

Introduction

There has been an extraordinary convergence of mainstream economics and Marxist cultural analysis. Both assert in the most ardent terms that art is, always has been, or has recently become nothing but a commodity. In 2010, the economist Clare McAndrew said, 'the reality is that art is produced, bought, and sold by individuals and institutions working within an economic framework inescapable from material and market constraints'.¹ Five years earlier, Marxist art historian Julian Stallabrass claimed, 'artists are snug in the market's lap'.² Tyler Cowen, a neoliberal economist writing in 1998, insisted, 'artists are subject to economic constraints, just as other businessmen are'.³ Extending the historical frame further, the German philosopher Theodor Adorno, one of the pioneers of the Marxist theory of art's incorporation by capitalism, writing in the 1930s, argued that '[c]ultural entities typical of the culture industry are no longer *also* commodities, they are commodities through and through'.⁴ Nothing can be achieved by denying that art has been transformed by developments ushered in by capitalist society. Art has often adopted not only the technological innovations of capitalism but also its latest forms of management, marketing and values, not to mention the visual styles of advertising, popular culture and administration. None of this has gone unnoticed by commentators on the apparently cosy relationship between art and capitalism but what has been neglected is the difference between art's cultural, social and political incorporation by capitalism, on the one hand, and its economic incorporation, on the other.

My starting point is not the simple fact of the agreement between left and right that artworks are commodities like any other, but the specific differences of tone with which this consensus is expressed. There is a marked contrast to be observed, for example, between asserting that art has been incorporated by capitalism by virtue of the social and subjective hold that capitalism has over artists, and that the art market has commodified art. There is also a difference between arguing that artworks are commodities insofar as they are exchanged in the marketplace and arguing, for instance, that artists such as 'Beethoven and Michelangelo, who sold their artworks for a profit, were entrepreneurs

1 McAndrew 2010a, p. 19.

2 Stallabrass 2004a, p. 200.

3 Cowen 1998, p. 2.

4 Adorno 1991, p. 100.

and capitalists'.⁵ Likewise, it is one thing to say that art museums increasingly belong to the economic sector of the tourist industry and quite another to say that artists 'brand' themselves by making work of a recognisable kind, two distinct arguments that often appear together as if the 'professionalisation' of the arts is simply applied across the board. Despite apparent agreement, also, we should not conflate the argument that there is an oversupply of artistic labour with the overabundant existence of artistic 'dark matter', that is to say, 'the vast zone of cultural activity'⁶ that does not pass through the art market, partly because the concept of 'oversupply' assumes a market determined by the consumer (in this case: the employer of wage labour) whereas the art world's 'dark matter' is deliberately and conscientiously 'makeshift, amateur, informal, unofficial, autonomous, activist, non-institutional, self-organized'.⁷ These differences of explanation are not just differences of emphasis, I want to suggest, but are symptoms of the lack of evidence of the economic transformation of artistic production by commodity exchange.

Each exponent of the theory of art's commodification appears to reserve a place for opponents as claiming that art is a special vocation independent of the motives and mechanisms of market forces. Stallabrass unearths evidence of this ideology in statements made by wealthy collectors, powerful curators and celebrity artists, all of whom have a vested interest in art appearing to be independent of the market. Similarly, Cowen sets himself off from wide spectrums of 'cultural pessimists', primarily leftists, aesthetes and romantics, who 'typically believe that the market economy corrupts culture'.⁸ Clearly, opponents do not always sit in the place they have been allotted: Stallabrass is a left-wing writer who believes that the market economy corrupts culture but he nonetheless argues that art is in fact widely incorporated by the marketplace, while Cowen is a pro-marketeer who does not believe that art is corrupted by the market, not because he believes the ideology that art exists in some special sphere above market considerations but because he subscribes to the belief that markets promote liberty, freedom and creativity. My critique of the various theories of the commodification of art does not stem from a belief that art is too elevated to be analysed economically or that artists are too passionate about art to be swayed by financial self-interest. My method, in this book, is not to interrogate the structure of the arguments for or against the validity of the observation that the contemporary art market has become a powerful force

5 Cowen 1998, p. 3.

6 Sholette 2011, p. 45.

7 Sholette 2011, p. 1.

8 Cowen 1998, p. 9.

within the discourses and practices of the studio, or to provide a theoretical judgement on the romantic and idealist projection of the artist as a deeply individual producer who cannot be corrupted by the market. My intention is to pay close attention to the various competing *mechanisms* stated or implied by the various theories of art's production, distribution and consumption of art in capitalism. Market mechanisms are certainly present in the art world, but other mechanisms are also present. I will not assume that market mechanisms will always dominate over discursive mechanisms or state mechanisms or scholastic mechanisms. The question of whether market mechanisms succeed or fail to make their presence felt in art must remain open, pending the analysis of the success and failure of counter-mechanisms that art's institutions develop to protect art from the perceived threat of commercialisation, marketisation and commodification.

This book is a detailed assessment of the claim that art production coincides with capitalist commodity production. My study consists of an analysis of the arguments given within the various bodies of literature that make up the two broad traditions of the economics of art and the Western Marxist analysis of art's relationship to capitalism. However, I am neither an economist nor a Marxologist. I am an artist. This means, of course, that I am precisely the kind of individual within the art world meddling in cultural economics that Ruth Towse bemoans with the phrase 'Save us from the amateurs!'⁹ In large part the purpose of this book can be characterised in direct opposition to this technocratic slogan. Although my counter-slogan might well read 'Save us from the experts!' I have certainly not followed the tradition of the gentleman amateur aesthete who feels justified in expressing his opinion on all matters. I have, on the contrary, attempted to learn as much about economics as possible without the acquisition of that knowledge converting me into an expert. In other words, I have taken every opportunity I could find to use my knowledge and experience as a critical artist to unpick the certainties of economics, especially as these have been uncritically applied to art. Also, I have tackled the tradition of Western Marxism without subscribing to its central assumptions about art's relationship to capitalism. No doubt I have made mistakes in my attempt to take on the analysis of art's economics in both these traditions, but at the same time I hope that my critique is sufficiently engaged with them to go beyond pedestrian complaints and raise some new questions.

I am not the first artist to attempt to address art's relationship to capitalism. Among my predecessors it is essential to highlight the importance of Bertolt

9 Towse 2002, p. 153.

Brecht, who wrote about art's transformation by the rise of capitalist mass culture. Asger Jorn, the avant-garde Danish artist who was a founding member of COBRA and the Situationist International, wrote 'Value and Economy' in 1961, which was simultaneously a critique of the application of exchange value to art and an anti-Stalinist rejection of dominant Marxist theories of art and production. In the mid-1970s in New York, a generation of artists including Sarah Charlesworth, Adrian Piper, Mel Ramsden and Ian Burn, and a related group based in Coventry, including Terry Atkinson, Mike Baldwin and David Bainbridge, reflected extensively on the effects of the developing market for contemporary avant-garde art. 'While it may once have seemed an exaggeration of economic determinism to regard works of art as "merely" commodities in an economic exchange', Ian Burn wrote in 1975, 'it is now pretty plain that our entire lives have become so extensively constituted in these terms that we cannot any longer pretend otherwise'.¹⁰ Burn, here, in part registers the somewhat shocking revelation that Conceptual Art, which was not only avant-garde but typically consisted of works such as photocopies and printed texts that lacked all the recognisable qualities of luxury trade, had begun to fetch the kinds of prices that had previously been reserved for unique paintings and sculpture. At the same time, Burn's topical observations are reinforced by knowledge of debates in Marxist aesthetics from the 1930s, bringing theory and practice together in a mutually supporting exchange. It is not what Cowen would call 'market optimists' that Burn confronts, but two diametrically opposed and yet equally naive positions: economic determinism and market denial. We will see variations of these positions resurface time and time again throughout this book, with arguments for the benefits of market forces on art vying with arguments that art suffers at the hands of market mechanisms; and arguments insisting that art has been commodified competing with arguments that it is impossible to commodify art. Mel Ramsden, writing on the same subject at the same time, confesses that he leans 'perilously close to the foibles of economic determinism' in arguing that 'the adventurist art of the 1970s . . . [has] become a function of the market-system'.¹¹ Burn's analysis of art's transformation by business and 'a market so powerful that even the most iconoclastic work can be comfortably celebrated'¹² is more finely grained than the bald assertion of art's general recuperation and commodification. He understands the significance, for instance, of 'the fact that artists' time has never been commodified'.¹³ Burn

10 Burn in Alberro and Stimson 1999, p. 320.

11 Ramsden 1975, p. 66.

12 Burn in Alberro and Stimson 1999, p. 325.

13 Burn in Alberro and Stimson 1999, p. 322.

also recognises that art is not brought under the power of capital by subjecting it to the standard procedures of productivity, management and mechanisation: 'So we intuitively achieve the corporate spirit of bureaucratic organization without any of its overt structures',¹⁴ he says. Such anomalies, and others besides, are the itches that this book is determined to scratch.

