

The New Economy of Art series

Market Matters

March 2012

The New Economy of Art series is a collaboration between Artquest, the Contemporary Art Society and DACS which focuses on economic developments and opportunities in the cultural sector that impact on artists.

The second debate in the New Economy of Art series, *Market Matters* explored the complex and overlapping motivations behind various kinds of 'art market' from commercial galleries, private dealers and auction houses to art fairs, online selling and gift economies.

Speakers Louise Buck, Kate MacGarry and Matt Roberts set the scene before an open dialogue with the audience to look at how artistic practice intersects with and creates its own economies.

What follows is an edited transcript of that discussion

Keynote by Louisa Buck (LB)

Well I am kicking off with the fact that in 2004 I was commissioned by the Arts Council to write a study of the dynamics and components of the contemporary art market in England and it was also called *Market Matters*. I think that it is apposite that we are using this title for this session tonight because eight years on, it really is important to look back at this chunk of time and see how, global gloom and despondency notwithstanding, the art market has become greater. It has shaped the art world, it has shaped its sectors and it is affecting constantly not only how, but what art is shown and how it is perceived. So I think it is interesting to note that even though everybody has been gloomily watching the markets fall and rise and fall and rise, there has been much nail biting over the Frieze Art Fair, but at the international end, the art market has continued to proliferate.

Certainly back in 2004 when I wrote *Market Matters*, subprime was still a distant smudge on the horizon and we had the launch of the publication *Market Matters* at the second Frieze and there was still some uncertainty then as to whether Frieze actually had any legs to run with. Of course what is so fascinating now is that this year Frieze is launching in New York in May, it's got an old masters arm in October and the art market is continuing to survive, not only survive but absolutely boom with commercial galleries at the top end especially continuing to expand and open new spaces. It really seems like it's been here forever, but you've got the sense of this whole kind of explosion taking place, really in an extraordinarily short space of time and the benefit of this, of course, is that contemporary art has entered the public consciousness in a way which seemed almost impossible back when I started writing about art in the early 1980s. It has entered the cultural mainstream in a way that really would have been unthinkable and you now have this extraordinary audience of curators, collectors and critics who come into London for this particular time, but then of course they go away again. Actually one of the big disadvantages of this huge wondrous explosion of Frieze is that it's had a very lasting impact on the dynamic of galleries within London and indeed the public sector also scheduling its programmes for this time.

I remember interviewing Nicholas Serota for my book, *Owning Art*, and him saying really quite grumpily that we now have to completely organise Tate's schedule around Frieze week to the extent that they even open up the Turbine Hall to coincide with everybody coming into town. So you have got this sense of adjustment of the terrain to focus around these big flashy fairs and the art fair expansion isn't just within the UK, it is also global. The Affordable Art Fair is now opening up branches in Hong Kong and elsewhere, and I think there is a mixed advantage for art fairs and galleries. First of all there is only a small proportion of galleries that actually get accepted into art fairs, but if you are within an art fair as a gallery it is a very useful way for you to raise your profile and certainly for galleries outside London. Of course what's key is that they were actually publicly subsidised to go and show in these art fairs and to build UK's global profile and of course these public funds are probably not going to be nearly so in evidence.

The other problem about art fairs is that they do put huge pressure on artists. Now you might say: "Well it's damn lucky if you are represented by a gallery and you are being promoted at an art fair", but actually the problem with art fairs is that they put an enormous amount of pressure on artists to show new works. When I first started writing about contemporary art, art fairs were kind of grubby, trade only events that dealers went to and swapped secondary market pieces and actually didn't really involve living artists at all. Now it's completely the opposite and artists are quite annoyed if their work isn't put in their gallery's art fair representation but on the other hand of course it does put a great deal of pressure on them to produce new work and to keep that kind of momentum going. Now the proliferation of art fairs has gone hand in hand across the art world with a vast increase in biennials and triennials from Dubai to Folkestone. Again they are very complex affairs because on the one hand they are publically curated, but it's often very hard to tell the difference between biennials and triennials and the art fairs which often accompany them.

