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# “This too shall pass”

## An exploratory study of the art market in Azerbaijan



### MA Thesis

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## **Abstract**

“This too shall pass” is the title of one of the works exhibited by Yarat contemporary art organization at Venice Biennale in 2013. The choice of this artwork as a cover image is not random. This non-space artwork consists of light coming through letters made from Plexiglas, that create the four-word English phrase on the opposite wall. The interpretation of this work relates to the history of the Azerbaijani alphabet that has been changed four times over the last century. This depiction of a linguistic heritage full of temporality, perpetual change, and generational break altogether portrays the modern Azerbaijani art market.

However, in the last decennium, the local art market had a significant boost characterized by the launch of art institutions, commercial art galleries and active presence of local artists on the global art events. The visibility of the peripheral artists on the central art events demonstrates the globalization and economic internationalization of the visual arts. This exploratory thesis aims to examine the adoption of the western model and the influence of the local contexts in the emerging Azerbaijani art market within the framework of cultural globalization. The research employs 12 in-depth semi-structured interviews with important players and ethnographic observations during various exhibitions, events, and work experience. Finally, this thesis contributes to the researches about post-soviet emerging art markets and gives an idea of the development of the art market in a small Caucasian country with complicated historical background.

Keywords: contemporary art, emerging art markets, cultural globalization, Azerbaijan, local contexts

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## **1 Introduction**

### **1.1 Research background**

For centuries within the Western art system the term international art indicated art from other Western countries (Van Hest, 2012). The visual arts were perceived mainly as Western experience, moreover it was valorized based on the practices shared and developed inside this geographical (Western) circle (Becker, 1982). The situation changed only in 1980 with the appearance of multiculturalism and new actors from peripheral locations. Today reception of the artists from the BRICS<sup>1</sup> countries on the global art events significantly increased (Van Hest, 2012; Velthuis & Baia Curioni 2015). Contemporary art markets have started to develop in various parts of the world, like China, Vietnam, Russia, India, to name a few (Robertson, 2011; Komarova & Velthuis, 2018). Scholars group them under the category of “emerging art markets” and explore the similar trends in their emergence (Robertson, 2011). Furthermore, as a result of economic and ideological dominance present-day China’s national art market is showing its power even beyond the borders. However, most of the emerging art markets still depend on the Western experts (Robertson, 2018).

According to Velthuis and Baia Curioni (2015), there are two circumstances that stimulate the emergence of an art market: socio-economic transformations at the macro level that activate the market (e.g. political changes or significant economic growth, that make it possible for the middle, and higher class to buy art), and the adoption of isomorphic organizational models, such as commercial art galleries, auction houses and art fairs (Velthuis and Baia Curioni 2015). Nevertheless, in some countries like Brazil, the development of contemporary art scene started from institutional side of the market, such as contemporary or modern art museums (Brandellero, 2015).

Along the similar lines, the evolution of an art market is a complicated process. Despite the existence of the isomorphic model (Velthuis, 2005), the influence of the local contexts such as continuation of the traditional practices or historical data makes the adaptation different, or as it was identified by Azerbaijani art critic Teymur Daimi (2001) with deformations. Moreover, even formerly similar art organizations, as

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<sup>1</sup> BRICS, the acronym indicates emerging art markets of Brazil, Russia, India, China and South Africa.

official art organizations in China and Russia, today have different models and direction of development based on local contexts (Kharchenkova et al., 2015).

Still the main reasons of the transparency of the artistic and cultural barriers are cultural globalization and Internet (Van Hest, 2012; Khaire, 2015). Furthermore, art events, such as art fairs and biennials are considered important for the development of the contemporary art market and its internationalization (Van Hest, 2012). Within the framework of cultural globalization, today there are four integral theories that can be employed in the examination of emerging contemporary art market: central-periphery theory, network theory, reception theory and cultural policy theory (Crane, 2002; Van Hest, 2012).

## **1.2 Research objectives and Research question**

BRICS countries as a central point of study of the emerging art markets, were under a spotlight for relatively long time. However, the development of the global art market should be expanded also to other peripheral locations. In case of Azerbaijan, a small post-soviet country that is located at the crossroads of Europe and Asia, the development of the contemporary art market has some similarities and differences with the Western model. Side by side with the development of the institutional side of the market, that legitimizes the contemporary art (Van Hest, 2012), the market side represented by commercial contemporary art galleries is expanding, as well as global presence of the Azerbaijani artists (ArtFacts.Net)<sup>2</sup>. In the past decade contemporary art scene in Azerbaijan had essential boost. Which is observed in the emergence of contemporary art organizations (YARAT, Heydar Aliyev Center), and numbers of commercial galleries such as Gazelli Art House, Yay Gallery, Q Gallery, Art Villa, Artwin Gallery, to name a few. Moreover, the amount of various artist run spaces and art platforms is increasing every year.

In line with the existing researches related to the influence of the local contexts on the local art scene, and dominance of the western (isomorphic) art market model on peripheral locations the following research question will be explored:

**How do the local contexts and processes of cultural globalization influence the emergence of the art market in Azerbaijan?**

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<sup>2</sup> <https://artfacts.net/country/azerbaijan/72>

In regards to the previous researches the influence of the local contexts can be examined as the infrastructure of the market, co-existence with the old institutions, and education system (Kharchenkova et al., 2015). Within the framework of the cultural globalization this research aims to distinguish the dominance of the western (isomorphic) model in the young market (Velthuis, 2005) and the reception of the Azerbaijani (peripheral) artists by the central art scenes (Van Hest, 2012).

This exploratory study has three main objectives: to evaluate the structure of the Azerbaijani art market and its local contexts, to explore the similarities and differences with the western art market model, and to illustrate the presence of Azerbaijani artists on the global art market. All three main objectives will be examined within the cultural globalization theories (Crane, 2002). This research contributes to the theory about the structure and model of the emerging art markets in the post-soviet (CIS)<sup>3</sup> countries, and illustrates the role of cultural globalization in the international position of the Azerbaijani art and artists.

The subsequent parts of the thesis are structured in the following way: In order to highlight the similarities and difference between the local and western model, chapter 2 will illustrate the definition and structure of the western contemporary art market, and examine in details the main actors of both institutional and commercial sides of the market, in addition will give an introduction to the Azerbaijani framework. Chapter 3 will present the methodology: more precisely, how the qualitative research method was conducted, its sample and data analysis. The final chapter 4 will display the results of the research, and will be organized in the following order: “The Art Market in Azerbaijan”, “Key Actors and the Western Influence” and “The Global Presence”.

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<sup>3</sup> CIS, acronym refers to Commonwealth of Independent States of post-soviet countries.

## **2 Literature Review**

### **2.1 The contemporary art market: Western Model**

International art markets are rapidly evolving and expanding geographically. Due to more permeable borders, accelerated development of ICT and liberalization of trade (Arora & Vermeulen, 2013), artists and artworks form either mature or developing economies are becoming part of a global art conglomerate (Van Hest, 2012). While the next two chapters examine emerging art markets, cultural globalization theories and art from peripheral locations, this chapter will focus on the definition and structure of the international contemporary art market.

#### **2.1.1 Definition**

Even though it is difficult to evaluate a singular definition of the contemporary art market, and its usage varies in different articles, this paper makes an attempt to explore the most frequently used terms and interpretations. According to Velthuis and Brandellero (2018), the term global art market characterizes an art form created by the artists around the globe, which is theoretically, stylistically, or in any other way placed under the same approved category. That category is perceived as “global art” or “contemporary art” (Velthuis & Brandellero, 2018). More than thirty years ago, Scott (1987) categorized the art market as a “social phenomenon”. Jyrama (2002) expanded this view to the point that the art market is a product of human experience and perception, where context and individual performance are firmly connected. Furthermore, traditional economic theories cannot be applied within the art market as the latter deals with unique goods (artworks) with idiosyncratic value (Scott, 1987,p.485; Jyrama, 2002). Along the similar lines, Becker (1982) distinguished that artists depend on the appreciation from the audience and other key actors in this field, like cultural organizations, museums, gallerists, to name a few. Consequently, these key figures legitimize the artworks and the artists in line with the shared practices within the international contemporary art world (Becker, 1982). According to Arora and Vermeulen (2012) in order to conquer the uncertainty within the art market, gatekeepers and experts are cooperating to create a symbolic and financial meaning of contemporary art (Arora & Vermeulen, 2012). From an artistic perspective, contemporary art today is understood as international art. Furthermore, artists perceive

it as a connection of cultural disciplines and popular culture, a combination of high and low art (Van Hest, 2012).

However, contemporary art system is not that transparent and accessible for all part of the world, especially for peripheral countries. Until 1980s contemporary art was mainly concentrated in art capitals like New York or London. For the rest parts of the globe visual art was accepted as a commodity, and was more likely to be a decorative art (primitive art). Furthermore, in communist countries like China and former Soviet Union, art trade was even illegal (Velthuis & Baia Curioni, 2015). According to Daimi (2017), contemporary art as a system is a product of the West, and correlates with the market economy and political situation. Moreover, it could form and integrate in its authentic form only within western, liberal economic environment. Consequently, for non-western countries the process of adoption of the new standards developed with significant distortions and resistance from local traditional repertoires and contexts (Daimi, 2017).

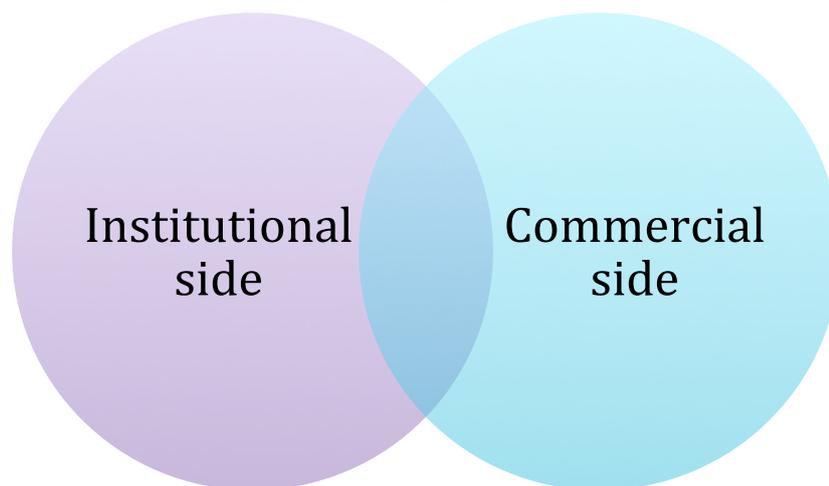
### **2.1.2 Contemporary art market structure and key actors**

In trying to unveil the structure of the contemporary art market this section will examine the key actors and their roles. Although the art movements and international exchanges of art date back many centuries (Velthuis & Brandellero, 2018), their global activities were significantly limited in comparison with the art market today (Van Hest, 2012). Internationally accepted structure of the art market nowadays consists of a primary market and secondary market (Robertson, 2005). The primary market is when the work appears on the market for the first time, and can be bought either directly from the artist or the intermediary (gallery, dealer). And the secondary market is all the subsequent sales of the artwork (Robertson, 2005).

