duty of tradability of the works but also of carrying the larger responsibility of educating individuals, about art, especially Indian art. Neville Tuli, chairman and CEO, Osian’s Connoisseurs of Art, in 2006 said, ‘Art has four dimensions – aesthetic, historical, financial and educational and, when all these are simultaneously worked on, there emerges a developmental direction, which has the power to change the economic political system (Dhage, 2006, pp. 54-56).’ Saffronart on the other hand adhered to the practicalities of the business. It did not claim to fulfil any larger philanthropic roles. In the long-run Saffronart proved to the more successful player. Osian’s started an art fund, which over a period was unmanageable and therefore led to the closure of the auction and the fund. The same shall be discussed in the section on art funds.

Saffronart run by Minal and Dinesh Vazirani, CEO and Founder, believed that for Indian art to make a unique position in the international market, the need was to have a strong buyers base consisting of the resident Indians and the international Indian diaspora. Since the diaspora had been keen on collecting emblems of Indian culture, predominantly of the recent times, they had to be catered. In order to tap the international markets Saffronart introduced its online auctions along with the live ones. Further it also included a facility for phone bidding for few of the auctions. Such that, an authorised representative would attend the auction, and the certified bidder would be in some other location guiding the representative. The introduction of these facilities proved beneficial. It helped bidders across various time zones, to participate in the auctions without a physical presence. Consequently, Saffronart has been able to build a wider clientele. Currently it has offices in Mumbai, New Delhi, New York and London, further they have operational facilities in Singapore and Hong Kong.

Figure 3-2: F. N. Souza, Man with Monstrance

Both these auction houses claim that the interest in Indian art grew due to the success stories of the Modern Artists. For example, after the sale of Tyeb Mehta's work titled, *Celebration*, at Christie's in 2002, September 2005, his painting *Mahisasura* realized $1,584,000. Similarly, at Sotheby's, Francis Newton Souza's painting *Man with Monstrance* (Figure 3-2), which went down to the hammer for $1,360,000. Amrita Shergil's work titled, *Village Scene*, which was available for Rs. 11 lakh in 1992, at the Osian's auction, in New Delhi, in March 2005 fetched Rs. 6.9 crore. According to Minal Vazirani the demand for the works of the masters have always seen an upward movement; one major reason apart from its aesthetic and historic value which has pushed he prices, is the scarcity of their works. Considering the prices which they were fetching, these have got categorised as 'Premium Paintings' as they assure a very high rate of return over an equally high investment.

A ripple effect of these prices was felt on the then younger or potential masters. For example, Atul Dodia, Subodh Gupta, Jitish Kallat, Krishnamachari Bose, Baiju Parthan, Anju Dodia. ‘In the 80's these artists were peripheral choice for buyers, but now they are occupying the centre stage.’ Minal Vazirani. It is evident that collectors who had bought a painting of a master in his early of creativity were reaping heavy returns now. A state a few good examples - Atul Dodiya's, *As Though He Listened*, which was sold at Saffron Art in 2007 for Rs. 1.2 crore. Another painting named *The Kitchen* went for Rs 98 lakh. Whereas Subodh Gupta's works were sold for Rs 81 lakh (Dhage & Chuganee, 2007, pp. 68-74). With the prospects of the works of these artists getting viewership globally, through residencies and exhibitions their prices were expected to catch-up with the global standards. All these factors implied a very high rate of return. It was the rising importance of these younger and potential masters which kept the market sentiments high in the decade of 2000. The works of these artists were fresh and had a deep-rooted sense of contemporaneity.

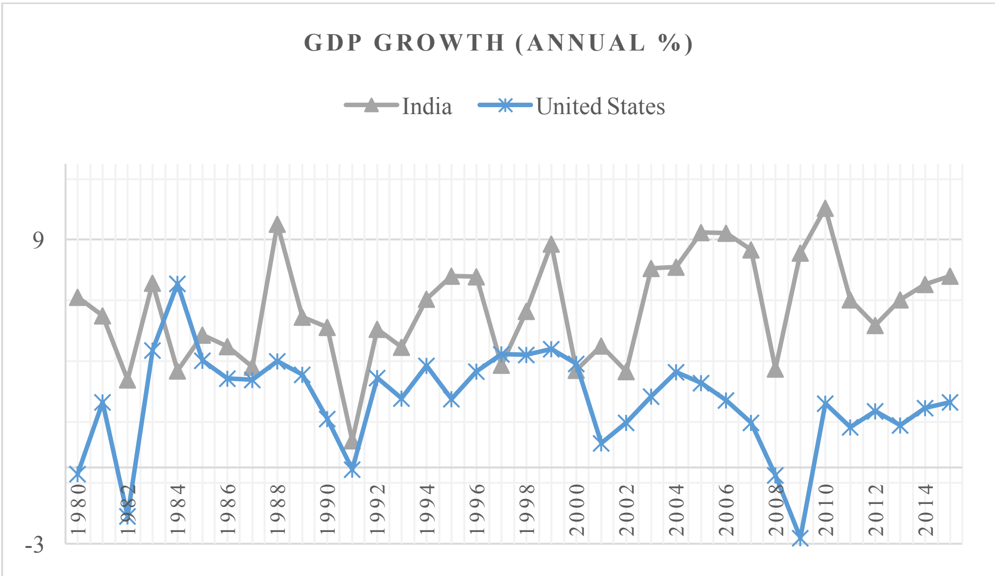
The auction houses proved to be the primary grounds for segregating artists based on the financial worth of their works along with the temporal connotations. The masters proved to be the ‘bellwether’ options and the emerging masters as the potentials to reap benefits in the long-run. It is interesting to see that even during the economic downturn the artists barely lost their positions, but it was the overall markets which reflected a low performance. Therefore, we shall see the manner in which the auction market reacted to the external global happenings especially those related to global economics, as it was a primary trigger to the very expansion of the art market.

3.3.4 Global Economic Factors and Auction Results

The increasing interest in art as an investible asset brought about a transformation in the way art was seen, read and also perceived. Earlier lauded for its visual appeal and an aesthetic contribution, the reading of art was now entering the field of monetary evaluation too. Later in this chapter we shall see how financial advisory firms started considering art as a part of the wealth and portfolio management. Based on the same various tailor-made products were defined for the clients. The Art funds too aimed at increasing the number of investors by stating success stories of stratospheric price rises. Some dealers, gallerists and art advisors started focusing on the potential art had to provide security in times of fluctuating economy. Apart from praising the value of art as a financial asset, another aspect which was getting highlighted was that art was no longer restricted to the elite class. In the globalised world, individuals with the number of HNIs and UHNWIs status were rising through well-paying jobs or businesses. Thereby implying that art was now affordable to many. Further pulling this possibility by stating that it was affordable even to common people if bough in a planned manner. The aim was to erase the otherworldly nature of art, and bring it in the realm of trade. The same was explained through various reports – some would have an encouraging tone and the others a statistically convincing one, through the presentation of favourable data. The first category would have encouraging stories like the renowned one of Dorothy and Herbert Vogel. Herbert was an employee of the United States Postal Service and Dorothy was a librarian at the Brooklyn Public Library. In the 1960s they started collecting works of contemporary art. They bought these with the aim of living with art and not investing in it. Beginning with simple drawings their collection increased to more than two thousand works (West, 2007, p. 75). In 1992 the National Gallery of Art, Washington, announced a project named *The Dorothy and Herbert Vogel Collection: Fifty Works for Fifty States*, under which the Vogel's could share their collection with museums nationwide[18]. This is one of the rare case in which the collector did not belong to the elite class and still possessed such a large body of works. Their success story has been used to motivate and convince potential buyers, especially belonging to modest backgrounds.

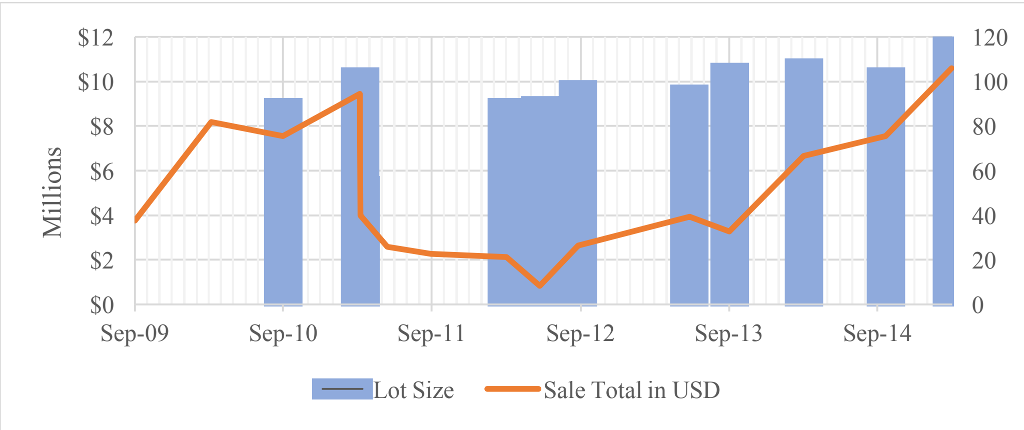
This has been one part of the story, of using an encouraging approach based on opinions and analogies. The other was of presenting numeric data and infographics very similar to that of financial market reports. We shall discuss later in the chapter as to how a replication of the financial market reporting was employed in the portfolio management for investors. Then the data presented to the potential investors ranged from art indices, to comparison of prices of paintings to those of the stock prices, some showed how the art market was growing in size, etcetera. Majority of the data presented was based on loosely defined parameters, which barely reflected the truth. Comparison of the price of one painting to the performance of the stock market couldn't be considered as an apt one, as selecting one work to represent the art market was flawed. Therefore, in this section our focus is not to see what data was presented as a part of convincing buyers, but to actually judge the way in which the auctions performed from the advent of globalisation. The data taken for analysis is from the sales of the auction houses as it reflects the actual India focused sales that had taken place. It is important to note that an analysis has been provided for the auction houses based on the sales results, but not for the galleries. The number of galleries keeps fluctuating given which the total sales figures are not based on a constant entity, therefore cannot be considered for an analysis. Since we aim at comparing the economic health of the country with that of the auction sales, we would be first considering the data based on defined national economic indices and later of the auction house data. We are not considering the total size of the Indian art market as it is nearly impossible to get exact figures based on the sales. With multiple players and no singular registration body, it is erroneous to claim an exact size of the market.

