The Social Construction of Quality: Status Dynamics in the Market for Contemporary Art

The association between quality assessment and status attainment is fundamental in the sociology of markets. However, past literature failed to explain status dynamics such as mobility in the status order where highly uncertain goods make quality hard to measure. This paper contributes to the understanding of this relationship by identifying various social mechanisms behind quality evaluation processes. It also explores why certain products are considered to be more valuable than others. The results demonstrate that only through exchange relations and active participation in the marketplace (what I call status actions) can actors affect the social definition of what are perceived as high-quality products. The results also provide evidence of two major market outcomes: conservatism and centralization. The findings improve understanding of the evolution and dynamics of status in uncertain markets from both micro- and macro-sociology of markets. These processes are illustrated in a study of the art market in Israel.

Keywords: economic sociology; art market; exchange relations; uncertainty; value; status

JEL classification: Z13 - Economic Sociology

1. Introduction

The problem of uncertainty has long been prominent in the study of markets, hierarchies, and networks (Beckert 1996; Burt 1992; DiMaggio and Powell 1983; Meyer and Rowan 1977; Milliken 1987; Pfeffer and Salancik 1978; Simon 1957; Thompson 1967; Uzzi 1997; Williamson 1975; 1985). One crucial source of uncertainty in markets derives from the difficulties of assessing the value of commodities (Beckert 2007). Goods in such uncertain markets are usually complex, inimitable and difficult to compare, and there are no precise or objective measures which can determine what makes a high-quality product or what would be its exact use. This kind of product uncertainty (DiMaggio and Louch 1998) characterizes markets such as the investment grade debt market (Podolny 1993), the wine market (Benjamin and Podolny 1999), emerging technology markets (Darr 2006), and cultural markets (Caves 2000; Hirsch 1972). In cultural markets it is extremely difficult to observe differences in quality among cultural products and to predict which products will attain success (DiMaggio 1977; Salganik, Dodds, and Watts 2006).
In the primary market for contemporary art high uncertainty surrounds the value of the goods both financially and artistically. Purchases of art may therefore encounter considerable transaction costs and entail a fair amount of risk (Hauser 1951; Heilbrun and Gray 2001; Moulin 1987; Schapiro 1999; White and White 1965). Nonetheless, there are some parameters which can assist in evaluating an artistic product. Most generally the inherent characteristics of an artwork affect its value; these are its style, medium, technique, size, and content. Other factors influencing the worth of an artwork are the artist’s age, prizes, past gallery shows, history of museum exhibitions, and media coverage (Beckert and Rössel 2004; Peterson 1997; Plattner 1998; Velthuis 2005). These factors are all related to the social actors operating in the art market – artists, gallery owners, museum managers, curators, collectors, and critics – and emphasize the social (as distinct from purely economic) nature of the production of value (Smith 1989).

Value in the art market combines two contradictory logics: that of the economy (commerce) and that of the art world (culture) (Plattner 1996; Velthuis 2005). Elementary economics suggests that artistic products can be analyzed as any other commodities that are costly to produce and have their value determined in the interplay between demand and supply in the marketplace (Klamer 1996). Unlike this view, at the core of the sociological analysis of art markets lies the assumption that various social mechanisms cause a work of art to acquire artistic and financial value (Jyrämä 1999). Quality in the art market is thus based upon socially constructed judgments. These judgments are made by high-status market actors who assign value to the artistic goods by defining what is perceived as high-quality products (Beckert 2007). In this paper I seek to identify the social mechanisms behind quality evaluation processes by answering the following questions: (1) why are particular products and not others considered to be more valuable by the esteemed actors?; (2) how can actors maintain and/or improve their position in the status order?

Consistent with the economic sociology literature, I view markets as social structures (Fligstein 2001; Granovetter 1985; Uzzi and Ryon 2004) which are defined in terms of the markets actors’ perceptions (Podolny 1993; White 1981). Since it is hard to define the quality of goods in uncertain markets such as the market for contemporary art, it is also difficult to establish the link between the quality of the

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1 The primary art market is one where new artwork is presented to the market and has the first opportunity to be priced and sold, usually by galleries, dealers, or the artists themselves.
product and the status of its producer. Podolny’s status-based model of market competition (Podolny 1993; Podolny and Phillips 1996) suggests that each market actor’s status is founded in both its demonstrated past quality and the status of its exchange partners (Benjamin and Podolny 1999). The greater the market uncertainty, the more the actor engages in exchange relations with those with whom she has transacted in the past. In the absence of past experience, the status of a potential exchange partner may be used as an indicator for evaluation. Hence, the greater the uncertainty, the more actors engage in transactions with those of similar status (Podolny 1994).

Podolny’s oft-cited model has much contributed to the understanding of status dynamics in markets wherein highly uncertain products make quality difficult to evaluate, nonetheless the model is not fully explanatory as he himself notes: “Though all producers benefit from the existence of the status order, all do not benefit equally. Hence, there is reason to believe that lower-status producers may either attempt to enhance their mobility within the status order or change the status order entirely, even if doing so exposes them to vagaries and uncertainties that they would not otherwise have to face. The model is far from a complete account as it does not directly address such dynamic issues” (Podolny 1993:846). This theoretical gap can further be found in Podolny’s status definition.

Podolny defines a producer’s status in a market as “the perceived quality of that producer's products in relation to the perceived quality of that producer’s competitors’ products” (Podolny 1993:830). By appealing to the perceived product quality rather than to the quality itself, Podolny’s status definition does refer to the complexity involved in quality assessment where the possibility to measure the actual product value does not exist. However, it does not bring out the social actions and interactions that initially form and later influence perceptions regarding the quality of the product by market members. For that reason in this paper I will further develop Podolny’s status definition by incorporating the behavioral aspect which takes an essential role in uncertain markets. As a starting point, I define status in markets as the degree to which market members can influence the social definition of what is perceived as high-quality products.