Van Hest (2012) examined the connection between institutional and market-oriented parts of the contemporary art world and examined two interdependent spheres separately. This approach shows similarities and differences in the presence of the countries on the global map from three perspectives: the international contemporary art world as a whole; selected art events (museum or gallery exhibitions); and the level in between (biennale –institutional category, and art fairs, galleries –market category). Within the mentioned two spheres, the performance of contemporary art centers,

museums' permanent collections, and biennial exhibitions sit under the category art institutions. This category represents the actors who mainly evaluate and indicate the quality side of the art in terms of cultural value and apply artistic recognition to the artist. Concurrently, galleries, art fairs, and auction houses are labeled under the category of the market (commercial) side. This category characterizes the economic side of the art. In order to get a wider understanding of the mentioned spheres, the following actors of the contemporary art market will be briefly examined: contemporary art organizations and biennials (institutional side), galleries and art fairs (market side (Van Hest, 2012)). The following section will explore the distinctive traits of art institutions, commercial galleries, biennials and art fairs, and how they function within the western art market model.

## Contemporary art-market



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**Museums and contemporary art organizations** are perceived as exhibitors, collectors, and educators. Moreover, they participate in publishing books and catalogs (Williams, 1996). Along with the cultural value creation (Van Hest, 2012), such as education, audience engagement and visitor inspiration (Camarero et al., 2011), museums also impact the prices (commercial side) and popularity of the artists, by exhibiting them or purchasing their artworks to their collection (Pommerehne & Feld, 1997). In some cases cultural institutions also play a role of a pioneering art market

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<sup>4</sup> Construct of the researcher

figures and activation mechanisms such as a Museum of Modern Art in Brazil (Brandellero, 2015). In addition, in the most “central” art markets there is a tendency supported by the state to establish a museum cluster. The cluster-based approach on the one hand improves performance of the museums as a separate unit, such as new market opportunities or innovations, on the other hand develops the art scene in general. One of the examples is the Danshui museum cluster in Taipei, emerging art market of Taiwan (Hitters & Richards, 2002; Tien, 2010).

In Azerbaijan there are 2 contemporary art museums, 6 contemporary art platforms, and 4 foundations exhibiting contemporary art. Since the market is young and underdeveloped, all of the key players are located in the capital city Baku, which is the focus of this study. The leading contemporary art institutions are architectural jewel Heydar Aliyev Cultural Center, and Yarat Contemporary Art Center (ArtFacts.Net).

Another integral key players are **contemporary art galleries**. According to Komarova and Velthuis (2018), galleries are considered one of the main tools in accelerating the emergence of the contemporary art market. Galleries promote artists, create networks, and facilitating art sales (Komarova & Velthuis, 2018). Velthuis (2005) distinguished the dualistic nature of the contemporary art gallery, being either a cultural or commercial art organization, which functions between symbolic and commercial worlds. Nevertheless, mostly galleries dismiss the commercial side in order to increase their quality and cultural meaning. Velthuis (2005) termed it as a “waiting game”, when the sale of the artwork is being promoted mainly by its critical recognition, and the gallery is careful is the selection of collectors (Velthuis, 2005,p.41). Furthermore, commercial galleries are following some global “rules” in order to separate themselves from the commercial world such as: settlement in more outside areas of the city, employment of white cube model in the design and architecture of the gallery, opening of the shows available for general public, absence of the price next to the artwork, to name a few (Velthuis, 2005).

It is complicated to evaluate the exact number of art galleries in Azerbaijan considering the absence of a singular database and lack of transparency. One of the trustworthy sources is ArtFacts.Net where the three examined commercial art galleries are listed: Gazelli Art House, Yay Gallery and Q Gallery.

In regards to the **art fairs and biennials today they** are significant players of the global contemporary art market (Quemin, 2002). The two events are acting as the most transnational players of the market as they do not depend on geographical location and are signaling the globalization. Biennials and art fairs are temporary events that in a short period of time attract international galleries, foreign collectors and wide audience (Van Hest, 2012; Vermeulen, 2015). Furthermore, both art events provide essential opportunities to the artists by giving them a space to show their art to a global audience, and meet other actors of the contemporary art market, such as gallery managers, curators or other artists. Biennials, as a non-profit event, present the internationalization of the institutional sphere, whereas art fairs show the internationalization of the art market (Van Hest, 2012). According to Khaire (2015) galleries and biennials are contributing to the symbolic meaning of the artworks, however in order to achieve their main objectives they should maintain independence

and demonstrate expertise (Khaire, 2015). In Azerbaijan both art events are in a rudimentary state. In 2003 the state made an attempt to launch local contemporary art biennale “Aluminium”, however it was not successful and stopped functioning after 2012.

To sum up, the previous chapter examined the structure and key players of the western art market model. The following chapters will illustrate the processes of the cultural globalization, emergence of the peripheral markets and case of the emerging art market of Azerbaijan.

## **2.2 Cultural globalization**

This chapter will examine different theories on the globalization within the cultural field and the contemporary art market. In the first section four modern approaches of cultural globalization: cultural imperialism theory (center-periphery model), network theory, reception theory, and cultural policy theory will be explored. Followed by the second section, that will delve into the modern indicators of globalization for the contemporary art market in reference to the featured theories.

### **2.2.1 Leading cultural globalization theories**

The first and fundamental theory in the analysis of cultural globalization is cultural imperialism or center-periphery model. The main argument of this model is based on the dominance of the Western European countries and the USA (center) over other peripheral nations within the cultural field (Crane, 2002). In her book, Crane (2002) made an example of cultural imperialism within media conglomerates. She distinguished that global media is mainly dominated by a limited number of media organizations based in the USA, UK, Germany, and France. In the media market, this also happens due to some economic factors like higher demand for instance for media products made in the USA. Whereas, national products created in the peripheral zones are staying out of the global market (Crane, 2002).

The second theory, the network theory states that the relationship between center and periphery are more interconnected and interdependent. Furthermore, due to the circular character of culture, social units within the cultural fields can be either a sender or receiver (Crane, 2002). In addition to that, in the era of open borders and

digital turmoil networking within the cultural sphere became easy and more independent (Khaire, 2015).

While the first two theories are focused on cultural production, circulation, and its effects, the next two models are examining the homogenizing effect of globalization, in other words, acceptance. According to Crane (2002) either in central or peripheral zones, in the reception of cultural goods, the role of gatekeepers and experts is important as they act as intermediaries between the product and recognition by the audience. She gave an example of the popularity of American TV shows in Japan. Furthermore, (Banks, 1996) described that music video station MTV has to compete with Japanese performers, as the audience is has a preference for local performers (Banks, 1996; Crane 2002). Similar to the reception theory, the cultural policy theory examines the intervention and acceptance of the cultural products by the state. The state employs cultural policies to promote and protect national cultural products. Furthermore, it is a tool of control used by the state to supervise what kind of content enters and leaves the country, moreover it serves as a protection of local culture (Crane, 2002). Each of the four examined theories by refers to a specific view of how globalization affects the production, circulation, acceptance, and consumption of cultural goods. How it works for the contemporary art market and to what extent these theories can be employed will be reviewed in the next section.

### **2.2.2 Globalization theories and contemporary art market**

Since the 1960s with the disappearance of geographical borders the contemporary art market became global (Van Hest, 2012). According to Carroll (2007) just a while ago the main focus of the art world was only on the Western art and artists (Carroll, 2007). Nevertheless today artists from all parts of the globe, either central or peripheral have access to the contemporary art scene. Parts of the world that are perceived as peripheral zones are for instance Central and Eastern Europe, Latin America, Asia, and Africa. Today, the number of various international events in art institutions, like museums, and the markets like art fairs increase every year, and spread around the world, along with a big number of artists from peripheral zones traveling and integrating to the new cultures (Van Hest, 2012). The global art world is also identified as a market of networks. Jyrama (2002) distinguished that the actors within the market are exchanging either with tangible or intangible sources, such as artworks

or knowledge. These relationships are broad and consist of a group of several actors (Jyrama, 2002).

Van Hest (2012) examined the three main indicators of the globalization of the art market and globalization theories within the contemporary art market. The first indicator of globalization of the contemporary art market was Hubert Martin's well-known exhibition at the Center Pompidou in Paris. "Magiciens de la Terre" in 1989 has launched the tendency to work with artists from peripheral zones. The second indicator, as it was mentioned earlier is a migratory nature of artists nowadays. Term artistic nomadism perfectly represents the current art market, and by means of artists' residences, more and more international networks emerge. And the last indicator is a rise in a number of museums and contemporary art centers, as well as art fairs and commercial galleries in peripheral locations (Van Hest, 2012).

Moreover, Velthuis and Brandellero (2018) explored developments that have been considered integral in increasing the globalization of the art markets for the past decades and can be observed in emerging art markets. The mentioned developments provide suggestions to understand the structure of the art market. These developments are connected to how other social fields define contemporary art; dynamics and power inequalities; institutions and professional practices. Furthermore, they examined what has changed over time. First and foremost the "rules of art" have changed significantly (Bourdieu, 1993; Velthuis & Brandellero, 2018). As a result, independent artistic categories are recognized. Secondly the representatives of the "Western" art market have become more involved and open to "other" emerging art comprised in their own processes. Key drivers and gatekeepers of the European and US art markets, curators, critics, and dealers bring previously unknown international artists to the global art arena. Furthermore, famous museums like Museums of Modern Art in New York and Tate in London are staging exhibitions of artists from emerging art markets (Velthuis & Brandellero, 2018). And the last development is flows of art and information through online platforms (Crane, 2002). More recently Internet is one more possible opportunity that to some extent facilitates the development of the art market. Global use of the Internet as a platform for selling, buying, and marketing increases aesthetic legitimacy and economic value of peripheral art (Khaire, 2015). Art markets are integrated into web relations and art exchange, from the center of the art system to

periphery and back, which approves the network model (Crane, 2002). Through these networks effect, we observe the development of art institutions, beliefs, and practices that are becoming available for artists all around the world. Art world becomes more "isomorphic" (Velthuis, 2013).

