

## *Original Paper*

# Brazilian Contemporary Art in the International Art Market

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### **Abstract**

*With changes in the art world, the Brazilian Contemporary art becomes an interesting subject to be analyzed in its relationship to the art market dynamics. The international art market has been growing since late 90s thanks to globalization. In this sense, the problematization of the research lies in an economical perspective of the art market to understand Brazilian Contemporary art internationalization through art fairs, biennials, art galleries and auction houses. With this analysis, the objective is to present an opinion about the panorama of Brazilian Contemporary art and its international market insertion.*

### **Keywords**

*art fairs, art market, art economics, Brazilian contemporary art*

### **1. Introduction**

Until late 20th century, there were under 100 buyers in the world for major works of art, that equivalent to USD 5 million. However, in the 90's, with the end of communism in Russia, the Chinese and India economic liberalization, suddenly, a market for luxury goods was created and the number of art consumers has exploded over 1.000, mainly for Impressionism and Modern Art, but there were a short of supply in the market as the best pieces were taken by museums. So, Contemporary Art became more lucrative and the biggest collected art movement. In 2004, an auction house of contemporary art crossed the USD 100 million barrier for the first time, and in 2005, Sotheby's sold for USD 157.5 million (ADAM, 2014, pp. 30-34).

The increasing figures of this growing art market are of main importance to a country's cultural and economic development. From the cultural standpoint, the presence of art on the international scene can build soft power (Note 1) and, on the economic side, can strength investment relations and opportunities. According to the United Nations Conference on Trade and Development (UNCTAD), the Brazilian GDP generated by the sectors related to the creative economy, where art is included, was

approximately 20 billion dollars in 2011, exceeding the figure of countries like Italy, Spain and the Netherlands and the expectation of the Brazilian Ministry of Culture was R\$ 217 billion dollars in 2020, considerable a relevant economic growth (WACHOWICZ, 2022).

According to the analysis of Basbaum, from 1980 on, the Brazilian contemporary art market became international and was increasingly related to the macroeconomic flows of the cultural industry of a capitalist economy (BASBAUM, 2021, pp. 7-8).

The theme of art internationalization was strongly debated during the 1950s and it has not ceased since it is directly related to factors of “linking economic power and the rules of the game in the international arena, which can be manipulated, since they are linked to politics and economic fluctuations” (AMARAL, 2006, p. 38). Thus, even today, it is possible to observe that the internationalization of art and markets continue to be a widely studied subject, measured by the participation of artists in international exhibitions (in museums or in galleries), by the circulation in international fairs and by the acceptance of their works in the global market (id., p. 21).

In this sense, the problematization of the research lies in an economical perspective of the art market to understand Brazilian contemporary art internationalization through art fairs, biennials, art galleries and auction houses. With this analysis, we hope to present an opinion about the panorama of the Brazilian contemporary art and its market insertion.

## **2. Method**

The qualitative research approach was chosen because the intent is to conduct a more detailed and in-depth research with open interviews, as this technique allows for spontaneity in the interviewee's responses and is useful when one wishes to obtain a large amount of information about a given theme, especially according to the point of view of the person being interviewed. Besides, it is appropriate to describe individual cases (MINAYO, 1993). The negative aspects of open interviews, such as the complexity of their analysis and the difficulty of their tabulation, are in this case largely supplanted by their usefulness.

The primary sources used in this study were interviews with artist, curator, collector, and gallery owners related to Brazilian contemporary art. The secondary sources were scientific papers from EBSCO and PERIÓDICOS, documents, letters, reports, publications and theses of authors and art critics who discuss the Brazilian contemporary art movement and its international insertion.

## **3. Result**

### *3.1 Market Analysis*

In the past, art market insertion was mainly via museums and cultural institutions by an independent conceptual positioning of discussing art. Artworks were taken out of their original cultural context and

were placed at museum and cultural institutions as a space for the sacralization of art, with the specific aesthetic value of art that was sought. However, according to Quemin (2020, p. 212), these agents get closer to art market agents such as galleries, collectors, and art advisors, “today, the market is stronger than ever, it seems that the roles of the market and the museum have been inverted”. Also, Tomkins points out that “prices now determine reputations” (TOMKINS, 2007, p. 71 apud CRANE, 2009, p. 338), so curators and museums lost importance when it comes to the reception of new art styles, and it may be more important for an artwork to be part of the collection of mega-collectors than of the prestigious museums (CRANE, 2009).

Curator Gabriel Pérez-Barreiro confirms the radical change in the art market. According to him, in the 80s and 90s, the market was something predictable, stereotyped, constituted on a purely commercial canon, which was despised by artists and academia. However, this canon has changed as the market, “once seen as a dead weight, today is one of the most dynamic fields of the art medium and, with this, the ecosystem of the art world has changed and its stereotypes have changed” (PÉREZ-BARREIRO, 2019).

In this scenario, a more complex artistic sphere was created, in which “the artist has total creative freedom, but is trapped in the economic dependence on the laws of the market” (LIPOVETSKY; SERROY, 2015, p. 13). For Raymonde Moulin (2004), art is trade, inseparable from cultural production and closely related to the international network of galleries and cultural institutions and adds a constant renewal of art movements which requires short-term and highly speculative commercial transactions in a competitive manner between artists and movements of different artistic currents that are traded by the same circuits.

Specifically, the contemporary art movement brings instability into the financial aspect of valuing artworks, as artists are still constructing their careers and it unknown how the artworks will be validated in the art scene.

In terms of the Brazilian art market, there was, between 2010 and 2014, a significant growth in the sales generated by the sector, which was mainly driven by Brazilian private collectors, responsible for more than 70% of the turnover made by galleries. As of 2015, international business in Brazil increased from 34 million dollars (2014) to 67 million dollars (2015) and there was a diversification of the destination countries of sales and of the international institutions that acquired works from Brazilian galleries (FIALHO, 2017, p. 383).

According to the Ministry of Trade Export Agency (APEX) Latitude program (Note 2) sector report, in 2017, Brazilian art internationalization expanded with at least 130 artworks acquired by 24 international institutions, plus 50% of the artists that were represented by Brazilian galleries at international exhibitions and fairs were purchased by the international market, and 20% of Brazilian artists were represented by foreign galleries (FIALHO, 2017, pp. 378-390).

