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How much for the Michelangelo? Valuation, Commoditization and Finitism in the Secondary Art Market

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Abstract

This article is a sociological re-evaluation of the auction house, a central institution of the secondary art market. As an intermediary between buyers and sellers, the auction house is portrayed as an institution that straddles the poles of economic (calculative) and social (aesthetic) life. Relying on the work of Michel Callon and Barry Barnes, the process of the commoditization that takes place within auction houses is presented as a structuring mechanism through which symbolic, economic and cultural values are shaped and reinforced. In particular, the finitist calculative practices associated with commoditization (through the generation of estimated auction prices) are presented as responsible for reproducing the secondary art market and the aesthetic judgements on which it is based.

Keywords

auction houses, secondary art market, finitism, commoditization, auction catalogues, sociology of art, values

Introduction

The strike of a hammer followed by the utterance of a sanctioned official represent a worldwide market in fine arts and antiques. Although small in comparison to other sectors of the economy, the secondary art market – roughly defined as the re-sale market for art – is a central element of the social institutionalization of high culture. Within it, dealers, collectors, auction houses, insurance companies, museums, not-for-profit

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organizations, valuators, and investors construct at a daily pace the market prices of numerous cultural objects whilst modifying the distribution of ownership over the world's material heritage.

In the context of this article, the importance of the secondary art market stems from the manner in which it exemplifies the tensions between different narratives on the nature of society and its markets. Due to the putative nature of the objects that circulate through it, the art market hinges on the existence of what are often presented as two rhetorically segregated spheres. Nowhere is this division clearer than in the primary art market, where objets d'art are introduced to circulation and in which constant efforts are made to distance in words and in space the exchange of art from its public persona (Velthuis, 2005): avant-garde art galleries are often located away from commercial hotspots, seldom display the prices of the exhibited objects, and are physically structured so as to have the gallery on the one hand and the back-office in which payments are processed and purchases agreed on the other. The secondary art market is by no means alien to these types of divisions. Whilst the entities exchanged are interpreted as 'priceless' elements of the cultural repertoire of societies, their mobilization within the network of buyers and sellers is deconstructed as occurring according to the strict imperatives of economic law (as an illustration, see Ashenfelter, 1989; Ashenfelter and Graddy, 2003; Burton and Jacobsen, 1999; Mei and Moses, 2002; Pesando, 1993; Stein, 1977; Throsby, 1994). In this sense, the secondary art market moves between the poles of the priced and the priceless, of disentangled commodities and their entangled counterparts, of the rational calculation of monetary indices and the maintenance of cultural attributes that derive from the historically contingent configurations of socially embedded networks.

The tensions of the secondary art market are well illustrated by the auction circuit. As a set of institutions that create markets and maintain specialized knowledge, the modern auction house circuit epitomizes the post-war secondary art market in the same way that the digitalized stock exchange represents the essence of globalized finance.[1] Contrary to the primary art market, the auction circuit serves an overtly commercial end, namely, to allocate diverse objects amongst a set of bidders; it does not seek, *prima facie*, to control the biography of items nor to establish the reputation of an artist. If we take the lessons from mainstream economics verbatim, such allocation is inextricably linked to a 'price discovery' process (more accurately, the creation of the price) that occurs in the relatively short period between the presentation of an object to an audience of potential buyers and the moment in which the highest bid is struck. It is during this period that the market comes into existence in a narrow sense, for it is then that agents interact (albeit in a complex manner) to create the demand that leads to the emergence of a price. Following this line of thought, the secondary art market is reduced to a sequence of auctions that mechanistically mobilizes cultural goods among rational agents with particular monetary endowments. The corollary is simple enough: auction houses (and the other institutions that comprise the secondary art market) have the sole purpose of making the process smoother and more efficient. Were it not for the costs incurred in doing so, the auction could take place in an open field, an abandoned building, or even in an on-line environment, without the intervention of specialists. Insofar as the participating agents possess all the relevant information, are capable of determining their utility functions, and have negligible transaction costs, the name, status, location and history of the auction house, as well as the cognitive work put into presenting the objects at auction, are more or less irrelevant.

Economic sociology provides potential insights into the role of the auction circuit, rescuing it from the ostensible irrelevance into which it is cast by a naïve form of mainstream, rational-expectations economics. In confronting the canonical descriptions of the economy, for instance, one might tend to stress the concrete role of personal relations and structures (or networks) of relations in the stabilization of the market (Granovetter, 1985: 490). Consequently, it might be argued that the institutional ecology of the secondary art market – in which the auction house is of prime import – has the key function of maintaining the interpersonal relations over which the exchange of goods is conducted (Swedberg, 2004; White, 2002). Authors from other strands of social inquiry may, in a similar fashion, accentuate the interactional, discursive, or symbolic features that embed the secondary art market (and, in general, markets) within the wider context of society (Becker, 1984).