However, the integral events of the contemporary art world still take place in the central zones. Which approves the remaining geographical inequality between the central and peripheral parts (Velthuis, 2013), and cultural imperialism model by Crane (2002). Moreover, according to Quemin (2013) globalization developed mainly as an increase in transnational exchange, however, it neither removed national boundaries nor impacted intermediaries. He examined the international art fairs and showed present territorial dominance of the hosting country and Western galleries (Quemin,2013). Along the similar lines when it comes to the “reception” or reputation formation of the artists from peripheral zones these borders are still visible (Bucholz, 2016). Velthuis and Brandellero (2018), in their review of Brazilian art exhibition in local and international press examined the reception theory. There are meaningful differences in repertoires of evaluation between central and peripheral zones of the global art market. Recognition by peripheral art institutions and experts does not convert to the global art market standards of worth, however it is completely different for western institutions in non-western countries (Crane, 2002;Velthuis & Brandellero, 2018).

To sum up this chapter it is essential to point that the globalization of cultures should not be accepted as a black and white approach, especially for the emerging art markets. In frames of this thesis, these four models are selected as a theoretical framework in order to examine the impact of the main globalization theories on the emerging Azerbaijani art market. Adoption and dominance of the western art model on the local market, influence of the cultural flows through borderless space of the Internet, visibility and acceptance of the Azerbaijani artists on the “central” art platforms, and the role of the state (cultural policy model) on the emerging art scene.

## **2.3 Emerging art markets**

The emergence of the art markets is a contradictory and difficult process.

This chapter examines the emerging art markets and how the local contexts influence its structure and development. The last section of this chapter explores the emerging Azerbaijani market, the Soviet past and first symptoms of evolution.

### **2.3.1 Local contexts and activation mechanisms**

The question of how the markets develop still remains open. As it was discussed earlier, the emergence of contemporary art markets outside of Western Europe and the United States is relatively new and started mainly after 1990 (Komarova & Velthuis, 2018). According to Vermeulen (2015) today the number of art trades significantly increased in the emerging economies of Asia, Africa, and Latin America. Moreover, buyers from the BRICS countries (Brazil, Russia, India, China, and South Africa), together with the buyers from the United Arab Emirates made a considerable contribution to the global art market (Vermeulen, 2015). Furthermore, the flourishing economy and increasing disposable income of a small but extremely wealthy group of people created the art buying classes. Their main motivation for collecting was categorized under the three assumptions: to integrate into the arts in order to obtain status, art as an investment, and support to national art development.

Emerging markets from the BRICS countries have accepted the western model of organizing the market and that led to the increase in a number of contemporary art galleries and artists (Van Hest, 2012 & Vermeulen, 2015). One of the adopted organizational forms is a commercial gallery, which operates either as an expert for art valuation or an intermediary between the artist and the public. Commercial galleries are considered to be fundamental in the emerging market. (Velthuis & Komarova, 2018).

As stated by Velthuis and Baia Curioni (2015) there are two main common trends that drive the market, socio-economic changes at the macro level, and isomorphic management model adopted from the central zones of the art market. Furthermore, emerging art markets seem to support sociological neo-institutional theory that implies that in the situation of uncertainty people tend to reproduce already existing organizational model (as cited in Kharchenkova et al., 2015). The main three

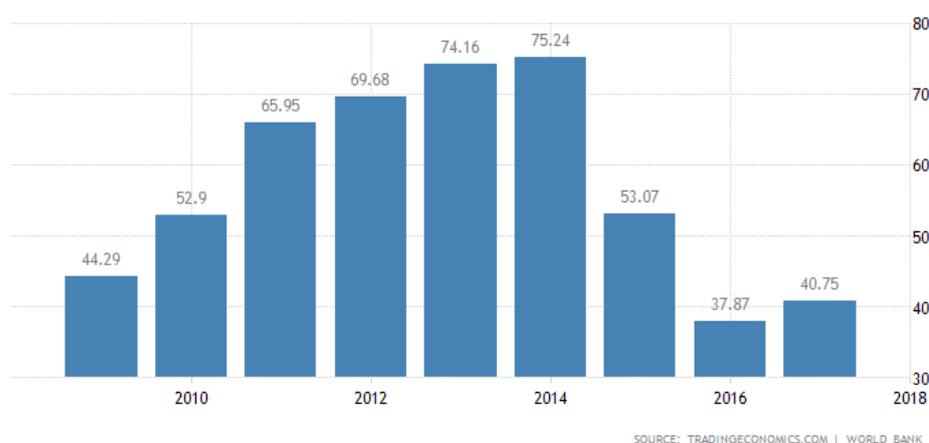
management models are commercial galleries, auction houses and art fairs (Velthuis & Baia Curioni, 2015). In their research, Komarova and Velthuis (2018) explored the resources “activation mechanisms” which incite the key actors to find the opportunities for the market to emerge and the impact of the local contexts (Komarova & Velthuis, 2018). In their research they examined two countries Russia and India to evaluate how local socio-political history and cultural repertoires provide different local contexts that influence the emerging art market. While in India the family background that was able to provide with cultural, social and economic capital is the main activation mechanism (Bourdieu 1986, as cited in Komarova & Velthuis, 2018), in Russia the situation is completely different, the state, and its cultural policy is one of the main drivers of the art scenes. From the Soviet times the state has been actively participating in the Russian cultural sphere, however today a commercial gallery is an “autonomous alternative” that provides artists and art dealers with more “freedom”. In this way the state is stimulating the opening of the contemporary art galleries (Velthuis & Komarova, 2018). In addition to that some countries like China and Russia have an alternative form of local contexts, that existed before the emergence of commercial market. Official Art Organizations (OAOs) in China and Russia continue to be part of the local art scene moreover they managed to survive under the pressure of cultural globalization. Even though the organizational structure of OAOs of the two countries is similar, they illustrate two forms of cultural capitalism. While in China being part of an OAO can be a signal of status, in Russia on the contrary OAOs have weak position, and artists receive only little support (Kharchenkova et al., 2015).

Similar to the commercial sector of the market, institutional side such as museums and contemporary art centers also influence to the emergence of the art markets, as one of the integral forms of legitimation and artistic recognition (Van Hest, 2012). The art market operates within the scene of cultural, commercial and non-profit organizations. The growth of an institutional foundation indicates the understanding and distinction of contemporary art from other art forms (Brandellero, 2015). Institutional foundations in Brazil, such as Museum of Modern Art (MAM) that was launched by industry magnate are considered first steps in the ground formation for the emergence of the contemporary art market. The art institution was built relied upon experience from abroad. Moreover, the permanent collection was created through connections with galleries in Italy and Switzerland, and Belgian critic was

hired to become its first executive. The early years of the market development in Brazil are characterized by active institutional growth with the support of affluent industrialists and relying mainly on Western expertise (Brandellero, 2015).

Robertson (2005) examined the emerging art markets by the following specific systematic criteria that stimulate the development: international prices; indigenous commercial art market; public support for local arts and art education system; laws supporting art sales and cultural framework; political and economic situation; and stimulation of international competition (Robertson, 2005,p.148). The economic state of the country plays a significant role in the formation of the art market. In Post-Soviet Russia and India, the economic reforms facilitated the formation of the rich upper class with a spare budget to invest in art. The number of billionaires in Russia increased from 0 in 1996 to 101 in 2011. For the new aspiring elites, or „nouveau riches“ the investment into contemporary art can be either positioning their status or enable their taste and identity (Komarova & Velthuis 2018).

In line with the studies by Komarova and Velthuis (2018), the economic environment of the country correlates with the art and culture scene (Komarova & Velthuis 2018). From the economic perspective, the GDP (gross domestic product) in Azerbaijan has significantly increased after 1995. The total growth averaged 25.31 USD billion in a period from 1990 to 2017. The highest GDP growth rate (75.24 USD billion) was observed in 2014, however it decreased within last 4 years. In 2017 the registered GDP growth was 40.75 billion (WorldBank.Org)<sup>5</sup>.



<sup>5</sup> <https://data.worldbank.org/country/azerbaijan>

### 2.3.2 Case of Azerbaijan

#### The Soviet Past

Contemporary culture of each country is built on intangible flows from the historical roots of the nation. Consequently, examining the emerging contemporary art scene of Azerbaijan, it is important to review its historic and cultural repertoires, on which consciously or unconsciously art of consecutive generations is based. Ethno-genetic memory of rock carvings of “Gobustan” (National park with more than 6,000 rock carvings traced back to the Mesolithic age), “Zoroastrian” architecture (One of the oldest religions, originated in Persian Empire), and controversial vectors of Turkish, Christian and Islamic traditions are part of complicated, artificial nature of Azerbaijani culture. Furthermore, geopolitical location of the country, situated between Europe and Asia allowed Azerbaijan to play the role of the bridge connecting two civilizations. Historically the country is in the “middle of the cross”, two vectors West-East axis “ Silk Road” and North-South axis (Orthodox Russia and Islamic Republic of Iran) (Daimi, 2001).

The emergence and development of the contemporary art scene in Azerbaijan can be divided into four stages, with the periods of active development and total stagnation. During the reign of the Soviet Union common ideological regimen (iron curtain) was saturated in all units of social and cultural activities. Therefore, the modern art on all territory of former soviet republics essentially differs from the modern art in all other developed countries. Right until Gorbachev`s “perestroika”<sup>6</sup> in 1985 the prevailing art style was socialist realism. Artists had to choose within a fixed circle of themes available. Those artists who overstepped the mentioned “permitted” circle were excluded from the official context of art, and received no support from OAO`s (Official Art Organizations) that had a significant power at that time period (Moscowartmagazine.com). The first boom of the non-conformist artists, who brought revolutionary and innovative artistic mentality into Azerbaijani art scene was registered in the early 70<sup>th</sup>, this boom created a division among the artists, to official and informal (Daimi, 2001). Some of those successful artists received world recognition such as Javad Mirjavadov and Rasim Babayev (ArtFacts.Net). Even

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<sup>6</sup> Political movement reorganization of the Soviet system.

though those artists did not create any artistic group or association, they significantly influenced the artists of the following generations.