A strong factor that led to the globalization of the art market was the “explosion of large international exhibitions that, through strong marketing strategies, intended to reach a large audience” such as several biennials being founded, for example, in Johannesburg, Istanbul, Dakar, Havana, Quito, Berlin, Liverpool and Mercosur. Saying that, emerging countries gained more and more space and, in addition, in some cases, became protagonists in the globalized world. Artists from emerging markets began to receive invitations to participate in international exhibitions, major art fairs, museum, and gallery circuits, leading to the appreciation of their works in the market (SCHOEN, 2017, p. 293).

In 2018, Brazilian art experienced a moment of unprecedented appreciation, with Brazilian artworks sales success in auctions abroad, Brazilian artists being exhibited at recognized international museums and 79% of Brazilian galleries being internationalized (BERGAMIN, 2018). Therefore, it is worth analyzing the factors behind this development in the art market’s landscape.

### 3.2 Interviews

#### 3.2.1 Professor Dr. Michael Asbury

Professor Dr. Michael Asbury is an Anglo-Brazilian art historian, curator, and art critic. He is one of founding members of the Research Center for Transnational Art, Identity and Nation (TrAIN) at the University of the Arts London (UAL) in the UK and has been its director since 2012.

Asbury attributes the Brazilian art insertion in the international circuit before the 90s, to artists from the Brazilian Imperial Academy of Fine Arts receiving travel awards and/or spending time in Paris or Rome, etc, such as Tarsila do Amaral, Lygia Clark, Hélio Oiticica and others. However, it is by the end of 20th century that the internationalization process was accelerated at the and still is in course, a “decolonial moment”, when artists from colonized countries began to be inserted into European official art circuits.

Asbury considers Paulo Herkenhoff’s “Antropofagia” Biennial of São Paulo as an important factor for the internationalization of emerging contemporary artists like Ernesto Neto, Beatriz Milhazes, Adriana Varejão, Rivane Neuenschwander and Rosângela Rennó. These artists were benefited by the “biennialization” factor, under the idea of a “global contemporary art” and, after this biennial; there was a proliferation of texts about Brazilian art written by foreigners.

#### 3.2.2 Prof. Andrew Marsh

Professor Andrew Marsh is a Course Leader in the MA Arts and Cultural Enterprise at Central Saint Martins, University of The Arts London and was director of the Stephen Friedman Gallery for 17 years. Marsh remembers a time when art galleries were trying to understand the shaping of the art market, globalization and what their role. For him, due to the rise of art fairs and art internationalization in the early 2000s, the art value increased tremendously, and art was able to reach a much wider audience.

This phenomenon was related to potential opportunities within the BRICs countries, Brazil, Russia, India, and China, and how art fairs started to attract more international clients, “if important galleries

were presented at an art fair, that would attract smaller galleries, who had to start understanding internationalization”. These fairs became a one stop shop, what enhanced the relationship between museum, market, and collectors.

In terms of Brazilian art internationalization, Marsh believes the main drive was positive Brazilian economic and political stability. Pre 2008, there were a lot of Brazilian collectors and a positive economic scenario, so the art became investment, as art market relies on a small percentage of very wealthy people to keep it trading.

### 3.2.3 Henrique Oliveira

Henrique Oliveira is a Brazilian contemporary artist, with works presented in most important museums around the world. Today, the artist lives in London. In his interview about the factors of Brazilian art internationalization, the artist mentions the art trader Marcantônio Villaça as the protagonist, in the 80s, with diplomatic capacity to insert artists in the global art scene. After him, there were the gallery owners Raquel Arnaud, Luisa Strina, André Millan, and others, who came in the 90’s, who fomented the Brazilian art within reach of people-who would buy cars, real estate, and luxury goods.

Oliveira declares that when there is a national art market, art starts to receive more international attention. For example, in the 80s, main international auction houses attained high values in artworks and this movement started to “snowball” and reached contemporary artists. Oliveira thinks this is a dangerous phenomenon as it can devaluate at any moment, especially for new artists who don’t have a career.

The artist also mentions a lack of mechanisms to decide why one work of art is more relevant than another and that, today, it is the market that coordinates and directs much of this process. Oliveira even comments that sometimes it is a matter of fashion rather than a formal evaluation of an artistic artwork and it is the galleries who have the power to decide what is interesting. In the past, artworks were ready, then they would go to the market, but now it is the market that commissions artworks from artists.

An important happening in Oliveira’s career and international projection was when he participated in the 2010 Sao Paulo Art Biennial to open doors and to provide visibility of his work to a much larger and international public. There was also the fact that the Brazilian market was booming, getting international attention as there had already been a certain boom in Chinese art and it was like “now it’s Brazil’s turn”, added by federal government incentives, such as prizes, scholarships, and residency grants.

Oliveira took advantage from these opportunities and projected his career abroad, in New York. He recently moved to London, as he believes that living in a different city changes the perspective of his work, forces him to use other resources, to network and to see exhibitions which, he says, in Brazil are very poor. He explains that invitations for participating in art exhibitions outside Brazil would be scarcer if he lived in his home country, due to his large-scale works, which are very complicated to

export from Brazil, in terms of legislation, logistics and transportation costs.

#### 3.2.4 Prof. MA Stephanie Dieckvoss

Stephanie Dieckvoss holds an MA in Art History, an MBA, and a Post graduated in Art and Design Education. She is a Fellow of the Higher Education Authority in the United Kingdom and a member of the Professional Advisors to the International Art Market (PAIM) network. She is the director of the MA Art Business at Kingston School of Art, lectures at Central Saint Martins and Sotheby's Institute of Art. She is also London's art market correspondent for the German financial newspaper Handelsblatt and has worked for over 15 years in commercial art galleries and art fairs across Europe and the USA.