Observed from each of these poles, the representation of auction houses adopts two diametrically opposed views: these organizations become either gargantuan arenas for social negotiation or rational centres of calculation. One can thus ponder as to whether existing representations of the secondary art market in general, and the auction house in particular, as existing between the poles of calculative agencies or networked interpersonal structures are, in effect, mutually exclusive. It is the contention of this paper that the answer is not to be found in the auction process *per se* but rather in the act of appraising objets d'art, that is, in the valuation of the entities that, on some occasions, go into market circulation. It is there that one can observe the role of auction houses as mediators between, and co-producers of, social embeddedness and individualistic calculation.

At its core, the argument presented in the following pages rests on the widely known (though often neglected as trivial, perhaps even mundane) story of the transformation of the entangled objects of the art world into the disentangled commodities of the auction floor. What I intend to show with this brief sketch is the manner in which calculation, as a hybrid form of interaction and reflection, primes and maintains the secondary art market by establishing knowledge, discourse and material objects through space and time. Neither a pure theoretical reflection nor a strict empirical case study, what follows is construed as a reflexive exercise on the auction circuit and its modes of calculation. The aim of this contribution is twofold. First, it gives much needed attention to a gap in the literature insofar as it focuses on the appraisal of objects rather than their mobilization at auction. Few authors have dealt with these bureaucratic and apparently uninteresting pre-auction processes which, as I hope to highlight in the following pages, are not only a worthy topic for sociological enquiry but also form part of the very essence of commoditization in the secondary art market. Second, the approach adopted in this paper is the product of the combination of several schools of thought whose explanatory frameworks make them a sound tool for the analysis of cultural phenomena. In particular, the writings of Michel Callon on the anthropology of (the) econom(y)ics (Callon, 1998; Callon and Muniesa, 2005) and the social theory of Barry Barnes (1983, 1988) provide an unexplored vantage point for the analysis of art markets.[2] In methodological terms, these characteristics translate into the following: although I make use of some interviews from valuators of an established auction house (anonymized as 'Christopher' and 'Nicholas'), these should not be judged as evidentiary material but rather as illustrations of processes seen elsewhere; they are used solely to support theoretical claims with the words of local practitioners.[3] The same applies to the use of auction catalogue entries which, although more 'empirically accessible' and methodologically sound, are not meant to be the basis of generalizations on cultural objects or the behaviour of valuators.

Since my focus here will be on the modes of calculation *within* the institution of the auction house, I will not deal with the auction *per se* which, although the ritual that 'defines' the market, is but a brief moment in the biography of the objects that pass through the secondary art market. For the purpose of this article the auction is the end-point of a long process of institutional framing and calculation. Accomplished analyses of the auction itself can be found elsewhere in the literature (Geismar, 2001; Heath and Luff, 2007).

Bearing the above in mind, the structure of this article is as follows: in section two I present the issue of commoditization in the context of the secondary art market. There, valuation, as an act of calculation, is identified as a critical moment in the biography of cultural items. This leads to the presentation of the valuator, deconstructed in terms of the finitist perspective developed by authors connected to the work of Barry Barnes. This deconstruction leads to the identification of the relation between valuation and a set of social imaginaries on the iconosphere of the art world(s). As a manifestation of such connections, I analyse a specific instance of an auction catalogue, namely, an entry for a drawing by Michelangelo di Buonarotti. In section three, I develop the previously explored themes by expanding the theoretical framework of Barnes and establishing a link with Callon's notions of *agencements*. Here, I present the auction house as a device that calculates through the recognition and generation of patterns, and as a networked set of heterogeneous human and material entities. Finally, I summarize the above in the conclusions and sketch some outlines for further research.

(Dis)entangling the priceless: the commoditization of art in the auction circuit

As a distinct manifestation of economic life, a pre-requisite for the secondary art market is, by definition, the existence of commodities. The transformation of rhetorically priceless artworks, antiques and objets d'art into tradable entities is an indispensable step taken before the auction, namely, before the market comes into strict existence; commoditization in the auction circuit sets the stage for the calculative practices of the auction floor.

To approach the commoditization of artworks, it is useful to make reference to the literature on the anthropology of markets and exchange and, in particular, to the work of Nicholas Thomas. According to Thomas, commodities are 'objects, persons, or elements which are placed in a context in which they have exchange value and can be alienated. The alienation of a thing is its dissociation from producers, former users, or prior contexts' (Thomas, 1991: 39). Elaborating Thomas' analysis, Michel Callon identifies different 'steps' in the conversion of an entity into a commodity. In general, Callon notes that:

> [t]o construct a market transaction [or] to transform something into a commodity, [...] it is necessary to cut the ties between the thing and the other objects or human beings one by one. It must [...] be *decontextualized, dissociated and detached*. [...] It is on the [condition of disentanglement] that the calculation can be looped and that the deal can be closed; that the buyer and the seller, once the transaction has been concluded, can be quits. If the thing remains entangled, the one who receives it is never quit and cannot escape from the web of relations. The framing is never over. The debt cannot be settled. (Callon, 1998: 19)

It is precisely in the decontextualization, dissociation and detachment of entities where the possibility to trade is formed. To transform a specific artwork into a commodity, one has to remove it from the 'web of relations' that defined its pre-economic life; one has to detach it, arrange it, order it in a single space and then, as if establishing equivalences (Boltanski and Thévenot, 1999), compare it with similar entities, manipulating them on the basis of a common operating principle (Callon and Muniesa, 2005: 1231). The lead-up to the auction is therefore a process of alienation (and consequently of commoditization) in which the agencies involved are 'disentangled' and 'framed' (to use Callon's terminology) in the terms conventionally defined within the auction circuit.