The second boom of the development of contemporary art in Azerbaijan was between 88<sup>th</sup>-90<sup>th</sup>. First step was the launch of the first independent creative art center for the artists. Baku Art Center was organizing exhibitions, symposiums, and many other art events. The location of the center quickly turned into the “Arts Street”, similar to a well-known Montmartre in Paris. This was a period of “fresh air” for the artists. They were exploring avant-garde culture, art history of XX century, experimenting in conceptual art, and found their inspiration from western representatives. Along the similar lines the first independent art group “Tasdiq” which in translation means “the proof” was formed. Their main focus was contemporary art and philosophy. Even during the very short period of existence members of the group managed to organize exhibitions and bulletin with main theoretical texts. Group stopped functioning because of insecure situation, socio-political problems and economic crisis of that time (Daimi, 2001).

One of the critical events that influenced not only to the cultural scene but the country in general was the war with Armenia over Karabakh region (Abilov & Isayev, 2016). Together with the collapse of communist ideology that lasted in the country for more than seventy years, small country had to face a dreadful war with occupation of twenty percent of its territory by Armenian forces. More than million of refugees moved to Baku without home, money, and facing obscure future. This situation of instability forced artists to quit art and to change their occupations (Daimi, 2001). However despite to all the unfavorable circumstances the art scene kept developing. Another influential group was formed in 1997. “Labyrinth” was a group created by artists with the aim to examine socio-cultural state of that time. Artists were given all necessary freedom to conduct an “art-diagnostics” of the surrounding. Still, with all readiness of the artists to integrate to the already existing Western model, there was no relevant setting for the art market in Azerbaijan. The existing Soviet framework of the support from the state was destroyed and new infrastructure yet not established. Moreover economical crisis and conservatism of the educational system hindered the process. Therefore those little numbers of artists who stayed in this profession would prefer to work with conservative art forms like paintings, sculpture, to name a few (Daimi, 2001).

### Symptoms of the emergence

The contemporary art movements and trends in all post-soviet countries can be grouped and named under the “state of suspension”. After the collapse of the Soviet Union “young” and independent countries were preoccupied with the fix idea to become part of the global society. However, the peripheral societies have not merged with the global system, neither right after the crash of USSR nor decades later. According to Daimi (2017), isolated countries faced the realities of the double standards of the global world, and even today play a role of a bumper between post-soviet countries (CIS, Commonwealth of Independent States) and the rest of the world. The reason of this isolation is that during the seventy-four years of the Soviet regime prevailing art direction was socialist realism (Daimi, 2017).

However, in the beginning of the third millennium situation with the local art scene has changed significantly. One of the first steps was creation of a group of young artists of the new generation, “Wings of time”. Artists with fresh and unique mindset started a third wave of the contemporary art in Azerbaijan. Since 2000 the art scene in Azerbaijan had a positive upheaval. In 2003 Azerbaijan launched the first local biennial of contemporary art called Aluminum under the patronage of the Ministry of Culture and Tourism and launch of a private commercial contemporary art gallery Gazelli Art House. The integral idea was to attract artists, art critics and curators from all over the world to Azerbaijan and to develop local contemporary art scene. 52<sup>nd</sup> Venice Biennale in 2007 was one of the first steps to show the Azerbaijani contemporary art abroad ([www.culturepartnership.eu](http://www.culturepartnership.eu)). Venice Biennale, together with other main art events in the country was supported by the Ministry of Culture and Tourism.

The fourth and the most recent blast of the local contemporary art market was in 2011 with the launch of the first contemporary art organization and opening of the designed by Zaha Hadid Architects cultural center in 2012. In the same year Christie`s made its first attempt to delve into the emerging Azerbaijani art market with the pre-dinner preview of works from its upcoming sales in New York, London and Dubai. The exhibition showed works by the famous artists like Warhol, Hirst, Richter, and Picasso. At the same time Heydar Aliyev Foundation was promoting Azerbaijani art and artists overseas. One of the projects was “Fly to Baku: Contemporary Art from Azerbaijan” travelling exhibition, curated by internationally known art curator (Adam,

2014). Five years ago Baku municipality started developing the industrial part of the city boulevard with a goal to turn it into a cultural promenade (museum cluster) and gave away a shipyard building for creating an art center there. This is how YARAT Contemporary Art Organization found its home.<sup>7</sup>

#### The role of the state

The role of the state in the development of the art markets can be evaluated by the examination of two aspects: the local art institutions, which can give definition to the contemporary art, and by means of the structure of the tax system, import and export regulations. As it was already mentioned public institutions have the authority to legitimize the art selected by commercial galleries and dealers, by exhibiting or purchasing them (Robertson, 2005). Today there is only one public contemporary art museum in Azerbaijan, which is Heydar Aliyev Center in Baku. However there are no published reports neither with the annual budgets of the center nor details about purchases and permanent collection.

When it comes to the tax regulations in Azerbaijan the state is not hindering the process of the art trade. Still there are specific procedures for export and import, which requires a certificate from the Ministry of Culture and Tourism. There are two kinds of export certificates. One is given when the artwork will be returned back to the country, and another one allows consequent sales. The latter certificate is given after the payment of the state tax, and in case of a sale the income tax (Daimi, 2001).

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<sup>7</sup><http://yarat.az/>

### **3 Methodology**

The following chapter examines the main research methods that were used to explore and to answer the research question of this thesis. The first section will explain why the qualitative research method is relevant for this study, more precisely, how the data collection and data analysis methods are employed. The second section will show sampling methods and the selected sample. And the final section will illustrate the process of analysis and limitations of the research.

#### **3.1 Qualitative Research method**

This thesis makes an attempt to examine how local contexts and cultural globalization influence the emerging Azerbaijan art market. This is an exploratory study based on the fact that there is limited number of research conducted on the Azerbaijani art market. The thesis will explore the current structure of the local art market, its key players and influence of the globalization either as an adoption of the “isomorphic” model or as the reception of peripheral (Azerbaijan) artists on the global art arena. In line with the qualitative nature of the research question that requires from respondents to state their experiences (Bryman,2012), the previous researches examining the role of social contexts as activation mechanisms also employed qualitative approach (Komarova & Velthuis,2018). The main data collection method was in-depth semi-structured video interviews with key players and artists of the Azerbaijani art market and participant observation. Participant observation method helped with specific characteristics. While the in-depth interviews provided me with respondents` perceptions and thoughts about the examined topic, the ethnographic observations, and work experience on the local market for 5 years gave me relevant insight of the physical locations and interviewees (Bryman, 2012). In addition, I employed websites like ArtFacts.net and Artsy.Com, in order to find reliable data on the main artistic institutions and artists that were selected as interviewees. Moreover, I applied to the official websites of organizations and galleries. Since the market is young and underdeveloped the main focus of the research was on capital city Baku where the main art market players are located.

In order to collect data I arranged 12 in-depth video interviews in a period from March-April, 2019. I have visited Azerbaijan once in the period December 20<sup>th</sup> until

January 10<sup>th</sup> in which I had meetings with all respondents and checked the locations and ongoing shows. I have met with three gallery owners, director of the biggest contemporary art organization, two curators, one art critic and writer, and five contemporary art artists of different age group. However, since one of the directions of my research is visibility of the Azerbaijani artists on the global art scene, only relatively popular (recognized) artists were interviewed. Since I was working for the contemporary organization Yarat right from the moment of opening, I could get in contact with the managing staff, and get in contact with the needed artists.

In regards to the previous researches the influence of the local contexts can be examined in two directions: market structure and coexistence with the old, and the adoption of the Western model (Kharchenkova et al.,2015; Vethuis 2005). Therefore, during the in-depth interviews I tried to find out more about their experience in the young market, and who are the main legitimization and development institutions on the market. In the process of creation the interview guideline I draw on guidelines for the following categories: Artists, Art Institutions, Galleries, Curators, Art Critics. Even though artists are not the integral focus of this study, interviews with them helped me to build more transparent and honest responses. Furthermore, 3 out of 5 interviewed artists are also managing art platforms and alternative spaces.

All interviews started with the introductory topics and general questions how do they perceive the local art scene and influence of the soviet system. Consequent questions were more related to the local audience and education system. And lastly all respondents were asked about western art model, and how the local art scene adopted it.

In total I interviewed 12 respondents, on average an interview lasted 50-60 min. Before each interview I asked the respondents which language is more comfortable for them. Only two out of twelve respondents agreed on English, instead of Azeri or Russian.

### 3.2 Sampling

In conducting the sampling I applied a purposive sampling method that is relevant for qualitative research (Bryaman, 2012). I tried to create a sample that will include intermediaries either from institutional or commercial side of the market (Van Hest, 2012).

Occupation	N
Art Institutions: Yarat Contemporary Art Organization Heydar Aliyev Center	2
Galleries Gazelli Art House (Baku, London) Yay Gallery (Baku) Q Gallery (Baku, Berlin)	3
Artists and Managers Sitara Ibrahimova Farid Rasulov Ramal Kazim Butunay Haqverdiyev Babi Badalov	5
Curators and Art critics Sabina Shikhlinkaya Asmer Abdullayeva Teymur Daimi	3

Due to time limitations and small size of the emerging market I decided to focus on the biggest and most recognized art institutions and galleries. The main criteria in selecting a gallery were work with contemporary artists and art, and participation on international art fairs. However interviews with the artists were also helpful as most of them are also running non-profit art platforms and alternative spaces. All of them participated at least in one international art event and is recognized on the local art scene. Furthermore, it enhanced my understanding of their reception and acceptance on the global art scene. While curators and art critics gave me more analytical and historical background of the emergence of the art market.