The interview with Dieckvoss shows expectations of universal language in art, so that anybody can understand it up to a certain degree, or make associations with it, or even reduce the impact of certain stereotypes, such as how Europeans might think South American art must be very colorful and happy. For her, art needs to be "educated internationally, maybe conceptionally enough so that everybody can feel it sophisticated", but still needs to have some sort of perceived traits of its origin.

Regarding Frieze art fair held in London in 2022, there were many African artists being represented, and, in the past, it was all about Brazilian art. For Dieckvoss, it seems that the Brazilian art market is small and much related to a wealthy network that makes early links with artists and few galleries, the ones who hold presence at international fairs. So, it seems, international art market for Brazilians is of "exclusive gate keepers and a tightly controlled access".

Dieckvoss talks about the scarcity of Chinese art in Europe or America when considering the number of wealthy Chinese collectors. On the other hand, African art does not have many collectors, but many people are interested in. According to her, this is a characteristic of the art market, looking for new art constantly. Dieckvoss thinks that the European and North American art markets are determinant, both in terms of production and collecting, and both are saturated, despite the amount of money circulating.

When questioned about the market relations and decisions, Dieckvoss suggests isolating the top tier of the market, where galleries, auctions houses and collectors really work together to hype certain artists and create a buzz in the market. For example, the fact that an artwork reached auction records and that Gagosian gallery exhibited a solo booth on the same artist is utterly correlated. Besides, if there is only one artwork available, that creates a sense of urgency, "you need to have the hyped artist today, because tomorrow they might be out again" or when an art critic writes intelligently about the artist, and there is a curated show, and the market starts trading these artworks. So, now it seems the market comes first, and all the non-financial validation processes follows.

In terms of the role of institutions within the art dynamics ecosystem, Dieckvoss believes Europe is more independent from collectors, curators, and artists. Certainly, museums aim visitor numbers, but there are the old, acknowledged collections. If they partner with a young, hyped artist, they gain new audiences.

Partnerships are also happening between auction houses and primary market galleries, which are meant to be competitors. In addition, there is the danger for an artist to be at an auction where prices can be very low. On the other hand, for a long time, auction houses were the ones with global networks, with the best buyers across the world, and now with digital technology and everyone following branded players in live stream auctions, working together can be very attractive for marketing, leveraging wine and luxury goods auction's database.

However, despite technology, logistics is the challenge and a real problem, due to the fragility of artworks and the increasing of shipping costs worldwide. In addition, due to environmental consciousness, a larger group of collectors and artists are refocusing on local settings and avoiding international transactions, so cultural exchanges became much harder. In that sense, when local markets are not strong, the consequence is less exchange, partnerships, collaborations, and, in addition, people and curators have less money to travel. Even with global jet setting communities, the art market diversity has been decreasing.

### 3.2.5 Akio Aoki, Galleria Continua São Paulo

An interview was done with Akio Aoki, partner of Galleria Continua São Paulo, who has been working in the art market for more than twenty years, previously as Vermelho art gallery director. Galleria Continua is an international gallery with locations in San Gemignano, Rome, Dubai, Havana, Paris, Les Moulins and Beijing. Aoki has a strong perception on the internationalization of the Brazilian contemporary art and its market insertion.

For Aoki, the art market is correlated to the world's economy cycles. For instance, in the Middle Ages (1500-1600), Venetians were trading products with Middle East, all kind of products, including artworks, and Italian painters reached the peak of wealth and became important in other parts of the world. Similar, is the case of Dutch history. Relevant Dutch artworks are from the centuries of 1600, 1700, 1800, when they were mercantilists and had a lot of money.

Our Concrete Brazilian art movement is another example, its peak happened in the 1960/70s, when the Brazilian economy was booming. So, in the end, these artworks ended up in the hands of very rich people, who had accumulated a lot of money.

In terms of the internationalization of arts, Aoki says it started with the policy of Perestroika and Glasnost in 1986 introduced by Gorbachev in the URSS and the fall of Berlin wall (1989), which was essential to internationalize the economical mindset and allow for new perspectives, such as the discussion on market, money, and transnational culture.

In addition, it was the period of 50 years after the II World War, the era after Margaret Thatcher and Ronald Reagan, without any kind of very serious recession, when people started accumulating wealth again and the trade became active.

The reflection of the economy was the increase in prices of American works of art from the 50s and 60s, as well as in the 80/90s, when the Berlin Wall fell (1989), the rise of Basquiat and other American artists. The same happened in the Japanese art market, the 90s generation, when works by Murakami and Yayoi Kusama became very expensive, but reflecting a richer era of Japan. Another example is Venezuela, it will be difficult to position Venezuelan art in the 2000s, as the country is getting poorer and poorer.

In fact, the issue of art collecting, and the art market is directly connected to politics and economics, because it's all there, it's necessary to draw these parallels because when there is a lot of money circulating, people make money, their taste become peculiar, and they start to appreciate art.

Aoki has participated in the internationalization of Brazilian contemporary art effectively as co-founder of ABACT (Brazilian Contemporary Art Association) and the *Latitude* project, with the purpose of promoting the international exchange of Brazilian contemporary art, including artists, journalists, and curators. Aoki remarks that, somehow, Brazilian curators are not so connected to the artworld outside Brazil, and this is a mistake. For example, to talk about the Brazilian artist Marcelo Cidade, or about Andre Komatsu, it is essential to adjust the mentality towards the globalized artworld, to have traveled abroad, and many curators haven't done it. Collectors, since they had money and access, they travel abroad and understand different perspectives from the artists.

In the case of Latin American art, the Venezuelan collector Patricia Phelps de Cisneros, understood that globalization brings a different outcome, which is to spread culture. In addition, she had the financial means to create interest and demand for her collection. Caracas was very rich in the 70s and 80s, so with this excess of money, they exported not only Venezuelan artists like Carlos Cruz-Diez, but exported intelligence, curators, critics, and imported modern contemporary art and architecture.

In terms of Brazilian art, Aoki appoints the art dealer Marco Antônio Villaça as a protagonist for the internationalization and trade of art. Villaça was brave; he took Brazilian artworks to international fairs to sell and brought foreign works of art to Brazil.