Since our study began with the economic concept of globalisation, we shall begin comparing economic indices and analyse the performance of the Indian economy since the time of liberalisation, and compare the manner in with the auction sales were affected. The parameters taken are – the Indian GDP (Gross Domestic Product) as it is the monetary measure of the total production of a country for a given period. Since the recession of the 2008 sparked in the U.S.A., and affected the art market negatively, a comparison of the GDP of India and U.S.A. is shall also be done. Following the same, the domestic heath of the country is further understood through the movement of the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) (Graph 1-2). Finally, we shall compare the same with the auction house results of Sotheby's, Christie's and Saffronart.

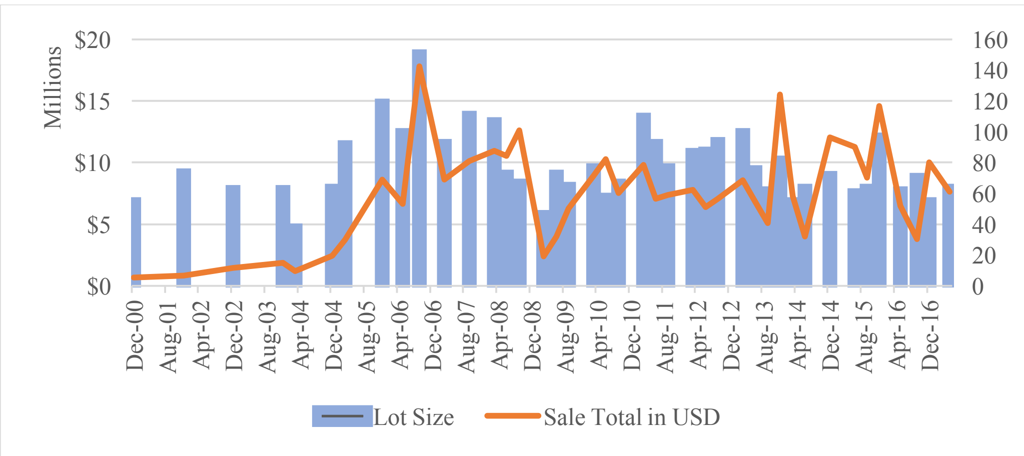


Graph 3-1: India & US GDP

The time period of comparison has been chosen from 1990 as it was the beginning of the neoliberal economy in India, and the entry of global forces. The graph shows a comparison of the Indian and U. S. GDPs (Graph 3-1). There were three points of concern to India in - 1991, 1999-2000 and 2008. 1991 both the countries faced a dip in GDP; this was due to the oil price rise and global instability due to the Gulf War. As discussed in chapter one, this time was particularly difficult for India with a weak domestic political and financial situation. The instable financial situation forced India to approach the World Bank and the IMF for aid; as a consequence, it had to adopt the Structural Adjustment Program, suggested by the two bodies. Since India opened its economy in a conservative manner it was able to bear the shock of the late 1990s early 2000, which consisted of the Dotcom Bubble and the East Asian Crisis. From the graph, it is evident that even as the US GDP dipped very steeply whereas the Indian GDP was under relative control. During this period US also suffered from the 9/11 terrorist attack on the Twin Towers. The scenario was different in the late 2007 and early 2008 Global Financial Crisis, when India barely remained insulated from the global instability, and witnessed a negative growth. Comparing the BSE and NSE also gives a similar picture. The 1998-99 crisis barely had an impact on both the exchanges. The BSE which is a larger player was badly hit during the 2008-09 period. In terms of the art market it spelt that the number of investors who had amassed wealth in the earlier booming economy would now restrain form investing in art. The continuing fluctuation can be seen till 2013.

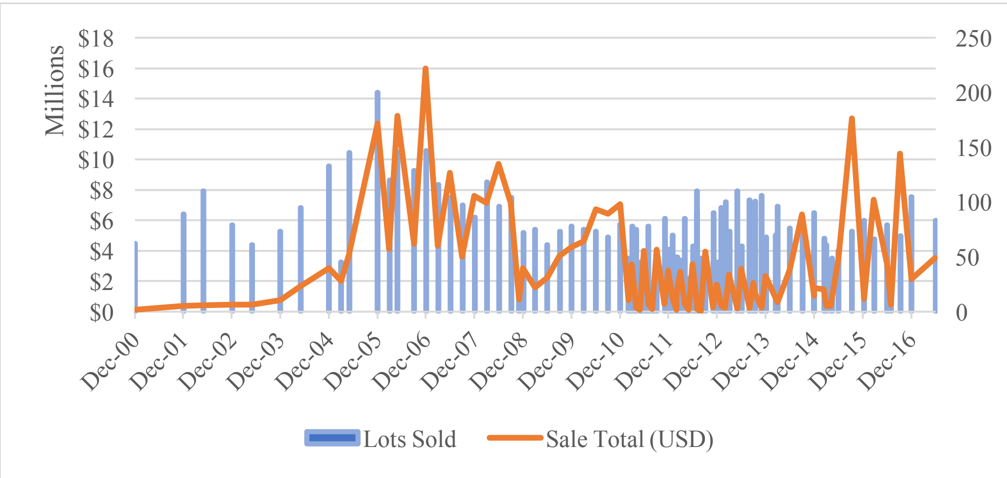


Graph 3-2: Sotheby's Indian South East Asian Art Results



Graph 3-3: Christie's Auction Results

The same can be seen in the auction results for the Sotheby's (Graph 3-2). Since the data for the India collection is available from 2009, we see that there was a gradual increase in the sales, implying that the prior period was at a lower level. The gain in stability has taken place only after 2013. The Christie's too picked up sales in 2000s, that is post Dotcom bubble and the East Asian Crisis, and scaled high results in 2005-06 in the booming economy before collapsing in 2008-09 (Graph 3-3). The lot sizes too were reduced. A near replication of performance can be seen with Saffronart. After the 2008 shrink in sales there has been a period of constant fluctuation. Further the period after 2011 shows extremely high fluctuation. This is not due to economic instability but the fact that Saffronart introduced increasing number of sales within a year (Graph 3-4). The fluctuation is further a result of the changing lot size thereby resulting in varying value of the total sales. It is interesting to see that the art market nearly exhibited a performance closely similar to that of the financial markets and the national production indices. With this it can be said that the art market has largely been dependent on the economic health of the respective countries of functioning and external forces too.



Graph 3-4: Saffron Art Auction Results

Globalisation has barely left any country in isolation. Therefore, the performance of one country has an impact on those in their functional networks. The same is applicable for the art markets. This is further attested through the exceptional case of Damien Hirst and his auction titled *Beautiful Inside My Head Forever,* at the Sotheby's (Figure 3-3). It took place on, 15th of September

2008, the fateful day when Lehman Brothers announced bankruptcy. It was also known as the 'Black Monday'. This auction was one of its type as Sotheby's had taken works directly from the artists, and presented an auction only consisting of works of Hirst, that is a single-artist auction. Even as news channels were bombarding stories of the massacre in the financial markets, the auction rooms barely reflected any such tension towards, buying Hirst's works. This in a way gave an impression that the art collectors and buyers were too affluent to be affected by the changes in the economy. But it wasn't true. Many bids saw a defaulting within a span of a month. Buyers flatly denied to pay and apologised. Sotheby's on understanding the market conditions and denials from the second best and subsequent bidders, took a lenient approach. Firstly, by not taking legal actions against defaulters, then extending the period of payments, totally cancelling fines against late payments giving enough time for the bidders to make arrangements, and assure that the work wouldn't go unsold. This gives an idea that the auction markets had to take cognisance of the global economic conditions in managing their functioning; to the extent of changing their conventional rules and regulations, in the difficult times. At the same time the other aspect of the scenario was that many investors held to the bids and made successful purchases. This attested the fact that even as many buyers were in a position to complete the bids, the financial markets had largely shuddered the belief of the art market was insulated from the same.

Figure 3-3: Beautiful Inside My Head Forever, Sotheby's Auction Shot

The comparison of the figures of the economic parameters to those of the auction house sales gives a fair understanding of the correlation between the global economic forces and the art market. Till now we looked directly as entities from the two sectors, that is, the primary market through the galleries and the secondary market through the auction houses. In the case of the auction houses we spoke of the international duopoly of Christie's and Sotheby's, and now in India the Saffronart. These are now considered as credible brands, having the capacity to legitimise the status and worth of any given work of art. Similarly, various galleries too have over the period gained such a status; possessing the capacity to create a high-brand of artists. This is a typical characteristic of the liberalised economies, where the need is to carve a strong name which eventually starts functioning as an unquestionable brand. With networks spreading over boundaries, the need for identity creation and assertion seemed like an obvious solution to stay afloat in a world with increasing completion. One could say that this is a vicious circle – beginning with a particular brand creating various brands, and later these various brands on gaining power in their field, in a way attest the worth and validity of the very brand creator. This concept needs to be studied in detail as various businesses understood the worth of such brands, that is, various artist and struck associations with them to promote and project softer business values. In the very first chapter we saw that with globalisation we can no longer say that a given product is made in one particular country. It is now just an assemblage, what we buy is not a country specific product but simply a brand. This concept of branding acts explains the dynamics of legitimisation and acceptance of entities in the globalised world. The art world too has a version of the same.

3.4 Pervasive Impact of the Notion of Branding

The concept of branding has wide applications. Its uses vary from a very basic level, of giving a name to a product as an easy way of addressing or of identification, for an early example, of branding cattle to segregate the livestock. The more complex ones are seen with respect to economics and aggressive marketing strategies. This was witnessed especially with the rise of mass-production of consumer goods when the notion of branding took a very wide connotation. Beginning from the basic level, as stated - by giving a name, or what could be understood as a representative tag, to a product called as a brand name. The other of capturing the qualities associated with the product. These qualities could be representative of the special attributes and the uniqueness selling points of the product. Usually in markets without much competition and with the availability of primary knowledge of the product the need for branding is not necessary. The matter complicates as the number of products, that is, the competitors increase, or if there is some elusiveness about the traded entity.