How are we to determine whether and in what way art has been affected by capitalism? No doubt capitalist society has penetrated art in numerous ways, as artists respond to changes in modern urban living, new technology, the growth of pop culture, the existence of private affluence and public squalor, and so on and so forth. Cheap global travel and instant global communication have transformed the isolated bohemian artist into an international networker, and the increased quantity of galleries, museums, curators and collectors, added to the accelerated speed with which information about artists circulates, means that the long suffering artist who once found success only after death is now picked up by the market and the art museum shortly after graduating. The many ways in which art and artists have adjusted to capitalist society require special study, but I shall neglect all those that have nothing to say about whether art corresponds to the capitalist mode of production. Both the nature of the capitalist mode of production and its relationship to the pre-capitalist mode of production was elucidated during the Marxist debates on the transition from feudalism to capitalism in the 1950s and the Brenner debate in the 1970s.¹⁵ These debates, which did not put any emphasis on the fate of art, have an enormous bearing on the question of art's economic and political ontology, if we pursue the Marxist analysis of art's mode of production.

The various arts of painting, sculpture, poetry and theatre predate this transition, but the period between the fourteenth century and the end of the sixteenth century in which feudalism collapses and capitalism emerges coincides with the epochal transformation of the Renaissance which ended the guild system's domination and replaced the artisan with the individual *artificer*. Painters, sculptors and architects from the beginning of the thirteenth century, first in sculpture but beginning in painting with Giotto's naturalism, produce works that, in Arnold Hauser's words, become 'un-Gothic', 'unmetaphysical', 'unsymbolical' and 'unceremonial'.¹⁶ We can add 'unaristocratic' and 'un-rural'. Not only does the class character of patronage begin to slide from aristocracy to bourgeoisie, but also by the end of the period of transition a new economic

14 Burn in Alberro and Stimson 1999, p. 325.

15 See Hilton 1976, and Aston and Philpin 1985.

16 Hauser 1992, p. 27.

relationship altogether arises, in which collectors, art dealers and speculation in the trading of artworks make their first appearance.

If, prior to the transition from feudalism to capitalism, painters and sculptors belong to the guild and produce handicrafts for clients and patrons, by the end of the transition painters and sculptors were producing works independently of the consumer and in a personal style. There is a *prima facie* case for concluding that art, like other forms of production, was transformed by the rise of capitalism, and many Marxist art theories take this for granted, but we need to look more closely at the details of the transition in order to establish art's relationship to it. This was the era in which merchants, no longer pedlars going from town to town, accumulated wealth and power in the major cities, and which therefore refuted the physiocratic idea that all wealth derives from land and ushers in the economic theory – and policies – of mercantilism.

The first wave of the transition debate was inaugurated by an exchange between Maurice Dobb and Paul Sweezy after Sweezy took issue with Dobb's definition of feudalism and his theory of its decline. Sweezy believed that Dobb placed too much emphasis on the internal contradictions of feudal society in order to explain its downfall, claiming that the development of towns and cities independent of feudal lords established an external power, the marketplace, which eventually challenged feudalism and ushered in capitalism. Such questions do not impinge on the study of art's relationship to the transition. What matters more, I would suggest, is the nature of the transition itself and its result. In particular, the transition between feudalism and capitalism must be able to distinguish accurately between the two social systems, and this is vital for our inquiry into whether art goes through the same metamorphosis. This is possible because the controversy, which focused primarily on the causes and agents of the emergence of capitalism, did not involve any dispute over the character of capitalism itself that Dobb presented. As a method for identifying capitalism, his analysis of the mode of production, derived from Marx, has not been bettered.

In his classic 'Studies in the Development of Capitalism', first published in 1947, Dobb distinguished the capitalist mode of production from pre-capitalist modes of production according to 'the way in which the means of production were owned and to the social relations between men which resulted from their connections with the process of production'.¹⁷ Money and profit, as well as markets, capital and 'the acquisitive use of money'¹⁸ all preceded capitalism. 'Thus capitalism was not simply a system of production for the market – a

¹⁷ Dobb 1950, p. 7.

¹⁸ Dobb 1950, p. 8.

system of commodity production as Marx termed it – but a system under which labour power has “itself become a commodity” and was bought and sold on the market like any other object of exchange’.¹⁹ In particular, Dobb targets the commonly held view that capitalism was brought about through the introduction and extension of free markets, commodity exchange and enterprise. Merchants had obtained profits from the exchange of commodities through markets for centuries before the advent of capitalism. Dobb says, ‘the existence of trade and of money-lending and the presence of a specialized class of merchants or financiers . . . does not suffice to constitute a capitalist society’.²⁰ Robert Brenner picked this theme up in his own contribution to the transition debate, rejecting what he called the ‘commercialization model’. Brenner argued that this theory has its origin in Adam Smith and that it is at fault because it fails to distinguish adequately between ‘wealth’ and ‘capital’.²¹ Brenner explains: ‘If expansion through trade and investment did not bring with it the transition to capitalist social-productive relations – manifested in the full emergence of labour power as a commodity – there could be no capital accumulation on an extended scale’.²²

Following Marx, Dobb defines capitalism ‘neither in a spirit or enterprise nor in the use of money to finance a series of exchange transactions with the object of gain, but in a particular mode of production’.²³ What sets off capitalism is not that these isolated pockets of capitalistic behaviour spread to the point of being dominant, but that production is subordinated to capital through the commodification of labour. Marx defined the mode of production as consisting of the forces of production (primarily the state of technological capability) and the relations of production. Since the capitalist mode of production is not determined by technological developments, it is the social relations of production, principally the division between a class of non-labouring owners and a class of non-owner labourers, that sets capitalism apart. Surplus is not unique to capitalism. It is the form in which surplus is extracted that differentiates modes of production. The capitalist mode of production is characterised by the relationship between the capitalist and the wage labourer. This is why Dobb dates the birth of capitalism in the latter half of the sixteenth century, with ‘the subordination of domestic handicraftsmen, working in their own

19 Dobb 1950, p. 7.

20 Dobb 1950, p. 8.

21 See Brenner 1977.

22 Brenner 1977, pp. 26–7.

23 Dobb 1950, p. 7.

homes, to a capitalist on the so-called “putting-out system”;²⁴ in which merchants, who had previously dealt in raw materials and finished articles, drop off raw materials to handicraft workers at their homes and return to pick up finished articles for sale. Whether merchants turned into capitalist producers, or producers turned into capitalist merchants, clearly, capitalism was initially based on extant technologies, established economic forms (wage labour and trade), and familiar commodities (textiles, shoes, locks, guns, etc.), or, as Marx put it, the putting out system does not bring about ‘the overthrow of the old mode of production, but rather preserves it and uses it as its premise’.²⁵ None of the individual elements of the capitalist mode of production are novel, but the social organisation of them is unprecedented. ‘We must look for the opening of the capitalist period only when changes in the mode of production occur, in the sense of a direct subordination of the producer to a capitalist’,²⁶ Dobb says.