## 4. Discussion

### 4.1 The Art Market

In the art market value is subjective, intangible, and extrinsic, involves important issues of scarcity and originality and a wide variety of professional stakeholders exercising different valuation roles (PREECE; KERRIGAN; O'REILLY, 2016).

According to Mei Moses Fine Art Index, as of 2000, art global transactions surpassed the financial stock market. The founder of Artprice, Thierry Ehrmann, declared the contemporary art market was worth USD 103 million in 2000 and USD 1,580 million in 2017. It grew 1400% in seventeen years with an annual return of 7.6%. Ehrmann explanation for this phenomenon is the growth of number of museums.



From 2000 till 2014, 700 museums were created every year, and each museum with a minimum of 4.500 artworks. In addition, the market became mature, liquid and efficient, with returns of 12 to 15% a year for artworks above USD 100,000 (MAIA, 2022, pp. 52-53).

On the other hand, according to Magnus Resch the art market is declining. Despite the glamour of this sector, the art world is “tough, the rules are a complete mystery to the uninitiated and only the lucky few make money” (RESCH, 2018, p. 10). Melaine Gerlis, an expert in the art market, also states that the art market had not increased from 2008 till 2019 (GERLIS, 2022), instead it had declined in overall numbers, a very different reality from what the media promotes, the high sales results coming from a very limited number of artists and artworks.



**Figure 1. Figure Art Market: 2009-2019, source Gerlis, 2022**

In terms of art public, the market is not limited to owners of artworks; any visitor to a museum can enjoy the art. The art consumer is therefore more complex than traditional marketing theory acknowledges (CHEN, 2009).

Therefore, the art market is a complex mechanism, with interrelated artworld actors. For Preece, Kerrigan and O'Reilly (2016), there are, at least, four types of art consumers, the “champions” (other artists who validate the work quality), “dealers and curators” (who promote and have a marketing and distribution function), “collectors” (who acquires the artworks) and finally, the “general public” (who may consume appreciating the artwork without buying it). What is explained by the authors is that artists are allocated to commercial or high art categories because of the validation systems in place. While Kinkade happily pursued commercial and populist appeal (SCHROEDER, 2006), Warhol toiled to

escape the classification of commercial artist through amassing social and cultural capital (KERRIGAN et al., 2011).

The artist provides their goods to the market, but the value creation process goes beyond them. Furthermore, interaction in the art market is primarily between artworld actors in business-to-business relationships, more than the wider consumer, and they act as cues in the buying process by reducing risk. But some art market players are more significant than others in the validation and final value of artworks. These experts are the single most important signal of trust in the visual arts market and therefore function as gatekeepers, positioning the artist in the market and enhancing the value of their work, translating the cultural and social capital into economic capital.

The most important group of these experts are dealers (VELTHUIS, 2005) and the major players such as Gagosian and Jopling are extremely powerful in the market, their reputation signal is central to the value of the work: if they represent an artist the price goes up and vice versa. They are also essential in terms of distribution, placing the work within prestigious institutions, art fairs and collections.

The art market is therefore a historical and hierarchical institution based on social relations making it difficult to predict (HOROWITZ, 2011). This has economic implications, as the art market is highly unstable.

Finally, key art fairs (such as Basel and Frieze) and auction houses (particularly Sotheby's and Christie's) also sell artwork at the higher end of the market, establishing it as worthy of investment (VELTHUIS, 2005).

According to Gerlis, the accumulation of capital in the upper reaches of international finance and the economic crash of 2008 meant that there was cheaper access to money combined to low inflation rates, making savings less attractive for other investment options (GERLIS, 2021, p. 65).

In terms of macro economy, art fairs impact the specialization and competitiveness of some cities, due to several development factors, such as increased revenues for related sectors (infrastructure and services), promotion of the city's image, increase in income generation and employment level (related to the number of people working in the art fair organization and in the fair itself), in addition to activities needed to meeting the needs of visitors (CUADRADO-ROURA; RUBALCABA-BERMEJO, 1995).

There are several institutions that collaborate in the realization of an art fair, usually a week-long event, attractive to local national and international tourists. These include city councils, high-end attendance venues, hotels, and transportation services, as well as the other fairs, museums and galleries that operate in the city. During the event, the area's museums and galleries often display their most interesting exhibits. In some cities, several other fairs operate simultaneously. In addition, there are glamorous opening festivities and a host of side projects such as lectures, guided tours, social events, and meetings.

There are often sales or distribution of special passes that entitle different activities parallel to the fair, in addition to admission to the fair itself.

#### 4.1.1 Galleries

Galleries are mainly companies driven by businesspeople drawing strategies from the selection of potential artists within a proper environment, budgeting commercial events such as exhibitions and fairs, networking with curators, museums, and collectors.

For Resch, “gallerists are the most vital intermediaries in the art market” as they are part of a cultural social calendar to attract collectors and to support artists. Despite their relevance and creating the impression of being high-class and elite business, galleries suffer from an economic, financial, and managerial perspective. To better understand the art market, in 2009, Resch conducted a survey among eight thousand Fine Art galleries in the USA, UK and German markets (the three top markets with galleries). His findings were that revenues in the art gallery market in the USA, UK and Germany is low, with 55% all galleries producing revenues below USD 200,000 a year. 16% of galleries achieve revenues over USD 1 million, and 7% exceeds USD 5 million, showing that few galleries make money. In fact, 30% of all galleries operate in red, 18% make a healthy profit margin of over 20%. On average, rent is the highest cost, followed by salaries, fairs, transportation, advertising, and insurance costs. Resch concludes his research stating that very few galleries make good returns (RESCH, pp. 10-34).

This work is positioned between current arts marketing literature which tends to focus on the individual artist as brand manager (MUNIZ et al., 2014; SCHROEDER, 2006; KERRIGAN et al., 2011), and the sociological art market literature which considers the collective endorsement process through which art is valued (BECKER, 1982; BENHAMOU-HUET, 2001; VELTHIUS, 2005; ROBERTSON; CHONG, 2008), to encapsulate the various ways in which value co-construction occurs.