Following this status definition, I argue that only through active participation in the market (what I call status actions) can actors affect the social definition of what are perceived as high-quality products. This statement is in line with the notion of
tacit knowledge (Polanyi 1966) that can be acquired through imperative involvement in the marketplace. Exchange relations therefore play a key role in uncertain markets, since it is almost the only way through which market members undergo informal socialization to the rules, language and trends of the market. This theoretical path is consistent with the networks literature, which asserts that “networks are especially useful for exchange of commodities whose value is not easily measured” (Powell 1990: 271-2). Several studies have noted the relevance of the network perspective to the understanding of the art world (Albrecht 1968; Becker 1974; Crane 1987, 1992; Jyrämä 1999; Kadushin 1976; Moulin 1987; Ridgeway 1989; Simpson 1981; White 1993). Other studies have shown that status is transferred through exchange relations (Benjamin and Podolny 1999; Homans 1951; Giuffre 1999; Podolny 1993, 1994, 2005; Whyte 1981). Therefore, the first part of the results section will draw attention to the nature of the exchange relations as the building blocks upon which value is determined and status is gained. In this part I will show that exchange relations serve as a crucial mechanism to manage market uncertainty.

In its subsequent section the content of the market products will be considered. I will use the term 'boundary-spanners' as an analytical tool to investigate the processes of value attachment and status attainment. Tushman and Scanlan (1981) describe informational boundary-spanning as a two-part process: (1) obtaining information from outside units; and (2) disseminating this information to internal users. This study suggests a third stage: adaptation to the preferences of the high-status actors in the market. It further explains why boundary-spanning in the art market is a useful strategy for positive mobility in the status order.

2. Data and method

The current study involves a single-case design of the art market in Israel. The decision to focus solely on one local market was made because of the dearth of sociological research into the art market in Israel. Furthermore, as in other studies of local visual art markets (e.g. Crane 1987; Velthuis 2005) statistical data about the art market in Israel is largely unreliable. There are no available data on the size of the market or its spatial distribution, nor any up-to-date numbers of currently operating

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2 I intentionally use the phrase “the art market in Israel” rather than “the Israeli art market” because there are actors who operate in Israel but do not consider themselves Israelis.
galleries, artists, or curators. Gallery owners and artists are even reluctant to divulge any information about sales volume. The single case-study design is highly suitable for filling this gap of literature and data because it allows extensive exploration which builds up very detailed, holistic, comprehensive and contextualized in-depth understanding of the studied phenomena (Ritchie and Lewis 2003). The main drawbacks of a single case-study design however are the lack of the comparative dimension and the difficulty to make generalizations (King et al. 1994).

In order to overcome the problem of comparison I made use of other academic sociological and anthropological literature focusing on markets in general and art markets in particular, both on the local and the international levels. To deal with the problem of generalization, the current study combines multiple data collection methods and multiple observations (King et al. 1994). In order to increase the number of observations, when interviewees held several roles simultaneously or changed roles over time (as detailed below) the interview was split into two parts. In each part the addressed questions were dedicated only to one of the roles which the interviewee occupied. This method not only ensures the inclusion of as many observations as possible but also contributes to the diversity and richness of the data.

The research was carried out over a period of 18 months, between 2002 and 2004. Data were collected in the form of partially structured in-depth interviews with different agents in the art market. Additional data were collected from newspaper articles, museum and gallery catalogues, and academic literature. In order to obtain access to the interviewees, I used a combination of a fixed list and snowball sampling. Newspaper articles, museum catalogues, and gallery guides were used to create a list of the people operating in the market, which proved to be a comprehensive set of sources given the small size of the art market in Israel. Once the list was compiled and I started to interview the informants, I asked them whether I should add anyone who might have been left off the list. The sample therefore evolved during the research period, and ended when it reached to the point of 'saturation' (Glaser and Strauss 1967).

The interviews were semi-structured. They followed a general interview guide of about 20 open-ended questions and lasted approximately 90 minutes each. When agents occupied more than one role or held a different role in the past the interviews

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3 The estimated annual turnover ranges from $14 to $15 million (Shein 2006).
took longer (and in one instance required two interviews). The interviews indicated that many of those active in the art market express critical thought and broad knowledge of the social phenomena taking place in the art world. Although the interviewees were promised confidentiality, most of the participants were very reluctant to be tape-recorded. Out of 35 interviews only three have been documented by a tape-recorder. The rest have been documented by note-taking through the interview, with a signature of each interviewee at the end of the meeting to reassure that the interview indeed took place. Each interviewee is labeled with the letters IN followed by a different identification number.

The interviewees included 12 artists, among them three independent curators, one art critic, and one curator of a non-commercial gallery; five curators of non-commercial galleries, one of whom is a former art critic and another who works simultaneously as an artist; two owners of commercial galleries and one employee of a commercial gallery, one of these commercial galleries also operates as an auction house; seven independent curators, among them three artists, one art critic, and two former museum curators; three museum managers; one manager of an art center; two museum curators; three art critics, one of whom also works as an artist, while another is an independent curator, and the third is a former museum curator; one collector; three employees of auction houses, one of which operates concurrently as a commercial gallery; and two public officials, one from the Israeli Ministry of Science, Culture, and Sports, and the other from the non-profit organization “Omanut Laam.”