Instead of theorising art’s relationship to capitalism through the concepts of commodification, culture industry, spectacle and real subsumption, all of which have a superficial ring of truth, the key to understanding art’s relationship to capitalism must be derived from questioning whether art has gone through the transition from feudalism to capitalism. This may not provide the whole account of how art has been penetrated by capitalist society, but it must be the foundation of any adequate account of the exceptional economics of art and for any politics of art within and against capitalism. Following Dobb this means examining the mode of production of art, rather than being distracted by impressionistic perceptions of art’s deep involvement in the market, its close proximity to corporate capitalism, its globalisation and its conspicuous super profits. To examine art’s mode of production is to pay close attention, primarily, to its social relations of production, not its modes of consumption, distribution, exchange and circulation. If we make the mistake of ‘following the money’, the assessment of art’s economics will be drawn away from the mode of production and lead to erroneous conclusions drawn from the way that capitalist society is capable of turning anything into a commodity that can be exchanged for profit. The existence of art dealers, collectors, auction houses and art asset managers does not say anything about art’s mode of production. If it seems reasonable to believe that dealers, collectors and so on have an influence on artists, or if the assumption that artists, like any other commodity producer, will be incentivised by market demand seems to be justified, the relationship between art and capitalism can appear to be cosy. However, what

24 Dobb 1950, p. 18.

25 Marx 1959, p. 393.

26 Dobb 1950, p. 17.

the transition debates indicate is that the question of whether art conforms to the capitalist mode of production cannot be determined simply by observing certain capitalistic elements at work in the production or circulation of art but depends entirely on whether art embodies the social relations in which the capitalist subjugates production through the ownership of the means of production and the payment of wages to purchase labour power.

When I speak of art's relationship to the capitalist mode of production, it is this that I have in mind. What is more, the clarity of the contrast that Dobb draws between the capitalist mode of production and independent handicraft production that preceded it, is not only helpful in identifying the capitalist mode of production but also, it seems to me, in identifying artistic production, typically, as not conforming to the capitalist mode of production: 'It is clear that such a definition [of the capitalist mode of production] excludes the system of independent handicraft production where the craftsman owned his own petty implements of production and undertook the sale of his own wares.'²⁷ Dobb explains that simple commodity production 'differed from the crafts undertaken on a feudal estate only to the extent that the craftsman was making his wares for sale on a market and not making them as an obligation of service for a lord',²⁸ adding that there was nothing 'about this mode of production that made it capitalistic: even though the craftsman took apprentices and employed a journeyman or two to help him'.²⁹ Now, insofar as the independent handicraft producer sold his own products, and produced them specifically for sale, it is clear that he was a commodity producer. The artist is also a commodity producer today insofar as she owns her own 'petty implements' and, unlike the wage labourer, continues to own the product she produces. However, since the independent craftsman was neither a capitalist nor a wage labourer, and handicraft production does not conform to the capitalist mode of production, then the artist can be a commodity producer without this fact suggesting by any means that the artist has been economically transformed by the capitalist mode of production. Thus, the evident 'commodification' of art is not proof that art has become capitalistic. In fact, the concept of commodification was coined by Western Marxists specifically to account for the fate of art within capitalism, just as the notion of the 'Culture Industry', developed by the Frankfurt School, has been a persuasive force in establishing the belief among Marxists and the left generally that art sits firmly, if uncomfortably, within the capitalist mode of production. However, the concept of commodification fails

²⁷ Dobb 1950, p. 7.

²⁸ Dobb 1950, p. 71.

²⁹ Dobb 1950, pp. 71–2.

to distinguish between 'simple commodity production'³⁰ and 'capitalist commodity production' and the concept of the Culture Industry applies to art only by ignoring the unchanged mode of production (specifically the social relations of production) of art from its precapitalist handicraft form.

For mainstream economists various new concepts have been used to bring art within standard or near standard economic analysis, including the concept of 'human capital', developed first by Gary Becker, in which education and training are seen, rather than simply as acquiring knowledge and skill, as a peculiar kind of 'capital' owned by the worker to be realised in the labour market (so that going to galleries can be seen as one of the 'investments' that artists 'profit' from when they make their own informed work), and the neoclassical concept of 'opportunity cost', in which apparently costless goods, such as taking a walk or drawing a picture for your own amusement, are shown to have a 'price' equivalent to the best alternative, such as what one might have earned or what society might have gained if one had not, as we say, 'taken the time off'. Each of these arguments presupposes a specific configuration of the relationship between artworks, institutions, artists and society as a whole. I will examine the consequences of placing the emphasis variously on one aspect rather than all the others, tracking the differences between examining the economy of art through artworks, on the one hand, or the choices of artists, on the other, or through the ways that art's institutions mediate the artist's relationship to capital or consumerist society infiltrates the beliefs and actions of artists and collectors. Throughout this study, for reasons that will become clearer later on, I will not ask whether art is or is not economic, or whether art is or is not exchanged as a commodity, but in what ways precisely art is subjected to or remains free from economic rationality and how exactly art enters or resists commodification. The best way to test art's relationship to economics and the marketplace, I will argue, is through an examination of the mechanisms by which decisions on art are made.

There are certain anomalies in the economics of art that need to be addressed. Although the Conceptual artists of the mid-1970s would not be persuaded that art could somehow remain independent of the market, art's mode of production remained largely untouched by industrialisation and the transformation of handicraft into wage labour that was the bedrock of capitalist commodity production. Burn, for instance, was aware that 'both my labor and means of production remain my own property and I sell only the product of my labor'.³¹ What Burn refers to, here, is the fact that, insofar as the artist tends

30 Dobb 1950, p. 71.

31 Burn in Alberro and Stimson 1999, p. 321.

not to be paid a wage and owns both the means of production and the product that she produces, then no productive capitalist plays any direct role within the production of art. Since capitalists have not only taken ownership of already existing production but have transformed production through mechanisation, the division of labour and the scientific organisation of production, the absence of the productive capitalist from artistic production might imply that artistic labour can or ought to remain free from capitalist procedures. This is not borne out by experience, according to Burn. Despite art's unusual *de facto* economic independence, Burn argues, artists have adopted 'an intensely capitalistic mode of production'.³² This may not be true of all artists, but certainly it is safe to say that many of the most successful artists have taken on certain capitalist practices or, perhaps we could say, artists have learned from capitalists about how to run their studios, use marketing, produce their works more efficiently, and a range of other techniques. Market mechanisms do not intervene in artistic production in the typical way that they do with the production of commodities for the market, and yet, Burn admits, it would 'be sheer lunacy for me to maintain that my market relations are just incidental'.³³ Artists, it seems, have done just what capitalism would have wanted them to do without any capitalist ever having to manage them. Although this odd form of capitalism might immediately raise the question *why* artists would subject themselves to the capitalist mode of production if they were not economically obliged to do so, the more promising question is *how* capitalism has been actively incorporated into artistic practices. Instead of turning our attention towards the choices that individual artists have made in 'going commercial' or 'being cynical', the study of how capitalism has infiltrated art despite art's actual mode of production remaining almost entirely unaffected by the capitalist mode of production means paying attention to the full variety of social mechanisms active in art's production and reproduction.