For example, the successful case of Damian Hirst, is linked to his first dealer, Jay Jopling. In the case of Hirst and Jopling, whose White Cube gallery represented several YBAs, their rise to prominence came hand in hand, successfully capitalizing on the media coverage of the YBAs and making good use of PR strategies to support Hirst’s market (for example the gallery has often bought Hirst’s work at auction to maintain its value (ADAMS, 2008). When Gagosian Gallery added Hirst to its stable of artists, the international exposure needed to sustain the market position. Although Hirst has since left the gallery, at the time of joining, this was a symbol of star-power, and he reaped the benefits of this association.

Looking to Arsel and Thompson (2011), however, we understand that value in one ‘field’ can be diminished as a good becomes popularized within another (i.e., from Hipster to mainstream), highlighting the temporal nature of value and the need to further understand marketplace power.

In that sense, for Maia, art dealer became an art stockbroker, a portfolio manager who bets, invests, earns dividends, launches artists, and soon after, the whole market loses reference to an artistic value judgment. The new art dealer is a speculator, a broker who bets on artists converted into securities. These purchased

artworks don't fulfill the purpose of an artwork of touching the soul, they stay in high security warehouses with freeport tax system to avoid taxes, and they offer services such as restoration, authentication, and others (MAIA, 2022, pp. 186-187).

#### 4.1.2 Art biennials

Using the Brazilian Ministry of Industry, Trade and Services (MDCI) database, we noticed that the highest export numbers of art from Brazil have happened in the second semester, the same time of the year when the São Paulo Art Biennial takes place. However, according to the interviews with sales staff from selected art galleries, despite the high number of international visitors that come to the art Biennial, the conversion rate to sales is not so obvious. For the gallerists, art exports are usually more related to their participation at international art fairs.

We also found out that, for the legitimation process of Brazilian art in foreign countries, the São Paulo Biennial plays an important role, generating positive articles in quality newspapers, in the main art markets of the western world, with content related to new and upcoming artists and trends, being respected as one of the most important biennials in the world, associated with tradition, artistic and institutional legacy, as well as relevance for the visual arts. The São Paulo Art Biennial may not be relevant for the short-term sales, but Brazilian galleries believe it provides a solid base for the recognition of Brazilian art as good and innovative art, thus being essential to the Brazilian art system and, therefore, to the Brazilian art market.

It is worth noticing that the São Paulo Art Biennial takes place at the Cicillo Matarazzo Pavilion, in Ibirapuera Park, the same venue of another important event for the Brazilian art market. It is SP-Arte, an international art fair that has occurred in São Paulo annually since 2005 (except for 2020 and 2021). Hochleitner (2015) detected a slight confusion between the two events, as perceived by some visitors of SP-Arte. These visitors considered SP-Arte as an international art exhibition like the São Paulo Art Biennial. If the Cicillo Matarazzo Pavilion is locally known as the Biennial Pavilion, then the confusion would make even more sense. However, they are events that belong to different categories of the contemporary global art system, as defined by Anne Cauquelin (2005).

The conclusion is that the event brings many foreigners to the city, such as curators, collectors, investors, and several art world professionals. During the event duration, guided tours and parallel events are organized by art galleries and art advisors, as a strategy to increase sales (MORENO; HOCHLEITNER, 2022).

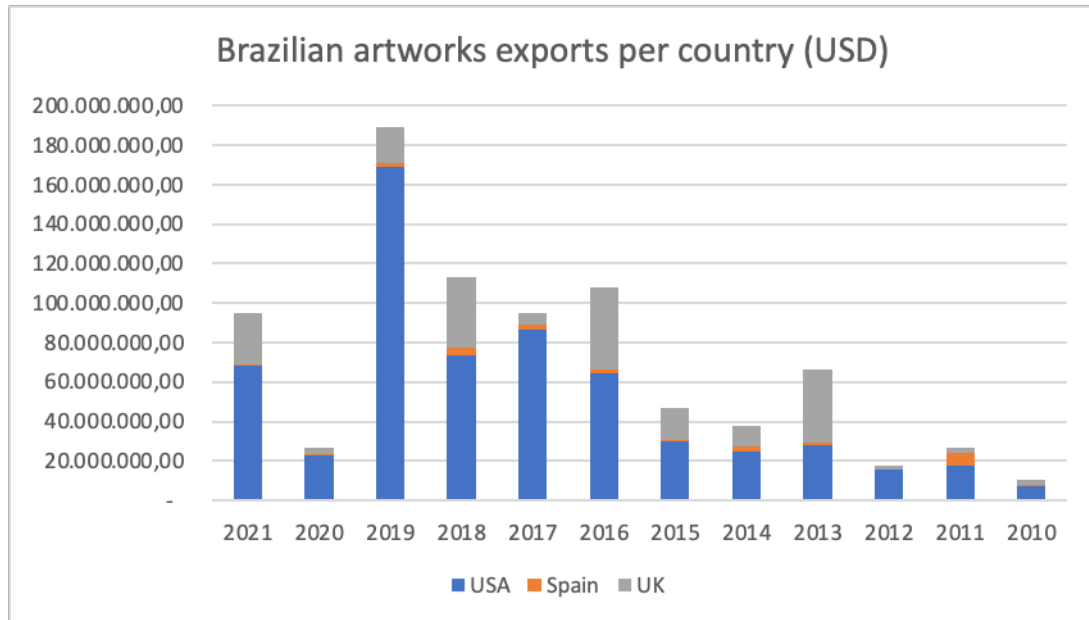
#### 4.1.3 Art fairs

Brazilian researchers indicate that art fairs are one of the main relevant factors for the internationalization of Brazilian contemporary art. For the art curator Pedro Corrêa do Lago (2011, p. 7), the internationalization of art takes place through many ways, such as participation in fairs; individual and collective exhibitions in the main museums and galleries in the world; participation in

major international art exhibitions of reference such as the Venice Biennial or the Documenta in Kassel; acquisition of works by prestigious collections and institutions; art prizes; public artworks; and publishing books and catalogues outside Brazil. In the same sense, for the historian and curator Aracy Amaral (2006), the internationalization of art is measured, in the end, by the participation of artists in international exhibitions (in museums or galleries), by the circulation in international fairs and by the acceptance of their works in the global market (AMARAL, 2006, p. 21), to promote the international insertion of a country's art in general.