In the marketing industry since the 1960s, which marked the rise of manufactured, mass-produced commodities, branding has become an important aspect of business management. The impact was evidently large on the public and best expressed through the works of Andy Warhol. The entire practice of branding was meant to have a 'value producing effect'. The standardisation of these products would assure a stable outcome, and thereby a similar rather uniform experience to the users. In a way this stable product with least variation would spell predictability and thereby a rising trust towards it. Over a period the name would supersede the qualities of the product, leading towards brand loyalty. This concept of branding took an even more intense version with the advent of globalisation. With locations losing their importance, industrial processed getting standardised, and the rising need for uniform standardised products across a stratum of users, branded goods seemed like the only solution. One can trace the necessity of standardised products in our daily lives too; be it about the cellular phones or their accessories, cars, personal accessories, home electronics, internet banking processes, to the extent of food products, the notion of a brand suddenly seemed more credible over the un-branded variants. It is interesting to see that in the art market too started exhibiting such tendencies; with the rising competition, ambiguous characters of art and the availability of disposable income from the buyers, the concept of branding can be traced in the field of Indian art too.

3.4.1 Branding in Art

Even as these words sound difficult to place when discussing about the field of art, it is true that the notion of branding does play a role, especially in the art market. The incongruence strikes as there are no evident 'products' for consumer usage, and yet the concept application seems convincible as there certainly are 'big names' that rule the place and are a self-made and self-determined brands. There are various reasons and ways in which branding takes place in the field of art. As explained, the need for branding arises from various reasons. Therefore the manner in which it takes place is very specific to the reasons. At the same time one has to keep in mind, that unlike branding of the mass-produced consumer commodity goods, art has a very small reach, in terms of 'users', and also differs in the financial value associated, which is far more high. Given which, the branding logic is different with respect to art, and yet it addresses similar reasons.

To begin with, we shall look at some of the basic reasons for the need for branding in the field of art, especially contemporary art. Moreover contemporary art marks the entry of Indian art on the global art circuit, at a much faster and wider level than earlier. As we saw, a large number of new investors entered the art market in the late 1990s and early 2000s. Majority of who barely had any background in collecting. One of the basic hurdles for these individuals was of understanding the meaning of the tags like 'Contemporary Art' and 'Modern Art'. This might sound basic and extremely frivolous, but for many novice investors it was an actuality. With disposable time as a constraint, added with a low will to study about art, most of these investors, would sift through catalogues of auction houses to gain some knowledge. Such catalogues have been reference material for many, with elaborate visuals and crisp write-ups, they seem easy to a new reader. Just as the investors are able to recollect names of artists and possibly some characteristics of their works, few other hurdles appear – like understanding timelines and categorisations. These catalogues have added to the confusion for many beginners, as most of these auctions create time segregations based on their sales convenience. For example, Sotheby's defines as 'Early Contemporary' as art produced between

1845 and 1970, and post-1970 art as 'Late Contemporary', while Christie's uses a broader title 'Post-War and Contemporary Art,' without indicating which work is in each category. Christie's does this because its categorisation depends on the work rather than the date. Some provide an easy definition that contemporary art is 'art by artists who are still living' (Thompson, The $12 Million Stuffed Shark: The Curious Economics of Contemporary Art, 2008, pp. 9-10). Therefore the confusion for many investors or buyers begins in the very understanding as what they are buying. The lack of information forms one of the major barriers for many.

Another hurdle is the low chance to rectify ones errors as buyers. Unlike a regular commodity, in which a particular brand if disliked can be substituted by another one in the next purchase of the same product; art works do not hold such exchangeable convenience, and can barely be substituted once bought. Given this, most of the buyers or investors, depend on the stable bodies, which have created a strong name for themselves, and whose selections are rarely doubted. Therefore these novice market entities feel safer dealing through brand names in of the art market. The auction houses, which have stood as emblems of credibility are considered to be the most stable players. Christie's and Sotheby's with their presumably iron-clad provenance and price elevating auctions have become such trusted brands. At the same time the clients are provided with a sense of assurance that the works being sold have not even a remote possibility of any fraudulent involvement. These auctions use this guarantee of credibility, the inherently high prices of the works and the Veblen good effect to assure price escalations during the auctions. At the same time assured of the credibility in every possible way, the buyers are willing to pay a higher price for the works. It could be said that this price is a sum of two components. One, primarily for the work of art and the other for the brand from which is being bought.

Stating that, a given work was bought from the Christie's or Sotheby's evening sale, barely raises questions about the quality and the financial worth of the work. Further there is a certain value associated with the venues at which these works are sold. A work bought at an evening live auction of Christie's or

Sotheby's in New York or London, has more value associated than if bought in Beijing or Mumbai. Having had a history of nearly two centuries of trading and dealing in works the duopoly has carved an extremely strong position. This can be understood by their loyal clientele. This in a way stands as a proof that Christie's and Sotheby's have become the two giant brands of the art market, with an unchallenged reputation. Their reputation is not just restricted in creating a brand out of themselves, but in an unsaid manner they are credited with creating a brand out of the artist they present.

These auctions have by now become legitimising bodies. When a work of an artist is auctioned with these players, the financial worth of the other works of the artist rises too. The market sentiments immediately run positive; presuming the prospect of this artist to rise to the level of the masters. Whereas if a work doesn't a gain good bid, sells for lower than the previous rate or worse if goes unsold, that is, if it is 'burned out' in a live auction, the market sentiments towards the artist are bound to be negative. The sale of the works of those artists at private dealers or galleries would also suffer. This rarely happens as most of these auctions select works of nearly established artists. These are artists who have already proven their mark in galleries of repute and now need a springboard to enter and stabilise their position in the international markets. It is at this juncture that the auction houses legitimise their worth, and transform them into brands. Such that the investors now pry for the brand name over the actual work.

Since these artists are usually introduced to the markets by art galleries, these galleries too have built their reputation. Well here I want to clarify, that the term reputation, name and brand are not used as equivalents, therefore haven't been used interchangeably. Along with the aspects of brand creation, another necessary factor is the promotion of the same. One if the impact of globalisation on the art galleries was to prove their visibility, as discussed, not just by selecting and exhibiting works of good artists but by being present at events which have stood as examples of the contemporary globalised markets. For example presence in international art fairs, Biennales, triennials, large-scale shows, etcetera. Having booths at the Art Basel, Frieze London or New York, Armory Show, or the recent Sharjah Biennale, etcetera, is more than matters of repute. The galleries tend to repeatedly present the same or similar list of their artists at these venues. Given their repeated visibility, there seems to be a rising sense of acquaintance and thereby confidence in these artists. Another major achievement for the galleries is of placing these artists in collections of branded dealers or collectors, to further attests the creative credence of these artists. These collectors themselves like Christie's and Sotheby's are independent brands, and alternate legitimising bodies. For example the independent and highly esteemed market players like Charles Saatchi, Frank Cohen and Françoise Pinault.

Figure 3-4: Jitish Kallat, Public Notice 2, 2007. 4,479 fibreglass sculptures Dimensions variable

Saatchi a British collector and patron is a perfect example.[19] He is a businessman and a co-founder of the advertising agency named Saatchi & Saatchi; and the owner of the Saatchi Gallery. He has been described both as the greatest art patron of his time and as an art commodity broker disguised as a patron (Thompson, The Supermodel and the Brillo Box, 2014, p. 64). He has been credited for supporting the Young British Artists (YBA or yBa) in the late 1980s and 1990s. From this group arose what the market addresses as star artist like Damien Hirst. It can be concluded that the interest of Saatchi drives up the interest and prices of the respective artists. Of our interest is the works of the

Indian artists which forms a part of his India collection. The presence of their works in Saatchi's collection has invariably granted them an edge over other artists in India. The same was further augmented after the show titled, *The Empire Strikes Back: Indian Art Today,* January 2010 at the Saatchi Gallery in Chelsea, London (Figure 3-4). The works in the show were of Indian artists from Saatchi's collection. This was one of the few country oriented shows, curated from his collection. Just to name a few artists whose works were exhibited - Atul Dodiya, Chitra Ganesh, Subodh Gupta, Tushar Joag, Jitish Kallat, Reena Saini Kallat, Bharti Kher, Huma Mulji, Pushpamala N., Rashid Rana, T.V. Santhosh, L. N. Tallur, etcetera.

Another such case was with the show titled, *Passage to India*, 2008, culled from Frank Cohen's collection. This was housed in the Initial Access, an exhibition space owned by Cohen. The show was curated by David Thorp an art advisor. The artists included were - Krishnaraj Chonat, Atul Dodiya, Subodh Gupta, Jitish Kallat, Bharti Kher, Riyas Komu, L. N. Tallur, Jagannath Panda, Rashid Rana, Ravinder Reddy, T. V. Santhosh, Sudarshan Shetty, Thukral and Tagra. Interestingly the webpage of the Initial Access space mentions not just about the show but also about how this collection of Indian artists is of global prominence. It also mentions that Cohen has shifted his focus from China towards India. Given which to hold a show of such a kind, seems like a strategy to place them in the position of international importance. Words from such collectors – stating the rising importance of Indian art over Chinese art, is bound to make other emerging collectors (re)thing about their investments. At the same time by holding shows of Indian artists, is an evident attempt to hedge one's own investment in Indian art. Another aspect of these two shows is that many of the artists were repeated in the two lists. Having a presence in the collection of such dominant players and being shown in international exhibitions with a focus on India, invariably grants them a special position, and validates rather fortifies their identity as the prominent Indian artists, worth representing the country. In terms of the art market through these two acts they gain the position as credible, emerging brands; something which investors are always on a lookout for.

In terms of private businesses and markets it involves marketing strategies in order to assert ones unique position, and at times of superiority over the others. This is done so that one's brand and its name holds an unquestionable existence and invariably builds a demand. The same can be seen in the art market too. The market elements tend to project artists in the same manner. For example media statements like addressing Subodh Gupta as 'India's Damien Hirst', tends to equate not the status but the trajectory – be it of the fame, value of works or of the character of their works, which invariably gets interpreted in terms of the financial worth. Such statements might not be of any importance to other artists, but hold value to the investors. This is true, especially for western buyers, who try to follow the trends of the NRIs and the global media in the process of decision making. Such a comparison helps them understand the need to procure works of such artists with the hope of the values to skyrocket. Apart from the deserved confidence, the other extreme is when such a purchase is done regardless of evaluating the quality of the work of the artist. The matter of importance is name – what could be equated to the brand name. This is best seen through the growing number of 'proxy sales' where the works is bought on behalf of someone. Most of the times these buyers in absentia, would be aware simply of the name of the artists, and would have no idea about as to what sort of work is being bought; it could be a request for purchase placed over a phone call or an email, without seeing the work. This has been a matter of worry for many old time gallerists, dealers or collectors, as they are aware that the buyer's intention is purely of financial gain.