First, I want to caution that it is vital to understand the transmission of capitalist techniques into artistic production alongside the maintenance of techniques belonging to pre-capitalist artistic production and the transmission of techniques drawn from science, scholarship, entertainment, political activism, everyday life and other practices. Second, I want to propose that the best way to gauge the impact of capitalism on art is to analyse the processes by which capitalist techniques have been incorporated into art. There is a highly significant difference between the incorporation of capitalist methods through market mechanisms and the incorporation of the same methods

32 Burn in Alberro and Stimson 1999, p. 320.

33 Burn in Alberro and Stimson 1999, p. 325.

through non-market mechanisms such as studying business textbooks. If market mechanisms are not directly involved in the production of art, then through what mechanisms has capitalism transformed artistic production? Burn says that artists have 'internalized'³⁴ the capitalist mode of production and 'the bureaucratic method':³⁵

[i]t is hard for me to be blind to the fact that what has happened to recent art closely parallels the entrenchment of the giant multinational corporations. But, I want to restate, this has been achieved primarily on tacit agreements and not on the typically overt bureaucratic techniques – proving once more how little surveillance a system like this requires once the principles have been internalized and everyone has 'like-minded' interests.³⁶

So, if art 'parallels' global corporations, it is not because art operates through the same mechanisms and techniques, but through other social forces, here described as 'tacit agreements'. Burn also links artistic innovation with marketable novelty, saying 'the market capitalizes on "innovation" for its own sake, strictly as a profit maximizing factor',³⁷ and then adds: 'I am certainly self-consciously familiar with how "high art" has been rhetorically infected with the need to innovate and personally aware of being made to feel the pressure to innovate, on pain of extinction'.³⁸ The internalisation of market incentives, it seems, is not something that the artist always does alone, and might do reluctantly or under duress. Rather than focusing our attention entirely on the apparent result – that art has been commodified regardless of how this has been achieved – it is important to explain the various processes through which artists adapt the production of art according to capitalist society and therefore how art encounters capital, markets, consumers, and so forth. If artists have 'internalised' capitalist techniques, then the result – namely, art's commodification – has come about through non-market mechanisms. There is, therefore, a conflict between the result and the process of the historical incorporation of art within capitalism: paradoxically, art has been commodified without being commodified.

34 Ibid.

35 Ibid.

36 Burn in Alberro and Stimson 1999, p. 326.

37 Burn in Alberro and Stimson 1999, p. 324.

38 Burn in Alberro and Stimson 1999, p. 325.

The art historian Paul Wood, in his study of the relationship between art and the economic concept of the commodity, argues that '[f]rom the point of view of an analysis of art and culture, Marx's most significant comments on the commodity occur in section 4 of chapter 1, titled "The Fetishism of Commodities"'.³⁹ This selective reading of Marx follows the pattern set by Lukács and Adorno, which I will discuss at length in Chapter 7, 'On the Absence of a Marxist Economics of Art'. For Western Marxists since the 1920s the concept of commodity fetishism – and related concepts such as reification and spectacle – has been the key to understanding the relationship between art and capitalism. Marx's discussion of commodity fetishism is the seemingly natural place to start a Marxist analysis of art's relationship to capitalism because it concerns the cultural life of the commodity, including its meanings, our beliefs about commodities, its mysteries, secrets and appearances. In the concept of the commodity, Wood says, 'Marx mapped the route from an economic category to intensive features of our experience'.⁴⁰ However, Wood adds, a 'case can be made for modern art's having been forced onto its characteristic terrain of subjectivity, expression, authenticity, and abstraction because of the absolute sway of the commodity in the historical experience of modernity'.⁴¹ This is because, as Étienne Balibar points out, 'fetishism is not a subjective phenomenon or a false perception of reality . . . It constitutes, rather, the way in which reality . . . cannot but appear'.⁴² Georg Lukács said the 'fetishistic illusions enveloping all phenomena in capitalist society succeed in concealing reality',⁴³ and that the 'historical legitimation of modernism derives from the fact that the distortion of human nature . . . is an inevitable product of capitalist society'.⁴⁴ If a society organised around commodity exchange necessarily generates 'fetishistic illusions' and these illusions become attached to art, then perhaps in the concept of commodity fetishism we have a method for understanding the riddle of art being commodified without being commodified. But we need to ask *how exactly* the artwork takes on the enigmatic character of the commodity. What, if any, are the *mechanisms* that conscript art to the fetishism of commodities if art has not been brought under the capitalist mode of production?

39 Wood in Nelson and Shiff 1996, p. 388.

40 Wood in Nelson and Shiff 1996, p. 392.

41 Wood in Nelson and Shiff 1996, p. 388.

42 Balibar 1995, p. 60.

43 Lukács 1971, p. 14.

44 Lukács 1979, p. 75.

Wood summarises art's complex relationship to the capitalist economy:

It seems clearer than ever that art is one form of commodity production in a wider field of cultural commodity production. What remains open to debate, however, is the extent to which the meanings generated by the resulting products can accrue added value. That is, the extent to which they can retain and articulate critical distance from the commodity system at large; or whether the 'drag' of embeddedness at the economic level in the circuits of production, exchange, and consumption vitiates the possibility of distance at the level of the imaginative-symbolic.⁴⁵

This is, in effect, a boiled down version of Adorno's argument. Its two components, the commodification of art and art's interpretative independence from commodification, are antagonistic to one another. If art's commodification is taken as standard then art's critical independence from market society, which is non-standard, cannot be explained by art's imputed commodification. Market forces discipline commodities so that they are subject to 'consumer sovereignty', but art's commodification appears to permit the artist to be a critical author rather than a commodity producer meeting the demands of the marketplace. The precondition for commodity fetishism is the reorganisation of social production according to the principle of capital accumulation. Commodities do not enter into the capitalist mode of production through the machinations of commodity fetishism; commodity fetishism is the result of the social fragmentation brought about by specialisation, the division of labour and the relationship between the wage labourer and the products they produce. Commodity fetishism, therefore, cannot attach artworks to capitalism without raising the question of art's anomalous and incomplete process of commodification. A more feasible argument, it seems to me, would be to explain art's critical independence – the very possibility of art's critique of commodity society – as being rooted in its anomalous and paradoxical relationship to the capitalist mode of production, namely art's commodification without commodification. It is worth noting, here, that from the point of view of the capitalist mode of production in general, the most significant comments on the commodity made by Marx are not restricted to the chapter on commodity fetishism and it is to Marx's comprehensive analysis of the capitalist mode of production that we need to turn in order to locate art's relationship to capitalism.

Saying that society *as a whole* generates fetishistic illusions (which means that nothing escapes from commodity fetishism) is, among other things, to

45 Wood in Nelson and Shiff 1996, pp. 404–5.

claim that those practices that are not reorganised by capitalism, such as art practice, are brought into line by other means. Non-market mechanisms, such as sociological or ideological processes, perhaps, must be at work. Lukács's concept of 'reification' is a perfect example of a theory which proposes that capitalism extends itself through non-market mechanisms, insofar as reification carried the content of Marx's theory of 'commodity fetishism' through processes that were primarily subjective, intellectual, experiential or aesthetic. Wood approaches this difficulty by tying one to the other.

Even if it is allowed that modern art had been able to preserve a measure of truth in its expressed content by a strategic withdrawal from the terrain of the commodity, still the damage was done at a deeper level. For as art withdrew from the particularity of the world of commodities as depicted subject, its own being in the world as putatively spiritual product ('creation') was being undercut by the increasing commodification of the art object itself. The commodification of spirit made no exception for art.⁴⁶

Wood does not feel the need to prove the statement that the art object had been commodified, presumably because this argument had been made many times since the 1930s and the evidence of art's economic transactions through the art market and auction houses is overwhelming. Wood explains that 'modern art has been fundamentally and doubly marked by commodification,'⁴⁷ first through the depiction and thematisation of the world of commodities and marketing, including the subjective effects of commodity culture on consumers, and second, insofar as 'the productive system of art in the modern period itself became commodified'.⁴⁸

Just as the widespread shift from depiction to expression in effect concealed commodification as a principal subject of modern art, so the intensified rhetoric of autonomy concealed commodification as one of its conditions.⁴⁹

Wood's knot of commodification, in which something not dissimilar to independent handicraft production confronts the commodities that result from it, can only be untied, I believe, by paying as much attention to the *means* as

46 Wood in Nelson and Shiff 1996, p. 397.

47 Wood in Nelson and Shiff 1996, p. 382.

48 Ibid.

49 Ibid.

the *ends* of commodification. Wood draws the conclusion that art has been commodified despite everything, but he presents this assertion as a magical resolution of a rather stubborn difficulty. Throughout this book I will refuse to settle for the kind of abstract argument that resolves such problems with a philosophical flourish or a dialectical inversion.