Estimated auction prices are one of the most palpable signs of pre-auction commoditization in the secondary art market. Although a relatively recent invention (estimates were not generally provided by auction houses before the 1970s), the estimated auction price has come to symbolize the ritualistic passage from the domain of cultural objects and aesthetic values to the realm of accounting, economics and market exchange. Estimates are used not only as signals that in some way inform potential bidders but, more generally, they are also proxies of market value: that is, they are 'virtualizations' of the marketplace which allow for economic calculation in lieu of a 'correct' market price. In this sense, they are elements that keep economic life in the secondary art market functioning without recurring to the price discovery (read: price creation) mechanisms of the auction by reinforcing the commoditized state of objects, albeit in a dormant form (see Gaskell, 2000).

In terms of Callon's framework, an estimated auction price is the product of a calculation that commences with the disentanglement of an artwork. In particular, arriving at an estimate hinges on the association of several entities with one another and their subjection to manipulations and transformations. A result (i.e. the estimate) is extracted 'that corresponds precisely to the manipulations effected in the calculative space and, consequently, links [...] the entities taken into account' (Callon and Muniesa, 2005: 1231). An estimate serves, in this sense, as an instrument of commensuration (Espeland and Stevens, 1998) between yet to be auctioned artworks. As a standardized reference, the estimate allows for calculations outside the marketplace, in areas as diverse as insurance, portfolio design, and tax-related estate valuations.

The finitist valuator

At the centre of the calculative scene of the secondary art market stands the valuator, the person (or set of persons) in charge of estimating the monetary value of the items that pass through the auction circuit. Valuators are both gatekeepers and anchors of the system, transforming the entangled objects of the art world into the commodities of the auction floor. Through the estimate, valuators project ‘symbolic’ and ‘cultural’ value onto a metric space of prices, making artworks and similar objects commensurable.

Estimates are produced within the institutions of the secondary art market, often within auction houses. In general terms, valuation occurs within an epistemic community (Knorr-Cetina, 1999) marked by a specific division of ‘calculational’ labour. There are, on the one hand, specialists in different areas who possess the expertise necessary for providing ‘trustworthy claims’ on the monetary value of particular types of objects. (A specialist in 19th-century French watercolours would, in this sense, be capable of making more reliable claims on a 19th-century Italian watercolour than on a 13th-century Mayan ceremonial vase.) There is, on the other hand, a tiered structure based on the level of communally perceived expertise within a given field, associated with notions of seniority and experience. Christopher and Nicholas, valuators at Christies, pointed out that in their auction house, and from a departmental point of view, there are three levels. One usually starts off as a junior specialist, then becomes a specialist, and then a senior specialist. In this particular case, being a senior specialist means that a person is of a standard such that he or she is *allowed* to value things.

The right or capacity to valuate (translated into seniority and expertise) is a necessary though not sufficient condition for producing ‘reliable’ estimates. The auction circuit possesses a number of mechanisms which assure that estimated auction prices are ‘properly’ reached. Thus, while ‘normal’ items are often processed by a single valuator who has ‘sufficient expertise’ in the relevant area, ‘major’ items are analysed by panels of specialists. (Monetary cut-off points, such as £50,000, are what often determine the difference between these two categories.) As an agreement among peers, such a standard serves to insulate the calculative mechanisms of valuation from the uncertainties of the auction, where the estimate may or may not be met. As Christopher, senior valuator at Christies commented, ‘if [the item] fails to sell, you can’t turn around and say “Well, you thought it was worth X, you thought it was Y”’. The consensus on which value-judgements are based ‘belongs to the essence of calculation’, insofar as consensus amongst peer valuators is what makes calculation possible by setting agreed standards of aesthetic or economic worth (Wittgenstein, 1978: 67).

The types of expertise that are used in this system – and which define the epistemic hierarchies within the auction house – generally derive from the case-by-case, day-to-day interaction between valuators and the items they prepare for auction. As Nicholas noted, the generation of these expertises works rather like being a doctor:

> One can spend a lot of time looking at books, but until one sees a sick patient, it is very difficult to actually put that knowledge into practice. So, one can be very academically experienced, but one just has simply to go and look at a picture, and then look at another picture, and then look at another and another and another [...] [E]veryone has [...] to go through a process of continuously looking and seeing. There is no end point. (Nicholas interview, 2005)

This open-ended treatment of objects denotes one of the most relevant features of the valuators’ work. The decision on whether to estimate the worth of an object at X or Y – that is, to categorize the object in the monetarized terms of the market – is a finitist process

(Bloor, 1997), meaning that there are no a priori norms determining which value band is ‘correct’: there are no such things as intrinsic aesthetic properties which determine an object’s estimate.[4] This does not imply, however, that valuation is unbounded, completely open to interpretation, or that any value is justifiable. Since the valuator is a member of a particular epistemic (and professional) community, the validation of judgements will rely on specific conventions (and thus a sanctioning framework of authority); for instance, on the agreement of peers or of bodies such as a governmental tax and revenues offices.[5] In a useful example, valuators appeal to communally accepted tools such as their own versions of folk-psychology: in the view of Nicholas, ‘a fairly run-of-the-mill picture owned by me has no influence on the price, but a run-of-the-mill picture owned by Elton John, for example, has a huge bearing on the final estimate’. Knowledge of previous owners gives people, in the valuator’s view, something to hang their expectations on and thus allows for the calculation of a higher and ‘more precise’ estimate.