In addition to the interviews, I surveyed hundreds of articles from the daily newspapers and the local press over the past decade, and carried out an extensive search of art periodicals, academic literature focusing on the art market in Israel, museum and gallery catalogues, and art-related websites. These data were used as new sources of information or to corroborate information I received from the interviewees. Of the newspaper review I made use of 122 articles. The majority of the articles (116) were drawn from the archives of the Haaretz newspaper, which provides consistent coverage of the art market, both locally and internationally. One article was drawn from Maariv, one from Yedioth Achronoth, one from Yedioth Haifa, and three from Kolbo; Of the art periodicals three articles were drawn from Studio and one from Muse; with regards to academic literature dealing with the art market in

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4 Since some interviewees hold several roles simultaneously, the total number of people in all the categories is greater than the total number of interviewees.
Israel I made use of two books, three journal articles, eight articles from an edited book, one doctorate dissertation, and two MA theses; I also used two museum catalogues, one gallery catalogue, and three art-related websites.

3. Exchange relations in the art market

The notion of exchange relations has been discussed broadly by economic sociologists. Exchange is widely conceived as an economic action which is embedded in social life. Through exchange people create and maintain social hierarchy (Davis 1992). By marking, defining, and framing exchange, actors actively manage the meaning of the transactions they engage in (Velthuis 2005). Davis (1992:11) argues that there are kinds of exchange. We have available to us a range of different kinds of exchange – a repertoire of socially acceptable practices which are culturally, morally and even economically distinct. Following this view, several forms of exchange will be discussed.

3.1 Artist-curator relations

Connections with curators allow artists access to essential resources. First and foremost, the curator grants the artist opportunities to exhibit in varied spaces and provides the artist with visibility. Moreover, working with a curator can contribute to the process of socialization in the art world, particularly for artists in the early stages of their careers; collaborating with a curator exposes the artist to jargon, norms, and modes of conduct customary in the market. Curator-artist relations are sometimes conducted through barter: in exchange for curating exhibitions or writing texts, the curators receive one or more of the artist’s works, either by their own request or at the artist’s initiative. Yet this exchange is not obligatory; curator-artist relations are unique in the sense that they usually are not rooted in a formal agreement.

In most cases, however, artist-curator relations are not symmetrical, as an independent curator explains candidly:

A major portion of a curator’s activities…is survival, meaning lying to the artists: ‘I’ll be there’ when you know you will not, ‘I’ll find an opportunity to exhibit you.’ A rhetoric of non-truths so as not to hurt many artists, good or bad, whom you have no possibility or inclination to exhibit…and this is hard to deal with. I receive hundreds of artwork portfolios, and hundreds of
requests to visit artists’ studios, so I ask that they send me artwork portfolios. You’re in a constant struggle for survival. And I am a kind and merciful guy, while the major curators survive by evasion – they are never seen and cannot be reached. They are not accessible. Now I understand them; there was a time when I used to criticize them. You cannot withstand it. Hundreds approach me each year, actually thousands, poor guys. Their chance of being recognized is very slim (IN6).

Despite the fact that the curators’ work would not exist without the artists, the large number of artists in relation to the small number of curators and desirable exhibition spaces creates an inherent structural tension. This phenomenon of oversupply of artists has been repeatedly highlighted by several historical studies of artistic professions (Menger 1999), and it results in a continuous filtering process (Bystryn 1978). In other words, some curators serve as unapproachable gatekeepers for artists, and most artists depend heavily on curators for their success. Since museum curators are also responsible for maintaining the museum’s collection, they occupy even more powerful positions in the marketplace. A curator from a well-known museum underscores this argument:

If I exhibit artists here in the museum, it goes on their résumé, and I am glad because they deserve it. And if, say, an artist is included in the museum’s collection based on my recommendation, because I submitted it to the acquisition committee, then clearly this has some influence over various collectors and museums worldwide. And if we exhibit artists in the museum here, their market value increases. When the artist goes to a gallery and tells them that she or he has exhibited here, this could have an influence on the gallerist. I am aware of this. And if the museum acquires artwork by their artists, it also increases the worth of the galleries (IN1).

The curator’s statement illustrates how the value of the artistic products depends upon symbolic assignments constructed by market actors (Beckert 2007). In the art market, similar to the fashion market (Aspers 2005), the status of the consumer affects the status of the product and not only the inherent properties of the product. That is, by purchasing artworks of specific artists the museum signals to other market
members that the particular piece is valuable. Such social mechanisms do not merely construct the quality of the art works, but also help to manage and reduce the uncertainty in the marketplace.

A former curator of a central museum (IN30) adds, “The museum is also an art collector, and the curator must, in addition to the exhibitions, make recommendations about what should be acquired for the collection…This role is a very significant one…because you select for the public what is important.” The beginning of an artist’s career presents the most difficulty, because after the museum curator decides to acquire a certain artist’s work, the curator tends to continue to acquire that artist’s artwork in order to create a structured and rational narrative. This argument is supported by Greenfeld’s (1988) study, in which she found that only a small minority of the artists whose work was accepted for exhibit in Israeli museums were previously completely unknown.

Recalling my status definition, that the better positioned actors in the status order are, the more they can affect the social definition of quality, the above mechanisms reflect the way curators gain status in the marketplace and solidify their role as the market tastemakers. Although there are no objective properties which can precisely determine the quality of an artwork, by including specific artworks (and not others) in museum exhibitions and recommending certain works for purchase, the curators are included in the social process which defines high artistic quality. Thereby curators not only decide what is to be considered a good artistic piece, but they essentially select and shape what will enter the artistic canon. Similar mechanisms to manage uncertainty can be found in artist-gallerist relations.

