

Art and business

Conflicts of interest, contests of value and murky ethics

These essays cover a variety of topics about the buying and selling of art, but the main message is for greater control

Books on art business are nearly as rare as universities offering postgraduate qualifications in the discipline. So it seems a perfect match for Iain Robertson, head of art business studies at Sotheby's Institute of Art in London (Sial), and Derrick Chong, a lecturer at the same institution, to join forces and edit 12 essays dedicated to the subject in *The Art Business*. Various themes are covered by the selected writers, most of

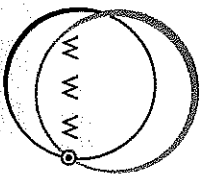
whom teach at Sial, including art law (by specialist Henry Lydiate); art as an asset class (by Jeremy Eckstein who advised the British Rail Pension Fund during its 1974-2000 art investment programme); and there is even a chapter dedicated to art crime (by private investigators Charles Hill and Clarissa McNair).

Whatever the context, the overriding message that emerges out of *The Art Business* is the need for greater regulation in the notoriously murky art market. Mr Eckstein, in his discussion on the opportunity for investment in art, points out the inevitable conflicts of

interest between many art investment funds and their art expert advisers. "These conflicts potentially exist in other financial markets, but they have largely been overcome or eliminated in practice... The so-called Chinese Walls that protect investors in well-regulated financial service markets are absent as yet in the art market," he writes. In an essay on ethics within the art market, David Bellingham, programme director at Sial, writes that the "code of ethics" adopted by most museums and art dealer associations, is the "lightest in [the] hierarchy of codes, being mainly aspirational

and using light coercion to encourage members". Mr Robertson, who writes on the gap between price and value of art, is perhaps the most punchy: he states that at the top end of the market, "estimates appear as randomly selected numbers" and that this "protects prices by preventing them from falling below an artificially fixed point". In conclusion, he writes, "this suggests that the transaction of the work of art is an undemocratic process, conducted secretly by private treaty or in elite forums and often displaying marked imbalances in information between sellers and buyers. When price, wildly

and frequently, exceeds value at the top end of the art market, a correction is near at hand." There are a few editorial hiccupps and a distinct lack of pictures, but the reader is still left with a collection of excellent essays, if not an excellent collection of essays. **Melanie Gerlis**



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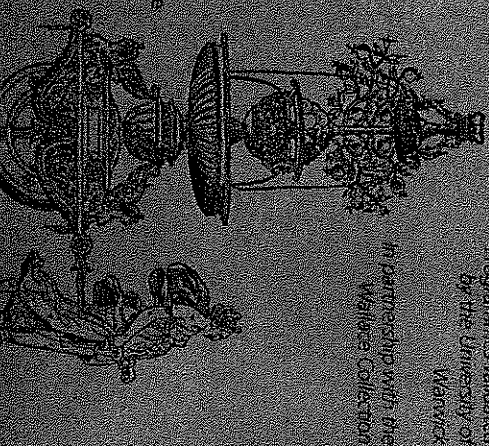
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