In this context, the relevant issue is determining the types of information taken into account when constructing an estimated auction price. Market-based considerations are, noticeably, of great importance. Valuators recognize that understanding the ‘market’s situation’ and what they perceive to be the possible ‘demand’ is essential in reaching an ‘accurate’ estimated auction price. For instance, when valuators are aware that there is a non-competitive situation (little interest in a specific type of item), they tend to put something in quite low ‘to attract a lot of bidders’. Conversely, if valuators deem the market environment to be competitive, for instance when they are confronting another auction house, a dealer or a private collector, they ‘pitch it quite high [...] [even if] you might just struggle to get it away [...] for one or two bids above the bottom estimate [...] because you had to pitch high to get the business in the first place’ (Christopher interview). A clear reference to the literature on economic sociology must be made at this point. The identification of the ‘state of the market’ by valuators and other members of the auction houses’ staff depends on the knowledge that they possess of the people and institutions that compose the larger community of the art world. The close and often interpersonal understanding of collectors, dealers, and managers of institutional collections are the type of social ties that structure market networks in the theories of Mark Granovetter and Harrison White (Granovetter, 1985; White, 2002). In the auction circuit, such networks enable the construction of simulated markets (and, conversely, of their simulated demands) which serve as proxies for the calculation of an estimate.

Along with the valuator’s notions on the state of the market, technical details factor into the determination of an estimate. When analysing a particular item, for instance, valuators refer to historical databases on the hammer prices (or ‘market prices’) that similar objects reached in past auctions. This information, which serves as a basis for inference, is filtered according to a tacit understanding of the auction system. For instance, when considering outliers, valuators might subtract these cases, taking them ‘out of the account’, for they may well be a reflection of ‘auction madness’ (Speiller, 1980: 227). But these historically contextualized prices are complemented with the detailed identification of the nature of artworks, more precisely, with a coherent description of the items put at auction that condenses both their history and their cultural, symbolic and aesthetic attributes (Throsby, 1994: 4). What seem to be carefully crafted entanglements are therefore essential; items are not absolutely decontextualized, to use a Callonian terminology. Valuators actively seek to associate an item to its past by building a provenance, assuring that the work in question has 'constantly been known, never been sort of out of public knowledge, [that] there's never been an opportunity for it to be tampered with, altered, damaged' (Nicholas interview). The gears of the auction house exist, in this sense, as means for guaranteeing the authenticity, 'aesthetic virtues', and cultural symbolism of the objects that are sold in the secondary auction market. Through the expertise and technical capacities of a number of agents (including 'outside' specialists), the system is designed to identify the provenance of artworks, ideally containing the history of their prior ownerships from the time of their creation to the present day.

Arguably, the constituents of provenance could be read as types of entanglements that bind artworks with their creators, previous owners, and a number of cultural referents. This, it would seem, invalidates both Thomas' and Callon's theses since entanglements are necessary (and not obstructive) for commoditization. What seem to be entanglements are, nevertheless, only *narrative* connections. They are not the robust, legally-binding ties that Thomas or Callon had in mind. They are better defined as *virtual* entanglements, which are similar in function and nature to the connections that Daniel Miller, a critic of Callon's thesis, suggested are key in constructing a market transaction (Miller, 2002). Rather than being the components of an enforceable binding framework, these virtual entanglements are links between commodities and social imaginaries (Taylor, 2004; such social imaginaries contain, amongst other elements, the iconosphere (Gaskell, 2000) with which art history and art theory relate). With this redefinition, the auction house is in the business not only of enabling a market by creating the space in which trade can take place (i.e. the auction room) but also of mining, purifying, and crafting the imaginaries and virtual entanglements that artworks need in order to have economic credence.

The (imaginary) catalogue

To better understand the imaginaries constructed within the auction house, let us analyse an expression of the rationale used by valuators when arriving at an estimate, namely, the auction catalogue. As both a material object and a symbolic space, the auction catalogue embodies (and makes public) the introduction of an artwork to the marketplace. The catalogue is a heterogeneous space 'in which academic knowledge, photographic techniques, visual "aesthetic" criteria, historicity, and provenance are all used in the construction of market values' (Geismar, 2001: 35). As in the case of the avant-garde gallery through its immaculate spaces and symbolic architecture (Velthuis, 2005), the auction catalogue generates a virtual universe in which reproductions of artworks are showcased with a commercial aim. The catalogue contains diverse pieces of information, from critical appraisals of cultural and aesthetic value to 'cold' monetary referents. A synthesis between the commercial mail order catalogue and the academic literature on art, the auction catalogue forms an intrinsic part of the rituals of commoditization within the secondary art market: it forms an informational bridge between the epistemic labour of the valuator and the pricing mechanisms of the auction.