There is an awful lot of cross dressing going on these days in the art world. Take the Venice Biennale which is a time honoured 175 year institution - work gets sold there and then, of course you have got the big art fairs that often accompany or come quite close and they have curated shows. But n

Nine times out of ten it's the galleries that are represented in the art fairs that are actually putting on these shows, or they will have special artist projects: Mike Nelson for example was shortlisted for the Turner Prize on the strength of a Frieze Art Fair project. His work wasn't for sale, but in fact there were various negotiations and eventually it did get acquired by somebody but it wasn't officially for sale in the first place.

So you've got this very kind of complex terrain of interlocking agendas, which leads me onto another key development which is the ever more closely intimate intertwining of the so called public and the private and commercial sectors. If you go to White Cube in Bermondsey it has a complete institutional feel to it. These enormous expanses of polished concrete, these vast Anselm Kiefer sculptures, publications, libraries, research spaces, screening rooms and significantly, free entry.

Curators now in public institutions have to be very proactive in their courting of patrons and sponsors. It is as much a curator's job now to find supporters for their shows and people who will back and endorse and indeed donate as it is to actually breathe with what is going on in the art world.

So you have this very complex inter-relationship with commercial galleries, who play a very crucial part in the general landscape of our public institutions. I mean public commercial galleries will underwrite exhibitions, often by helping with shipping and catalogues, asking collectors to donate, and quite often artworks are often sold out of institutional shows. So you have the sense that if you take, for example Peter Doig at Tate Britain, there was work straight from his studio in Trinidad and quite a few of those works actually were sold during the duration of the exhibition. Of course the Tate didn't get any percentage of that. It's not a retail outlet, but nonetheless it provided a very good showcase for work that was for sale to be available on the market. Then of course you've got the other element, which is a very key development across the wider global art world which is the collector, now of course global economy being as it is, collectors are not splashing their money around as they were and are very keen to be seen to be supporting artists perhaps rather than purchasing wholesale.

There has been a Darwinian carving away of a lot of the Hedge Fund speculation on artworks, but nonetheless there are a lot of very rich people out there who are setting up their own private foundations and showing spaces, that have obvious tax benefits, but which also have educational programmes, publications and so on. I am thinking of Parasol Unit and a whole range of philanthropic individuals across the globe. Now perhaps I sound a bit cynical because of course they do a great job in promoting and showing the work of artists and indeed of purchasing artworks, but also of course there is a problem where you get the interface with the public institutions, which in the past they would have donated work to show. Now they are almost in direct rivalry with them, because they will be bidding for the same work, wanting the same works from gallery shows and indeed putting on exhibitions that often have similar resonances, but also they will lend works as well to institutions, so you've got this very kind of complicated interface going on.

So while this has all made it a lot easier to see art, it's really far from favourable to artists. You know there are a great many galleries and artists who are completely outside this eco system. We can all visit Frieze and, we can all go and look in these galleries and we can all investigate the various institutional shows and look at who has paid for or subsidised the catalogue, but it does seem like a very closed shop.

Even though the internet of course has expanded massively the potential of being able to interface with an art market with things like the VIP Art Fair and more online bidding at auctions; it is still very high end and I think the internet actually is going to be a useful tool, but it is never going to be a substitute to experiencing art directly. It is a convenient research tool, but I still think the physical actualities of these event based activities are the ones that are still going to hold sway.

But what does give me cause for some optimism is another interesting development that has happened since 2004, certainly not new, but it has gained momentum since then and that is the not-for-profit artist run spaces. The fact that in this climate artists are getting more and more nimble about combining, about setting up studio based exhibition spaces, I am thinking of *CoExist* in South End and *Aid & Abet* in Cambridge, *Trove* in Birmingham and *Platform A* in Middlesbrough. Now there have always been artist run spaces of course and there have always been artist studios with showing spaces attached to them, but I think these spaces are particularly interesting because artists are coming together in a very professional way without looking overly slick and commercialised. They do interface with local markets; they do interface with other arts bodies and indeed other artists and indeed often have exchanges with artistic groups or other artists across the board. What is also interesting about a lot of these spaces is that they specialise or have a particular sympathy towards multimedia, installation, performance, which are not so market friendly. The market pays lip service to these kinds of art forms, but actually the problem with the market, one of the many problems with the market is that it privileges a certain kind of art practice. There is always this talk about painting is back, well painting has never been away because painting is very easy to sell.