### **3.3 Data Analysis**

The screen-recorded interviews were transcribed verbatim, translated into English and examined through techniques distinguished by Nowell, White and Moules (2017). The process of coding started during the interviews and notes on repeating patterns (memo writing) were taken, in a form of Microsoft Word comments, and vivo coding, where the exact word or phrase can serve as a code. Coding is an evaluation of patterns, similarities and relationships (Saldana, 2009). After the interviews were transcribed the second part of coding process started. The important and the most frequent patterns were highlighted in different bright colors. Consequently the codes were placed on excel sheet in order to see the frequency of codes. The final part was selection of the most important codes (Theron, 2015). These coding created several categories and themes. Such as “state support”, or “western influence “

Considering that reliability and validity are necessary criteria in quality of either quantitative or qualitative research, in order to establish the reliability of the results chapter I employed triangulation, which allowed me to use several methods and sources at the same time. In regards to validity, all 12 authorized the results that are published in this study (Bryman, 2012). Furthermore, in line with the triangulation, the presence of translated interview transcripts approves dependability of this research. In frames of this research I triangulated the qualitative interviews by applying the participant observation (Bryman, 2012). Moreover, I used my ethnographic observations that were collected during my work for the biggest contemporary art organization and interviewed different actors of the emerging art market (Bryman, 2012). Overall ambition of this research is mapping of the current art market

environment in Azerbaijan based on the in-depth interviews and ethnographic observations, furthermore to examine the past, present and future of the market.

### **3.4 Limitations and Further research**

The main limitations of this study start from the nature of qualitative research. Since the qualitative findings rely upon an individual opinion of respondents, the results were gathered based on the in-depth interviews and process of induction (Byaman, 2012). Furthermore, due to the time constraints and overall scope of this research, I was able to travel to Azerbaijan (Baku) only once, and interview a restricted number of interviewees.

In regards to future research, it would be useful to employ a quantitative approach for further investigation of the visibility of Azerbaijani art and artists on global art events and museums. In addition, a bigger sample, with more actors that are based outside of Azerbaijan would bring more insight into the current improvement of the young art market.

## **4 Results**

The following chapter illustrates the integral findings of this research. This chapter will present how the local contexts influence the young market and will make an attempt to explore the impact of the globalization on the local model and the reception of Azerbaijani artists on the international art scene. The impact of the local contexts was examined in two directions: local infrastructure and key activation mechanisms (Kharchenkova et al., 2015; Komarova & Velthuis, 2018).

Meantime, the influence of globalization was examined through the framework of central-peripheral, network, reception and cultural policy theories (Van Hest, 2012).

### **4.1 Azerbaijan art market model**

According to Komarova and Velthuis (2018), local contexts that vary in different countries can force the emergence of the art market. However, at the same time, the existing system is hindering the adoption process of the western contemporary art model. Consequently, the adoption happens with deformations and resistance as a result of complicated pre-existing traditions (Kharchenkova et al., 2015; Komarova & Velthuis, 2018). In the examination of the Azerbaijani art market model, the central points were its evolution, key players and the influence of the cultural globalization, either from the point of adoption of the dominant model, or the reception of local artists on the international art scene.

#### **4.1.1 Past and Present**

The emergence of the art market in Azerbaijan, a small country that is located at the crossroads of Europe and Asia is relatively new. Even though there is no valid data on the first developments of the commercial market, according to interviewees the main significant transformations on the local art scene happened in 2000, with the turn of the millennium.

“If you think of contemporary art as an ‘art of today’, I think the artworks produced in the 2000s by artists active in that decade are relevant. On an international level, as it is today, I think the contemporary art of Azerbaijan only came into the picture almost 10 years ago with Fly To Baku exhibitions and Venice Biennale national pavilion that introduced a number of contemporary artists.” (Gallery 1, p.34)

However, the integral actions in the development of contemporary art were in 2011, with the establishment of the first non-profit contemporary art organization. Yarat Contemporary Art Space gathered together the artists that were part of the third "boom" of contemporary art in Azerbaijan, and were members of the independent artistic association "Wings of time", as it was described in the literature review (see 2.3.2). Throughout the following years, another player that legitimize contemporary art in the country emerged. The leading role has the Zaha-Hadid designed Heydar Aliyev Center (2012), several commercial galleries, such as Yay Gallery, Gazelli Art House, and Artwin Gallery, and various artists-run spaces and platforms.

One of the main catalysts of the art market is the socio-economic position of the country. The economic situation is one of the criteria for the evolution of the art market, and it is particularly typical for the emerging art markets (Komarova & Velthuis 2018). It was mentioned by several interviewees that the economic development significantly influenced the development of the contemporary art scene.

"In 2005 after the launch of the oil pipeline "Baku-Tbilisi-Ceyhan" Azerbaijan experienced a significant economic boost. What in turn increased the number of people able to collect and support art to some extent" (Curator: Asmer Abdullayeva, p.29)

The emerging art market of Azerbaijan, similar to the emerging art market in Russia (Kharchenkova et al., 2015), has a connection (co-existence) of old (Soviet model) and new (western model) within the art institutions and practices. There is still official art organization in Baku, the Artists Union, moreover, most of the interviewed artists are still members of this union. The former role of the Artists Union was similar in all Soviet countries. It used to be the main powerful artistic organization influencing the visual art scene. The union was providing artists with financial support, free studios, houses, cars, and even summer vacations. The union was supporting artists either in their career development or other everyday issues. However, it also restricted the freedom of the artists. Art trade was not "legal", and artworks were mainly given as a gift to employees and organizations related to the state. In modern Azerbaijan, similar to the situation in Russia the union is functioning mainly as a "charity" organization. The Artists Union is marginally involved in art sales and absolutely not involved in pricing, furthermore, the export certificate is released by the Ministry of Culture and Tourism sidestepping the Union. Furthermore, by presidential decree all

property that previously belonged to the Union is now under the ownership of the artists.

*" Today the Artists Union is nothing more than a decoration. The union has its own building and members, but no one knows how and why it functions." (Artist and Art Critic: Teymur Daimi, p.27)*

Still, few of the interviewed artists mentioned that sometimes they receive financial support from the Artists Union, however it is disorganized and sporadic.

*"I wish it would not exist at all. Even though sometimes they pay me money and organize an exhibition for me. Sometimes they provide artists with scholarships. However, they never control what you do with the given money (laughing). They are harmless, and at the same time absolutely useless." (Artist: Butunay Haqverdiyev, p.4)*

Most of the interviewed artists (some of the interviewed curators and art critics are also artists) are still members of the artists union. They mentioned that they are part of it by inertia. However, young artists find this organization outdated and are not even trying to be part of it. Since the artists union of Azerbaijan is not one of the main interests of this study the data collected about this organization is limited. Nevertheless, interviews with 7 artists and curators presented enough information to evaluate that current OAO's in Azerbaijan do not compete with recently established contemporary art institutions and commercial galleries.

This section examined the co-existence of the Soviet organizations and practices with new system and actors (Kharchenkova et al., 2015). The following section will examine the immature infrastructure, more precisely underdeveloped level of art education that increases the uncertainty in validation mechanism of contemporary art market (Arora & Vermeulen, 2012; Velthuis & Brandellero, 2018).

#### **4.1.2 Limited Infrastructure**

With the turn of the millennium political scene of the post-soviet states has significantly changed. Even though authoritarian regime fail and countries retrieved their independence, it was complicated for them to adjust to the neo-liberal western values. However, the ruling authorities understood the importance of the contemporary

art scene and perceived it as a new global trend. Consequently, they tried to adopt the western art system. Yet, the adaptation of the western infrastructure was nothing more than an imitation and had significant deformations (Daimi, 2001). The similar picture is in modern Azerbaijan. The state is substantially supporting the development of the contemporary art scene. This support is expressed either in financial investments or in maintenance with physical infrastructure. The state established relevant institutions, such as contemporary art museums, galleries, public art festivals, and even made an attempt to conduct contemporary art biennial. Moreover, according to several interviewed artists, next year the state is launching the first contemporary art fair “Art Baku”. However, the contemporary art market from the point of sociocultural and economic standards is still “secondary” and local infrastructure is young and underdeveloped. There is an existential gap between Azerbaijani artist and “central” contemporary art system. Even though artists by their professionalism and understanding of the contemporary surrounding are not behind from their western colleagues, the outdated education system and lack of art critics and curators put them on a secondary position. One of the indicators is that most of the artists who immigrated could build a successful artistic career abroad.

*"After the collapse of the Soviet Union, a lot of Azerbaijani artists immigrated and built a successful career overseas. For example artists like Babi Badalov who lives in France or Aga Ousseinov who is based in New York" (Art Critic: Teymur Daimi, p.28)*

Another indicator of the underdeveloped market is the insufficient number of contemporary art galleries in Baku. Most of the respondents commented that some gallery owners are interested to work with contemporary art, however due to the lack of the interest from the audience and poor database of collectors it is not profitable. Consequently, the galleries and artists prefer to work with traditional art.

*"The art market is not developing because there is a little number of contemporary art galleries. There is a little number of contemporary art galleries because there is no demand. The audience is indifferent to contemporary art. The audience is indifferent to contemporary art because there is no relevant art education*

*and lack of public programs. Commercial art market-Education-Audience... It's a vicious circle"* (Curator: Sabina Shikhlinskaya, p.8)

The education system is another connection with the old, or co-existence with the Soviet model (Kharchenkova et al., 2015). As it was distinguished by Robertson (2005) art education system is one more criterion that stimulates the emergence of the art market (Robertson, 2005). In line with the expectations introduced in the theoretical framework art education in Azerbaijan is underdeveloped and is built upon St. Petersburg Academy of the art of the 19<sup>th</sup> century. Even though the situation with contemporary art has significantly changed in 2011, with the launch of YARAT contemporary art organization, still there is no long-term education within this field in the country. The only possible way of studying contemporary art is short courses. Moreover, since the education of contemporary art differs from academic school, it is not accepted by the State Academy of Art. Therefore, the new educational system cannot integrate until it is under control of the old management.

*"It took 10 years of my life I different art in residency programs. I spent this time building a network, and progressing the "right" vision."* (Artist and curator: Sabina Shikhlinskaya, p.9)

In addition, all 12 respondents mentioned that as a young market in line with embryonic infrastructure, there is a lack of experts such as art critics and curators.