### 3.2 Artist-gallerist relations

A prominent gallery owner illustrates her relations with the gallery artists:

There are twelve gallery artists who have been working in the art field for five to seven years…There are young artists that I took on straight out of school and gave them a big exhibition at the gallery. More mature artists need different solutions: producing catalogues, representing them abroad, and getting them published in journals. I actually manage everything related to logistics and administration for them, so that they are free to work…If an artist sells a picture from the gallery, or from the studio, we split fifty-fifty, because
I am supposed to get paid too for the effort I invested in the artist's career and promotion. I try to represent them to all parties in the art world…With artists, there has to be trust: that they won't sell, that they'll bring me the best. The personal relationship is important (IN27).

Unlike relationships with curators, once an artist has become officially affiliated with a gallery, gallery-artist relationships are formalized and usually anchored in contracts. Connection to a gallery typically requires artists to commit their work exclusively to the gallery, and to share profits from sales. In return, the gallery provides the artists with resources including promotion, funding, and – most importantly for artists – exposure. Many artists therefore aspire to affiliation with a gallery, especially younger artists who have not yet established their careers. However, uncertainty and the potential for opportunistic behavior exist on both sides.

For the gallerist, there are no guarantees about the quality and quantity of the future supply of works by the artist. Also, it is difficult to ensure that the artist will not sell art directly from his studio without giving the gallerist a commission. The artist, on the other hand, doesn’t know whether the gallerist is selling his work at the agreed-upon price, nor whether she invests sufficient time and money in promoting the artist’s career. Moreover, the artist has to entrust precious artworks to the gallery, at least temporarily. So although artist-gallery relations are based on legally binding contracts, these contracts do not fully negate the fragility of the commitments involved, and the balance of power is on the side of the gallerists (Velthuis 2005).

When considering entering into an exchange relation with a new artist, gallery owners rely primarily on recommendations by actors whom they find up-to-date and trustworthy. Only a handful of gallerists will accept artists for exhibitions when the artists approach them first by sending a portfolio. The gallerists’ preference to initiate their first contacts with artists themselves is prevalent in other art markets as well (see for example Velthuis 2005). This norm is indicated by one museum director (IN7): “Only once did I exhibit an artist who sent me an artwork portfolio. Usually I contact them.” The following statement by a sought-after gallerist (IN27) also reflects this tendency: “Connections were created with most of the people I approached. Usually, the best artists do not submit an artwork portfolio. Whoever brings a portfolio – I view artwork during the week and after a week they come to retrieve it. Occasionally I take artwork from them for group exhibitions.”
As in the Hollywood film industry (Faulkner 1983), because artists depend heavily on market gatekeepers, the powerful actors can impose a wide range of sanctions and conventions (Becker 1974). The undesirability of sending a portfolio is a convention in the art world which is familiar only to artists who have been active in the market or who are connected to other informed actors. Following this norm will therefore be a useful strategy for positive mobility in the status order, as the two following opposite examples will demonstrate.

A young artist describes three possible ways to establish contact with galleries, and he weighs his future course of action accordingly:

There are several ways to make contact with galleries: The first is to approach them with an artwork portfolio. The second and more common way is via contacts…The third way is when you are contacted, which of course is the most pleasing but also the rarest. To my mind, this is related to the ambition of the person at the gallery. X and Y, for example, are relatively young galleries and very highly regarded, and as a young artist I have to consider which is more advantageous for me. It seems to me now that X is better; I think I will go there with my artwork portfolio next week (IN2).

In contrast, one veteran artist says:

Professional and social standing is determined in two ways: first, by the number of people who contact me and on what topics, in which case my status is impressive. Second, what happens when I contact the same people who contact me, in which case my status is zero…The establishment feels that by responding to me, it loses power. For instance, if I contact a museum and request an exhibition and they refuse, even if they would want to contact me the following day (IN17).

These two artists have different positions in the market, but both seek to enter into exchange relations with high-status actors. The gallerist’s above description of her method demonstrates that artists’ chances of being accepted by a sought-after gallery after they submit their artwork portfolios to it are miniscule. The first young artist is not familiar with the market’s institutional arrangements because he did not
study at the “right” school and is not connected to well-informed actors. Paradoxically, and without his knowledge, instead of establishing his status, he is actually destroying it. The second artist is connected to a well-established gallery, is considered an influential artist, and teaches at a top art school. Nonetheless, his statement demonstrates that even his powerful position and high status in the field do not protect him from violating the norms dictated by the market gatekeepers.

Recalling my status definition, since the quality of artistic goods is uncertain (especially with regards to a new artist who has not yet established status in the marketplace) only through active participation in the market can actors affect the social definition of what is perceived as high-quality products. It seems as if the actual products of these two artists are secondary to the status actions they take. Paradoxically, even though artists are the only producers in the art market, most of them do not occupy a central position in the status order and thus cannot affect the social definition of quality. As a result, in order to improve their stance artists employ status actions of adaptation to the market norms. More specifically, by following the conventions of the leading actors for initiating exchange relations, i.e. not approaching them first, their artworks will be considered more valuable and their status in the marketplace will ascend. This point supports Podolny's reservations regarding his model, that lower status actors do indeed attempt to enhance their mobility within the status order. Yet there are a few artists whose central position enables them to work with galleries from a position of independence and power.

