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Prize & price: The Turner Prize as a valuation device in the contemporary art market



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ABSTRACT

High prices garnered by British contemporary artists are often presented as a problem of valuation. This article seeks to connect the rapid ascent of British contemporary artists to the emergence and institutionalization of the Turner Prize, today's most prestigious art award. Although prizes and awards proliferate in fields of cultural production, little academic research has investigated their implications for artists' careers and trajectories. Combining a detailed, qualitative description of the institutionalization of the Turner Prize with a quantitative investigation of its influence on auction prices, we find that British contemporary artists' unusual valuation pattern (fast market ascension and *hastened*, rather than "deferred," commercial success) largely results from a different relation between value and price rooted in the Turner Prize's three innovative valuation mechanisms: *brokerage*, *deliberation*, and *institutional labeling*.

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1. Introduction

Always remember, New Yorkers, young British art now dominates the world, even your world. (Collings and MacMillan, 1998, p. 36)

Picasso later told me, very correctly, "In order for paintings to be sold at high prices, they must first have been sold very cheaply."

(Kahnweiler, 1971, pp. 39–40; quoted in Galenson, 2005, p. 35)

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Instant success is suspect and compromising; it casts doubt on the authenticity of the work and on its power to endure. Lack of success can be regarded as proof of the honesty of the artist and presumptive in favor of his genius.

(Moulin, 1987, p. 127)

On September 15, 2008, Lehman Brothers filed for bankruptcy protection, signaling the beginning of a global financial meltdown. The very same evening in London, Damien Hirst sold an unprecedented \$270 million worth of art at Christie's. In both cases, commentators called the sheer magnitude of the event yet another example of the exuberant, bubble-prone, and seemingly unpredictable pattern of value change in contemporary markets. To many, that day marked the bursting of one bubble and the formation of a new one. For although Hirst's extraordinary success shocked many and received intense media coverage, heady prices are hardly new in the art market. Edward Munch's *The Scream* sold for almost \$120 million at Sotheby's in May 2012. Hirst's age, however—only 43 years old at the time of the auction—made his success unusual. Hirst had been 40 when his famous stuffed shark reportedly sold for \$12 million—more money than was ever brought by Gerhard Richter, Robert Rauschenberg, or any living contemporary artists (Thompson, 2009).

Hirst is not an anomaly but instead the most representative figure of a very successful generation of young British contemporary artists. Of the top 50 living artists under age 50 issued by *Artfacts* in 2008, 12 are British, 7 are German, and only 5 are American.¹ Additionally, among all living artists in 2005, only two garnered \$1 million or more at auction before the age of 40: Damien Hirst and fellow British artist Chris Ofili (Galenson, 2005). Overall, British artists have achieved high levels of success more rapidly than their renowned predecessors,² to the extent that London came to challenge New York's six-decade-long supremacy as the world's art capital, a title it had “stolen” from Paris (Guilbaut, 1985). It is an understatement to say that the rapid success of a new wave of British artists took the art world by surprise, since British art had experienced relative anonymity for most of the 20th century and London was hardly an influential city in the art world. That young British contemporary artists were able to achieve such rapid market success poses a set of interesting questions about valuation.

As in any given market environment, competing exchange models, “circuits of commerce,” and mechanisms of resource distribution exist across market segments (Zelizer, 2004). In the art market, different valuation mechanisms apply depending on whether an artist has already been established and tested by time. The history of the modern art market is replete with examples of overlooked geniuses and of late-career commercial success.³ The slow conversion of esthetic eminence into market value conforms to the process known as “deferred success” (Moulin, 1987). By the logic of deferred success, early careers are mediocre and artists accumulate recognition gradually from a diverse group of gatekeepers (Hirsch, 1972); this recognition then translates, incrementally, into commercial success. Furthermore, whereas artists in the early stages of their career face radical uncertainty (Knight, 1985) and challenging price decisions (Fine, 2006), established artists are more likely to command high prices, reflecting the robust reputation built and stabilized throughout a career (e.g., a milestone monographic retrospective exhibition at a top international museum [Jensen, 1996]). Price is thus “discovered” through a process of cumulative valuation based upon a slow and delayed conversion of artistic value into price. As the epigraph from Moulin indicates, deferred success is what makes it possible to distinguish between ephemera and art. The logic of deferred success also regulates the production of value in other cultural industries: literature (Bourdieu, 2008), poetry (Dubois, 2009), wine (Garcia-Parpet, 2008), and fashion (Mears, 2011).

This article seeks to connect the high prices garnered by young contemporary artists to the recent proliferation of art prizes. Nowadays, few cultural products escape evaluation, ranking, rating, or

¹ The top 50 living artists over age 50 show a very different pattern: only 2 are British, 9 are German, and 22 are American.

² Ofili was 37 in 2005 when *Afrodizzia* sold for more than \$1 million and Hirst was 35 when *In Love—Out of Love* sold for \$680,000 in 2000. In comparison, Pollock was 37 in 1949 when *Number 12* was bought for \$300 by Edgar Kaufmann, and Picasso was 32 when Albert Barnes spent \$300 to acquire *Peasants and Oxen* in 1913 (Mayor, 1957; Robson, 1990; Thompson, 2009).

³ Famously, French Impressionists such as Monet, Renoir, and Degas were long overlooked by the market until the value of their art increased substantially when they were in the later stages of their career or were long dead (Rewald, 1973).

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