Objectivity, Reliability, Validity

Katharina Grosse :
Untitled (detail), 2023
Acrylic on canvas
300 × 985 cm

Since the spring of 2024, the art market has been undergoing a continuous test. Alongside Clare McAndrew's *Art Market Report*, financed by UBS Bank, and the quick-thinking analysts at *ArtTactic*, the online portal *Artnet*, backed by another bank, *Morgan Stanley*, has recently delivered an extensive, data-supported "Intelligence Report." **What should be done when major auction houses experience revenue declines of 20–30% for two years in a row—2023 and 2024—depending on the country and the institution's size?** Are the new buyer groups, which have so far reliably been flowing in, suddenly missing? Are entire countries withdrawing from the market? Are we dealing with a "market reset," and what exactly does that mean? Daily and weekly newspapers love to copy from authoritative sources, either hypocritically celebrating or lamenting the worrying revenue declines. Let us turn to two old-fashioned advisors. **"The Art Newspaper," an epitome of quality journalism, refers to a "constitutional shift," noting that the market grew significantly before, during, and after the pandemic**. Galleries from New York have opened not only in London but also in Paris and Seoul. Seoul now boasts its own major fair, the *Frieze*, just as a *Frieze* can now be visited in Los Angeles and Chicago, in addition to London and New York. What is and remains crucial, even for *Art Basel*, is acquiring specially trained staff calibrated to each location. No center can exist without satellites, and neither of the two major fairs can manage without close ties to particularly dedicated galleries and globally dispersed collectors. Nobody wants to hear lectures on predecessors like Picasso, Warhol, Chagall, or Richter anymore. **"Scholarship" and "Publishing," along with social media, are in the spotlight. The focus is on "Visitor Management," whether Chinese, Taiwanese, Japanese, Korean or South Asian collectors, whose "learning curve" has steepened in the digital age**. While galleries and auction houses constantly refresh their programs, museums can't always keep up. The attractiveness of major galleries has increased to such an extent that spectacular personnel shifts now occur between them and the auction houses. Although revenue declines take center stage, in the background, a steadily more demanding market environment is emerging. Another traditional source, our good and truly dependable uncle, is the one-man show Josh Baer with his publication *The Baer Faxt*. Years ago, there were frequent typographical errors, but little has changed in the veteran's appearance and reliably sassy language, like "killer booth by *Hauser & Wirth*."

On the first day of *Frieze* London, which ended on October 13, Baer wrote, "by my analysis, we have reached 'the bottom' of the market." A few days later, art lovers were strolling through the newly renovated Grand Palais at *Art Basel*, suddenly sporting sunglasses, when Baer sent out the message, "dealers had bigger smiles on their faces." Concise and to the point! Naturally, you have to pay for such insights. And now? The art market is and remains one of the world's wonders. We mean that seriously. Where else is there so much suffering, so much travel, and so much money spent for the sake of beauty? When something is tested, science seeks "objectivity." This is achieved when those involved exert little to no influence over the results. However, in the art market, participants are congregants in a church—they believe in art. And typically, those conducting the surveys believe just as much. *Artnet* employs a superb journalist who, on the day of her report, saw a bear climb down from a tree outside her window. Suddenly, she envisioned the art market shifting from a bull market to a rapidly crashing bear market, virtually careening toward financial suicide. Can that be objective? The analyst must have been in a panic. "Reliability" in this context means that frequently consulting the auction houses promises particularly reliable results. **But why, during a crisis, is *Bonhams* acquiring one smaller auction houses after another? Why is *Christie's* celebrating its new, grand building in Hong Kong? Why is *Sotheby's* opening a new branch at the end of Avenue Matignon during the exuberantly successful Paris *Art Basel* fair, despite being $1.6 billion in debt?** "Fewer and fewer people are buying art," stated *Welt am Sonntag* in early October, which in terms of "validity" cannot be confirmed, since only revenues—not numbers of buyers—were measured. The newspaper attributed this to the enormous costs of art fairs and suggested—naturally with the word "disruptive"—that galleries and artists should exhibit for free or even be compensated. Certainly, there are many factors to consider when discussing the art market. However, if a member of the Murdoch family had not covered a large portion of the $110 million capital requirement of the MCH Group, the owner of *Art Basel*, during the pandemic in the summer of 2020, the outcome of today's art market tests would have been far more negative. From *Bergos Private Bank's* perspective, the international art scene, including both large and small museums, is more vibrant than ever. After years of frantic search for fringe groups, for hypes, and for the "Ultra Contemporary," it has come together in a crisis-shaken but ultimately beneficial way. There is no other market that stands more for world peace, enlightenment, and democracy. Indeed, no other market promises greater happiness.

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