I am not in any way decrying painting, but I am saying that you need to have regular stock to sell and I think that performance and that kind of work is difficult to sustain on a constant market basis. Art fairs and auction houses do not help that, but these kind of artist run groups, do provide a great deal of support for that kind of work. Also I have noticed a rise in the role of artist residencies which I think is interesting and becoming more prominent. It seems is a very useful model to build audiences and it enables artists to interface with each other, to make and show work and it seems relatively inexpensive in the grand scheme of things.

It is something that also institutions are specialising in more, with artists coming to do research based residencies and various kinds of activities which keep the programmes fresh and keeps the costs low. But it also provides a means for artists to interface. So I think how will we see the art world in five years' time? Of course none of us have got a crystal ball but I think that this kind of global jamboree isn't going to go away, because emerging markets where the economies are not so fragile, are taking and running with the art market ball. What is interesting is that these new art markets as well as the ones back home, are all concentrating more on collaborative, residual, projects based models, because the market is smart enough to see that it can't vacuum pack itself into kind of commoditised sanitation, that it needs the pulse of real artworks and local artists. This is happening with the Dubai Art Fair where they are making a point of working also with local artists' groups and studios.

I think these kinds of more collaborative, durational, grass roots initiatives are going to continue to gather momentum and continue to grow apace and I also think so will this model of philanthropy that is developing with collectors and private individuals in being seen to not just to acquire or own but support art.

Response to Keynote from Kate MacGarry (KM)

When I first opened my gallery in 2002, there was a very different scene in London. Frieze didn't exist and I have a romantic vision of that time, in that collectors used to come to the gallery and actually sit with me and talk to me about art and who would eventually maybe buy something.

Art fairs – I love them and I hate them. They are a necessity, I mean I don't think I could have the gallery and represent the artists that I do without them, having said that I did seven art fairs last year and lost my mind momentarily. And you know I think it had quite a derogatory effect on me and probably on my artists actually because I think however many art fairs you rush to, you need to really be working on each project in a sustainable way and art fairs can only do so much. So this year I am going to focus on two art fairs and try and bring the focus back to the gallery space. There has been a lot of talk about art fairs, but I think it will be interesting to see what happens. I was in the very first Frieze, the gallery was about eight months old and it was tremendously exciting. Frieze has changed the landscape of London. I mean we call it Frieze week

now, and it brings international eyes on London, but at the same time it can be quite difficult time to have an exhibition, if you are not Gagosian or Hauser and Wirth. It is so distracting that actually it can be a kind of overwhelming time. It's sort of a bit like having lunch with 50 people and trying to have a good conversation with all of them.

I have one collector who never goes to art fairs, he always gets the best pieces from me, he always comes on a quiet day, or when the gallery is closed and I think there is something in that.

On the other hand, there is a very good collector base at *Artissima* in Turin, and I've done that fair three times in the ten years. I don't have to be there every year, but this business is all about sustaining relationships. I think in a way that the gallerists job is not that different from the artists in that the people that you pick up along the way can become more and more important as things develop. The people I met on maybe the first week of opening the gallery are still very much part of my picture. I do believe that it's all about personal relationships, and so art fairs have facilitated that, because not only do sales take place but actually you know museum shows can be agreed at an art fair

I also feel that with so many new ones opening we can only take so much as gallerists and as an audience walking around Frieze.

I did Hong Kong Art Fair last year and again it's about relationships. You can't go cold somewhere, take new artists that the audience have never seen and expect to sell. Chinese collectors it seemed to me were buying Louise Bourgeois and Damien Hirst

I also tried the VIP Art Fair. The internet is a very useful way for me to see an artists' practice, but it is only every a starting point and I think the VIP Art Fair was a communication tool for me, a few sales came from it, but it is more an sort of advertising platform.