The auction catalogue is a good example of the calculative steps posited by Callon (Callon and Muniesa, 2005). Through the generation of tidy graphical and textual spaces, cultural objects are 'detached' (taken out of their 'natural' context, be it the collector's home or office, the museum's halls, or the artist's studio), 'arranged' (framed in a pristine visual document) and 'ordered in a single space' (i.e. the catalogue, where they are met by a number of similar objects). However, the items are framed alongside an ambiguous mix of aesthetic, cultural, economic and proprietary referents: catalogue entries partially define the 'meaning' of the object, its history, its provenance, its technique and, in the majority of cases, its estimated auction price. Thus, the catalogue feeds from and into the rituals of commoditization of the auction circuit by relying on and reinforcing the use of particular referents: by mentioning prices, it bolsters the alienability of cultural objects; by displaying the provenance of objects, it highlights the legitimacy of 'authenticity'; and by drawing upon aesthetic and cultural references, it underpins the dual character of culture as commodity. Conversely, the auction catalogue constitutes a record of the history of the secondary art market that enables scholars to build knowledge on artworks and other similar cultural artefacts. As noted by Sutton in a review of the operations of Christie's after the war, 'the catalogues [of collections], which were sold by Christie's in the 18th-century, provide a valuable means through which one can study to which extent [the artists that formed the collection] based their work on the performance of their predecessors' (Sutton, 1959: 67).

Lot 1619 18

The entry for lot 18 of Christie's Old Masters Drawings sale number 1619 serves as a reasonable example of the manner in which artworks are alienated and mobilized in the secondary art market. Lot 18, entitled 'Study of a male torso', consists of a drawing attributed to the renaissance artist Michelangelo. The entry for this object mentions that estimates are only available upon request, 'generating a secretive atmosphere' (Geismar, 2001: 35). According to a press release by Christie's, the estimated hammer price of this drawing was in the range of \$4,000,000 (Christie's, 2005). (Company records show, however, that this price was not met when the lot was auctioned on 24 January 2006 during Christie's Old Masters and 19th-Century Drawings sale in New York.)

The catalogue entry for Lot 18 opens with a brief description of the item and the auction. The catalogue indicates a 248 x 176 mm drawing attributed to Michelangelo di Ludovico Buonarroti (1475–1564) of the head and torso of a man looking down left, with a subsidiary study of his left shoulder and two further studies of his right shoulder, made with black chalk and outlined with a stylus.

Following this description, the catalogue mentions the provenance of the lot. In particular, the 'Study of a male torso' is presented as having been owned by the artist's family in Florence, then by John Malcolm of Poltalloch (1805–1893) who passed it on to his son-in-law, the Hon. A.E. Gathorne-Hardy, who left it to his son, Geoffrey Gathorne-Hardy, who afterwards bequeathed it to his cousin, the Hon. Robert Gathorne-Hardy, who sold it to its current owner in Sotheby's London on 24 November 1976. Identifying this pedigree of alienations is not incidental. According to Giorgio Vasari – the key biographical reference for Renaissance art – Michelangelo destroyed 'a great number of [his] drawings and sketches' (Vasari, 1993) shortly before his death. If not a myth, this demands greater certainty on the provenance of drawings attributed to Michelangelo. Guaranteeing the authenticity of Lot 18 through a meticulously traced biography is therefore a crucial factor in the legitimization and calculation of its market price.

Knowledge of previous alienations does not suffice to calculate or indeed justify the estimated auction price for Lot 18. Along with this, the catalogue presents other pieces of data or signs relating the commodity or drawing to a wider cultural and social landscape – say, a bank of symbolic capital of the art world (Bourdieu, 1990).[6] In particular, it creates a micro-history of art which frames the lot, in some way conferring it cultural and symbolic significance (a 'drawing' is not a 'Michelangelo' until it has been properly framed). The virtual entanglements that embody this larger aesthetic landscape are of different types. For instance, the catalogue locates 'Study of a male torso' within the literature on Michelangelo's work (a reference to authoritative sources in the relevant scholarly community); it mentions the exhibitions in which the drawing has participated (a reference to previous 'users'); it connects the lot to the intricate web of Michelangelo's oeuvre, tying it to archetypical works such as the dome of Saint Peter's basilica, the *Pietá*, and the figure of Christ in *The Last Judgement* (a reference to accepted cultural icons); it compares the drawing to the institutional memories associated to other pieces by Michelangelo that had been placed in the market, thereby enabling economic calculations based on the triangulation of its price with other 'similar' objects. Rather than being a locale where commodities are showcased without reference to the 'exterior', the catalogue crystallizes the symbolic, economic and legal imaginaries recovered by the valuator allowing for the commodity or drawing to enter the marketplace.

