

## Introduction to this issue

The value of art is always based on a combination of material and non-material aspects. Even when the artistic value of an artwork seems to be incongruent with its monetary value, constant efforts have been made to pin down the relationship between these different, yet tightly connected, factors, both in the past and in the present. As Antoinette Friedenthal has shown in her research on the catalogue raisonné, for example, this literary genre evolved from the art trade and from collectors' demand for reliable information on artists' graphic oeuvres, with a first apogee in the eighteenth century; in the nineteenth century, however, the commercial origins and function of this type of catalogue were discredited by expert scholars, while catalogue raisonnés also stopped supplying pricing information which had previously served as a form of economic classification and a means of providing orientation on the art market. Fast-forward to our current digital era: the Magnus app created by the entrepreneur Magnus Resch caused a considerable stir in spring 2016 by allowing users to scan artworks and obtain free information on their estimated price, promising hitherto unheard-of levels of pricing transparency. However, in the wake of copyright complaints from galleries and database owners, Apple eventually removed this app from its store.

This first issue of our open access Journal for Art Market Studies, published by Forum Kunst und Markt - Centre for Art Market Studies at TU Berlin, does not seek to provide estimates of artwork prices. Instead, *Pricing of Art. Makers - Markets - Museums* focuses on analysing how market players and institutions in the "art market system" have combined to affect the pricing of art, both now and in the past. The aim is to present selected case studies which offer representative insights into different countries, periods, networks and phenomena from the perspective of art and museum historians, economists, and sociologists.

In her essay "Marketing Favors: Formal and Informal Criteria for Pricing Albrecht Dürer's Works between 1500 and 1650", Anja Grebe (Krems) takes us back to the early modern period. Drawing on the example of Albrecht Dürer, one of the most successful artists of his time, she discusses how there were no consistent pricing criteria for his works during his lifetime because the artist and his agents were simultaneously active in

multiple different markets, classified by Grebe as “princely” and “urban”, “formal” and “gift” markets. Grebe argues that these markets diversified to an even greater degree following Dürer’s death in 1528. The prices collectors were willing to pay in these second-hand markets, with their limited supply of authentic works, rose in correlation with factors such as the distance from the artist’s original home in Nuremberg. This phenomenon of different prices in local, regional, national, and international markets still applies today, and it also comes up in this issue in an essay by Franz Schultheis on pricing at and around the Art Basel art fair.

Another enduring myth is that the prices of artworks are “frozen” the moment they are acquired by public museums, based on the idea that museum artworks are sheltered from the markets. This topic is addressed by Bénédicte Savoy (Berlin/Paris) in her essay “Invaluable Masterpieces: The Price of Art at the Musée Napoléon”. Drawing on archive documents, Savoy reveals how Vivant Denon, director of the Musée Napoléon (Louvre), assembled two teams to tackle two different tasks: firstly, compiling an inventory of the works held by the Louvre which had been seized from all the territories France had conquered since 1794 and, secondly, putting a price on these works. He entrusted the latter task to expert art dealers, some of whom were also active or former artists, art restorers, curators, or collectors. Their job was to engage in “contradictory discussions” with him in order to establish “the real price” of the works contained in the *Inventaire Napoleon*. Savoy analyses these economic valuations as well as their political context, in which the state’s art collections were transformed under Napoleon into state assets to counter a pressing financial crisis – a phenomenon that still has parallels today, despite the obvious historical differences.

Publication of openly established prices fetched by artworks at auction always seems to “promise” maximum pricing transparency, especially when we consider that auctions in France have been carried out under state supervision since the Middle Ages. In his essay entitled “The Hôtel Drouot as the Stock Exchange for Art. Financialization of Art Auctions in the Nineteenth Century”, Lukas Fuchsgruber (Nuremberg/Berlin) investigates how changes in art pricing started to emerge within the historical context of the establishment of the Paris auction house Hôtel Drouot as a central, monopolistic trading centre for art in the mid-19th century. Fuchsgruber analyses articles and books by contemporary authors, including art critics and people who were actively involved in the art market. Though these historical accounts differ in many respects, two clear threads emerge: firstly, criticism of price manipulation caused by auctioneers taking a share of the profits and drawing on selected dealers as experts, and, secondly, discussion of upheavals in the market that favoured contemporary art. The emergence of financial speculation in the contemporary art scene ultimately stemmed from new opportunities to buy and sell this form of art at auction. Past debates concerning contemporary art assets seem equally relevant today, because they still form an integral part of our discourse on art and art markets in the 21st century, Fuchsgruber’s related use of the word financialization being a good case in point.

The most striking examples of how tightly politics, economics and the art trade are interwoven tend to occur at times of violent political, economic and social upheaval. In their paper “Art Price Economics in the Netherlands during World War II”, Jeroen Euwe (Rotterdam/Utrecht) and Kim Oosterlinck (Brussels) analyse the boom in the Dutch art market during the German occupation from 1940 to 1945. By combining historical and economics-based approaches, their essay strives, firstly, to establish an art market index for this period and, secondly, to interpret the price index results within the economic, political and historical context. Their index is based on hedonic regressions, taking as a sample the sales records – over 11,300 lots – of Mak van Waay, one of the two premier Dutch auction houses during the occupation. Their analysis brings a price factor into the equation that has not featured in any previous essay of this edition, namely the monetary policy and resultant inflationary pressure and rationing under German occupation which led to the development of a substantial black market and the flight of capital into real goods such as books, jewellery and works of art.

While Euwe und Oosterlinck seek to objectivise historical art price economics on a macro scale by integrating pricing factors in auction catalogues in a hedonic valuation method at ever-increasing levels of complexity, Franz Schultheis (St. Gallen) bases his essay “On the Price of Priceless Goods. Sociological Observations on and around Art Basel” on ethnographic fieldwork pioneered by Pierre Bourdieu. In the “decade of art fairs” which play a key role in today’s art markets – especially in regard to contemporary art – Schultheis’s research group investigated pricing in and around a particularly prominent art fair: Art Basel. The team used a variety of sociological research methods, including participant observation and in depth interviews with gallerists, artists, Art Basel staff, curators, art advisors, art critics, and others. Though publicly accessible commercial databases provide an impression of objectifiable pricing and market transparency, his ethnographic fieldwork yields quite a different view: the pricing of art requires not simply knowledge of unwritten – and often taboo – rules, but also an intuitive grasp of the game and its accompanying strategies. Art is an attitude, according to Schultheis, and the art market a bit like art itself with its fair share of mystique and mystery.

Unfolding like a kaleidoscopic fan, all the essays contained in “Pricing of Art. Makers – Markets – Museums” serve to demonstrate that the artistic value and economic price of art must be constantly renegotiated, and are thus ultimately always renegotiable. They also highlight how everyone involved in the art trade and the institutional art world affects these negotiations – the “talking prices”, as Olav Velthuis so neatly puts it in his eponymous book publication. Our stated goal for this first issue of the Journal for Art Market Studies is therefore to encourage further critical, art-historical research in this field in collaboration with other disciplines.

*TRANSLATION: JAMES HUMPHREYS*

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