One artist, who is affiliated with a sought-after gallery, has exhibited at museums and solo shows, and has participated in the Venice Biennale, made the following statement:

My connection with the gallery is almost characterized by a lack of connection. I don’t feel a need to be connected to a gallery, because to me, the relationship with the gallery is a sort of fiction – you are mainly supposed to give to the gallery, and it isn’t clear what the gallery gives you. I agreed that whatever he [the gallerist] sells, he gets his percentage, and if I sell on my own at my studio he gets nothing from it…Eighteen months ago, I had an exhibition at X museum, but they spoke directly to me. The gallerists didn’t even know about it (IN29).
It seems that exchange relations with high-status artists provide more resources to the galleries than to the artists. Nevertheless, as argued by Podolny (1994), high-status artists would commonly seek ties exclusively to high-status galleries and curators. This sort of homophilous affiliation (Jensen 2003) also takes place within the gatekeepers’ community itself, as discussed in the next section.

3.3 Gallery-museum relations
Organizations overcome problems of market uncertainty by adopting a principle of exclusivity in selecting exchange partners (Podolny 1994). A prominent gallerist (IN27) described the way she maintains exchange relations with leading museums: “I have ongoing contact with museum curators. I present material, meet with them, and make suggestions, especially if I know of a certain topic they are interested in at the time: X is now exhibiting in Museum A.” Gallery owners keep museum curators informed regarding exhibitions they display, new artists, and new artworks. The museum curators are interested in this information since it is an essential resource for reducing the uncertainty. It also keeps them up-to-date regarding the latest happenings in the market, and saves them the effort of visiting the artists’ studios. To the benefit of the galleries, once a museum curator visits a gallery, its artworks’ chances for acquisition or exhibition at the museum increase considerably.

The museums thereby assist the gallery’s artists in attaining status, contributing to the perceived quality and financial value of their work. It is unsurprising, then, that the gatekeeper galleries represent the most visible artists (Crane 1987). A curator at a central museum reiterated this argument:

The gallerists invite me to come to the gallery to see the artists and purchase their artworks, and indeed we do acquire art from galleries. I am in touch with them because I want to see what they are showing. I go to galleries which are considered superior, and which display the most contemporary pieces. Several have quite a collection, and their artists are good and interesting. Perhaps I am missing things; I visit other galleries too, but mostly keep tabs on what they [prestigious galleries in Tel Aviv] do (IN1)…

The close ties between prominent galleries and museum curators foster a norm of cooperation. A museum manager (IN7) explained, “I have connections with
galleries in Tel Aviv regarding artists or artworks…X [a well-known gallerist] and I are trying to bring over a photographer from abroad and develop him together. The collaboration with the gallery is good, because the artist is acquired and becomes talked-about.” Another museum manager (IN11) noted that with leading gallerists, she has “as much cooperation as possible in terms of artists; I can’t know everything. They come to me and show me, and if it interests me, that’s good.” The cooperation between prominent museum curators and galleries manifests itself in exhibition of gallery artists at these museums, joint promotion and development of artists, and even joint exhibitions in which gallery artists exhibit concurrently at both the gallery and the museum – Darren Almond, for instance, was simultaneously co-displayed in Sommer Gallery and in Herzliya Museum (Sheffi 2003a).

Thus exclusive, ongoing exchange relations between gatekeeper galleries and gatekeeper museums encourage a status hierarchy which is based on homophilous affiliation patterns (Jensen 2003; Podolny 1994). The combination of the selective practices and the exclusive relationships contributes to the enhancement of each party’s status in the art market: galleries receive the museum’s seal of approval, complementing their central position; they take advantage of significant additional display spaces and increase the value of their artists’ works. The museums benefit from the galleries’ audiences and spare the effort of seeking less known artists or artworks for their exhibitions, while still considering themselves attentive to the market. These actors’ conduct does not encourage innovation in the art market; rather, it contributes to reproduction of the artistic trends as dictated by the gatekeepers’ tastes.

3.4 Gallery-gallery relations

Sometimes several galleries collaborate to respond to common needs and interests, as described by one of the gallerists:

There is cooperation between the galleries. The Gallery Forum consists of the ten most important galleries in Tel Aviv. I don’t know how effective the Gallery Forum is. We haven’t registered as an association yet. It happened over the last two years. Out of this, we produced a gallery guide, advertised on Artforum, we are thinking of lowering municipal taxes. And now we’ve organized an event for the opening of the season: On October 10, season-
opening events will be held by the Artists’ Association and the Gallery Forum (IN27).

The gallerist attributes the season-opening events or the production of the gallery guide to “all galleries,” when in fact only “ten important galleries” have been included in this partnership. The Gallery Forum functions as a closed, elite group that acts to preserve its powerful position in the marketplace. The formation of alliances between competing organizations in order to cope with an uncertain environment is a frequently observed phenomenon in network literature (Gulati and Gargiulo 1999), and it is common in art markets beyond Israel as well (Jyrämä 1999). This exclusivity, Jyrämä argues, does not exist formally and explicitly but is apparent in the formation of associations and in joint activities that include only those galleries with the best reputation.

As in museum-gallery relations, the selective gallery-gallery collaborations reproduce hierarchical, status-based market partition. This mechanism corresponds to that of the Hollywood film industry, in which similar stratifying collaborations narrow the range of collective action so that participation is permanently restricted to a chosen few (Faulkner 1983). However, the strong norms and mutual identification that may assist the group to deal with the uncertainty can simultaneously "limit its openness to information and to alternative ways of doing things, producing forms of collective blindness" (Nahapiet and Ghoshal 1998:245) and discouraging innovation. This system further reflects the difficulty of bypassing barriers to entry and establishing status within the market for members not affiliated with powerful actors. The conduct of the Israeli gatekeepers in the international arena is not substantially different.