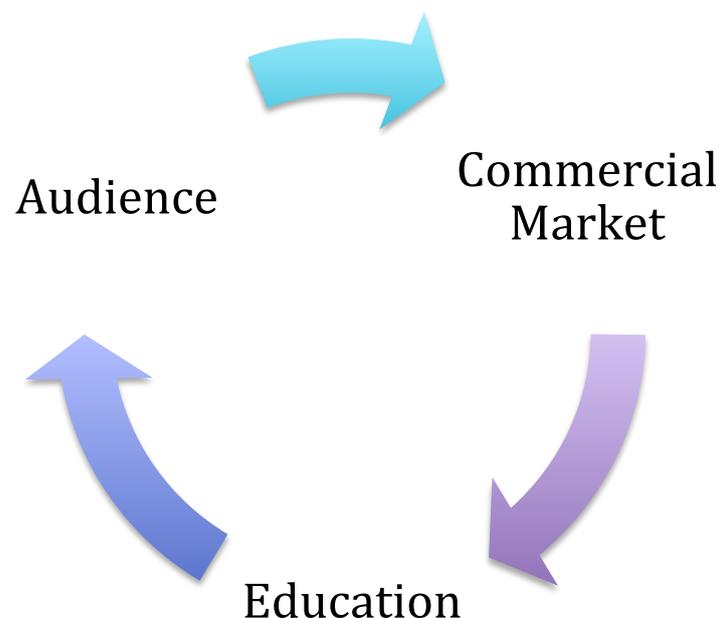
*"There is a lack of quality control nowadays. There is no organization in Azerbaijan that would make a definition of contemporary art and provide "healthy criticism"... A limited number of art critics."* (Artist: Sitara Ibrahimova, p.12)

According to Arora and Vermeulen (2012), a number of experts and gatekeepers influence to the level of uncertainty of the local art market. Consequently, the level of uncertainty within the emerging art market is relatively high.

The last element of the vicious circle is the audience. Since artists depend on the appreciation of the audience (Becker, 1982), it is important to develop an understanding of contemporary art. Almost all respondents mentioned that the audience is conservative, and prefers traditional art forms. Photography, video art, and performance is not popular among collectors and viewers. For that reason, there are more galleries that display traditional (realistic art), moreover even contemporary art

artists try to employ traditional art forms, such as carpet ornaments, or folk patterns in their artworks. Artists are still afraid to experiment and to challenge the public. A lot of social problems are not being discussed or employed in their artworks, consequently, this kind of art stays underground. Accordingly, position of the local collectors is also ambivalent.

In conclusion of this section, the presented findings illustrate the co-existence of new foundations with older organizations and practices. Furthermore, based on the results the limited infrastructure slows down the development of the contemporary art scene. One of the respondents characterized it as a vicious circle, indicating the interdependence of education, audience and commercial side of the art market.



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#### **4.2 Key players and Influence of the “West”**

This chapter will draw upon the key players on the Azerbaijani art market and illustrate the influence of the Western (dominant) model. Either institutional or commercial sides of the market will be examined in order to evaluate the main

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<sup>8</sup> Construct of the researcher.

activation mechanism of the local art scene and the power of the “central” model over the “peripheral” model (Van Hest, 2012, Crane 2002).

#### **4.2.1 Contemporary art organization (Institutional side)**

Alike to the art market in Brazil, the development of the art market in Azerbaijan started with the launch of consecrating art institutions. While in Brazil this activity was supported by wealthy capitalists, in Azerbaijan the fundamental support comes from the state (Brandellero, 2015). According to all 12 respondents, the leading institutions that legitimize (define) and develop contemporary art are Heydar Aliyev Center and Yarat Contemporary Art Space. Heydar Aliyev Center is a large-scale architectural masterpiece by Zaha Hadid in the center of Baku, which is hosting exhibitions of outstanding contemporary artists. Along with Yarat, the first contemporary art organization, ([www.yarat.az](http://www.yarat.az)) that is based in a 2000 sqm transformed Soviet-era naval building. The organization is not-for-profit and non-governmental, however, it receives support from the state in the form of exhibition spaces, decommissioned buildings, and technical assistance. According to the respondents and head of the education department of YARAT, one of the main objectives of the institution is education.

*“YARAT Contemporary Art Space was founded in 2011 by the artist Aida Mahmudova and, right from the start, the organization was committed to support contemporary art scene in Azerbaijan both nationally and internationally...The organization realizes its mission through a vibrant program of cutting edge exhibitions and stimulating educational and other art events. Our organization consists of the Center, Artim Project Space, and YARAT studios.” (Contemporary art organization,p.48)*

In addition, the state is developing the whole harbor on Baku Boulevard into a museum district, with the number of cultural institutions and vibrant museums. Next, to Yarat there are other enormous museums, Museum of Azerbaijani Painting of XX-XXI Centuries and designed by Austrian architect Franz Yantis a Carpet Museum. Furthermore, the state is stimulating the employment and renovation of the old constructions.

*"In the last 5 years, artists and curators became more inclined to employ non-traditional and derelict spaces (abandoned houses, factories, and even former churches). Some small artist-run spaces are seen as cultural hubs and have developed a lasting presence in the community. Some are financed by private sponsors, others have formed partnerships with Embassies and European institutions who are active in the art sector e.g. EU, European Delegation, Goethe Institute." (Contemporary art organization,p.49)*

Similar to the case of Brazil, in the setting up of Yarat, the founders relied on the knowledge and experience from the "West". Belgian curator Bjorn Geldhof was invited to run the space, and various international advisors helped to build the collection (Brandellero, 2015).

Another important role of the contemporary art institution is education. The education system can be grouped in the following categories: the education of the audience, education of the artists, and documentation. Yarat partially fulfills the education role of the country, but it does not arrange long-term programs. It conducts public programs, workshops and master-classes, lectures, and artist in residencies programs.

*“A contemporary art organization is instrumental in connecting the public to the artists, showcasing a wide range of thought-provoking works and educating the audience.” (Contemporary art organization,p.50)*

Education of the artists comes first, Artim project space is part of the organization, platform that was founded to encourage the emerging artists, and provide young artists with curatorial expertise and arrange their first public exhibition. Since in post-soviet Azerbaijan, similar to many other CIS countries, the State Art Academy is focused on academic art (Kharchenkova et al., 2015), the organization is the only platform that provides art education within the contemporary art field. Furthermore, Yarat opened studios for local and international artists, to push the boundaries of contemporary art and make collaborations with international institutions.

*“Yes. We have successful collaborations with international institutions, for example, “Cittadellarte - Fondazione Pistoletto” that runs artist residency and accepts artists, musicians, and filmmakers from all over the world.” (Contemporary art organization,p.50)*



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<sup>9</sup> Heydar Aliyev Cultural Center

As for the education of the audience, Yarat conducts various public programs, such as public art festivals, with art installations that are located in various hidden parts of the city, even in the courtyards of the residential buildings. Moreover, admission to all exhibitions and events organized by Yarat is free for the public. According to a big number of respondents and personal observations for a long period of time either because of the socio-economic changes or historical background there was no proper system of documentation and archiving. Art critic Teymur Daimi explained it with the constant change of the alphabet in the country.

*"Within one century the alphabet in Azerbaijan has been changed four times. From Arabic to Latin, From Latin to Cyrillic and from Cyrillic back to Latin which is the main script in the country today." (Art Critic: Teymur Daimi, p.27)*

That had a significant influence on all documentation processes and mindset. One of the interviewed artists Sitara Ibrahimova launched a new platform ([www.varyox.az](http://www.varyox.az)) that is responsible for documenting the cultural life in Azerbaijan in Azerbaijani and English languages.

*"It may sound insignificant, or one can think art is art, language is language, but in fact, people perceive the world through the language they speak. When it comes to Azerbaijan people are still confused." (Artist: Sitara Ibrahimova, p.14)*

Furthermore, after the interviews with 12 respondents that work and create within the contemporary art system, I have observed that institutional side of the market is the main power in the reputation building system of the artist on a local level. Art institutions and museums are the key figures to legitimize the artworks and the artists (Becker,1982), and in the case of Azerbaijan, the state is also actively involved. The first local biennale of contemporary art in Azerbaijan was launched and supported by the Ministry of Culture and Tourism. The five-day biennial has started in 2003 and was conducted five times. Unfortunately, it was conducted sporadically and not properly organized. Last Biennale, or last attempt to organize local biennale was in 2012, with the participation of 50 artists from 17 countries. Even though the organization of the Biennale was similar to the western model by its structure, with the chief curator, coordinator and various secondary events, still there was a significant influence of the elements of the local contexts. According to Van Hest (2012)

Biennale is one of the symbols of internationalization, however, in Azerbaijan, it turned out to be more as an art festival. Furthermore, it doesn't respond to the characteristics distinguished by (Khaire, 2015) such as independence and expertise. Biennale was not independent financially, and low level of contemporary art education of the audience and lack of art experts blocked the process of fundraising.

To sum up this section the key activation mechanisms on the local market are the art institutions and the state. Still, in accordance with the respondents, the role of the state in the development of the Azerbaijani art market is not univocal. It has a great impact on the development of physical infrastructure, and financial support of the leading projects, however, artists also mentioned lack of individual funding such as scholarships and stipend and lack of support of the contemporary art education. One of the curators mentioned that either financial or administrative planning is mostly random and sporadic, and that is one of the main reasons why some art events such as the biennial were canceled. Consequently, the art market is developing on and off.



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<sup>10</sup> Construct of the researcher.

#### 4.2.2 Contemporary art galleries (Market side)

Another key players of the art market are the contemporary art galleries. The number of contemporary art galleries in Azerbaijan is still low. As it was explored in the previous section the leading role belongs to the “institutional side” of the market and the infrastructure for the commercial market is limited. The contemporary art galleries were examined from the angle of the adoption of the western model in their work. Within the framework of center-periphery theory, the contemporary art system is dominated by a little number of "central" actors and its model is isomorphic (Velthuis 2005; Van Hest, 2012). The following distinctions were examined to evaluate the main differences and similarities between Azerbaijan and Western model: relationship with the local and international artists and collectors, promotion of the artists, and cooperation with other actors of the art scene. Since I have visited all the interviewed galleries several times, in addition to the empirical data, I could draw upon my personal experience and ethnographic observations.