3.4.2 Artists and Business Brand Associations

Till now we saw the processes in which the concept of a brand, a purely business concept finds a variant in the field of art. The catalysts being the business and art market players, who want to gain from the escalating financial worth of the works of the artists. Once the artist attains an assured brand status for oneself, there is another way in which the businesses make use of this status, apart from that of purchasing their works and waiting for the prices to inflate. This is done by building up an association between individual business brands with those of such acclaimed and legitimised artists. In a way this could be considered as a vicious circle. The businesses and economic market players, invest in the works of these artists, with the help of the art market players and the individual worth of the artists get them to a status of being individual brands and then use this status to promote ones businesses again, through various brand marketing techniques.

The need for brand marketing for businesses is such that even the slightest lack of innovation or a tilt towards the mundane can largely tarnish the reputation and the brand name of businesses. These battles vary as the size and strengths of the businesses vary. With the works of art being unique in character, an association of the same with the businesses grants a non-imitable marketing status for them. Currently we shall consider two examples one of an international and the other from an Indian business house, the commonality being their association with contemporary Indian artists.

Figure 3-5: Subodh Gupta, Absolut

To begin with we shall consider the company named Absolut Vodka, which was established in New York in 1979. From 1985, it collaborated with artists, beginning with Andy Warhol; later artists like Francesco Clemente, Louise Bourgeois, Rosemarie Trockel, Angus Fairhurst, Jan Saudek, Béatrice

Cussol, etcetera, became a part of the list. Till date Absolut has built ties with more than five hundred artists across the globe. The Absolut Art Collection – a corporate collection, is housed at the Sprit Museum on Djurgården in Stockholm. Interestingly over the past few years Absolute has invited Indian artists to create advertisements. These artists are – Anish Kapoor, Subodh Gupta (Figure 3-5), Vikram Seth and Bharti Kher. While viewing these advertisements one gets a clear picture that in no way does Absolut use them purely as icons, but gives due respect to their creative processes and working methods. These advertisements are longer in duration, and begin highlighting the aura of these artists in their studios, discussing about their ideologies, or working inclinations with respect to art. Slowly the advertisements unfold to show the actual product, not in its usual known form, but as an artwork which is an interpretation of these artists of the form of the Absolut Vodka bottle. The subtlety of the advertisement justifies the selection of the artists for the same.

Evidently these artists are the already established names in the global contemporary art scene. Interestingly, unlike the usual aim, these advertisements do not aim at simple mass appeal, knowing that majority of the viewers wouldn't be aware of the achievements of these artists. The advertising aim of Absolute had been to set itself apart from any conventional methods. Using established artists as the face of the company, was to help translate the unique status of these artists to Absolut.

Not restricting to visual artists, recently it has launched a concept named 'Transform Today', under which it shall address the notion of global contemporaneity through the creative outputs of artists across various mediums (Breaking Conventions, 2017). Further in the field of art it has the Absolut Art Awards for – Artists and Writers respectively,[20] and now has introduced awards for Emerging Artists and Writers too. It is necessary to understand that stating the example of Absolute is not about showing how businesses associate with artists for advertisements. Usually considering a popularity quotient, celebrities are employed to the same. Since art and artists have always had a different and independent status, an otherworldly status if put forward poetically; using them as the as the face of the advertisement campaign not only creates a curiosity about selection, but also places Absolute in a different league as a business.

In case of India, a parallel of such an example does exist, but at a very simplified scale. Indian winemakers, Grover Zampa, have had their presence in India since the early 1990s. One of their recent attempts was to launch a new collection names the Art Collection. The name itself hinting at the exquisite quality of the wine. In order to justify the same. Grover Zampa invited a few Indian artists to create works in relation to the product. These works would form the labels on specific vine types. The invited artists were Sanjay Bhattacharya, Rini Dhumal, Paresh Maity, and Rekha Rodwittya.[21] Unlike the attempt by Absolut to have artists for the advertisements reflecting on the visual form and character of the Absolute bottle and the brand, resulting in a single work, in the case of Grover Zampa works of each artist draw a one-to-one correspondence with a single product. Further these works are modified as labels to be placed on the bottle therefore become a part of the production chain. In spite of the same, using the works of an artist clarifies the intention of Grover that the brand aims to translate the same unique quality of artworks to that of their collection. Unlike Absolut which has been proud of its long association with artists Grover Zampa, has no such intentions.

These examples give an idea of the possible ways in which the concept of a brand finds a translation in the art market, which itself could be used by the businesses too. A similar connection of art and the art market can be traced with the financial markets. Unlike the earlier example this connection has been finding growing grounds and involves large number of market entities. There are various causal factors, contributing to the increasing space allotted for art in the hard-core financial markets. One of the major reasons is that of the increasing awareness of the association of financial and social worth of possessing such assets.

3.5 Other Art Market Tools

Till now we saw how the art market evolved in India. Taking the starting period of the late 1980s, when economically liberal markets took precedence. Until then the Indian art market was relatively insulated from any foreign influences. The global story invariably speaks of gaining more attention, prominence and opportunities. Some got a chance to pursue their love for the field, now with an advantage of being backed with the financial security allowing them to buy what they liked. Some, wanting to rise in terms of their living standards, with this the participation increased not just from avid lovers of art, but also from those who, though not attracted to art, wanted to be a part of what was projected as the success story of art – either as a status enhancer or of wanting to gain financially. In a true sense the concept of investment in art saw a promotion through the financial markets. Though the art market entities like the galleries and auctions, or dealers did exist, the financial markets started crafting structured tools for calculated investments. Therefore in this section we shall see the systematic manner in which this was undertaken. At the same time one has to take note, that there is still a large-scale aversion to include art as an option in the financial management products from established firms. These initiatives to include the same have come from firms which have had a background in collecting art works, and therefore are aware of the inherent value of art.

Here it is important to note that the concept of investing in art is a fairly recent concept. The development of this concept can be seen in two field – from the art market itself and the other from the financial market. The developments in these fields can be seen through the distinct and defined, models and products for the investors. Though distinct these products are structured, by borrowing knowledge from both the fields. Therefore, we shall begin with the products defined from the art market, by discussing about the art funds and the pension trust, and move on to those related purely to the financial markets.

3.5.1 Art Funds

We begin this section through the study of the art market tool called the Art Fund, as it could be considered as one of the oldest tools to have been developed for art investment. It dates back to the British Rail Pension Fund (BRPF), London in 1974. This was a time when the first oil crisis had considerably reduced profitability of investments in regular financial sectors. There was a need to hedge the investments such that the pensioners would get good returns and at the same time their long-earned savings would be safe. The manager of the fund decided to invest a part of the amount in art. It was about three percent of the entire pension fund, amounting to then £40 million. Sotheby's acted as an advisor and provided the necessary guidance towards the type of works to be procured, on a condition that any sales from British Rail's portfolio would pass through Sotheby's (Howard, 2017). In order to increase the store value of the work, initially these were loaned for shows, or were lent to collectors' museums. This partially reduced the storage and insurance cost for the works. Within a span of a decade the fund started selling the works and incurring profits. This continued till the beginning of the recession 1997. Eventually the fund closed in 2000. The fund had drawn returns approximately between 11-13 percent per year (Whyte, 2014).

Based on this successful example many art funds came into existence in the west, but only few could survive. The BPRF had an advisory body like Sotheby's supporting it, which meant that it wasn't lacking on the knowledge in terms of understanding the visual importance of the works and the right pricing. Over the period another fund came into existence, which was successfully able to sustain profitably was The Fine Art Fund. It was started by Philips Hoffman. Hoffman was working with KPMG,[22] before taking over as the director of Christie's in the early 1990s. The fund is a part of Hoffman's The Fine Art Group (Shaw, 2017) and has been functioning steadily since 2004. Hoffman evidently had the knowledge of both the financial sector and the art market, which gave him an edge over other fund managers. The art funds largely depend on the fund manager's skills and knowledge. The usual strategy is to have what is called as a 'mixed basket of artists', global arbitrage, where the works from different geographies are included, next is of timelines – temporal or period strategies, different mediums, etcetera. It is further characterised by the typical 'buy and hold', method where the sale of the works is undertaken only after it attains a particular financial value. The profits of which are distributed amongst the investors based on the ratio of their investments.

There have been many attempts to start such art funds in India too. Just like the case with most of the others, many Indian art funds failed to sustain and achieve a stable growth. The process began with the economic boom in the early 2000s. These funds came up in a near simultaneous manner. The Osian's Art fund, the Yatra of Sakshi Art Gallery and Edelweiss Capital, and a fund run by Saffron Art; one of the later ones was Crayon Art Fund. With the auctions gaining steady strength Saffron Art closed its fund and has maintained the auctions to be their primary focus. Crayon Art Fund could barely sustain. It was the Osian's and Yatra, which attempted to launch the funds in phases.

Within no time of the launch, these two funds found a decent number of investors. The first Yatra fund, which was started in September 2005, raised Rs. 11 crore. The ticket size was Rs. 22 lakh, and there were approximately 40 members. The Osian's art fund which was started in 2006 had managed to collect Rs. 102 crore this year. The minimum ticket size was Rs. 11 lakh. Both of these were closed funds and were to liquidate after a period of 3 years. This seemed like any financial investment scheme. Further they projected that the Indian art market was going to remain steady, as it had grown from 2000 till 2005. Another reason for public confidence in these funds was that they were backed by two market players; the Osian's fund by the auction house and Yatra by Sakshi Art Gallery, which seemed like sizably large entities.