3.5 Relations between local gatekeepers and international gatekeepers
As in other endeavours, such as academics, fashion, or technology, contacts abroad may serve as status signals to other market participants. Indeed, ties to actors located abroad tend to improve the status of the Israeli actors, as well as to increase the perceived value of the gallery and its artists. Because commercial galleries are interested in promoting themselves and their artists, gallerists engage in a variety of practices in order to showcase their artists in the global arena: they participate in major international fairs where their artists gain exposure and where the gallerists
distribute material about the gallery and its artists; they meet with gallerists, curators, and international collectors, so that these actors will get to know their artists and include them in their exhibitions or collections; and they seek out galleries in other countries to represent their artists there and vice versa. An influential commercial gallery owner says of her contacts abroad:

I participate in three international fairs every year. I document everything written about the artists, exhibit them abroad, try to place them in international collections, because I find it important to introduce them into international circles…I try to create a second home abroad for the artists, someone who will represent them in those countries through the local channel there. X is now exhibiting in one of the major shows in London, for example. I also have contacts in Paris, Milan. I deliberately meet with galleries, send material via e-mail, meet people at fairs. There are group exhibitions in museums or in Biennale settings. For example, I entered Y into the Venice Biennale, I showed his portfolio to a curator, he came to Israel, saw his work, and from that we had other contacts, and so it goes along. Naturally I pay airfare plus the expenses of the stay for artists and curators I invite from abroad (IN27).

While Israeli gallerists try to expose their artists to sought-after international actors, they also aim to exhibit artists from prominent international galleries, and often they also represent those artists themselves, as the following employee of a commercial gallery explains:

I believe that I must exhibit artists from abroad here too, because I save the collectors the trip abroad, which they appreciate. I tend to show artists with international reputations to Israeli collectors and vice versa – Israeli artists abroad – even though I also want Israelis to buy Israeli works. So actually I organize exhibitions of works from abroad here for the benefit of the Israeli collectors, as well as for the image of the gallery (IN25)…

This statement shows that the import of artists and artworks from abroad is intended to expose interested parties, especially collectors, to current international art.
addition, it enhances the glamorous image of the galleries and signals to other market participants that they have contacts abroad.

Indeed most of the international artists displayed at the leading galleries considered to be stars in the international scene, as corroborated in *Haaretz* newspaper: “The new exhibition in Sommer Gallery in Tel Aviv continues with the line of the gallery… displaying artists, mostly young and Europeans, who take a prominent place in the international art scene…two of the artists are stars in the European scene…” (Sheffi 2002). These diverse interactions with prominent international actors raise the market value of the gallery and its artists, and preserve their high status. Along with the galleries, esteemed curators with extensive ties to major international actors can provide an important springboard for artists connected to them. An Israeli artist addressed this point:

The field is constructed such that when guests come from abroad, they get to several curators, and they bring them to the artists they know – who are valued and known…When curators from abroad used to come to my studio…it never happened that they did not take me to exhibitions, but it is very difficult to get them to come to me. If they contact an Israeli curator to organize an exhibition abroad, and I am not connected with the curator, they will not reach me, so that the possibility to reach a curator from abroad depends on the Israeli curator, and this is difficult to breach (IN4)…

These mechanisms underscore once again the social construction of quality in the art market and reveal why particular products and not others are considered to be more valuable by the esteemed actors: the international curators and gallerists are usually not well-informed about artists working in Israel, and so they rely on input from local curators and gallerists with whom they are connected. Leading curators and gallery owners from abroad are therefore invited to Israel in order to get to know the gallery’s artists and their work. These visitors are usually significant within the international art scene, for example Francesco Bonami, the curator of the Venice Biennale. After his visit in Israel, he invited eight Israeli artists to exhibit in this important international event (Sheffi 2003b). This way, artists who are not connected to the gatekeepers in their countries may find themselves doubly marginalized: on the periphery of the local art market as well as on the periphery of the international art
market. As highlighted through my status definition, these gatekeeping practices solidify gallerists and curators’ status because they affect the social definition of quality. They further contribute to the reproduction of their artistic preference and tastes in the marketplace.

The preceding discussion focused mainly on the nature of the exchange relations as the building blocks upon which value is established and status is gained or preserved. In the subsequent section the content of the market products and the role it plays in the process of value and status attainment will be considered.

4. Market products and boundary-spanning
Since styles or topics of artwork can motivate actors to initiate or block ties, to a large extent the content of the market products serves to organize the structure of the market, as explained by an independent curator:

I am perceived as dealing with the context of the body, feminism, one or another provocation, so artists of this sort will approach me, because they find it natural that I will be interested in their exhibitions…Occasionally a curator can direct an artist to me, or I may transfer an artist to another curator…if their style does not speak to me and I know of another curator who is interested (IN35).

As the curator describes, artists approach curators based on their knowledge of the curators’ areas of interest, and in the case of a mismatch, some curators send the artists to other curators, according to the areas with which they are identified. Some of the curators have an explicit agenda which they are interested in promoting. This agenda comprises a clearly articulated thesis and ideological goals such as advancing feminist issues, promoting artists who work in a certain style or medium, or bringing excluded artists into the artistic narrative (Yogev 2009).

This mode of operation creates two hazards: (1) that the artists will tailor the style or topic of their work to the curator’s preferred theme; and (2) that the curator’s selection of works and artists will simply reinforce her themes, without any attempt to create a curatorial statement which is continuously researched and realized anew.