Furthermore, the catalogue exemplifies the open-ended character of art. It follows, in particular, the orthodox art-historical method of offering 'substantiation of inferences robustly drawn from the art itself by means of contemporaneous corroborative textual material' (Gaskell, 2000: 29). Such inferences are, indeed, what grant authenticity to a particular work, whilst establishing part of the criteria that define an artist's oeuvre. And given that they are constantly revised at the intersection of interests of academics, museum scholars, conservators, dealers and collectors (Gaskell, 2000: 37), such inferences, narratives, and mythologies maintain the definition open to modifications: there is always space for a new Michelangelo, to give an example, to surface in the market and in popular perception. As a durable materialization of these inferences (one that exists in the archives of auction houses, libraries and museums), the catalogue is therefore not a mere descriptor of art but rather an instrument in the construction of the art worlds in its own right.

Reappraising the auction house

By re-casting commoditization as a process whereby virtual entanglements are created in order to facilitate calculation, understanding the institutional nature of the secondary art market boils down to determining the manner in which the calculative machinery of the valuator-cum-auction house creates and maintains the material and discursive motion of the system. The social theory presented by Barry Barnes proves useful due to its central claim that social institutions, such as the secondary art market, 'can be analyzed as self-referring systems of talk and thought' (Bloor, 1997: 32).

Broadly speaking, the work of Barnes on social institutions can be decomposed into four operational precepts: a notion, implied by Durkheim, that societies possess complex systems of classification (Barnes et al., 1996); the view that classifications are effectively utterances (Austin, 1962); that the validity of a classification is connected to a structure of collective authority and is therefore open to review (Barnes, 1983); and that, within a community, the forms of classification are learnt by ostension. To exemplify Barnes' theory, consider the case of marriage. As a socially defined 'state', marriage is a form of classification (roughly, one is either married, or not). Marriage is, furthermore, the product of an utterance: whether involving a civil servant or a religious minister, marriage comes into being through the words of an authorized individual and/or institution ('I declare you, husband and wife'). Furthermore, to have any sense, the specific meaning of what marriage consists of (and what the 'props' associated with it are) is shared by a community and learnt by interaction with specific instances of married or un-married individuals: the meaning of items such as rings, legal documents and so forth exists only insofar as it is sanctioned by the authoritative elements of a given group. [7]

The view offered by Barnes is that of society as a device focused on pattern recognition and generation that is based on routinized classificatory activities which define the meanings, boundaries and distributions of knowledge (Barnes, 1983). Such devices – dubbed 'designation devices' in Barnes' terminology, and which are the analytical units of this social theory – discriminate particulars, in a logic of continuous acts of case-by-case self-referencing. For instance, a designation device can be seen as the entity that makes rules seem deterministic insofar 'as the "right" continuation, say, of a number series (which also defines what is meant by the rule) is that continuation which is collectively called "right"' (Bloor, 1997: 33). It is through the characterization of society as a collection of designation devices that the link with Michel Callon's framework is established: the elements of cognition on which a designation device is based (namely, the cognitive and perceptual elements that serve as a basis for pattern recognition or generation) are coupled with a collection of material entities (an *agencement*, in Callon's words). Although finitist and cognitive in nature, designation devices are formed by a heterogeneous arrangement of human and non-human entities, from computerized databases to legal standards.

Designation devices operate in two stages: they examine and discriminate incoming particulars (i.e. incoming terms, such as 'marriage' or 'canvas by Picasso'), to then label them. How is it, then, that the concept of designation devices connects to the secondary art market? To a significant extent, a prime function of estimated auction prices is to serve as labels that are applied in order both to compare and differentiate particular entities (in Callon's terms, to frame and arrange entities in a single space where comparisons can be carried out). Hence, they establish monetary classifications. The moment a valuator determines that artwork A (say, a drawing by Michelangelo) is worth between X and Y (say, $4,000,000 US, give or take), he or she in effect reviews, and relocates said object within, several categories (e.g. 'artworks worth between X and Y', 'Michelangelo's oeuvre').

Conceptualizing the estimate as a label uncovers the processes that 'examine' and 'discriminate' objects in the designation device of the auction house. As a heterogeneous socio-technical arrangement the auction house comprises a rationalizing system of individuals (experts, accountants, managers, etc.), discourses (aesthetic and economic theories, values, etc.), and material objects (books, auction records, electronic databases, digital images, photographic cameras, computers, etc.) that ground the construction of estimates. One can refine the description of the auction houses' designation activities by identifying two essential aspects that form part of the valuator's work, namely, distributed forms of memory and epistemic or cognitive authority, two items that shape not only the creation of estimates but also, more broadly, the patterns observed in the secondary art market's institutions.