Another highly visible theoretical example of how Marxists have imagined capitalism being extended into art, and other practices, through non-market mechanisms is the concept of 'real subsumption'. Antonio Negri, back in the 1970s, argued that with 'the real subsumption of society by capital, everything that is produced-circulated-consumed is a mere cog in the wheel of the reproduction of the already existent'.⁵⁰ Stewart Martin accepts the current received wisdom from post-Fordist theory that capitalism no longer operates in the old ways according to the economics of material production and argues, therefore, that within a 'cultural capitalism', there has been 'a creeping subsumption of life'.⁵¹ Real subsumption is the name given to the processes by which social practices, not limited to productive practices but extending to domestic and intimate activities, appear to be shaped by the capitalist mode of production. Negri explains:

Subsumption is an ugly concept. It is a Marxian term that describes the relationship between capital and society. It is important, however, to make a distinction between two kinds of subsumption: the formal and the real. At a given moment in the development of capitalism, the forms of production that had nothing to do with capital (forms of agricultural production, of fishing, or craft manufacture) were subsumed; they were incorporated and reorganized by the incipient capitalist hegemony when the structure of big factories, first textiles then cars, began to organize the whole of society. This type of subsumption is known as formal subsumption. It is the formal aspect of capital that includes the various productive activities.

Real subsumption, on the other hand, is a hegemony of capital without limits. Here the form of capitalist production has intervened in and occupied every space of society. Society itself has been converted into a factory.⁵²

50 Negri 1991, p. xxxvii.

51 Martin 2009, p. 482.

52 Negri 2003, p. 105.

This has become orthodoxy for the contemporary theory of real subsumption, although, strictly speaking, Negri runs Marx's distinction of formal and real subsumption together (the first corresponding to the economic subsumption of production; the latter consisting of the reorganisation of production – textile mills, factories and so on – to establish a specifically capitalist mode of production) under the heading of 'formal subsumption' and saves the concept of 'real subsumption' for the additional 'phase' in which capitalism takes over social life generally.

If the theory of real subsumption is valid, then it would go a long way to explaining how it is possible for art to be commodified without being commodified, because art could be subsumed by capitalism without capitalists formally subsuming artistic practice through ownership of its means of production, the payment of wages to the producers of art, and the realisation of surplus value through sales on the market. I do not wish to refute the claim that capitalist techniques enter the production, distribution and consumption of art through non-economic processes and non-market mechanisms. However, in lieu of a full reassessment of the deployment of the concept of real subsumption in the Marxist explanation of art's anomalous commodification, which I will provide in Part 2 of this book, it is vital to understand that Marx refers exclusively to the *formal and real subsumption of labour under capital*. Marx does not write about the subsumption of society, nor of any other abstractions. And the significance of this, in my view, is that for Marx subsumption is a *mechanism* through which capital exerts its power, first by purchasing labour power and then by reorganising production according to its own specific needs, through the division of labour, the use of mechanisation and so forth. At no point do any of the other theorists of art's real subsumption claim that artistic *labour* has been subsumed by capital. In fact, the point of the theory of real subsumption, as it stands today, is that it bypasses the formal subsumption of labour. The theorists of real subsumption ask a more general and abstract question, namely, whether art has been subsumed. This leaves the location of art's subsumption entirely open. Are artworks subsumed, or have artists been subsumed? Have art's institutions been subsumed, and can institutions of counter subsumption be built? Such questions might prove to be fertile grounds for further research, but they must first overcome a fundamental indeterminacy. How does the real subsumption of art explain how art is or is not transformed by the processes of industrialisation, centralisation, technologisation, the division of labour and the conscious application of science that characterises the capitalist mode of production? As soon as we posit subsumption in general rather than the subsumption of labour by capital then, it appears to me, the mechanism by which capital takes hold of society is lost. These lines of inquiry will be pursued in detail in Part 2 of this book.

The concept of real subsumption not only acts as a broker between non-market mechanisms and the capitalist mode of production, it also closes the gap between economics and philosophy. In Peter Osborne's assessment, Adorno and Horkheimer 'use the idea of subsumption to read Marx through Kant, thereby reducing subsumption to...the general logic of equivalence of an instrumental rationality that also – indeed, primarily – characterises administration'.⁵³ Osborne explains:

it is more plausible to think of art's integration into the culture industry in terms of a change in the character of its formal subsumption, as a result of changes in the political economy and technologies of cultural production more generally. For example, there is both a greater differentiation of market sectors and a greater integration of cultural functions (art, fashion, mass culture, advertising, design, tourism) within the cultural industry than hitherto. Autonomous art clearly functions, structurally, as research and development for other branches of the culture industry; it is analogous to the way in which formal experimentation was conceived as laboratory work within late Soviet constructivism. This is one systemic functionalisation of autonomous art within the culture industry. While it has certainly changed the conditions of artistic production, it has not negated the possibility of autonomous works. On the contrary, it aspires to them. (Autonomy obtains only at the level of the individual work; functionalisation at the level of whole).⁵⁴

Osborne runs several ideas together here, referring to integration and functionalisation as synonyms or near synonyms for subsumption, and talking about the changing 'conditions of artistic production', which reads as a hybrid of the social and cultural *context* of production cross fertilised with actual changes in the *economics* of art. When he refers to changes in the 'technologies of cultural production', Osborne argues that art has been transformed according to the capitalist mode of production through artists adopting tools that have been developed for capitalist production. Osborne ties Wood's knot even tighter with the result that the separation of the economic and the non-economic, and the distinction between market mechanisms and non-market mechanisms, becomes either impossible or ill advised. The point seems, on the contrary, to proceed on the assumption of the indistinguishable combination of the social and the economic – closer to a conception of 'political economy'

53 Osborne 2007, p. 110.

54 Osborne 2007, p. 111.

rather than neoclassical 'economics' – in which economic goals are pursued through social means (such as legislation, education and culture) while social goals are pursued through economic means (such as reducing the power of the unions through unemployment). If it is possible for art to be fundamentally and extensively reconfigured by capitalism without having its economic relations converted into those of the capitalist mode of production then, it appears, the study of art's economic relations is not only a red herring but might well be damaging insofar as proof of art's non-compliance with the capitalist mode of production could get capitalism off the hook for the ways in which it has made art a standardised, spectacular, commercialised, industrialised global business.

What does it matter, we might ask, if art has been incorporated by capitalism socially or culturally rather than economically? Is not the result the same? If social mechanisms rather than economic mechanisms were responsible for art's apparent commodification, then we would be justified in talking about art's commodification without commodification. That is to say, art is economically exceptional but is not, as a result, free from capitalist society in general. What is more, it is possible for art to have remained economically unchanged by the development of the capitalist mode of production and for artists to sell their works through the art market, employ assistants and use modern technology. While the latter are important, and worthy of studies of their own, this book does not explore many of the ways in which art operates within capitalism but focuses entirely on art's relationship to capital and labour. E.P. Thompson once criticised Marx for studying capital instead of capitalism, leaving out the historical and social processes in order to focus on the logic of accumulation.⁵⁵ In the Marxist examination of art's relationship to capitalism, however, we find the opposite situation, in which the social analysis of art's relationship to capitalism has completely overshadowed any attempt to understand art's relationship to capital. This book seeks to set this straight and argues that art's economic exceptionalism, in particular art's unusual relationship to capital and the capitalist mode of production, ought not to be overlooked in the mainstream economist's haste to establish art as susceptible to economic analysis, or in the Marxist condemnation of art's marketisation and capitalism's colonisation of art. By and large, the Marxist principle of establishing an economic analysis from which a politics is derived appears to have been suspended in the case of art and aesthetics. Articulating a more precise relationship between art and capital, therefore, has political implications. Art's relationship with capital can be analysed with more precision than art's relationship to capitalism, as the latter can be understood not only

55 Thompson 1995, pp. 80–2.

as the society corresponding to the capitalist mode of production but also as the society of the spectacle, the society of control, liquid modernity, the affluent society, consumer society and the post-industrial society, among others. That is to say, capitalism has been understood through its distinctive cultures, technologies, social relations, forms of power, styles of living and so on, and all of these suggest different *relations between art and capitalism*. What this book does is seek to establish art's relationship to capitalism through an analysis of art's relationship to capital. My point is not to show that art *ought* to be treated as exceptional, or that art is exceptional in some other non-economic sense, but merely to demonstrate that art actually is *economically exceptional*. The possibility of a Marxist economic analysis of art that is capable of distinguishing artistic production from capitalist commodity production is not to be confused with romantic anti-capitalist arguments. The economic case for the economic exceptionalism of art (and certain other goods) must be developed from an economic analysis of art's production, circulation and finance.