Indeed, some artists admit to producing works in styles and themes that they know to be relevant, not to say fashionable, in the eyes of the desirable curators or galleries.
For example, a well-connected artist noted in an informal conversation before the interview that he had heard about a sought-after curator who was planning an exhibition in a prestigious space on the subject of puppets. This information motivated him to create puppets, despite the fact that he had never worked in this medium before and would not have done so otherwise. *Haaretz* newspaper article supports this observation: “Some of the local artists have already learnt the way to join the participant list: once the rumor about some curator who is looking for artworks dealing with a specific topic, they create a suitable work” (Gilerman 2004).

These artists hope that this practice will raise the value of their products and will encourage curators to seek connections with them. I refer to such artists as *boundary-spanners*. As part of the perception of organizations as open systems, boundary-spanning is a strategy to remain interactive and conform to the outside environment. Boundary-spanners obtain information from sources outside the organization and pass it to sources within the organization. Their fluency in the culture and language of the groups on either side of the boundary enables them to tailor information to the desired context (Tushman and Romanelli 1985).

Boundary-spanning artists investigate activity within the market. They attentively monitor events outside the immediate cluster of ties to which they belong and keep their finger on the pulse of the art market at all times. These artists keep themselves constantly informed about the latest art news and criticism. In order for their boundary-spanning to be perceived as vital and productive, the artists who perform it must maintain ties with numerous outside information sources, which should be as diverse and reliable as possible. As a result, the boundary-spanners are aware of the various preferences of the key actors in the market, and they have up-to-date information regarding current and upcoming exhibitions.

Tushman and Scanlan (1981) describe informational boundary-spanning as a two-part process: (1) obtaining information from outside units; and (2) disseminating this information to internal users. This study suggests a third stage: adaptation to the preferences of the high-status actors in the market. In light of Han’s (1994) study, the third stage reflects the process of stylistic or topical imitation which the artists engage in accordance with the dictates of high-status actors. Zuckerman’s (1999; 2000) work on firm assessment helps to illuminate this mechanism, by describing an interface between two sets of actors: candidates and audience.
The candidates seek entry into relations with the audience. Candidates present offers to the audience, and the audience selects its preferred offer. At the beginning of the screening process, audience members must be able to compare competing offers with one another in order to make their choice. When an offer interferes with the audience’s ability to calibrate it against the others, it will be screened out of competition and ignored. This selection process pressures candidates to orient their offers to the comparative framework employed by the audience. Thus, a candidate must demonstrate that his or her offer conforms to the criteria that define the set of offers the audience considers, lest it be ignored as unintelligible (Phillips and Zuckerman 2001).

The social mechanisms behind the foundation of value, especially when quality cannot be assessed objectively, may thus mold the character of the market products. The uncertainty of the market encourages artists who are interested in exposure and status to produce works that match the art market “audience’s” preferences. These mechanisms demonstrate that not only that the gatekeepers heavily influence the social definition of quality, as my status definition says, but also determine the nature of the product itself. Such processes encourage conformity and conservativism, and do not leave much room for experiments or innovations.

Nooteboom (1999) stresses the importance of boundary-spanners in relation to innovation enabled by outside sources. Boundary-spanning patterns of this kind can be found among gallery owners. They ensure constant updates regarding the dominant international artistic trends, then import this information to Israel, and finally dictate to their artists – implicitly or explicitly – specific international artistic styles. Some gallerists actually prefer to accept and exhibit artists who work according to the international artistic codes. A leading gallerist (IN27) stated: “It is important that the codes of their work are international, with a local orientation.” Most artists are aware of the link between artistic style and larger opportunity to exhibit, and hence deliberately implement international artistic codes in their works; for instance, by using English language rather than Hebrew. In other words, both artists and gallerists enact status actions of selecting styles that will potentially fit with the international tastemakers and will consequently raise their market value. This practice indicates that even in a seemingly pluralistic endeavor such as art, social mechanisms influence the modes of production and consumption.
5. Discussion

With regards to Podolny's status-based model, I developed in this article a new definition of status: the degree to which market members can influence the social definition of what is perceived as high-quality products in the market. Following this status definition, I examined the social mechanisms behind quality evaluation processes in the art market in Israel. I tried to answer the following questions: Why are some products considered to be more valuable than others by esteemed actors? How can actors maintain and/or improve their position in the status order? In order to answer these questions I have chosen a theoretical direction which is based upon the situational structure of uncertainty and deviates from the path chosen by most economists. The latter argue that intentionally rational economic agents increase their calculative capabilities for determining probabilities in order to master uncertainty (Beckert 1996). Rather, this study focuses on the way actors deal with the problem of uncertainty from a sociological point of view. This theoretical path supports Beckert’s (1996:819-20) argument that actors “rely on social ‘devices’ that restrict their flexibility and create a rigidity in the responses to changes in an uncertain environment. The term ‘social devices’ encompasses all forms of rules, social norms, conventions, institutions, social structures, and power-relations that limit the choice set of actors and make actions at the same time predictable.”

The high degree of uncertainty which characterizes some markets stems mainly from the difficulty of objectively measuring the quality of the market goods. Though there may be a few indicators assisting in the evaluation of such uncertain products, their value remains vague and it is hard to predict which products will attain success. An additional element contributing to the uncertainty in markets where the quality of the goods are hard to measure is the tacit knowledge (Polanyi 1966) which can be acquired only through active participation in the marketplace. Exchange relations therefore play a key role in uncertain markets, since it is almost the only way through which market members undergo informal socialization to the rules, language and trends of the market. As demonstrated in this article, the norms of conduct in these markets are not necessarily formal or stated, but are revealed to the actors by operating within the particular market context in which they are embedded. Exchange relations thus serve as a crucial mechanism to manage market uncertainty.