But actually this year I put my current show in VIP and it gave people the opportunity to come and see the show in the flesh and that worked. So I think Louisa you are right, it's not a replacement for seeing real work. The sales I have made through it are because everyone already knew the artist's practice and had seen the works in the flesh. I think it is definitely a big part of the future.

What was interesting about the VIP Art Fair was the sort of funny parallels that it did have with a real art fair. The first year it didn't work, it was almost like they invited too many people and they couldn't fit everybody in.

Selling art for me is more rewarding now than it was, and actually I felt quite disenfranchised by the whole art boom. I mean I was probably very lucky as I didn't really realise we were coming into this huge growth period when I started my gallery, but yes, all the talk of big prices and things didn't have a huge bearing on what I was doing. Generally you are working as an agent really for the artist. If a taxi driver says "What do you do?" I tend to avoid the art gallery thing and just say "Oh I'm an agent." because that is really what I am, and you know that is really just sustained throughout. Art fairs are not.

Response to Keynote from Matt Roberts (MR)

Although I've curated exhibitions in partnership with commercial galleries fairly regularly and worked with artists who have representation, I'd have to say the larger part of my experience is about professional development or providing one to one sessions for artists who aren't represented. Over the last couple of years, through these sessions, there seems to be an increased interest in how to gain representation. Now I am not sure what actually underlies that trend, maybe it's a loss of faith in public funding with so many publicised cases of funding going elsewhere or being reduced. Maybe there has always been, or at least in recent times there is a lack of education or lack of awareness of the commercial sector, it remains mysterious and opaque, and artists have never really known how to benefit from it.

I think this is an issue, and I think that is why events like this are important, because in the UK and internationally the majority of functioning gallery spaces, are commercial, so if artists don't have the confidence, knowledge or ability to engage with them in some way, then they are going to lose out on a huge percentage of potential exhibitions, collaborations, opportunities. The good thing, the reason for us to be optimistic is that the agenda is changing, funding agencies, well established institutions are beginning to

recognise that artists are increasingly becoming not just potential beneficiaries, but mediators, translators, facilitators for the commercial experience.

Going back to what Louisa was saying about the growth of artist-led projects, I am lucky enough to have partnered with artist led organisations across the country, and there is a renewed mood of optimism not just because of increased levels of public support and acknowledgement of the need for investments across the UK, but also because they are seeing real benefits from doing it for themselves. They are seeing real relationships, real knowledge being gained from actually going out there and calling people, knocking on doors, and advertising yourself.

Even despite the recession there has been a growth of artist-led, not-for-profit spaces in London, but it's always going to be slightly more difficult because of the much greater cost of living, rents and associated overheads.

Going back to potential online exposure, the importance of the internet in furthering artist careers; I think at the moment at least, it is a slightly tricky area. There are increasing numbers of sites where you can sell your works, and it is tempting for artists to get involved with as much as possible for the exposure. Although I wouldn't actively argue against artists seeking social media and new online platforms to promote their work, I would advise a certain level of caution, because you don't want to sell your work too cheaply, as it's not necessarily to your advantage to lose too much work too soon.

There may be large works, seminal works, things that have helped you develop your understanding of who you are, as an artist and if they are bought and you subsequently lose contact with the buyer then apart from the digital image on your hard drive, there will be very little to say that it ever existed. Also in terms of potentially working with an agent or a gallerist, it's obviously problematic if you have sold works, especially works which are significant within your canon to people that you have very little or no further contact with. It may even have a negative impact on their decision to work with you, because from their point of view, there is always an inherent risk that anything they sell, or if they manage to gain you significant exposure or sales, some of those earlier works will resurface, will circulate and might be sold either to the wrong people, or for the wrong amount, destabilising your market.

So I think to summarise strangely although we are in the midst of a financial downturn, there are a lot of headlines about the impact this is having on the visual arts. I think in terms of artists doing it for themselves and their ability both to source local corporate sponsorship and hopefully in the long term public funding to support what they do, then we are actually facing quite a positive period. I think it is going to be a very long time before the internet, and the many online platforms that exist do replace a physical relationship with an artist and their work. So any decision to get involved in online commerce needs to be taken very seriously and with a great deal of consideration.