Diedrich Diederichsen's 'On (Surplus) Value in Art', from 2008, contains some considered economic analyses of art based firmly in the Marxist tradition. It is a very short and deliberately provocative essay in three parts, exploring the meaning of the German term *Mehrwert*, which Marx used and which is conventionally translated as 'surplus value'. Diederichsen explores the concept of surplus value exclusively in relation to art, which is unique in the history of Marxism and Marxology. He deliberately crashes the two legacies of Marxism together not just thematically but methodologically. The text is a stylistic montage of poetic play and analytic theorems, starting with the almost scandalous gesture of conflating Marx's technical use of *Mehrwert* with the colloquial German use of the word, the latter introduced as shedding light on the former. The first part of the book applies the prosaic meaning of *Mehrwert* to art, asking where the 'payoff' is. He characterises this 'payoff' in terms of the concept of a punch line, which he links not only to telling jokes but advertising, branding and the need for legitimation. Popular culture is organised around such payoffs but art is too, he says, only in a specific mode. Diederichsen coins the term 'artistic *Mehrwert*' which refers to the difference between art and other things. Is something extra required of something for it to belong legitimately to the category of art? Artistic *Mehrwert* is what distinguishes art, 'what makes something art',⁵⁶ as he says, meaning the quality, or merit, that constitutes art as a 'bonus realm', as something special or different. Its relationship to economic surplus value is, therefore, rather unusual. On the one hand, Diederichsen says, '*Mehrwert* is the daily bread and butter of the capitalist economy', and artistic

56 Diederichsen 2008, p. 24.

Mehrwert, by contrast, is more like a “bonus” that is accorded the status of an exception.⁵⁷ However, this exception to the norm is something required of art, Diederichsen argues. Art ‘must *always* generate *Mehrwert*, just like capitalism and capitalists.’⁵⁸ Diederichsen may be right to associate art with surplus (the difference between a readymade and the object before it is nominated as art appears as some kind of surplus) but his argument that this is akin to capitalist surplus is made on the basis of a pun. Diederichsen neglects the fact that there are two kinds of surplus value, ‘absolute surplus value’ and ‘relative surplus value’, which I will discuss at length in Chapter 7. What is more, Diederichsen fails to explain how art produces surplus value without the element, necessary in the Marxist analysis of capitalist accumulation, of surplus labour. Surplus labour and therefore surplus value cannot be obtained without the existence of the capitalist-worker relation. Only wage labourers produce surplus value, because it is only under conditions in which labour is the commodity for sale that surplus labour is possible.

At one point Diederichsen argues that the production of new ‘fresh’ works by artists amounts to ‘variable capital including *Mehrarbeit* [or surplus labor],’⁵⁹ as if a worker could provide surplus labour outside the relationship between wage labourer and capitalist. He adds that the production of fresh works is always done ‘on the basis of an already existing reputation and knowledge (constant capital),’⁶⁰ which completes the transference of the entire capitalist mode of production into the body of the artist. Diederichsen’s economics of art reads like a Dada poem made out of cuttings from *Capital Volume I*. Diederichsen’s distinction between price and value gets fuzzy at times, his application of the Marxist formula of ‘socially average labour time’ to art is awkward to say the least, his treatment of knowledge as ‘constant capital’ and seasonal production as ‘variable capital’ is inept, and the assertion that performative art produces more surplus value because it consists of ‘living labour’ is idiotic. His reference to ‘artistic labour power’ has, at best, a sonic relation to Marx’s concept of labour power. If Negri is right to say that art encounters capital not at the point of production, but through the art market’s systems of distribution, which shows that art is economically exceptional (coming into contact with merchant capital and investment capital but never with productive capital) then Diederichsen’s hunt for surplus value in artworks, art education, the artist’s lifestyle, and so on, is facing in the wrong direction.

57 Diederichsen 2008, p. 21.

58 Diederichsen 2008, p. 22.

59 Diederichsen 2008, p. 37.

60 Ibid.

Diederichsen, therefore, does not provide the missing chapter on the Marxist economic analysis of art.

One of the themes of Diederichsen's book is art's exceptionalism. He repeatedly refers to art's economics as exceptional but blends the idea of economic exceptionalism with the colloquial use of the word as something having special merit. He speaks, for instance, of 'the normality of the exceptionalism that determines the everyday life of art'.⁶¹ Diederichsen mixes this dialectics of exceptionalism with mundane uses of the word, in phrases such as 'exceptional returns',⁶² when describing the high prices that artworks can fetch. At the same time, he coins new apparently technical phrases that contain the word, including the 'everyday aspect of artistic exceptionalism', 'a "domesticated" exceptionalism' and 'the double exceptionalism of speculation', none of which are explained. In Part 1 of this book I will provide a comprehensive reading of the concept of art's economic exceptionalism throughout the literature of mainstream economics and in Part 2 I will extend this study to a Marxist theory of art's economic exceptionalism. This amounts to what I am calling art's exceptionalism reassessed, which boils down to a shift from a theory of art's exceptionalism based on prices and consumer behaviour to a theory of art's exceptionalism based on artistic production and art's relationship to capital.

My aim, in this book, is to develop a schema for a new economic analysis of art's economic exceptionalism. I will test the mainstream argument that art operates as a near standard commodity within the art market and as an asset in the finance economy. I will also re-examine the Marxist theory of art's commodification. This book confirms neither tradition and builds a case, instead, for art's *economic exceptionalism*. This term is modern, but the concept was developed as early as the eighteenth century with reference to rare and unique goods such as antiques and rare wines. Both the concept and the phrase have fallen into misuse within mainstream⁶³ economics and no theory of economic

61 Diederichsen 2008, p. 39.

62 Diederichsen 2008, p. 46.

63 Paul Samuelson coined the term 'mainstream economics' in his textbook on economics. He used it to refer to the brand of economics taught in the universities. I use the term 'mainstream economics' to refer to both classical and neoclassical economics, which form the basis of textbooks on economics today. Marx's three volumes of *Capital* do not fully belong to the classical economic mainstream because they form a *critique* of political economy, and are, at best, marginal to the textbooks on academic economic knowledge. Throughout this book the term 'mainstream economics' therefore refers not only to what is currently the dominant economic ideology of neoliberalism, but also its neoclassical rivals. Mainstream economics has an orthodox wing (Chicago School economics, following Milton Friedman) and several heterodox wings (which includes a wider range of

exceptionalism has ever been developed. Marxists have never applied the concept of economic exceptionalism to art in any systematic way, for reasons that I will explain in Chapter 7. Consequently, this is the first book-length study of economic exceptionalism as it can be traced across classical, neoclassical and Marxist economics. In presenting this study, I hope to achieve two related objectives: to provide a new basis for the economics of art, and to develop a coherent theory of economic exceptionalism in general using art as a lens through which exceptionalism can be understood. This book also contains the first ever account of a Marxist theory of art's economic exceptionalism, developing the argument that art is exceptional specifically to the capitalist mode of production. Art's economic exceptionalism – that is to say, art's anomalous, incomplete and paradoxical commodification – explains art's incorporation into capitalism as the very basis of art's independence from capitalism, because it shows that art has not been fully transformed by the capitalist mode of production. By and large products are converted into commodities through the imposition of market mechanisms, but this has not occurred in the case of art, and other mechanisms need to be substituted for economic ones. What are the non-economic mechanisms and processes that bring art within the orbit of commodity exchange? The answer to this question is not only the basis of any adequate understanding of the relationship between art and capitalism, but also the basis of art's political engagement with society. What is more, any policies for art's funding or organisation, including any political campaigns to defend art, art education and art's institutions from the anonymous profit-seeking incentives of market forces and the instrumentalisation of art by the state, if they are not to be normative projections onto art, must be based on the actual exceptional economics of art.