In other work (Yogev 2009) I draw attention to the peripheral activity of the art market, arguing that in markets characterized by a high degree of uncertainty the
central actors tend to be more accepting of peripheral actors who do not operate according to the norms of the center and who are not interested in integration into the existing market structure. Nonetheless, I found that the majority of actors do try to be assimilated in the market structure by following the norms dictated by the central actors. This paper is consistent with this observation, showing that the artists’ heavy reliance on galleries and curators for their professional development, coupled with the lack of a reciprocal need for contact on the gallerists and curators’ part, entrenches the role of the gallerists together with the curators as the gatekeepers of the art market. With regards to the first research question, I demonstrated that by following the gatekeepers’ norms of initiating exchange relations, artists’ works rise in status in the marketplace and come to be considered more valuable. This sort of conformity has further appeared to be a useful strategy for achieving positive mobility in the status order. This leads to the second research question as to the ways through which actors can maintain and/or improve their position in the status order.

The leakiness of status through exchange relations has already been acknowledged in past scholarly work. While the current article indeed illustrated that status is constructed by exchange relations, it further demonstrated that the content of the market products also plays an essential role in status dynamics: Boundary-spanning appears to be another efficient strategy for actors interested in upward mobility in the status order, and within this process artists are encouraged to produce works which fit into the gatekeepers’ preferences. Thereby, in a market where the quality of the goods cannot be assessed objectively and products are luxurious, the goods themselves are secondary to the status actions the actors enact; it is social mechanisms rather than merely market demand which affects the nature of the market products. As in other markets, in the art market boundary-spanning serves as a response for the high uncertainty with which actors confront. However, while in most markets boundary-spanning is employed in order to develop more innovative products which will then lead to a better market value, in the art market the implements of boundary-spanning strategy are adaptation and imitation. This means that the power structure of the market does not encourage innovative and experimental activity; rather it promotes conservative modes of action as a market outcome.

An additional market outcome is the market’s centralized macrostructure. As discussed above, the market is dominated by a small well-known, elite group dictating the dominant artistic tone. This limited number of powerful key actors, namely
esteemed gallerists and curators, continuously solidify and reproduce their status in the marketplace. Their status ranking remains stable due to the ongoing self-validating nature of social judgments (Gould 2002). Interestingly, market centralization of this kind stands in conflict with a bulk of organization theories which assert that decentralization or power shift from one group to another are commonly used to deal with uncertainty (Perrow 1961; Scott 1992; Thompson 1967).

The centralized macrostructure of the market has several overlapping implications: First, the process of artistic canonization is revealed to be social in essence. The dominant place social mechanisms occupy in the evaluation of the artistic products makes the assessment of quality in the art market based largely upon socially constructed judgments. As suggested by Gould (2002:1148), the “uncertainty and subjectivity inherent in quality judgments give rise to a self-reinforcing process in which collective adherence to socially provided assessments reproduces and thereby validates those very assessments.” These processes increase the probability of artists and artworks approved by the market gatekeepers gaining collective adherence to their highly assessed quality, thereby enabling them penetrate the canon, while at the same time the gatekeepers reproduce and validate their role as the tastemakers of the market.

Second, the centralized character of the art market has an economic implication. Artists affiliated with high status galleries do not merely enhance their status or the perceived quality of their artworks, but their market value is increased as well. Furthermore, the nature of social relations among the central actors is generally personal and based on homophily, exclusivity, and ongoing exchange of information. Their mutual interests expand the information flow and allow them to be up-to-date at all times. As for that, actors motivated by profit maximization, such as gallery owners, are able to make less risky investments simply through social relations.

Third, the market gatekeepers control the supply and demand of the goods and subsequently mediate between the market producers (artists) and consumers (collectors, critics, auction houses, and art lovers). By influencing the content of the artworks, the gatekeepers (intentionally or unintentionally) affect the modes of production. At the same time, by deciding which artwork will achieve exposure and visibility, and by exchange relations with market members on the consumers’ side, they affect the modes of consumption. To name a few examples of such exchange relations: a gallery owner advises a collector how to build or maintain a valuable
collection, while the collector consistently buys works of artists affiliated with this specific gallery. A museum curator supplies a critic with essential information about new artistic trends, while the critic writes about the curator’s exhibitions. A collector sits in a museum board of directors and in its exhibitions committee, and the museum displays his private collection in a special exhibition (Sheffi 1998).

These conclusions support the view that market ties are the conduits through which information and other resources flow (Benjamin and Podolny 1999). Nonetheless, as the data demonstrated, the intensive networking of the central actors makes it difficult for actors not connected to them to get access to information and to bypass the entry barriers into the market. I challenge the taken-for-granted perception of quality, and show the weaknesses of previous explanations of status-based quality. Instead, I show that quality is socially constructed and build a new definition of status upon that finding. By revealing the strategies through which actors strive to achieve positive mobility, this study provides insight into the social processes which create a social order in the marketplace. It also contributes to the understanding of the evolution and dynamics of status in uncertain markets from both micro- and macro-sociology of markets. A similar centralized structure of art markets has been found in larger and more central markets, such as the French market (Moulin 1987), the American market (Crane 1987; Velthuis 2005), and the English market (Jyrämä 1999). I therefore believe that the findings of the current study have important implication to the understanding of status dynamics of larger and more central markets as well.

REFERENCES


The Social Construction of Quality: Status Dynamics in the Market for Contemporary Art