Panel discussion with questions from the audience, led by Chair, Paul Hobson (PH)

Audience: I work as a freelancer for a number of organisations. My question is about art fairs and where art is the exhibit. This is becoming an increasing phenomenon, like the Bloomsbury Art Fair, and I was wondering what your thoughts were on these fairs and whether you would advise artists to try and exhibit and go at it on their own?

LB: I think it's as Kate said, it's about relationships with the art world. I actually wrote that on my piece of paper and I don't think I did flag it up, so I think it is very important for you to look at the context of these art fairs. On the one hand we have all got to live, we want to make a living, you want your work to be out there and be appreciated, but you've also got to make sure it's being sold in the right context and in the right environment. I think certainly if you've looked at an art fair and you think it looks like a favourable place for your work, and you like the company that your art is keeping, on whatever galleries you approach, then I think by all means go and do it.

KM: I know art fairs can create a dialogue for your work and you get a response which is very direct, but of course there are some artists whose work doesn't really work in art fairs and having tested that myself., There have been times when I thought maybe I wish I hadn't brought that work to the art fair with me, I wish I'd maybe kept that for a show, but you know you make the decisions based on the current climate.

PH: Let's be honest, no art looks that great in an art fair, you know

KM: Yes, this is the problem. However, carefully you curate the stands and all this kind of preparatory work; it's not the ideal context. On the other hand it's great exposure, so you have to weigh up those pros and cons I think. There are so many new art fairs too. Despite a recession they are popping up everywhere and I think in Miami in one year there was 38. You need to treat them with caution but they are also a reality and they can be useful.

PH: I am conscious that we have spoken a lot about galleries and art fairs, but when we were speaking earlier in the week Kate, you said you often tell artists that there are many ways to be represented and actually galleries are not always right for artists.

KM: I work with film makers and you know often to produce a project they will be specially commissioned and that is not something I could pay for, but it might be a special project for something they are doing. You know support for producing work comes from all places, and just getting a commercial gallery doesn't mean it's all sorted and your work starts selling, there are so many models. Actually what has been interesting about the last few years and is that I think we are all working a bit smarter and probably better art is coming out as well. Having a commercial gallery is not the be all and end all and I think the artists that really thrive have that attitude as well.

LB: There is no a stigma about being entrepreneurial now. When I first started out, there was a feeling that you had to wait to be discovered - some sort of pin striped arm would descend from the heavens and point at you and you'd be whisked off to Cork Street. And then there was the whole much mythologised Freeze show, with the Goldsmiths' gang putting on their own shows and which is the polar opposite.

MR: I agree Louisa that maybe ten years ago if you were a curator or an artist and you talked about other aspects of your practice, things you had been doing, people would think in some way that was drawing away. Now if you put your CV in for something, or you put your hat in the ring for something, you have to demonstrate the ability to fundraise to negotiate, to manage relationships. Now we don't punish artists, we respect their ability to generate their own opportunities and support them.

PH: I'd like to ask Kate to talk a little bit about how the traditional commercial representation model of galleries has changed. In particular so many galleries are now spending so much time at art fairs that the traditional role of their space to show and to create a critical context for the work of the artist is now becoming increasingly more difficult to achieve.

KM: I think you do your first show with an artist and people watch and if there is a second show, you know the works moved on. I think you do still get judged on the solo show. There is nothing worse than going to an art fair where you see one artist on eight different stands, and I think that is a bit unfair on the artist. Solo shows, I feel, are what you get the reviews for; you don't really get reviews for a good art fair stand.

LB: I think yes, if you are working in the primary market, as you say, you are an artist agent, it's more important to you to manage your artist's career than it is to flog the work to the highest bidder that is what auctions do. I think that is a crucial distinction. Another development over the last decade is the way in which auction houses have tried to steal that march on the private dealer, so therefore they work with private clients, they have private sales, and there is this whole kind of smoke and mirrors so that the pre sales shows are curated, of course they are not. But the bottom line is whoever puts the paddle up gets the work, whereas as a gallerist you are doing something completely different. I use the word gallerist advisedly, not dealer. There is just this sense that you are there to give the work to the highest bidder and do strange adjustments to the prices so different people get different price points and it's all unregulated, whereas actually you are there ready to look out for your artist.