In this book I will address the complexity and contestation of economics by examining a wide selection of the economic literature from classicism, neo-classicism, welfare economics and the Marxist critique of political economy. There is not only one economics of art. Since the arts are not economically unified, the economic analysis of one sector cannot stand in for the economic analysis of another. Different disciplines within the arts, including theatre, literature and the visual arts, have different modes of production, distribution and consumption. There is a labour market for film and the theatre (actors

economic positions including several strains of 'imperfect market' economics by Galbraith, Stiglitz, Robinson, Sraffa and others). Keynesianism currently belongs to the heterodox category of mainstream economics. My use of the term 'mainstream economics' is not intended to be generalising in any way, but preserves its internal divisions while insisting on the fundamental distinction between mainstream economics and Marxism.

are wage labourers) and an industry of specialists who support production (consisting also of wage labourers), but poets, novelists and visual artists tend not to be wage labourers. There is also a mass market for the cinema, theatre, poetry and novels, with individuals purchasing tickets or books directly, while the visual arts can often be consumed for free not only in public museums but also in the commercial galleries that exhibit works for sale. Art also consists of freely distributed zines, badges, posters and street performances, as well as videos produced specifically to be viewed on YouTube, works that no longer exist except in documentary photographs, works produced in remote locations that are best viewed in books or online, net-art, protest art, public art and participatory events that continue to exist only in the form of conversation and shared actions. As an artist who works collaboratively and critically within the public sphere, often including published or commercially printed materials, my conception of art is not restricted to the 'orthodox choice of objects of study, along with [an] unquestioned reliance on the largely unexamined category of "art"'⁶⁴ typical of the mainstream economics of art. My analysis leans towards an analysis of what is known as 'visual art', partly because this draws on my experience and partly because the exceptional economics of visual art was recognised by classical economists – and is therefore the basis of the formation of the concept of art's economic exceptionalism – and furthermore because visual art is more exceptional to the capitalist economy than film, the theatre, music and literary publishing.

In discussing visual art, therefore, I do not presume, for instance, that art always involves the production of objects, or that an individual artist always produces it. Nor do I identify art with the range of goods sanctioned by the art market or the national and international public institutions of art. A great deal of art is produced without commercial or critical success, and this must be accorded a proportionate role within the economics of art. Following the money leads to a biased economics of art as well as a reduced conception of art deserving of economic analysis. The economic analysis of art should not be limited to just great art or just failed art, to just art in the marketplace or art in the public sector. Art does not become economic by being sold (costs make them economic regardless of sales) and therefore no adequate economic analysis of art can be restricted to the art market or to types of art – most conspicuously paintings, prints and sculptures – that happen to sell. The economics of art must not be restricted to the encounters between art and money, either in the market or through the state, but must incorporate all the free labour that

64 Jonathan Harris in Hauser 1999, p. xii.

goes into artistic production, the whole range of ways in which art is consumed for free, the values that compete with economic value in decisions made within the art world, and the pejorative use of terms like 'commercial' and 'selling out' in the assessment of art. What I want to insist on is that the legendary economic irrationalism of artists and the social demand that art be accessible to all for free are economic factors in their own right and, if they can be ratified by the analysis of art's production and consumption, have to be central to the economics of art. If artists are unbusinesslike and the consumption of art is not determined by the ability to pay, then art has developed a tense relationship to economic practice and theory. Hence, this book is an attempt to study the *economic basis* for the tension between art and economics. I will provide the fullest account to date of art's economic exceptionalism as it is evidenced at every stage of art's economic transactions as well as how it has been – or can be – articulated in classical, neoclassical and Marxist economics.

The principle of art's economic exceptionalism is expressed in the founding texts of economics and is referred to consistently until the end of the nineteenth century. When economics underwent a revolution after 1870, and its classical phase was replaced with neoclassical doctrine, the argument for art's economic exceptionalism almost entirely disappeared. However, what I show is that a new theory of art's economic exceptionalism can be developed specifically in relation to neoclassical economics, something that has never previously been attempted. While classical economists typically observed the existence of economic exceptionalism without analysing its fundamental logic, neoclassical economists typically deny its existence in dogmatic fashion. Neither developed a substantive theory of economic exceptionalism. For this reason I have had to piece together a theory from fragments dotted throughout the literature. I do this in three distinct ways. First, in the case of classical economics, I assemble a theory of economic exceptionalism from passing remarks, qualifying clauses, anecdotal evidence and puzzling observations found in the writing of Smith, Ricardo, Mill and others. Second, in the case of neoclassical economics – for which there are no such casual references to exceptionalism – I have identified the key neoclassical doctrines to which the economy of art can be shown to be anomalous. Third, in the case of Marxist economics, I extrapolate an analysis of art's economic exceptionalism from a study of the capitalist mode of production in the three volumes of *Capital*, the *Grundrisse* and the *Contribution to a Critique of Political Economy*. This book therefore contains the most comprehensive history of economic exceptionalism to date, an extension of the concept of exceptionalism appropriate to contemporary mainstream economics, and a reassessment of exceptionalism through the Marxist critique of political economy.

Marxist economics has the tools to go further than mainstream economics in theorising art's economic exceptionalism. Marxism is the only economic tradition with any record in distinguishing between capitalist and non-capitalist production. Consequently, a Marxist economic analysis of art is uniquely able to identify artistic production as not conforming to the capitalist mode of production and therefore to extend the concept of art's economic exceptionalism to interrogate not only art's economic performance but its relationship to capitalism. Nevertheless, it would be entirely false to claim that Marxism has pioneered the theory of art's economic exceptionalism. On the contrary, the history of Marxism's engagement with art has gone in the opposite direction, pioneering the analysis of art's commodification, industrialisation, commercialisation, spectacularisation and incorporation. Current developments within Marxist theory build on the very foundations that have prevented Marxism from drawing on its classical roots to theorise art's economic exceptionalism. Western Marxist concepts like reification and Culture Industry remain at the heart of contemporary Marxist thinking on art, particularly in its sociological and philosophical heartlands. Marxist economics survives, but no Marxist economist has tackled the specific question of the economics of art. On top of this, classical Marxist economics has been criticised within Marxism itself as out of touch with historical changes in capitalism since the 1960s.

My intention throughout this book is to explore art's relationship to capitalism without relying on the established sociological methods of Western Marxism that have supported the claim that art has been incorporated into capitalism *without providing any economic proof* that artistic production has been transformed into capitalist commodity production. My method, here, is to establish art's relationship to capitalism through an analysis of its relation to capital. I draw on Marxism's classical roots, particularly the three volumes of *Capital*, to investigate the economics of art. The claims made by Western Marxism about art's commodification within the Culture Industry, I will argue, need to be measured against the actual economic conditions of artistic practice, which exhibit the characteristics of commodification without having been transformed by the process of commodification through the imposition of economic mechanisms in production. Of course, artists and artworks encounter money in various forms, but capital in the strict sense, we will see, plays an extremely limited role, and in the majority of cases no role at all, in the production and circulation of art. While mainstream economists and Western Marxists are happy to assert that art is a commodity like any other, the pioneers of classical economics and the Marxist economic analysis of art demonstrates

not only that art is economically exceptional but, in the case of the latter, that it is exceptional to the capitalist mode of production in particular.