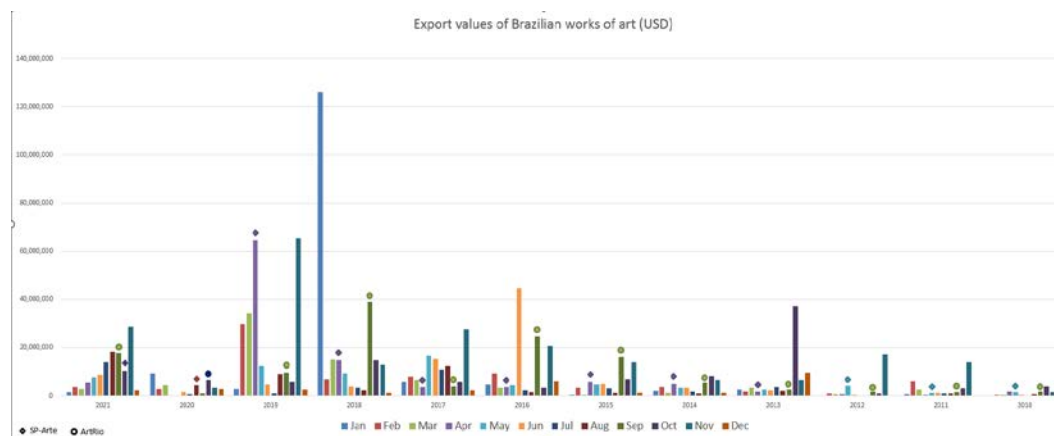
For Ana Letícia Fialho, the internationalization of an art market should be analyzed not only in relation to its volume of sales, exports, and participation in international art fairs, but also regarding the inclusion of national artists in international collections, the participation of national artists in international events, in the portfolio of clients and galleries abroad, and, finally, to the representation of foreign artists in the country (FIALHO, 2019).

Research was done to understand the relationship between international contemporary art fairs and the internationalization of Brazilian art. First relation appointed was that participation of Brazilian art galleries in international art fairs grew since the beginning of the 21st century, and research has proven that the results were positive, at least until 2019, pre-Covid. Second, according to data from the Brazilian Ministry of Trade, the three countries which have most imported Brazilian works of art in the last ten years, USA, United Kingdom, and Spain, host three international art fairs which are considered by Brazilian art galleries as some of the most important for their businesses: Art Basel Miami, Frieze New York, Frieze London, and Arco Madrid (HOCHLEINER; MORENO, 2023).



**Figure 2. Exports of Brazilian artworks to the main markets: the USA, United Kingdom, and Spain. By the author**

Lastly, there may be an impact of ArtRio, an international art fair based in Rio de Janeiro, in the Brazilian art exports, which relates to secondary peaks of Brazilian art exports in the month of September in the years of 2014, 2015, 2016, 2018 and 2021, and September is the month when ArtRio takes place, every year since its first edition, in 2011. Unfortunately, the Ministry of Trade database does not allow visitors to identify the sellers, and may not be timely accurate, so the confirmation of this hypothesis is something for the future.



**Figure 3. Exports of Brazilian Artworks from 2010 to 2021, monthly**

Source: <http://comexstat.mdic.gov.br/pt/home>. Accessed on: 10 Sep. 2022. By the author.

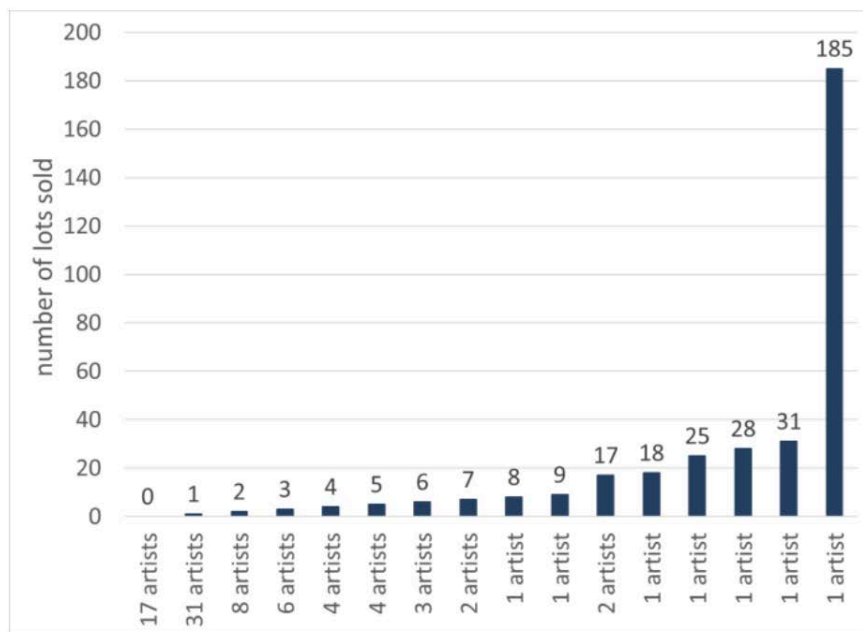
On the export values of Brazilian works of art, however, it is important to remember that data from the Ministry of Trade does not result from art fairs only: it can result from art galleries' sales at their own premises in Brazil or abroad. Other agents in the art market can also perform sales to public and private clients in other countries, such as auction houses, private collectors or even art institutions such as museums.

#### 4.1.4 Art auctions

Art auction houses have been a key element in the transformation of the art market in the twenty first century. As globalized large corporations, with high investment in marketing and press departments, they have created and stimulated demand with artist catalogues, selling art by private treaty and even extending credit to prospective buyers. These strategies expanded art markets growth worldwide, "particularly in the emerging economies, and been the public face of the market with its constant flow of news about high prices, press profiles of personable auctioneers and fashion-oriented gesture in magazines about the specialists" (ADAM, 2014, p. 24).