Though this seemed steady it did not remain so. The problems came forward in two ways – one was an exogenous global factor and the other of the internal legal one. To begin with the first problem, which was common to the art market, was of global recession. For the funds, it was the illiquid condition which arose seemed irrecoverable, with the beginning of the economic crisis from 2007 – 08. Since both the funds were to mature in 2009, it was within this holding period that the value of the works was expected to rise, but what was witnessed was an exact reverse condition. The slag in the economic market had a direct impact on the art market. The price of most of the works started sliding down or at least plateauing. Further the guarantees given by collectors were withdrawn. Collectors, buyers, who in the time of the boom had promised to buy the works in the later period at a higher price, detracted; some expected heavy discounts whereas others flatly refused to buy the works altogether. Given which, the fund was not able to liquidate their asset holdings, to fulfil the promise of providing a high rate of return to the investors. The only easy solution for the fund managers was to delay the maturity period by at least a year. Therefore, the funds declared a delay, and the date for return of benefits by 2010. There were negative market sentiments, which forced few investors to file a case against the funds.

With the legal action both the funds came under the strict surveillance of the SEBI (Securities and Exchange Board of India). This body found a lot of flaws in the very functioning of these funds and pronounced warnings against them. These were as follows. The funds came under the CIS (Collective Investment Schemes) of SEBI and were to follow the required regulations. Under the same the fund had to seek registration; but both the funds failed to do so (Appeal No. 62 of 2013, 2015) (WTM/PS/85/IMD-CIS/NOV/2015, 2015). The character of the funds couldn’t be considered as public as the units offered were to a few select individuals. Finally, since the regulations were not met, the SEBI ordered the closure of the same, and a refund to the investors. The intervention from the SEBI came about after a few investors on being dissatisfied with the delay and loss of faith in the scheme had filed a complaint. The case with Osian’s was even more complicated as it had disclosed the Net Asset Value (NAV) of Rs. 117.2 per unit as against the face value of Rs. 100 per unit. Further the banks were keen to recover the loan given to Osian’s. In such a condition, the fund had to undertake distress sale, at a time when the NAV was barely Rs. 54.65 per unit (Krishnan, 2015). This raised a lot of anger against the fund. The failure of these funds made the new investors, some who were first timers, to believe that the conventional investment options were the most dependable ones.

Apart from the issues related to the legal gaps and the intervention by SEBI, and the global recession playing a dominant role in the failure of the funds, another aspect which needs to be looked at is the possibility of the conflict of interest of these very bodies which formulated the funds. The Osian Art Fund was floated by the Osian Connoisseurs of Art, a body which also ran an auction house. The Yatra Art Fund, had the Sakshi Art Gallery as a partner. Both these bodies had a role in dealing with works of art apart from the fund. This could also mean that they had capacity to influence the prices of the works. Therefore, an evident conflict of interest was visible. In 2008, when the magazine Art India, came up with their issue titled The Art Market, details of a panel discussion, were published under the heading, *Bulls, Bears and Other Animals*[23]*,* the title evidently drew its roots from the stock market terminology of the aggressive and passive markets and their fast changing characters. Geetha Mehra of Sakshi Art Gallery was questioned about the conflict of interest in running a gallery and a fund simultaneously. She dismissed this by saying 'Not at all. In fact, it is the perfect thing because if you have a gallery, you have access to the best works that you want to put into the fund' (Sardesai & Jumabhoy, 2008). Evidently this logic didn't seem convincing. As in the financial markets a fund manager is never a holder of a position in a private company, whose units form a part of the fund. It is considered to be absolutely flawed.

The story of the art funds in India seems like an effervescence presence, which sustained only the economic boom and disappeared with the recession, eroding the then increasing faith in art as an investment option. Even as the investors were getting convinced that the conventional options were more credible, it also clarified some misconceptions about the art markets, which helped many investors later on. People were exposed to the flaws in the art market like those of – lack of knowledge of the legalities, of financial investment tools, the clash of interest of art market entities, and the need for a full-proof method of investing. After most economies were recovering from the Global Financial Crisis, by 2011-12, the concept of art investment did come to the forth again, but through hard-core financial investment firms. This in a way gave an assurance that the unregulated aspect of the art market and its players would be reduced. Before we move towards the same, we shall take a look at another entity of the art market, a part of the ancillary growth, which looked at not just the investors, but gave prominence to the artists.

3.5.2 Pension Trust

As mentioned earlier that the secondary market to a large extent eliminates the role of the artist as an active participant from the financial processes. The influence and the image of the artist is what looms over as a brand name. One of the many tools developed in the market exhibiting ancillary developments was that of the Artist Pension Trust (APT). Certainly, the notions of 'pension' invariably link to the image of a long-committed job and the final culmination of one's services. In terms of art it seems extremely ironic, as artists do not have a retirement age. At the same time being an artist is not like a conventional job, with an employer, a salary and an employee. At the same time, one has to take cognisance of the fact that for the first time an investment tool was being developed which would include an artist as an investor and thereby the beneficiary. At the same time the trust had no philanthropic intentions.

The Artist Pension Trust was started in New York in the early 2000s. APT is a barter-based program. It could be understood through three rough stages. Firstly, the APT through its curatorial team selecting and inviting various artists to participate; secondly, when the artists lend their works to the Trust; and the third stage, the income generation process through promotional activities and financial deals.

The APT has a region-specific Curatorial Committee comprised of individuals who are highly experienced in the field of contemporary art[24]. Currently there is not specific curator or a regional head appointed specifically for India, but there are representatives for the East Asia region. The APT is interested in who are in their early to mid-career. Only in India a few masters are also participating. The curatorial team approaches and invites artist to lend their works to the Trust. The trust functions as follows - participants invest works of art, accumulating 20 artworks over a 20-year period. Ideally, the 20 works by each artist comprise a representative collection of that artist's working process over that period of time. An Artist Participation Agreement is signed within the first six months and annually thereafter.

APT takes the responsibility of careful storage and maintenance of these works. Since APT has tie-ups with international galleries and museums this helps them to display these works abroad. When APT feels it is the right time to sell the paintings of an artist it liquidates it. This could be done by presenting the work in an auction, to any collector, to an art fund or any investor. Till then the artists remain the sole owners of the works.

When artworks are sold, each artist receives forty percent (40) of the net proceeds of the sale of his or her works. Thirty-two (32) percent of net proceeds accrue to the collective benefit of all participating artists in the specific APT. This allows each participating artist to collectively participate in the commercial success of the other artists too. The remaining twenty-eight (28) percent of the net proceeds are retained by APT to cover all management and operating costs.

The reason to include the APT in the section on the art market, even as it is just one example applicable in India, is that, it is one of the only tools where the artists have been drawn to set up a market tool, and to reap the benefits of the same. APT therefore has its presence in both the primary and secondary market and has an independent niche of its own. On one hand, it deals directly with the artist. On the other it is involved with the pure market elements. The APT is certainly a pure market tool, only differing with the fact that the investors are artists. Further these artists are aware and informed about the manner in which their works are promoted and sold. If judged from the pure economic point of view, the APT unlike the regular funds, doesn’t make profit from investing huge amounts. It makes profits only by holding the work. The positive part of this trust is that the direct benefit is accrued by the artists.

3.6 Scope for Mergence: Art Markets to Financial Markets

Globalisation in an unperturbed manner has undertaken standardisation of its processes of functioning. The same has facilitated it to move with agility across geographies, countries, monetary systems, people, and businesses especially those with seemingly incongruent characters. One such example is the amalgamation of the financial markets with the art markets. The terminologies like the art market, price inflation, investment opportunity, commodification of art, tradability, etcetera, which got increasingly associated with the field of visual art, were still restricted within the periphery of the players in the art market. Though there was an expansion in the number of participants, especially with entrants from the non-art background, something which wouldn't have taken place earlier. The boundaries of the art market expanded in a true sense with the increasing interest from the entities of the financial markets.

The inclusion of the involvements and interest from the financial markets into the art market in this section is not just because of the increasing - volume and value dichotomy, and the evolving nature of the art world, but is due to the nature of change. A methodological transition came about in the manner of treating art in terms of its 'value' and 'materiality'. As seen earlier globalisation brought about the standardisation and commodification of various aspects like – those of tradable products, policies, jobs and employment patterns, skilled and unskilled labour, the intellectual capital which was earlier supposed to be the wealth of any nation, and also of the cultural products. The notion of 'value' witnessed an adoption of a fissured approach. The first of gauging its 'contributive value' and the other of placing or attaching a 'quantified value' as a monetary equivalent; which over the period would become more prominent. This has been reflecting the global and the late capitalist character of the contemporary time with its criteria of values skewed closer to economic fundamentalism (Atkins, 2013, pp. 79-80). The connoisseurs and patrons paid importance to the artistic, cultural and creative significance of the work. The earlier paring of the connoisseur / patron to an artwork, seemed to find tilt towards the buyer and commodity relation. The reading of this relation moving from valued possession towards consumption. The notion of consumption redefined that of ‘materiality’ of the works; moving from that of desirability of possession towards extreme commodification, where the physicality of the work loses relevance over the benefits accrued by the sheer reference of its name / brand. These new modes, patterns and manners of working adhered to the notion of standardisation of the process of the neo-liberalised. Standardised processed seemed like a flawed logic when dealing with or mapping over the creative faculties. The incongruence of which led to the segregation between the ‘passion assets’ from the other easily quantifiable and liquefiable ones. The desire for commodification of the globalised approach towards the art world is emblematic of its pervasiveness and the un-flinched advancements in fields which seemed impenetrable. Apart from the desire of exploring and venturing new fields, the manner of transforming such elusive terrains into somewhat decipherable, to the worse predictable standardised entities is a matter which needs to be understood. Therefore, it can be concluded that the application of the set methods of functioning of the financial markets on the art market, in an attempt to create replicative processes, has not been an augmentation of what existed in these fields earlier, but has rather disrupted the logic of functioning of what is now popularly addressed as the ‘art ecosystem’.

The interest from the financial advisory companies, especially from some of the Big Four (see endnote - 22) gave an impression that the art market would lose its ambiguous nature and turn into a structured and regulated one. The impact of which was seen in the changing nature of the banks towards the purchase, possession, sale, event sponsoring, loaning towards works of art, etcetera. Further the insurance sector too opened its coverage to include art in a manner that was not done before. It has to be kept in mind that many of these entities were already connected to the field of art, either as collectors, or through their CSR activities. In the period post-1990s, there was change in outlook towards the same. Just as the BRPF proved that a strategised investment in works of art could lead to calculably safe profits, the financial market entities especially the advisory bodies, though not as an imitation of the BRPF, used similar approaches. In this section, we shall see how various bodies from the hard-core financial markets and similar sectors started changing their attitude towards the field of art trade; focusing on the reasons as to why art which was long revered for its retinal value saw a lowering in it and tilted towards the financial value.