KM: Artists do need to be financially supported so you have to make that call and often that is done with the artist. Some artists don't want to have that conversation, and they want to leave it completely to me, some artists want to know where their work's going, so it's a case by case basis, and again it's about relationships.

PH: The other thing I am really aware of is the role in particular of the close relationship between institutions and the way that commercial galleries are often funding key public programmes in some areas, or where they are looking to work with galleries that are able to subsidise their programming in lieu of this reduction in

public subsidy. What are the implications of that for artists for example that are not represented or galleries that can't afford to do that?

MR: Initially I'd say that maybe two or three years ago when the recession first started to really take hold, I was slightly worried by the amount of commercially represented artists and commercial gallery logos that were appearing on touring or major institution shows. Now I am slightly more at home with it, because this is the way that the new international institutions and even some pre-existing international institutions have worked for a long time. They don't have the level of public subsidy we do, so they have always relied on patrons, collectors or commercial galleries to effectively support the major shows. It's not a problem as long as there are emerging curators, facilitators, organisations that are able to support the unrepresented artists, or at least advise them. So if these institutions that are benefitting from corporate commercial sector are also investing time and energy in supporting the unrepresented artists, then it's not as big a problem as it could be.

LB: I still do think it is a problem though actually. When it's not so much the big ones like the Tate, it's the regional galleries who are strapped for cash. Perhaps somebody decides one of their artists could do with some public endorsement because don't forget the crucial thing about public shows is an endorsement for the artist. You can have billions of commercial shows, but if you haven't got a few public shows dotted around you will see that you soon start to look quite shabby in comparison to the ones who have. So you want the endorsement and you haven't got much money and along comes you know a decently well-heeled gallery and goes you know what we'll subsidise the catalogue, we'll design it, we'll get so and so to write the catalogue essay, we'll get so and so collector to lend the work and we'll ship it from Miami or whatever, it's very hard not to say "Thanks very much", so I think there is that problem.

Audience: Lots of artists come to me who are entrepreneurial and they are doing stuff and they are cataloguing their work and they have set up their websites and they are inviting curators to come to their studios, but they can't get through this validation stamp of approval. They don't know how to get that validation stamp of approval, and it applies equally to public institutions and it does to commercial institutions in terms of how they get their foot through the door and get validated. So how do you break this closed shop?

LB: It's a really complicated eco system. Thinking about a young artist coming out of art school, it's all about the model that I flagged up at the end of my talk. It's about artist run spaces, residences; it's about initiatives, networks, relationships and being entrepreneurial to get yourself seen in a space. Also, a lot of institutions are working much more with the residency model, with the artist, with the project space model. I am thinking of Tate and other spaces, such as the South London Gallery. There is only a certain amount of public spaces that are available for artists to show within, but I do think also curators are very aware, after this period of boom that they begin to look really tawdry if they don't interject some unendorsed artists into their mix. I think that collectors are also conscious, to be seen to be supporting artists. I think this is a problem for the mid-career artist who might have fallen off the endorsement eco system. I think it is quite sexy to have young artists in your space.

Audience: I am poised to take the second art dealer in my career to court because actually I think art dealers use the public system to get free funding for their artists and I think that one of the problems is that artists are not aware of actually how the system really works. I think they need to be much savvier.

Audience: I'd like to think about the artists that are coming out of college, do you think that maybe the market is actually saturated now with artists, and that there is just not enough collectors out there to keep it going? From personal experience I find that galleries are getting quite fed up of artists phoning them up and asking them to look at their work, because they are too busy at the moment looking after their own stable of artists and they don't want to take a risk of somebody new coming in and upsetting the apple cart as it were.