Institutionally and materially mediated forms of memory are critical in the determination of estimates. As mentioned previously, valuators often infer the estimate of an object by making use of hammer prices reached by the same and/or similar objects in previous auctions. For instance, the fact that a canvas by artist B was sold in auction for X in 1950 and that the price of 'similar objects' has remained roughly stable over time (indicating that market conditions have not changed drastically) would lead the valuator to conclude that the same piece is worth approximately X, adjusted to inflation over 57 years. So frequent is this use of historical market data as an indicator of present price that anchoring effects are observed: objects that were once sold in a 'hot' market will tend to reach higher estimates and hammer prices than similar objects that were sold in 'cold' markets (Beggs and Graddy, 2006). The preservation of the market's memory through devices such as auction catalogues, accounting records, electronic databases, and other forms of inscription enables the valuator to determine an estimate for the items (particulars) that arrive into the system (designation device), labelling them on the basis of communally accepted classifications of value. The memory of the auction circuit serves, in this sense, as the basis on which a finitist classification can proceed; conversely, the auction house serves as a creator and repository of the memory needed for the secondary art market to perform new calculations.

As previously mentioned, the social recognition of estimates also depends on a web of successfully constructed virtual entanglements between entities and a set of specific imaginaries. In particular, an analysis of the modern catalogue reveals three main types of narratives on which such imaginaries are based: those of aesthetic values; those related to the biography of the item and its context of creation; and those related to broader cultural referents, including market or economic concerns. The use of these imaginaries is partially illustrated by the comments of Christopher, a valuator specialized in British art. When asked to justify an estimate of a watercolour which was initially considered low in comparison to the sale price of similar works by the same author, he argued that the reason for giving such a figure was that the item in question showed a wet, nasty day, whereas the others showed days that invite a trip to the seaside:

> You know, sunny, sand [...] the one that we valued was just not a nice picture, it was painted on a dull day and therefore wouldn't ever, ever, make as much as the others. (Christopher interview, 2005).

In the case of the drawing by Michelangelo, presented above, the narrative is composed not only of the names of the people who owned the item (which grant a sense of 'authenticity' to the drawing), but also of a bank of readily established cultural icons, from Saint

Peter's basilica to *The Last Judgment*. The intersection of these narratives is what makes a work of art a 'legitimate' economic object. If, for instance, the narrative of ownership over an object were unconvincing insofar as it did not shed light on the legality of previous alienations (for instance, if an object's current ownership is considered the product of an unlawful seizure), its economic viability would be put in jeopardy. Consider as an example the case of stolen art or, increasingly, of art that was mobilized during the uncertain conditions of war, conquest, or invasion.

By basing the construction of estimates on a heterogeneous set of narratives, the right to valuate is not concentrated on a small group of individuals. Although valuators are the ones who ultimately utter estimates, they depend on the epistemic work of other members of their immediate circle as well as of those around it (e.g. critics, collectors, historians and other disparate communities that form the art world). The justifications for a given estimate include, for instance, 'very scholarly footnotes that go along the way to help sell' (Christopher). Such justifications do not stray away from an established format. The standardization of justifications, built upon the memory of the auction house, is central to the work of valuators. As Christopher noted:

> Because I have access to all the great valuations that we've done over the last ten years, there's a hell of a lot of trust involved, but because it's there everything is standardised and that is the most important thing [...] You have to standardise everything [...] There are rules and regulations, and the rules and regulations that [auction houses have] to produce a valuation document go to something like a hundred and fifty pages and you don't wander from that. (Christopher interview, 2005)

Such standards, which are not deterministic in nature since they hinge on a case-by-case appraisal of the objects that are presented to the valuator, constitute 'patterns of activity from which no significant number of individuals would wish to deviate so long as most individuals continue to conform' (Barnes, 1988: 167). Conformity within the auction circuit is given by the manner in which authority (as a capacity to estimate) is distributed in the system along with the knowledge behind the institutions and imaginaries of the secondary art market.

Conclusion

To conclude, let me summarize the above. In creating a space for economic calculations, the auction circuit requires the commoditization of objects through the breaking of particular forms of entanglement, ensuring that buyers and sellers will be at quits. This breaking is signified by the determination of an estimated auction price, the calculation of which requires the establishment of a number of *virtual* entanglements that relate the imaginaries of the art world and high modernity to the objects that are to be sold. The manner in which the 'right', 'accurate' or 'trustworthy' estimates are determined is very much a matter of the customs and conventions of the community of valuators, collectors, and relevant specialists. It is arrived at, furthermore, through a finitist process, insofar as the estimates that reach the market are classifications 'applied to the next case by analogy with existing ones' (Barnes et al., 1996: 56). This classificatory system intrinsically depends on the capacity to build authoritative narratives of provenance, aesthetic and cultural value which set the grounds for communal justification. In this sense, the auction house is a mechanism of calculation insofar as it is a Barnesian designation device. But given the role of materialities in the system – manifested in the auction catalogue, artistic reproductions, databases, and literary texts – the auction circuit is also an *agencement*, a heterogeneous network of humans and non-humans (i.e. materialities, legal and institutional structures, etc.) where relations are the fabric of the system.

Auction houses, and their calculative practices, are therefore neither subordinate nor superordinate to the networked social fabric of the art world. They are likewise not detached and individualistic calculative agencies – although they do perform the functions of a calculative centre. In this system, calculation and social embeddedness are one and the same, for each sets the grounds for the existence of the other.