3.6.1 Portfolio Diversification and Strategic Investments

The economic integration through globalisation saw the rise and stability as an outcome of the networked dependence; and also exhibited the negative aspect through the contagion effect, where networked entities suffered simultaneously with the fall of any. The same has been discussed earlier and shown with respect to the art market in this chapter too. The economic downturns, of the late 1990s and late 2000s, the consecutive decades of cyclical markets, followed by varying magnitudes of recoveries, helped clarify the difference between blind and herd approaches from the calculated and structured ones. A look at the larger blow - the depression of the 2008, suggests an ironic scenario with respect to the art market. Unlike most of the sales of artworks which got hard hit, Damien Hirst's auction at the Sotheby's sailed smoothly. At no point was the havoc of the financial markets being discussed in the VVIP rooms of the bidders nor were there conservative bids. In a way, it attested the nature of extremely elite individuals collecting high end art, and the fact that such collectors were way more insulated from the economic fluctuations. And to repeat what Hirst said after the auction, that 'people would rather put their money in butterflies than in banks' (Thompson, The Supermodel and the Brillo Box, 2014, p. 97). This is certainly one exceptional incident where the market movements did not much affect the art market, and would be erroneous to predict the market trends based on such an isolated example. But what needs to be understood here is the scenario under consideration. Firstly, the presence of HNIs and UHNWIs and their desire for procuring works of a young established master, having a reputation of being financially successful. The same scenario found an extension with the desire of the elite for investments through various possibilities, then of an investment advisory body which provides a holistic solution for the same, and finally a new option for investment which has been exhibiting a strong potential. The involvement of the HNIs and UHNWIs implied that the investment would be of large size in terms of its financial worth and would involve investment advisory bodies of an international cadre having knowledge of investment options globally. To further clarify, these investment opportunities were restricted to the economically strong strata, and not to those with small personal savings.

Since the two decades of 1990s and 2000s exhibited high fluctuations the need for most of the investment advisors was to find options which would hedge the same. This meant that the prices of these assets wouldn't fluctuate drastically, even with the uneven performance of the financial markets. Further it would possess an inherent inertia towards a decline in prices. Art proved to be one such option. The interest towards art came forth in a dual way - first, the case when the advisory bodies wanted to introduce art as an investment option; and the second, when there was a rising demand from the clientele for understanding the same. Most of the younger clientele were more than willing to venture into this new territory and wanted more tailor-made investment portfolios based on their taste. Some advisors were proactive, whereas some were convinced to undertake such activities after consistent requests from the clients. At this juncture, it is important to note the method in which art was introduced and promoted as a possible investment option. Unlike the earlier discusses art market players, more than focusing on simply the brand – of the artist, a multi-perspective study had to be undertaken. Since most of the investors would be unaware of the field, these advisory bodies had to provide the required information, especially making it sound similar to their usual approach. Just as an analysis is carried out for the stock market or the commodity market an entire study had to be done. In the case of the art market it had to be across – geographies, time periods, genres, media, artists, works of art, histories, different art markets, testing reputation of various players, factors affecting these parameters, etcetera.

The usual approach undertaken by these wealth managers is in a stepwise manner, the same was done with respect to the art market. Firstly, analysing the terrain of the art market – its players, manners and methods of working, potential tie-ups, global art market analysis, the possible risks and most importantly the ways of evading ambiguity. This could be called as understanding the lay of the land. Secondly, of tracing associative and ancillary necessities – like maintenance, authentication, insurance, loans, incorporation of technological advancements to their benefit, etcetera. All these entities together are considered as the players of the ancillary art market. Thirdly, creating products based on the clients' demands, with assured benefits. Deloitte[25]Luxemburg has been one such advisor which has been publishing annual reports on art investment. One of the major claims of Deloitte with respect to art investment has been the need to educate the investors, about this new field. This is done by not just producing charts and graphs about progress but also involves opinions of people from related fields; this adds value to Deloitte's image as a knowledge imparting body. It publishes an annual report titled the *Art & Finance Report*, which provides analysis of the previous year and possible predictions for the coming year. Recently it tied up with ArtTactic[26], an art market analysis firm to procure further data and analysis. It has to be kept in mind that the addition of art in the portfolios of the clients was not at the cost of substitution of the conventional options. Art was another addition to the portfolio to diversify the investment range. All of which has been a part of the wealth management products of these advisory bodies.

The usual way to analyse the performance of the financial markets is through gathering of data of the appropriate entities, following the already existing parameters and indices, taking into consideration the necessary policy changes or rules of functioning, based on which the past analysis and predictive statements are formed. In the case of art one of the primary hurdles is that of getting accurate and valid figures. Therefore, the data for the advisors is usually mined from that of the reputed auctions and those galleries with whom they would be dealing. In a way, it gives an idea that this data is certainly not reflective of the actuality of the scene, yet is functionally valid, as it encompasses the entities with which the advisors would restrict their functional ties. With rising global clientele, the sources too are not geographically restricted. As the auction like Christie's and Sotheby's have increased their span, these advisors find it easier to step in the markets where these branded art market players already have their mark. Along with these global art market players, various indices are also taken into consideration. For example, the Mei

Mose World Art Index and the S&P index. The Mei Moses Index is a statistical tool devised by Jianping Mei and Michael A. Moses, based on the auction sales data (Mei & Moses, 2005).[27] Recently, in October 2016, the index was bought by Sotheby's and is now called the Sotheby's Mei Moses Art Index. Since it is based on the process of evaluating the repeat sales, the index takes into consideration two extremely important parameters - the provenance and the changing financial worth of the works. Whereas the S&P,[28] the Standard and Poor's indices provide values for comparing the performance of art with respect to other assets. To deviate from the investment firms and the parameters followed by them, and cite an example, in India a similar art index was formulated by the Economic Times, and was called the ET Art Index. It was based on the square inch price of the works, and that acted as an index for the artist. It ignored the fact that many artists worked in multiple media; such that the value of a graphic print and a painting by the same artist couldn't be valued by the same yardstick. The hollowness of the index was evident and it soon lost importance.

Given the fulfilment of the basic requirement of the availability of the data, the advisory bodies, have been designing financial products to cater to the need of the clients. At this juncture, it is necessary to understand that many investment fund managers are still sceptical of offering art as an option, as they themselves are unaware of the characteristics and behaviour of this asset. To fill this gap, most of the time talent has to be outsources, which is considered as a large risk. The possibility of the vested interests of these outsourced entities and the subsequent furbishing of manipulated information has been considered as a large hurdle. But with competition from different advisory bodies providing art as an option, and client pressure, the field has made strong attempts towards the inclusion of art in portfolio management.

3.7 Market Analysis, Reporting and Product Development

As seen in the first chapter that globalisation aimed at benefiting from new markets, a similar tendency was witnessed towards the Indian art investment market driven by professional service providers and financial advisors. Most of the reports by professional investment advisory firms published information by a comparative analysis of art through various range of assets and various art markets. For example, various emerging markets showed potential for – stocks, realty, commodities, etcetera; the same was mapped over the various emerging art markets. The reports published by such groups provide an analysis of the potential health of the art market based on various art related and governmental parameters. For example, the volatility in the Chinese economy due to imposition of varying rules and regulations for international businesses by the government, which particularly hit the country's luxury goods sector, spread negative sentiments (The Contemporary Art Market Report 2015). Some regulation made it difficult to trade in art. The same was translated as the lowering of potential in Chinese art too. Therefore, factors exogenous to the field of art too are taken into consideration. Similarly, the volatility of the oil related crisis in Russia, spread neutral to negative sentiments about art. For Singapore the commencement of Art Stage Singapore, a Southeast Asian, region specific fair has elevated hopes in the works from Singapore. Similarly, with respect to India the sentiments seem strong since 2015 for various reasons. The domestic sales level was to be considered as a parameter for judging the India story. The rising interest from the NRI population was one of the major trigger to draw international attention. Many foreign buyers started following the footsteps of these Indians spread across the world. Further its sale of the Modern and Contemporary Art at the Christie's and Sotheby's was another indicator, as these sales had increased by 13.5 percent since 2014 (Art & Finance Report 2016). This was also reflected in the domestic auction house results. As seen earlier, Saffronart has been holding increasing number of sales during the mentioned period. Exogenous factors like the IMF predicting a robust growth of the Indian economy for the year 2015 was one of the major triggers. It is a known fact that an economically healthy nation has larger possibility of having more number of financially equipped individuals to purchase art. This analysis helped in understanding better global option with respect to global art. Based on such data, the portfolio on art investment would be further diversified; such that no portfolio would place all the investments in one category but spread it out safely. For example, a portfolio could consist of works from the Modern Indian category as it had seen steady and strong demand and price rise, along with some contemporary works from Singapore; this could be coupled with some from the west from a different timeline. A non-clustered and calculated approach is considered as a crux for a safe and stable investment. It is interesting to trace the changing trends in the Art & Finance Reports since 2011. These move from presenting art as an option for investment to the clients, moving to the rising positive sentiments to those of the demands from clients for tailor-made solutions (Art & Finance Report, 2016, 2014, 2013, 2011).

The systematic approach was also a way in which the possibility of chaos was reduced. The chaos which was predominantly reflected through the approaches which based their decisions on terms like 'gut feeling' that a given artist would perform well, or the 'lottery style strategy' in which the works would be bought from an artist hoping that s(he) would make it big in no time, or the dealers or market players would fuel the prices of the related works to ensure phenomenal price rise in no time. These methods were held against the principles of the wealth managers. Their belief was in a structured approach, based on set strategies and defined products for their clients. Further there were no dealings done for struggling artists, as they still had to carve a steady record. The financial market logic of blue chip and bellwether stocks translated as established markets and artists, with respect to art investment. Based on the same logic the tools of the global market economy are modified for use in art investment. The earlier explained logic of branding of artists and of finding security in through the art market legitimised entities found further grounds. At no point have these financial investment advisory bodies contributed to the betterment of the emerging artists. These processes of commoditisation assure the extraction of profitability and circulation of the same within the hands of the economically stronger strata. The creative categories benefit only through the trickle-down effects of the same; this too restricted to those artists who are a part of the global, branded and legitimised chains of economic value generation. Those away from it were barely benefitted by the globalised art investment scene. This brings us back to the fissured aspect of the economically globalised world discussed in the first chapter.