LB: I think this is a very valid observation and I haven't got the numbers to crunch, but I do know that they work out that the quantity of artists compared to the amount of graduates from art school is just hugely disproportionate. I still think what Kate said is true, that good work will out. I mean there is an awful lot of art coming out and perhaps some of it isn't going to make the final grade. But you know if an artist is really good and plugs at what they do, good work will out and good work will get shown.

A problem is that the art world runs on free labour. I think this is really appalling and a huge problem, because obviously the really brilliant kid or potentially brilliant kid from a poor background might not even get past the starting block, might not even be able to get there. It is a problem; it's a matter of quality I think as well as quantity.

KM: Well I studied fine art and I know that when I graduated in 1992 there were eight of us in my year group. Now there are 45. A lot of people want to come to art college in London. I am quite wary of this entrepreneurial get up and do it yourself type of approach actually and I think the YBAs did it and it's not going to work for everybody, I think it's quite tricky. I didn't have any kind of career guidance and that is something I am quite grateful for now actually.

LB: Yes I've got a real problem with all this talk about career, when I started out in the art world no one talked about having a career as an artist.

KM: Artists want to get on with their practice and I don't know the answer to this bigger question of how do artists get a gallery? I can't answer it myself and I have a gallery. It's a sort of dangerous territory and it's fed by the fact that the art schools are bursting and people coming from all over the world are paying a lot of money to come to art school and maybe there isn't room for everyone. We are fighting over the same collectors, but maybe what is interesting is that isn't the way forward for survival of artists, we have to find new models.

MR: Yes, it's a difficult one. We have one of the biggest arts sectors in the world; you know there are a good 2,000 galleries in the UK. The problem is that there are roughly 28,500 artists competing for exhibitions and representation and for commercial relationships, so invariably it is not impossible to build a career, but it does take a long time. It takes a long time just to understand who those organisations are, what they do and how they might relate to you, let alone to build the relationships that actually can generate the opportunities. There are other countries where they have significantly less graduates and so they have a healthier eco system of artists to opportunities, but then they don't have the public profile, because their art scenes are younger nor the potential for earnings or for international opportunities. So I think it's a long game, it's a marathon, not a sprint basically and everyone can do it, but it takes a lot of time and knowledge really.

Audience: I am currently in the process of setting up a gallery; I don't know whether it's going to be not-for-profit or commercial. I'm not sure, but I wondered whether there is scope for an entirely different urban gallery model, one which is not about how much can we sell and how fast, but something like a social enterprise model. This is where artists actually come together and sell their and put money into the pot to keep the gallery going. I've got my gallery space for maybe six months on a meanwhile lease, which is something where I am paying minimal rent. I wondered what you thought about the pop up galleries and a slightly different way of working as a gallery and as artist collectives.

KM: Yes, I think new models are what we need. What I would say from a personal point of view is that you need a strong group of artist that have a good understanding to make that work over a long period of time, and maybe if you built into it that it could be refreshed that might actually work better. Something that I feel is sort of necessary for building artists careers is stability, being in one place, people know where to come if they want to talk to you about an artist and so you know that is a big job for someone and it may not be a job the artists want to do. But I think that a lot of galleries, including commercial galleries, come out of the ethos that you are talking about. I mean a lot of the artists that I represent came out of a group of friends. I was the only one amongst them that wasn't an artist, but I kind of saw an opportunity to represent them. So I would say if you have a strong group that have a mutual understanding than go for it.

PH: Kate, I've heard you talk often actually about the role that artists play in recommending other artists for representation and that being a very influential advocacy, through those kinds of networks of artists.

KM: Yes I've met most of my artists through other artists.

Audience: I am a visual artist; I was just thinking about how do you succeed as an artist? The economist Daniel Kahneman did a lot of research on success and actually his equation is that success is down to hard work plus luck. I don't know if you have any comments on that as a panel about whether it is actually down to luck.

LB: I think there is a lot to be said about that. To quote Thomas Edison he said genius is 99% perspiration and 1% inspiration. I would add a bolt of luck up that as well I think. It's very true, things happen, people come together, and form relationships. It is a random fluid thing. I think that is also why the art world isn't regulated, because it does operate in this kind of ad hoc strange kind of way and I think luck has a huge part to play, so yes.