The primary objection to the claim that art is economically exceptional within mainstream economics today is based on the observation that art is patently economic. The error, here, is not the assertion itself, which is undeniable. Art is economic. Even art that fails to sell must inevitably incur costs to the artist in purchasing raw materials, studio rent, and the cost of an education or, at the very least, time. And many of these transactions will necessarily be standard commodity exchanges. The market for canvas is not economically exceptional, the purchase of video cameras is no different for an artist than anybody else, and the rents for artists' studios are fixed by the same mechanisms as all other rents (including real estate prices, regulations, subsidies and other factors). The error in denying art's economic exceptionalism by pointing out that art is palpably economic is the assumption that if art is economic then it cannot be economically exceptional. Economic exceptionalism has never designated something outside or beyond economics. Classical economists argued that art exhibited non-standard patterns of pricing, due to limits placed on augmenting supply, such as the death of the artist. Economic exceptionalism is an economic phenomenon.

Art is economically exceptional but it remains economic. Art is expensive, artists spend money and time producing works, studios are rented, galleries make profits, art investments increase and decrease in value, museums obtain funds and employ the tools of marketing, millions of people worldwide are employed in the arts and art is an enormous global business. However, the fact that art is economic does not in any way prove that art is economically standard. Anomalies need to be explained. Key anomalies include the following: art is not a standard capitalist commodity, artists are not wage labourers and, when they are commercially successful, artists are not standard entrepreneurs. If such anomalies can be established as empirically verifiable or theoretically robust, then art's economic exceptionalism must be incorporated into the assessment of art's relationship to capitalism and art's status within Cultural Economics. The assumption that art can be studied according to the standard Marxist or mainstream economic methods, or that art is not significantly different from standard commodities, markets and industries can only be determined by an economic analysis of art's relation to capital. If, as I argue, art is economically exceptional, then much of the literature on art's economics and art's place within capitalism will have to be fundamentally reviewed.

Art's exceptionalism is not an economic argument for art's autonomy. Since Adorno argues that art's commodification is the precondition for art's

autonomy – that is, art's liberation from church, state and tradition – a separate case would have to be made that art's economic exceptionalism (particularly in the strong sense that art does not conform to the capitalist mode of commodity production) is or is not grounds for art's self-determination. No such argument is developed in this book, and no assumption that any such argument follows from the economic analysis of art is made. Nor should art's exceptionalism be understood as a claim that art or artists are somehow unaffected by capitalism, either through rugged independence of mind or privileged independence of means. Opting out of capitalism as a society is impossible, but many practices and forms of exchange within capitalism are not capitalistic in the strict sense of being engaged in for exchange, that is, to accumulate wealth. Art, this book argues, is one such practice. Central to the argument in this book is the claim that art is bound up with capitalism but does not conform to the capitalist mode of commodity production. Art's economic exceptionalism, therefore, is not an effect of the artist's heroic will power, unworldly irrationality or flamboyant lifestyle. Exceptionalism is not ideal or romantic but actual and supported by analysis of the economic facts.

Étienne Balibar and Pierre Macherey, writing in 1974, said that Marxism has always been preoccupied with two questions in relation to literature and art.⁶⁵ The first is the ontology of art and aesthetics understood as an inquiry into its ideological character, and the second is the 'class position' of the author and the text. They back this up by drawing on Marx and Engels's writings on Balzac and Lenin's writings on Tolstoy. They could have added Trotsky's writings on Futurist literature, or Plekhanov on French theatre. Note, however, that Balibar and Macherey are accurate in their description of the content of this early treatment of art by Marxists. Not one of them examined art using the methods of Marx's critique of political economy. What art is and how it relates to capitalism has been one of the abiding concerns of Marxist thinking, but the answer has never been sought in an economic analysis of art's production and consumption. On the contrary, it has been a staple of the Marxist interpretation and explanation of art to ask questions about whether the artist is a worker, an entrepreneur, a manager and so on, but chiefly through an ideological analysis of her 'class position' as expressed in the text, not in her actual economic relations. Marxism has a reputation for 'economic reductionism' but, in fact, Marxism has consistently and vociferously protected art from economics. Marxist writers are among the most prominent theorists of art's 'autonomy' –

65 Balibar and Macherey 1974, reprinted in Young 1981 pp. 79–100.

its independence from both state control and market forces. And, of course, this is entirely consistent with the central tenets of a tradition founded on the *critique* of political economy.

Stewart Martin has sewn the two together by saying that 'artistic communism', which has its roots in German Romantic philosophy after Kant, proposes art as 'the realization of freedom'.⁶⁶ Rather than tracking the circulation of art objects from producers to consumers via dealers, and all the rest of art's dealings with the world of trade and profit, Marxists have turned to art as a kind of anticipation of communism: 'Autonomy or self-determination seeks the unconditioned or absolute, and the absolute is revealed in art'.⁶⁷ In building a Marxist economic analysis of art I am not in dispute with the commitment to 'artistic communism'. Rather, I am convinced that the analysis of the economics of art ought to be the basis of it. The antagonism to capital which 'artistic communism' calls forth, I will argue, is evident in art's economic exceptionalism as it might be reassessed through Marxist economic theory. But, paradoxically, arguing for the Marxist economic analysis of art is not what Marxists do, so I am breaking with Marxism in the very act of returning to Marx's analysis of *Capital*.

This book is divided into two parts. The first consists of an assessment of the record of mainstream economics in developing an economics of art's economic exceptionalism. The second consists of an assessment of the record of the Marxist aesthetic tradition followed by a Marxist economic analysis of art. This division is partly methodological and partly a result of the persistent chasm between the two traditions. It is impossible to make a coherent and unified assessment of both traditions simultaneously without perpetually running up against incommensurable assumptions and conflicting methods. And yet no adequate account of the literature on the economics of art can be derived from one tradition alone. Eventually this book presents a Marxist economics of art, but the questions and issues by which such a theory must be judged include those raised within mainstream economics. The confrontation between a Marxist critique of political economy and a mainstream economics of art is not the horizon of the study of art and value. What runs through the book, instead, is the antagonism between questions of quality in art and questions of price in economics and market forces. What I attempt is a double interrogation of art and value, combining a detailed study of (a) *the economic preconditions for art's practices of value attribution* with (b) *the analysis of the economic consequences of artworks being attributed value through*

66 Martin 2009, p. 484.

67 Ibid.

non-market mechanisms. While each on its own can produce many important insights and valid observations, any argument that is not based on both must be one-dimensional. In this restricted sense it is evident, as this book attempts to demonstrate, that both mainstream economics and Western Marxism have understood art's relationship to capitalism only one-dimensionally.

The analysis of art in terms of the standard functions of self-regulated markets and their mechanisms for allocating resources according to demand comes up against serious obstacles in the case of art, and economists have been aware of these obstacles since the inauguration of classical economic theory. I will assess a selection of key responses to these obstacles in Chapter 1, beginning with an assessment of the argument that economics is incapable of incorporating aesthetic value in its calculations, and finishing with two conspicuous arguments that economics and market forces are preferable to bureaucracy, the rule of experts and the elitism of taste. In Chapter 2 I will trace the analysis of art in classical economics, which is dominated by the assumption of art's economic exceptionalism. In Chapter 3, I will examine the absence of the concept of economic exceptionalism within neoclassical economics and make a new case for several distinctively neoclassical theories of exceptionalism. Chapter 4 looks at the fate of exceptionalism after 1945, with the introduction of welfare economics and the welfare state to subsidise art, while Chapter 5 examines the arguments and policies that came to challenge the welfare consensus after 1966. Having tracked the theories of art in classical, neoclassical and welfare economics, Chapter 6 introduces the Marxist critique of the mainstream economic tradition in a way that suggests a complete re-evaluation of the concept of economic exceptionalism. Chapter 7 asks why there has never been a Marxist economic analysis of art despite the fact that Marx's three volumes of *Capital* offer a toolbox for doing just that. Chapters 8, 9 and 10 apply Marx's analysis of productive capital, merchant capital and finance capital to the economics of art. Chapter 11 examines whether Marx's analysis of capitalism has become outdated by recent developments within capitalism and the theory of capitalism. Finally, the conclusion provides, for the first time, a coherent theory of economic exceptionalism as it applies to art.