Getting to the financial products designed by the investment firms, these were systematic plans – designed on calculated risks and margins of profitability to be accrued over a stipulated period of time. The Art Secured Lending (ASL), of Deloitte is one such tool. This helps investors gain the hold or store value to a work. As the title suggests the investments are made towards one or more works of art aimed at lending. The works are always bought from reputed auction houses, galleries, rarely from dealers or individuals, and never from the artists directly, unless through a foundation formed by an individual artist. This is to ensure that the selling bodies can furbish a certificate of authentication and a valid provenance. The selection of these works is made in conjunction to the advisor's and client's choice. There could be procurement and physical possession of the work or the client could simply invest and the firm would manage to generate returns though various methods of loaning and lending the work.

In case of the possession the investors if willing, sells the work after a suggested period of time, and accrue the profits through the value difference between the purchase and sale. In case of non- or partial procurement, the value of recurring benefits from the works is assured through various methods. Just as gallerists would, place works in prominent exhibitions, loan to museums, or publish literature on the works, the ASL helps in increasing the visibility of the work and assuring a rise in the value due to the same in a stipulated time period. Therefore, the income occurs in two ways, one through the recurring lending and the other through the final sale. In the process of lending the firm takes care of the insurance and maintenance of the work. This has been termed as a secured lending mechanism, as it assures the right of provenance, legal procedures, security against damages and finally the financial benefits. The involvement of the earlier discussed branded entities like – artists, auctions, galleries, dealers, insurance firms, bankers, legal firms, authentication units, museums, etcetera, assures the investors the fair deal, over the possibility of fraudulences. The Art Secured Lending is proving to be an efficient tool for various investors.

Another tool for the investors is developed by Pi-ex Ltd.[29] an advisor on art investments. The aim of the firm is to aid decision making for the art investors by providing the necessary data and analysis of the global art markets, to blend the analytical tools of the financial markets and the non-cognitive emotional and passion driven desire for purchasing or investing in art. It provides different services based on the customer needs. The products designed by the Pi-ex, are quintessential example of commodification of art. The Contracts of Future Sales (CFS), is one such product, this is a near replica of the derivative market tools.[30] It is the first financial derivative based on art. Just like the derivate markets, the investor promises to buy a work of art at a said future date, for a fixed price, which is determined in the present. Such that the investor need not buy the particular work in the present. Therefore, during the actualisation of the contract, no payment actually takes place, only a promise is made. The work may be procured or may be given directly for lending without the investor's eye passing over it. This product has been extremely beneficial in terms of hedging fluctuations. To elaborate the same, determining a price to be paid in the future, hedges the deal against currency fluctuations, performance of the other works of the same artist and inflation. In case of the better performance of the buyers' currency, the work lands up relatively cheaper. In case of the devaluation of the buyers' currency, s(he) gets enough time to find a guarantor to purchase it prior to the closure period. Similarly, inflation too doesn't lead to the increase in the price. Finally, if over the period the artist performs phenomenally well, given which the other works appreciate drastically, the buyer having fixed the value in advance, procures the work at a lower rate than the then market running value. During the process, the works might or might not be physically possessed by the investor. Parallel gains can be made by loaning them, before the said payment time. This evidently seems like a strong investment product, with not much involvement of the visual and sentimental quotient of the works of art.

As we see the manner in which these investments perform, there seems to be an overlap with what most galleries and auction houses could extend as services to the clients, in terms of art investments. The galleries or auction houses too on behalf of the clients could help increase the worth of the works bought by them. Thereby, questioning the very need for pushing the financial market entities to venture into the field of art. One of the possible reasons was witnessed during the 2007-08 recession. Majority of the companies of known art collectors were laying-off employees, in order to cut expenses and assure safe profit margins. At the same time works of art were becoming available for relatively low prices, or with heavy discounts, making it an apt time to buy works. This would spell a tussle between the public image and personal gains. If on one hand owners of companies were cutting their staff, and on the other procuring works of high value art, would evidently tarnish the public image of such owners. The need was for anonymity around such transactions. The products of the financial markets assured the same. These were a part of private investments and were not disclosed and published like auction sales. Along with the same, there was no loss of chance to garner profit from the optimum art market situation. As these products have been proving their worth, the investment firms have been constantly trying to improve their ways of working, in order to reduce risks. These processes start from the very stage of selecting works, managing them and till the final closure of the deals through sales.

3.7.1 Technological Developments and Management of the Investment

The global forces evidently changed the notion of the art investment. Since majority of them were aiming to capture the global investors, the need was to create uniform processes and products, which would follow identical parameters for analysis and functioning, through various regions and clientele. The ICT and similarly augmented technological tools aided the betterment of such functional structures. With the primarily techno-savvy and information hungry investors of the new age, one of the major requirements to be met by the firms was of providing accessible information. This information could be of the product details, management and logistic processes, the legal involvements, etcetera. To step aside and view the larger picture, it could be said that in the contemporary world driven by the very information revolution, the requirement of the presence and accessibility of information had become a subconscious need. The information preferably in the virtual form, spelling un-hurdled access now spells assurance. This is regardless of the actual reading and understanding of it. An absence of any possible information raises doubts. This brings us back to the notion of visibility and of image projection in a soft form. Therefore, these firms had to assure the availability, the projection and provision for access to such details of the art investment portfolios.

The investment firms have made use of the cloud-based art collection management systems. The information regarding the processes of authentication and attribution and logistics are made available to the investors (Art & Finance Report 2016, pp. 19-20). The process of authentication is fortified through some conventional methods like – a catalogue raisonné, provenance certificates, and authentication certificates issued through auction houses or artists foundation boards. Of the updated methods, a new tool is being developed which shall follow standard documentation processes, along with forensic details and form an 'Object ID'. [31] Another method currently in use is the new *block-chain technology*. It is based on the logic of formulating a list of growing records, which are called as blocks and these blocs are linked in a secure manner through specific codes. At no given level, once any information is secured can it be altered. This technology is usually employed to store digital data in a secure and sequential manner. It usually finds application in fields where regular money transactions have to be recorded and used for analysis. The use of block-chain method has proved particularly useful in tracing the provenance of the works. Since it captures the entire temporal movement of the works – it records the maintenance aspects of the trade too, namely the insurance and the banking links for any given work. Just as the financial markets these two sectors, too spread their understanding and interest in art after the expansion of the global art markets. The ICT through the growing products has been a great facilitator of linking various sectors.

The manner in which the banking sector opened to the field of art was different from the manner of the insurance sector. Many western banks had been active collectors of art since a long time. It would be erroneous to say that then their intension was of investment. The social, historic, cultural value of art was taken as seriously. Therefore, most of the works in the collection of such banks have been well catalogued, circulated in prominent shows, and the banks have had curated shows of their collections at reputed museums or in their own specialised facilities. Many banks have experts appointed to undertake this role.

The Citibank and the Deutsche Bank are the most prominent examples who have collected works not just from their homelands, but across the globe; such that they have region specific collections. Their networks for collecting art started spreading over different countries in an accelerated manner only in the 1990s with the wider and pervasive global presence. Earlier these banks had a collection predominantly of western artists. Having faith in art as cultural wealth, their collections were founded on philanthropic principles. At this juncture, it is necessary to note that – the auction houses and financial investment advisory firms would deal and invest only in conventional tradable works, like paintings, sculptures, prints, photographs, etcetera, at no point do we see these bodies supporting or dealing with experimental forms like – installations, video works, performances, land art etcetera. On the other hand, the banks have moved though not in tandem with the newer mediums but have shown a willingness to expand their understanding and desire for buying or supporting such works. Their progressive role can be traced in the manner with which a work of art is considered as a valuable asset and helped their clients to make use of their respective collections towards financial benefits without actually trading them.

Figure 3-6: Tyeb Mehta, Trussed Bull, 1994

In the post-liberalisation phase, with the economic progressions punctuated with recessions, reassured the faith in art as a relatively stable asset.

Understanding the value of the same many banks started considering artworks as collaterals against loans. Many loans were even given against the same to reinvest in other artworks. Further some banks started services to assist their clients to procure and manage their collections. For example, Citi Private Bank's Art Advisory & Finance team, which has been functioning since 1978, assists its clients in acquisitions of works, maintenance and management and finally in liquidation their collections. Another important aspect is that the Citi Bank has supported the concept of using art works as collaterals for loans. The same is done for works with a strong provenance. The bank has a deeper interest towards paintings, sculptures, prints and photographs; yet works in the form of electronically run pieces has not found much interest. This in a way attests the fact that still the physical signature of the artists holds supreme value when it is a matter of tradability. Some of the younger Indian artists in their collection are – Sudhir Patwardhan, Anant Joshi, Baiju Parthan, B. V. Suresh, Nilima Sheikh, Sunil Padwal, etcetera. The Deutsche Bank on the other hand has been prolific in collecting and supporting art related activities and projects (Figure 3-6). Its Arts, Culture and Sports division spearheads such activities. It has not restricted itself to specific easily tradable mediums but supports an expansive range. It has a long history of collecting art works of different tastes – across countries, periods and mediums; and the collection has been expanding continuously. Along with building a collection, it has dedicated spaces, for the collection and display of works. It has a Global Art Program which engages in activities like – the Art Mag publication, holding exhibitions, having annual awards for artists, various projects, etcetera. The KunstHalle in Berlin is a major collection centre and an exhibition space. Since 2004 Deutsche Bank has acted as main sponsor for the London's Frieze Art Fair.

With liberalisation and consequent opening of global borders made Deutsche Bank mark its entry in Mumbai, India in 1992. Ever since, the bank has taken keen interest in collecting eminent artists and promoting younger ones. It recently hosted a retrospective of Bhupen Khakhar in the KunstHalle, from November 2016 – March 2017 (Media Release, 2016). Their India collection consists of masters and young masters like Tyeb Mehta, S. H. Raza, Ram Kumar, Bhupen Khakhar, Sudhir Patwardhan, Atul

Dodiya, Ravinder Reddy, Dayanita Singh, Chitra Ganesh, Nilima Sheikh and many others. Experimental works of Sarnath Banerjee and the Raqs Media Collective to form a part of their collection. The bank includes art as a part of the wealth management services it extends to its clients. With their belief in art as a cultural wealth, and high asset value, the Deutsche Bank too considers art works as collaterals for loans. The legitimisation of works of Indian artists as a new asset class entity has been possible only through the presence of such institutional collectors. It is the rebranding of Indian works in the global markets by such global players that has pushed the Indian art market story further. Unfortunately, not many Indian banks take cognisance of such possibilities. The insurance sector on the other hand had been able to cater to the distinct needs of art insurance, as individual, private services and clustered services.