Audience: I am editor of *The Guardian Culture Network* with is a new community space which covers the back end of the arts really and all the issues we are talking about. One of the things I wanted to respond to is the lady who suggested new models for gallery spaces. There are actually new models for buying too, I've written an article about a group called *The Collective* who buys art in groups, which they then share around their homes. It is operating in London and Bristol and Birmingham.

It's small, but it suggests there is an appetite on both sides for new models and there are people who want to engage not just in buying art, but in talking to the artists and nurturing those relationships so people perhaps should seek that out a bit and perhaps even start their own. But also just the network word in general. We are called a network because we are trying to connect people and we have had quite a series of articles about how the internet is a tool and how it is also profoundly changing how people operate and there may be a point at which this really affects the art world too. I know money speaks and so the money at the top of the chain is always going to do a lot, but I think we can't ignore the way that the internet is going to change how we do things and the power it is giving to big groups of people. It's not just a tool and I wish it were sometimes, I'm not a digital native, I have grown up without the internet and had to take it on, but really talk to young people about how they operate, because they are going to be the next generation of art buyers and artists too. I don't know what you think about that?

LB: I think the interface I have with artists on Facebook the way in which people can form communities; it's a really valid model. You've still got to have that surplus income though so I am afraid money does kind of speak in that respect. But I am also thinking about artist groups who form associations of like-minded people, such as *Aid & Abet* in Cambridge. So you don't have to be just there to flog it or just there to be a kind of project space, you can combine these models and mesh them, but yes I think you are completely right, the internet is not a substitute for an art fair, it's another model altogether.

Audience: I am an artist. What are your thoughts on renting art and lowering the price for people to rent for a year or six months maybe?

PH: Is there an opportunity for artists to rent art – Matt?

MR: I don't want to misrepresent them, but I think *Rise Art* is an organisation which has started offering art for rent. I think it has a place, because or could potentially have a place, because anything that puts art in people's homes and gets them used to talking about art and seeing art is a good thing. But art is, not all of it, but some of it is relatively affordable, so you can support an early career artist for a few hundred pounds, maybe even fifty to a hundred pounds.

KM: Well I've never done it myself, but I think it seems to me that it would really work in a commercial sector like city banks. I think you know any way that can bring an income stream for artists is a good thing but I don't know whether it would work in people's homes really.

PH: Of course museums have had loan art schemes for years, some of those are drying up in the current climate where parts of their collection are available for loans by audiences, so Louisa do you want to add anything to that?

LB: I haven't got a huge amount to add to it really, I think what Kate says is right. It's more of a commercial thing than a private thing, because I know when you do have bands of people putting money into a pot to buy work and then suddenly one of the artist they've bought rockets in value and suddenly somebody needs a new car or their kids need their teeth fixed or something and they are like oh lets liquidate this asset, we need the ready money. It can be quite complicated.

Audience: I just wanted to ask quite a practical question in terms of the market and prices, and who really sets the prices in the market and how should we be setting the prices whether you are an artist, a dealer, or work in a primary market or the secondary market?

KM: I think you do get crazy prices attached to artists sometimes, just because a dealer or someone might be cashing in on popularity. You know you never want to put your prices down, your prices should only go up, and so they have to go up incrementally. I suppose the things that are at play when you decide a price is the production costs, demand also has a bearing there is no doubt about it, but again I think it's to do with the stages of your career as well. But the market kind of dictates it as well, if stupid prices are put on something, you know they don't sell, so it's quite a key thing.

LB: What happens if something suddenly rockets at auction and that artist is having a show with you in the next six months, how do you handle that?

KM: I've never had a direct experience of that. What's happened in this sort of boom and crash is that some artists that were reaching crazy prices at auction have completely gone back to where they were before the boom, so it's a very dangerous game to play and these crazy prices that go up for young artists don't tend to hang around. Where the prices have gone into hundreds of thousands for a young artist, you know the galleries don't jump up and put the prices there. If there is sustained interest at auction and the prices are making that then I think works rise to that, but I try to keep my head about those things.