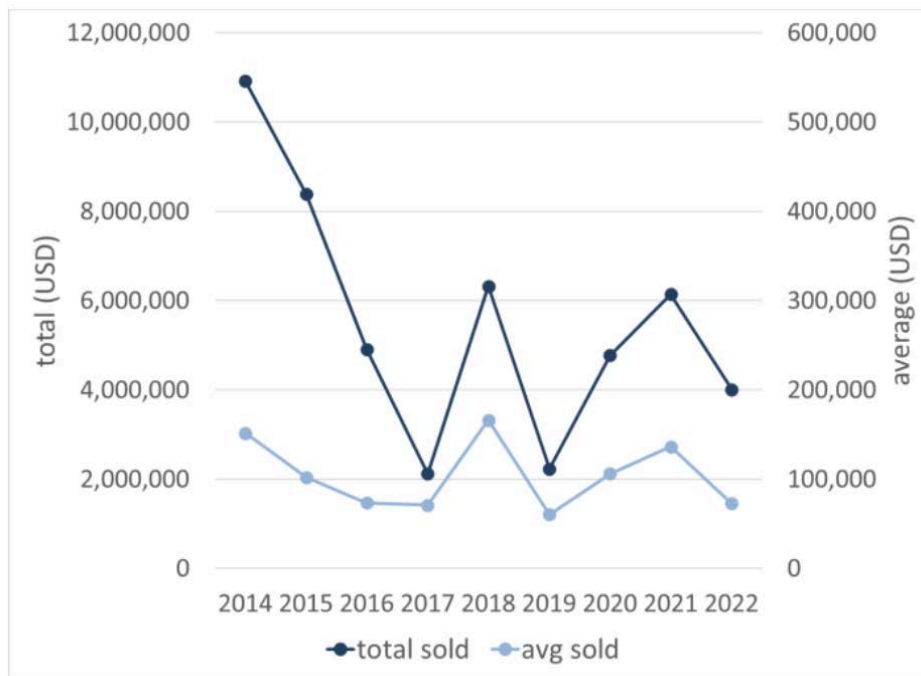
Adam's book *Big Bucks: The explosion of the Art Market in 21st century* (2014) analyses the overall auction houses. Despite the existence of a thousand of them in the world, in 2013, the turnover lineup results were Christie's with USD 7.12 billion turnover (belongs to luxury goods group of François Pinault), Sotheby's with USD 6.3 billion (public quoted company without a controlling shareholder), Beijing Poly with USD 1 billion (part of conglomerate Chinese), Bonhams with USD 895 million (private owned by Robert Brooks and Evert Louwman) and Philips, but do not communicate the figures (belongs to Mercury, a Russian luxury group).

In the case of Brazil, Pereira analyzed main international auction houses results from 2014 to 2022 to collect data for works by Brazilian living artists auctioned at Christie's, Sotheby's, and Philips de Pury. The findings were that a total of 675 lots by 84 contemporary Brazilian artists were taken to auction and, of these, 471 lots were successfully sold, 17 artists had no lots sold and 31 had only one lot sold during the research period; 18 artists sold at least five lots in this period (Figure 4) (PEREIRA, 2023, p. 32)



**Figure 4. Amount of Brazilian Contemporary Artists with the Respective Number of lots Sold in the Main International Auction Houses from 2014 to 2022 (PEREIRA, 2023, p. 32)**





**Figure 5. Total Value Sold, and Average Value of Sold Lot (based on premium prices) per Year by Brazilian Contemporary Artists in the Main International Auction Houses from 2014 to 2022 (PEREIRA, 2023, p. 32)**

In Pereira's findings, shows that in 2017, there was a sharp drop in the number of lots taken to auction, falling from around 110 lots per year until 2016 to about 60 afterwards. It is known in the art market that collectors decide to sell their artworks is the 3-D rule: "Debt, Death, Divorce" and this is the basis for the sale of works of art. Usually, art owners or heirs start their sales possibility via secondary market galleries, when they fail; they place the works at art auctions. It is a gallery strategy to try their utmost to avoid that a collection is offered in auction, as it affects the artist's reputation and price, as it requires scarcity of resources to create demand and justify artwork high prices.

According to FGV's Brazilian Institute of Economics (IBRE), in 2017, Brazil's economy started growing again at a rate of 1%, attributed to agriculture performance, recovery of industrial sector, household consumption. And, in terms of art trade, usually, works of arts are the last asset the collector and the heirs will sell. So, it might explain the drop of artworks in auctions in 2017.

## Acknowledgement

The complexities of the art market dynamics have been extensively researched for the last years. From the economy point of view, art can be considered an example of paradox of value (the diamond-water paradox), in the interest to raise prices and maintain high values, art dealers strategically manage the “demand-offer” balance, so, what it seems to be a free and creative business model, it is planned to ensure scarcity and desire.

Usually, when an artist passes away and his/her production ends, the value of the artworks increases in the market. In the contemporary art case, artists may not be consolidated and are building their careers (FIALHO, 2014, p. 7), so they tend to produce and experiment a lot, that can ruin their market value as there is more offer than demand in the market, and that’s one reason gallery have a crucial role to manage artist’s production, price, and placement.

Since the contemporary art is dynamic and alive, different from previous art movements such as modern art, concrete art, etc., contemporary art is attractive for collectors and galleries to discover new talented artists, with artworks at lower price range, so they may invest and bet on having a return on their investment.

One of the most used tools in the financial system to evaluate an artist is raking, numerical indices to argument the values, such as the accountability of number of exhibitions, exhibition visitors, social media followers, value of sold artworks, etc. (MAIA, 2022, p. 23).

Another characteristic of the art market is that it looks very glamorous, but behind the scenes, art agents don’t necessarily make money. Few galleries report profitable results and are economically sustainable for long term and few artists have good earnings. This sector still has nuances of informality and oversight management. Galleries overspend to promote their represented artists at art fairs, exhibitions, producing works and even providing money allowances to artists in exchange of artworks for the galleries’ archive, collectors buy art to place on overseas homes to minimize high art taxes. These mechanisms make very unclear to gather analysis data.