The interviewed galleries are the biggest contemporary art galleries in the local market. In most cases the gallery owners decided to launch a gallery in terms of continuity and Bourdieusian terms (Komarova & Velthuis, 2018), very much alike as a situation in India, the gallery owners are family members of well-known artists or representatives of the wealthy class. But at the same time, mostly contemporary art galleries in Azerbaijan try to position themselves as "alternative spaces" and not be part of the state art system or wealthy "elite". Similar to the interviewed artists, galleries are also more interested in being successful in the international market. However, only one gallery, Gazelli Art House has achieved recognition on the international level, moreover is representing recognized international contemporary artists in Azerbaijan.

*"One of our main roles in the developing of the local commercial art scene is by bringing international artists to Baku. Their works are accessible for local collectors. However, the biggest portion of sales is done by international collectors"* (Gallery 1, p.37).

Also, not all galleries are financially sustainable. And most of the galleries that are working with contemporary art are constantly looking for support from the state or

private individuals. The gallery representatives explain it as a limited number of contemporary art collectors. The audience prefers traditional and realistic art. In line with the literature review when it comes to the selection process of the artists, galleries position themselves more as “supporters”, and try to expand their cultural meaning instead of commercial values (Velthuis, 2005).

*“We select artists by understanding if we can increase their exposure, add value to their careers... Our main mission is to provide an independent platform to artists from various backgrounds and nationalities and enable them to engage with a wider audience.”* (Gallery 1, p.35).

When it comes to business relationships, such as contracts with the artists the situation becomes less transparent. Galleries that work with international artists, in other words with a more "western" approach, mentioned that they have representational and consignment agreements. However, commonly galleries on the local market have sort of gentlemen agreements with the artists. This way of doing is comfortable for the galleries, yet unpleasant for the artists. 4 out of 5 artists responded that they would prefer formal contracts.

*“I do work with the local gallery. And I don't have any contract with this gallery. Only a Handshake ... (laughing) I am absolutely free to work with other galleries, sometimes I am not allowed to sell some of my works, that were represented, or will be represented by the gallery. I would be happy to work with contracts, but it doesn't function on the local market. Normally, 30% of the price of the artwork stays with the gallery. For other commissioned projects I receive half of the budget to create and then if they like it they pay me the rest. (Laughing)”* (Artist: Butunay Haqverdiyev, p 3)

Furthermore, in general artists do not see the added value of working with the local galleries. They try to work with international galleries or sell their artworks directly from the studio.

*“When the country retrieved its independence in 1991 there were no commercial galleries in Baku yet, and artists were selling mainly from their studios. Consequently even today most of the artists don't see advantages of working with the galleries, and prefer to sell directly, so do I...”* (Artist: Farid Rasulov, p. 17 )

Likewise is the situation with the cooperation between the gallery and other players of the art market. All interviewed galleries responded positively, however, they do not have a specific system or internal curators. In regards to work with collectors, respondents gave evasive answers and tried to keep this part confidential. Still, all 3 interviewed galleries specified that they are "picky" in choosing the right collectors and sometimes, even refuse to sell the artwork (Velthuis, 2005).

*"I am extremely meticulous in building my relationships with collectors. I'm an active member of ICOM Azerbaijan as well as I'm the Artistic Advisor of the Heydar Aliyev Foundation and Heydar Aliyev Center. Beyond that, I am trying to have strong connections with existing collectors. Yes, but sometimes we refuse to sell artwork. The reasons can be different, but normally it is when the offer is too low or we want to place the work in a specific collection"* (Gallery 2,p.41)

One of the main promotion tools that all the interviewed galleries are using is participation in the art fairs. Generally, the selection of the art fairs is based on the existing geographical location. According to my observations and interviewees, the local galleries participate in the art fairs conducted in the UAE, Russia, Turkey, to name a few. All three interviewed galleries indicated their personal experience with the art fairs.

*"For promoting our artists we are keeping up with consistent exhibition programs, work with curators and the most important art fairs. We participate in the art fairs 3-4 times a year. Yes, it helps to build on the reputation"* (Gallery 1,p.36)

*"Q Gallery promotes artists also by inviting them to participate in different art projects, art fairs and biennials. For example, From Waste to Art International Festival, Fly to Baku International Travelling Exhibition, Live Life International Art Exhibition, Tbilisi Art Fair (TAF), to name a few. And since 2013, as curator of the Heydar Aliyev Foundation that is financing almost all major art projects, we are selecting and representing artists in Venice Biennale on the national pavilion "* (Gallery 2.p.42)

*"Art Dubai 2012 was the first time we participated in the international art fair. We represented 6 artists. It was extremely helpful in building their reputation, and we sold almost 70% of the exhibited artworks."*(Gallery 3, p.47)

In addition according to Velthuis (2005) galleries follow the White Cube model in their design and architecture and locate their galleries in the peripheral locations (Velthuis, 2005). However, in Baku local galleries tend to apply different design and architecture, furthermore all recognized galleries are located in central (touristic) parts of the city.



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In conclusion, this section displayed the processes that influenced the launch of contemporary art galleries. Furthermore, it evaluated the impact of the local contexts such as co-existence with old practices, and limited infrastructure on the difference between Azerbaijan and western market model.

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<sup>11</sup> Yay Gallery

### 4.3 Global presence

In this section, the visibility of Azerbaijani art and artists in the global contemporary art world will be studied in three stages. The first stage consists of various types of art events: temporary exhibitions in museums and art centers, biennials and art fairs. The second section will illustrate the artist in residency programs. And the final stage will examine the visibility of the Azerbaijani artists by means of independent Internet platforms. The two essential art events, art fairs, and biennials will be examined as platforms for the development and introduction of the peripheral part. As a result of an immature level of these events on the local art scene, the focus of this chapter is on international art fairs and biennials (Van Hest, 2012). The key question of this chapter is the influence of the processes of globalization on the emerging markets and reception of the Azerbaijani art market on the global arena. However, due to the limitations of this research, the results were collected only through qualitative in-depth interviews and ethnographic observations.

According to all 12 respondents, Art Fairs and Biennials are the main ways to exhibit and promote local artists. Since 2003 Azerbaijan regularly participates on Venice Biennale and represents local artists either on the national pavilion or as a collateral event coordinated by non-profit organizations, such as YARAT. In line with the interviewed artists, participation at Venice Biennale increases the perception and understanding of the Azerbaijani contemporary art on an international level. The next important art events after Venice Biennale that were mentioned by respondents are Documenta in Kassel and Istanbul Biennial. When it comes to the art fairs, for the last couple years Azerbaijani artists are being represented by local and international galleries on recognized art fairs such as Contemporary Istanbul, Art Paris, Vienna Art Fair, Art Dubai to name a few. Appearance on the international market is important either for artists or galleries. Similar to the artists and art institutions from Brazil (Brandellero & Velthuis, 2018), local art organizations do not convert to the internationally recognized signal of worth, therefore, for both sides global presence is important. Participation of Azerbaijani artists on temporary exhibitions in leading museums and contemporary art institutions in Paris, London, New York and Berlin to name a few, addresses the presence of peripheral artists on the global art scene.

As it was stressed earlier biennials and art fairs are considered symptoms of internationalization. The most recognized biennale is La Biennale di Venezia, where a group of curators is inviting relevant artists to participate either as a collateral event or as a model of national representation (Van Hest, 2012). One of the resonant shows was "Love Me Love Me Not" exhibition for the 55<sup>th</sup> Venice Biennale in 2013. The show represented 17 artists from Azerbaijan and its neighboring countries, such as Iran, Turkey, Russia, and Georgia. The idea of the exhibition was to steep into the history and geography of the represented regions and nations. In addition to the presence on biennials, I have also examined the participation of the Azerbaijani artists in the international art fairs. According to the interviewed artists and galleries, the following three art fairs are selected for this research: Art Dubai, Contemporary Istanbul, and Vienna Contemporary. The selection of the art fairs is mainly caused by geographical location or personal connections with the executives of the fair. One of the symbolic performances on the art fair was participation on the Vienna Focus, special presentation in frames of VIENNAFAIR in 2014. Two emerging art markets of Romania and Azerbaijan were in the spotlight. Azerbaijani artists examined the accelerated urban and social developments in Baku through the paradigm of poor districts. Furthermore, young artists participate in smaller art fairs, such as START at Saatchi Gallery or recently established TAF in Tbilisi.

However, not many Azerbaijani artists are represented by international galleries and museums. One of the most successful artists is Faig Ahmed who constructs subversions of traditional carpet. Faig had exhibitions in famous museums in Europe and the USA. Among them are Victoria and Albert Museum in London, where he was nominated to Jameel Prize. Today he is working exclusively with international galleries and prices on his carpet installations increased significantly within the last 5 years. The current price range for his artworks is around \$50,000 (Artsy.Net). Another successful artist is Farid Rasulov he obtained his education in the USA and now works with local and international galleries. Similar to Faig he constantly applies to traditional motives and pattern in his artworks. This year he was represented at Art Dubai 2019 by two international galleries at the same time. He has put forward the importance to travel and create new networks as the main argument of his artistic success. One more artist who gained popularity among the international audience is Rashad Alakbarov. He was represented in various prominent European

museums among them are Kunsthistorisches Museum in Vienna and De Pury Gallery in London. He works with massive shadow installations with the employment of recycled objects and light.

One of the significant observations during the interview process was that there are differences in perception of the local art scene between the artists who are based in Azerbaijan and overseas. One of the significant observations is that the perception of the local art scene is different for the artists who live and work outside of Azerbaijan. One of the interviewed Paris-based successful Azerbaijani artists Babi Badalov emphasized that the situation with Azerbaijani contemporary artists is disappointing. He mentioned that in order to obtain visibility and interest of the international audience, artists are constantly trying to connect their artworks with traditional concepts and patterns. Whereas for the development of the art scene and taste formation artists should touch real social issues and challenge the audience. Babi works with different medium, but mainly his works contain manipulated pictures and linguistic research.

Another practice of integration to the international art market is the artist in the residency program. In regards to the interviewed artists and curators due to the lack of education and experts on the local art scene, the residency programs are integral ways of professional development. Artists can apply to the residency programs independently or with support of local organizations that collaborate with international institutions. In line with the interviewed artists and head of education programs at YARAT, I have applied two institutions that have long-lasting collaboration with Azerbaijani artists: Cittadellarte - Fondazione Pistoletto and Delfina Foundation. Moreover, in some cases, participation in exhibitions is also related to artist-in-residency programs. Some artists mentioned that they were noticed and invited after the residency programs.