This view of the system arises only by contemplating the longer biography of the items that circulate through the secondary art market. In particular, by looking at the process of valuation, one can observe that commoditization is not constrained to the auction floor but rather spills throughout the system (a point raised by Gaskell (2000) in viewing artworks as dormant commodities).

The ramifications of this analysis are twofold. First, it illuminates estimates and valuation processes as relevant topics for sociological inquiry, despite their partial abandonment in the literature. In particular, it gives credence to the analysis of the bureaucratic procedures of the secondary art market by putting them at the same level as the interactional practices of the auction. Secondly, by adopting a perspective based on the work of Barnes and Callon, which embraces both socio-cognitive and structural factors (via Barnes) as well as the role of materialities and calculative agencies (via Callon), the possibility of a broader research programme is opened. In this programme, many questions are presented in a new light, from the social conditions that shape the operation of the designation devices which conform the art market, to a more nuanced and fine-grained analysis of the interactions between materialities, iconospheres, and the socialization of aesthetic value. The pursuit of these, however, is a matter for future research.

Notes

1 The landscape of the post-war secondary art market can be approximated as follows: four large auction houses dominate the system, namely, Christie's (est. 1766), Sotheby's (est. 1744), Bonham's (est. 1793) and Phillip de Pury (est. 1796). Some current estimates attribute 90 per cent of the market share to Sotheby's and Christie's, thus making the system essentially duopolistic. According to ArtPrice, as of 2004 the auctions that took place in Sotheby's represented 47.8 per cent of the global secondary art market, which was estimated at around 2.9 billion Euros (although estimates vary considerably between sources). The current configuration of the secondary art market is, furthermore, fairly recent. The internationalized auction house did not emerge until the 1970s when Sotheby's expanded its operations beyond Europe and the United States (Christie's, then considered more risk-averse, quickly followed suit; Herrmann, 1980). Likewise, the canons of the auction room have also shifted considerably: it was not until the 1960s, for instance, that the use of photographic reproductions in catalogues was deemed appropriate. Further, as noted in Joy and Sherry (2003: 166): 'Christie's and Sotheby's have developed a strong customer orientation since the 1970s. Auction houses have shrewdly promoted auctions as theater for large audiences, with people often coming just to watch and learn. Many auction houses have galleries to cultivate new clientele

who prefer to bypass the dealer to avoid paying intermediary fees. New collectors represent a very important market segment because they are willing to pay for high-priced items. Even the reappearance of a work shortly after it is sold is no longer deemed catastrophic.'

2 A comment on this selection of theoretical standpoints is in order. The approach towards markets adopted by Michel Callon can be read as a continuation of his earlier experience with Actor Network Theory insofar as distinctions between human and non-human actors are blurred (if not entirely eliminated; see Callon, 1986 and Latour, 1993). Nevertheless, while other studies on artistic phenomena (such as on the consumption and production of artistic goods) based on Actor Network Theory are relevant (see Hennion, 1989), they do not quite fall into the same category as what is presented in the following pages. In my view, the difference between these lies in the recourse to Barry Barnes' work, a prime representative of the Strong Programme. Though source of the compatibility between Actor Network Theory and the Strong Programme was a constant dispute in the past (see Collins and Yearly, 1992 and Callon and Latour, 1992), I expect to show that the case examined here is amenable to a hybrid approach.

3 The interviews used in this article were conducted in May and July 2005 in London and Edinburgh respectively. They consisted of open-ended conversations with valuators at Christie's in both locations, and focused on the nature of valuation, the training of the valuator, and the characteristics of the auction house as a status-based institution. For the purpose of readability, and in order to assure their anonymity, the London interviewee shall be referred to as Nicholas whilst the Edinburgh interviewee shall be referred to as Christopher.

4 It is admittedly impossible to summarize finitism in an endnote. Reference to a representative text from the Strong Programme, however, provides an overview of the concept. Finitism entails that both past applications of a concept are finite and that future applications are not determinate. Hence, 'there is no specification or template or algorithm fully formed in the present capable of fixing the future correct use of [a] term, of distinguishing in advance all the things to which it will eventually be correctly applicable' (Barnes et al., 1996: 54).

5 In calculating the payable taxes for inherited artworks in the UK, for instance, there is a clear open-ended criterion. Since the 'purchase price' of these items cannot be determined prima facie, the interested party can use 'another method' for determining the value of the stock that she or he possesses. However, this person must 'demonstrate satisfactorily to [HM Revenue and Customs] that the method used produces a fair and reasonable total' (HM Revenue and Customs, 2007).

6 Such symbolic structures are clear, for instance, in art history which, as Bourdieu stated, 'finds in the sacred character of its objects every pretext for a hagiographic hermeneutics more concerned with the opus operatum than the modus operandi, and treats the work of art as a discourse to be decoded by reference to a transcendent code' (Bourdieu, 1990: 34).

7 These forms of classification need not apply only to 'social' terms (such as 'married', 'outlaws' or 'president'). Objects are also subjected to similar procedures of categorization. Terms such as 'quark', 'electron', 'computer', and closer to the cases analysed in this article a 'canvas by Picasso', are also part of communal classificatory systems.

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