The findings of this research also appoint exchange rate difference as a constrain for Brazilian contemporary art internationalization, as the most important art markets are in the USA and Europe. For Brazilian galleries to participate at the global art fairs, galleries must pay for fair related costs (subscription, booth sqm, mounting and dismounting, traveling expenses of gallery staff, shipping, and insurance) in Euros or American Dollars, plus the high trading taxes. But despite these difficulties, it is remarkable to perceive the increase of Brazilian art at international art fairs.

It is also interesting to observe the relationship of Brazilian international exposure with the country’s macroeconomy. Brazilian art became most relevant in the international market in the end of 90s, same period when Brazilian economy had positive economic results.

In 2009, Brazil appeared on the cover of the English magazine *The Economist* published the article

“Brazil takes off”, highlighting the rapid recovery of the Brazilian economy during global crisis, economists at Goldman Sachs envisaged Brazil to become the world fifth-largest economy, overtaking Britain, and France. Also, PwC consulting firm, predicted that Sao Paulo to be the world wealthiest city by 2025 (Note 3). These articles placed Brazil as a promising and interesting investment option, and in the art sector, attracted the interest of collectors and international galleries, which started to participate at SP-Arte fair and opened offices and representatives in the country.

From 2010 till 2014, Brazilian GDP grew at an average rate of 3.6% a year and caused an increment in wealth and purchasing power of Brazilians. So, Brazilians had the chance to buy and/or invest in art.

In addition, Lula’s government integrated a national and political agenda towards soft power strategy, investing in culture, hosting in Brazil important events such as 2014 FIFA World Cup, 2016 Olympics Games, 2013 UNESCO World Human Rights Forum, Creative Economy agenda, art fairs, and others. In terms of promoting Brazilian art in the global art market, soft power is an essential to strength countries’ relations with international collectors, museum directors and art critics.

According to *Isto É Dinheiro* Economic magazine in 2018, Brazilian art was experiencing a moment of unprecedented appreciation, “Lygia Clark, Hélio Oiticica, Mira Schendel and Lygia Pape are a sales success in auctions abroad and had their works exhibited in museums in New York, Chicago and London” and 79% of Brazilian galleries are internationalized, says Jones Bergamin, president of the Rio de Janeiro Art Exchange (BERGAMIN, 2018).

However, in 2015 and 2016, strong negative factors as political corruption and crisis in commodities, generated economic instability and Brazilian art market also suffered as the population was cautious on their investments.

As of 2017 and 2022, Brazilian economy slowly recovered with a growing GDP at an average of 2.3% per year, the purchase power of Brazilian increased once again, but political scene was unstable. Despite the positive economical results from Bolsonaro’s government, the art sector suffered with the discontinuation of the soft power strategy, downgrading relations with countries that are major players of global art market (Note 4). This fact certainly impacted the insertion of Brazilian contemporary art into the market.

In the end of 2022, Lula returned as president and the art agents became more optimistic to receive attention and investment of public policies. In addition, Adriano Pedrosa (Note 5), director of Museum of São Paulo Assis Chateaubriand (MASP), was appointed curator of 60th Venice Biennial of 2024. The Venice Biennial is the most important platform of contemporary art and spots Brazil into the global art scene. This news is positive to bring Brazilian contemporary art again in highlight, with a large chance to boost Brazilian art players (artists, galleries, collectors, curators, and dealers).

Another wave Brazilian contemporary art can surf for the internationalization of Brazilian contemporary art is that European art agents are looking at underdeveloped countries’ artists to urge

towards models of reparation. For Maia, it is the first time in history; artists fall into the art market demand and are trapped into capitalist finance and in a very superficial analytical approach to art itself created by curators and art dealers, especially in the contemporary art, to ensure creation of ideologies and communication content with moralist discourses of politically correct. Art dealers and artists direct their activities to fulfill a global demand on what is considered important to address and what is in fashion (MAIA, 2022, pp. 169-230).

For Marshall, the desire to enslave humanity is the mainspring of most economic studies (NASAR, 2011, p. 65). Artists were the agents against this system, but nowadays, even they surrendered. Last years, art fairs and museum exhibitions were about African art and, as the market shifts, there is a chance Brazil to be on spot again, especially as Pedrosa's research has a strong anthropological approach toward minorities, his main exhibitions at MASP were "Stories of sexuality" (2017), "Afro-Atlantic Stories" (2018), "Women's stories, feminist stories" (2019), "Stories of dance" (2020), "Brazilian Stories" (2022), and 2024 will be dedicated to Original people (Indigenous) Histories.

But certainly, how much Brazilian contemporary art will participate in the global art market will be a conjunction of factors on how the country's socioeconomic and political performance will develop.

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## Notes

Note 1. Soft power is a term the measure a country's ability to position itself in its international diplomatic and governmental relations.

Note 2. ABACT (Brazilian Contemporary Art Association) and APEX (Brazilian Agency for Exports from the Ministry of Trade) jointly created the Latitude program, which is a platform to support the internationalization of Brazilian art. From 2008 to 2010, Latitude's activities were focused on supporting the participation of Brazilian galleries in the calendar of foreign art fairs by subsidizing part of the costs and on receiving international opinion makers and art buyers in events in Brazil: <https://latitudebrasil.com/>.

Note 3. <https://www.economist.com/leaders/2009/11/12/brazil-takes-off>

Note 4. From a professional experience, several business partners decided to put on hold activities with Brazil in retaliation of Jair Bolsonaro government.

Note 5. Adriano Pedrosa is the director of MASP since 2014, served as deputy curator of the 24th Biennial de São Paulo (1998), was the curator responsible for the exhibitions and collections of the Pampulha Museum of Art, Belo Horizonte (2000-2003), co-curator of the 27th Biennial de São Paulo

(2006), curator of InSite\_05 (San Diego Museum of Art, Tijuana Cultural Center, 2005), artistic director of the 2nd San Juan Triennial (2009), curator of the 31st Panorama of Brazilian Art-Mamõyaguara opá mamõ pupé (Museum of Modern Art, São Paulo, 2009), co-curator of the 12th Istanbul Biennial, and curator of the São Paulo pavilion at the 9th Shanghai Biennial (2012).