Deloitte-Luxemburg which provides investment products to its art investors also takes care of the maintenance of their art portfolio. Insurance being the most valued aspect. It had tied up with AXA Art Insurance, which is a specialised art solution of larger AXA group. Since the process of insurance products formulation is not directly related to our study we shall not deal with it in detail, but shall discuss those aspects which are relevant with the – art investments, advisory firms, global transits, cluster managements, etcetera. The global art market players have over the period have internalised the very concept of standardisation. In the section on art galleries we discussed the manner in which the galleries refurbished their spaces to meet global standards. The same is applied not just in terms of exhibiting works but even with respect to accounting, maintaining and storing them. These are of particular interest of the insurers. With many collectors converting spaces into private museums, and in general museums hosting international shows, the need is for a uniform manner and skill for managing and storing such works. The general insurance regarding the wearing in works due to age and weather conditions is a minor expense, and restoration experts manage to cover for the same. The major losses arise due to ill-equipped spaces, with clustered collections. The story of MOMART warehouse fire in East London in May 2004 is a testimony to the possibility of accidental loss. The loss due to theft is a larger problem as it involves legalities too. Apart from these, in the globally knit world with works travelling for fairs, exhibitions, Biennales, shows, auctions, and through sales, is a normal process. There are specific transit insurances for the same, lasting over a short duration but with high premiums. In India AXA has tied up with the Bharti group to form the Bharti AXA group, which provides art insurance products. Conventional companies like New India Assurance, National Insurance, Oriental Insurance, General Insurance, have started new products. TATA AIG, ICICI Lombard and Bajaj Allianz are some of the new entrants. In India, the problems related to authentication are prominent; since in India an insurance certificate is considered as a substitute to an authentication certificate. Like the investment advisory firms most of these insurers lack the requisite knowledge of the field of art. The insurance market for art in India opened up predominantly due to the demand from the corporate collectors and after 2000s from private collectors. Though not in a nascent stage but the art insurance field has been gaining maturity in India.

3.7.2 Other Corporate Involvements

The study of the interest of the financial markets done above is purely exemplary of the changes that took place through significantly. There have been various parallel practices of similar kind, all of which cannot be mentioned; as some take place, occasionally or have a lower volume of deals. For example, the CSR activities of many corporate collectors, have had an interest in art. Many of which predate the occurrence of globalisation, like the significant collection of the TIFR, The Taj Collection, The RPG, Group, ACG (Associate Capsules Group). Another form of such aid is not of pure procuring of works but that of sponsoring activities supporting art. The UBS has been a major financer for the Art Basel. A long list of corporate sponsors and partners at for the India Art Summit also addressed as the India Art Fair and the Kochi-Muziris Biennale (KMB) gives an idea of the systematised structure of these events and the contribution from the business entities. KPMG in its report on the KMB has given a detailed analysis of the impact of such ties towards the field of art and also to the town in which the KMB is hosted. These consists details ranging from the corporate interests, the ties with government bodies, involvement of the art galleries, artists, publications, collectives, academic institutions, effects on the local tourism, small businesses especially those dependent on the travel and tourism industry, to those of media partners. Just as the financial advisory bodies present the data on the art market in a detailed and infographic form the same has been done by the KPMG for the KMB (KPMG, 2014). We are not focusing on these large scale shows in this chapter of the art market as these have to be treated as spaces of viewing art and not of trading in art; though they might have an indirect impact on the sale and purchasing potential.

Figure 3-7: Indrapramit Roy, Nocturnal Metropolis

Since our focus is on tracing the changing character of the art market due to globalisation, one has to take into consideration the rising transnational attitude of the corporates too towards art. Some of the recent developments do exhibit a transnational character, but are very restrictive in size or in number. Some have been of private collectors setting independent museums of their personal collections, like the Kiran Nadar Museum[32] and the other where the association of the corporate entity is intentionally associated with such initiatives. For example, since 2006, GVK (Gunupati Venkata Krishna Group), an infrastructure conglomerate, which developed the Chhatrapati Shivaji International Airport, Mumbai, created a large public art program, titled *Jaya He* (Figure 3-7). This was to be a large 'new museum' located at the Terminal 2 of the airport, what can be considered as a space of transit. The architecture was designed keeping in mind the exhibiting space for works. Large number of object oriented works of art and culture were procured. The aim was to create a space that would give an idea of the country's past and contemporary culture. A gallery of nearly three kilometres, lit with skylights was aimed at. This seemed like an impact of the transnational desire of having a state of the art facility expressing the technological progress and the contemporary cultural strength of the country (Figure 3-8). Even as such projects have come into place, one has to keep in mind that this project was singular examples of such size. The need to mention about it is that the earlier discussed notion of transnational architecture, does not remain restricted to that single domain, but interestingly addresses the notion of cultural contemporaneity within it. Therefore, it is evident that the activities of the art market are not restricted to its main players. Various such projects of large scale do bring about a change in the global viewing of the art and artists from a particular country; but such happenings are evidently rare and therefore cannot be considered as major contributors to the Indian art market. Since they cannot be excluded too, cognisance has been given by mentioning about them in this section.

Figure 3-8: Mithu Sen, Transit II, Mixed media, acrylic light box

3.8 From Spaces of Circulation towards Spaces of Creation

Henri Rochefort, a 19th century French critic and collector once remarked that the 'price of pictures all depends upon the nail on which they hang' (Levy, 1917, pp. 3-15). An extremely simplified understanding of how the price fixing mechanism in the art market would be taking place. This quote was used by Florence Levy in this article titled The Art Market, printed in The

American Magazine of Art in 1917. Levy used this quote not to explain the simplicity of price determination and also to explain the very subjective nature of the same. In the current times this might seem a very frivolous explanation to the dynamics of price determination and movement. Yet on considering the time period in which it was framed it seems to hold relevance to the then existing manner of functioning. As seen in this chapter our aim has been to express the extensive and at times excessive pervasiveness of the factors that have affected the current Indian art market, namely the impact of economic globalisation.

Beginning from the older ways of the Indian art market and moving towards the contemporary character, the aim of finding causal factors at every level was attained - by noting the changing character of the businesses, art market players – both old and new, through the dominance of the capitalist notions of consumerism, commodification and brand identification, resulting in an increased focus on the process of financial benefits. The entry of new players backed with the profit garnering attitude has been emblematic of the newly developed ideologies based on the notions of economic-colonisation or what has been discussed as neo-liberalism. The desire for uniformity at a receptive level - be it the physical spaces, virtual projections or of the processes of working, reflect the character of transnational similarity. Yet the pervasiveness of the transnational global attitude marked by the desire for venturing new spaces and entities has an inbuilt ambiguity, as the sameness cannot be spelt as a total democratisation. It is still based on the norms of acceptance set by the legitimised bodies. The bodies and their legitimised entities, then get the status of brands with undoubted credibility. Which are borrowed by the players from the financial markets to further profit from their circulation; this in a way brings us back to the changing fields of finding and 'placing' works of art. In the midst of these spaces of circulating and (re-)revaluing works the very presence of the artists seems to blur. This is similar to the way transnational and global business manufacturers ensure value based on the brand which is being made over the space, place and the people who contribute to its making.

Another aspect of the liberal market economy of the globalised world was the desire of non-interference from the government. *The laissez faire* structure of the markets as discussed in chapter one can be traced in the Indian and global art market as there is barely intervention, establishment of norms, or regulating body dedicated to monitor the functioning of the art market. As seen in the case of the auction houses, galleries and especially the art funds, there are no regulations, norms or requirements for individuals to start any of the mentioned businesses. Anyone can start any business in the art market, without being bothered about the need of knowledge and government regulatory interventions. One has to keep in mind that these changes were not just general and obvious changes to be understood as a regular evolutionary pattern of businesses. Some of these were inevitable and some intentionally adopted based on the primary factors embedded in the phenomenon of globalisation.

Even as we point out all the factors in a detailed manner, the following could be considered as emblematic of the transitions. The usual and still valid association of works of art to that of viewership can be considered as a critical parameter of understanding attitudes. Of course the same has been done earlier but to reiterate, now the interconnected global world characterised by the rapid movement of people, things, ideas, technology, etcetera, also expands the notion to viewership. The loss of rootedness of the viewer and the work, both, bring us to what can now be understood as spaces of circulation. It could be said that now the notions of viewership and visibility stand on blur borders. In the case of the prior it is the emotionality and sensitivity, whereas in the later a frequency; though seemingly different, with the art market as an osmotic membrane, the two need to mingle and merge to increase the importance of a work. These spaces of circulation again might not be actual tangible spaces. This brings us back the very notion of non-locational specificity. At the same time, as the work visibly passes through legitimising bodies it seems to gain validity and consequently a stronger presence in the art market. This too might sound like an obvious process, but the same has been of crucial importance.

Even as we traced the spaces of circulation of these works under the influence of the globalising forces, the very processes of making these works too saw various influences, factors and conditions under which newer spaces of creating works developed. Till now we saw the manner in which the economic globalisation came into play and created socio-cultural changes at a larger level and also in India; further the two affecting the art market. Unlike the earlier art market which was of a smaller size the creative arena was always large and diverse. At the same time, unlike the intentional insistence of the market players, the *laissez faire* tendency was an inherent character since the very beginning and not one proposed for.

Since the practitioners of the creative field work with no defined and quantifiable goal unlike those of the art market, the influences feeding them are immense. Globalisation did impact some of these practitioners in various ways. Therefore we shall move from the backdrop of the spaces of circulation, towards the spaces of creating works. The backdrop of the art market should not be considered as a prior happening but as a parallel development. As stated in the very beginning there is a temporal progression beginning from the economic globalisation and later a building of simultaneity in the happenings at various levels, the study of the field of contemporary art in India is not just of accumulating and chronologically listing the changes, but of understanding the manner in which the phenomenon of globalisation has been having a dialectic space with that of the contemporary art practices.