The final stage of this chapter explores the impact of Internet platforms on the presence of Azerbaijani artists. Furthermore, previously distinguished opportunities to some extent depend on a selection and approval of the local gatekeepers and experts. The Internet has recently been perceived as a global marketplace for all sorts of goods, even artworks, moreover it excludes reliance on authorities. In addition, it is

anticipated that eventually, e-commerce will invade into the art world as well (Khaire, 2015). According to interviewed artists Internet platforms are considered to be modern independent platforms for art sales and promotion. One of the interviewed artists made a joke that his career plan is to develop his Instagram page. 3 out of 5 interviewed artists mentioned that they use online platforms to reach potential international buyers.

*"Now I am trying to promote my Instagram to reach an international audience. It is very hard to keep doing the art you really want and to stay interesting for the local audience. Local collectors like more realistic art. And it is very hard to find balance."* (Artist: Butunay Haqverditev,p.6).

*"Unlike many European and Asian countries, Azerbaijan doesn't have a long and deeply rooted history of art collecting, but we hope to see more local collectors coming into the market soon. The biggest challenge is to build a community of young and educated people, the right audience who are learning very rapidly about art by traveling and seeing the art world...This process is not finalized yet, Also a lot of people find it easier to access and collect art online."* (Contemporary art organization: YARAT, p.51)

In conclusion to this chapter, the presented data point towards the elements that activate the visibility of Azerbaijani artists on the global art scene. Due to the disadvantaged position of the local contemporary art scene, the international presence and recognition are important for all actors. Even though the global art market today is internationally oriented and the major art events are open for peripheral countries, still the number of "western" artists is leading and territorial factors remain important. The respondents have stated the importance of biennials and art fairs that do not depend on geographical location. Along the similar lines, interviewees mentioned the significance of recognized galleries and museums that are involving the represented artist into the global art market. A final argument is that today artists have more opportunities to travel and have free access to the Internet. The above-mentioned arguments are signaling the possible opportunities for peripheral markets, however, my examination and interviews revealed that territorial factors such as nationality and geographical position still have an impact on the presence of the artists on the international art market.



## 5 Conclusion

For a long period of time, the contemporary art market was dominated by western art and artists. This domination was characterized in concentration of the key art events in the central locations and a significantly higher number of western artists. However, lately, the idea of globalization has become common also for the visual arts. Consequently, today art from periphery is also part of the global art market. As a result of cultural globalization there are two main approaches that are employed in examination of this research. The first approach is that the art market model is isomorphic, and is employed by emerging markets as a prevalent model (Velthuis, 2005), and the second concept is the insufficient visibility of the peripheral artists (Van Hest, 2012; Brandellero & Velthuis, 2018). Along the similar lines, the main objectives of this thesis were to examine the structure, local contexts and key players of a post-soviet emerging art market of Azerbaijan, with perplexing historical and socio-economic transformations. In addition to investigate the dominance of the western model in the local art market, and the visibility of the local artists on the global art market. This research is relevant as it fills the existing gap in the literature on the emerging art markets in post-soviet (Caucasus) countries.

The question leading this thesis is: **How do the local contexts and processes of cultural globalization influence the emergence of the art market in Azerbaijan?**

My analysis began with an investigation of the local contexts, more precisely the local infrastructure and key art market catalysts. In line with the former researches on emerging art markets, the present study represents how the local contexts influence to the development and structure of the art market (Kharchenkova et al., 2015; Komarova & Velthuis, 2018). In the case of the Azerbaijani art market, the integral force in the development of the contemporary art market is the state. The state is financially supporting all major art events in the country, while small-scale art events receive technical support, such as venues, equipment, advertisement, to name a few. At the same time, the involvement of the state correlates with the economic status of the country (Komarova & Velthuis, 2018). Based on my observations and interviews the launch of the oil pipeline (Baku-Tbilisi-Ceyhan) in 2005 influenced the position of the art market, as more people with disposable income, capable to purchase art came

into sight. However, the integral evolution of the contemporary art market has started with the launch of the first contemporary art institution in 2011. Similar to the case of Brazil when consecrating art institutions supported by wealthy industrialists gave a push to the advancement of the market (Brandellero, 2015), in Azerbaijan this first indicator was Yarat Contemporary Art Space. In order to examine the emergence of the young art market through the framework of cultural globalization, I have decided to employ the four theories distinguished by Crane (2002).

Following the interviews and ethnographic observations, we can conclude that Azerbaijan is a peripheral market. I applied center-periphery model distinguished by Crane (2002) to evaluate the dominance the Western market model in the local infrastructure. Examination of the key players of the local art market enabled me observe the differences between the western and the local model. The institutional side of the market is structured and develops based on the western model and the contemporary art organization is the main foundation to legitimize contemporary art in the country. Similar to the case of Brazil (Brandellero, 2015), in setting up both major contemporary art museums in Baku the founders applied the knowledge of international experts. Furthermore, the state has adopted the model of museum cluster, alike to many other central art markets.

However, the commercial side of the market is less transparent and significantly varies from the Western model. Contrary to the isomorphic Western model distinguished by Velthuis (2005), the local contemporary art galleries operate in a different way. One of the main observations is the disregard of official contracts between the gallery and the artist. Local galleries still prefer to have gentlemen agreements. While the artists are practicing the survived Soviet model of art sales from their studios, bypassing the intermediaries. In addition, the galleries are located in touristic areas and are not following the White Cube gallery model in design and architecture. The main similarity with the Western model is that the galleries position themselves more as cultural institutions than commercial spaces and put their primary goal to promote artists locally and internationally.

Even though the development of the contemporary art market is being stimulated by the state and financially supported by the wealthy class, the commercial

side of the market is still underdeveloped. The number of contemporary art galleries is limited and most of them are not making a profit and eventually close. The adoption and adaptation processes are more likely to be an attempt to build a framework, however, the system itself is still relevant only for the western liberal economies and environments. Moreover, the adopted model is being accepted with significant deformations as a result of the influence of the local contexts. Limited infrastructure and underdeveloped education system correlates with the audience that prefers traditional art. And, due to the not fully developed system and lack of art institutions that are valued indicators of worth (Velthuis & Brandellero, 2018), artists are encouraged to obtain their education and experience abroad. However, the situation is not that ambiguous. The peripheral art markets today have more opportunities to grow and integrate into the global art system. The processes of integration were examined within the framework of network and reception theories (Crane,2002).

Crane (2002) distinguished the existence of a multi-directional flow of cultural exchange (Crane,2002). As a result of cultural globalization, the number of art fairs and biennials located in peripheral zones grow every year, as well as the number of contemporary art institutions. Moreover, there is an increase in the visibility of peripheral artists in central art events. Furthermore, today artists from peripheral locations such as Azerbaijan have a chance to become part of the global contemporary art market through online social platforms. Borders within the art world are more transparent, and artists can obtain relevant knowledge and "vision" even being located outside of the "central" art markets. Internet is perceived as an opportunity to demonstrate artworks and increase sales (Khaire, 2015). Moreover, artists can apply for artist-in-residence programs and art shows. However, still the presence in the central contemporary art market relies upon the decision of the gatekeepers. Even though the Azerbaijani artists have nominal access to the global art market, the reception of the local artists on international art fairs and exhibitions is still relatively low. In order to receive the interest from the international audience artists frequently apply to the national motives and patterns. This is obvious in comparison with the artists who immigrated or studied outside of Azerbaijan. Their works are more focused on social or personal issues, without desperate efforts for "winning the public". For the same reason, some art directions such as video art and photography are not developing

in the country. As it was distinguished during the interviews the audience is not ready to pay for photography or video art.

At last, I examined the role of the state in the emergence of the art market. As it was already mentioned the position of the state on the local art scene is dominant and interacts with all major art events in the country. In regards to the international presence, the state is supporting the participation on Venice Biennale, as well as large-scale exhibitions, such as "Fly to Baku" traveling show. On the local art scene, the state is supporting young art platforms and partially artists. In addition, there are no separate taxes for gallery sales and the process of art transactions is essentially simplified.

The examination of the local art scene through the paradigm of cultural globalization theories gave me a vision of the overall picture. My findings suggest that even with the poor database of collectors and underdeveloped infrastructure the art market is developing. Many emerging artists have started to make prints, which are much more affordable for the audience. Even though it doesn't constitute a market, but it disseminates their works and get young people familiar with the idea of collecting. Another indicator of development is the rising number of talented and educated artists from Baku and other big cities. Moreover, organizations like Yarat are doing an essential contribution by educating the public about contemporary. Therefore the market will eventually develop, but it is a matter of time.

The main findings of this research demonstrated that the structure of the examined market is defined by the co-existence of the new actors with the old Soviet model (Kharchenkova et al., 2015). Furthermore, young and limited infrastructure and outdated education system hinder the development processes. The local art institutions do not signal worth on the global art arena, and artists depend on the judgment and appreciation of the western experts. Consequently, local artists still experience their "secondness" on the global art scene and try hard to win the international audience.

In regards to the two key theories employed in this thesis, based on the findings the adoption and adaptation of the western model is not an isomorphic system, on the contrary, it is a unique and complex process that depends on local contexts and activation mechanisms. In accordance with the visibility of the artists,

this research approves the center-periphery model, and visibility of the Azerbaijani artists is still relatively low.

By and large, the art market in Azerbaijan is still in the transitional stage. The linguistic madness created generational rupture and fragmented traditions. In line with the temporality and debated nature of language, vibrant national identity, socio-economic changes, and old system characterize the current art market. At the same time there is considerable number of talented artists, who just need a relevant guidance and organized support. As a conclusion, the future of the market depends on the natural shifts that will happen with the gradual change of the system and growth of the new generation of art critics and curators. This too shall pass...

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## APPENDIX A: Interview Guideline

Type of Questions	Artists	The State	Art Institutions	Commercial Galleries
Introductory questions	Aim: to understand the local contemporary art scene and position of the interviewed actors within this market. (Local contexts)	Aim: to understand the local contemporary art scene and position of the interviewed actors within this market. (Local contexts)	Aim: to understand the local contemporary art scene and position of the interviewed actors within this market. (Local contexts)	Aim: to understand the local contemporary art scene and position of the interviewed actors within this market. (Local contexts)
Organizational questions	Aim: to understand the collaborations between galleries, art institutions and artists.	Aim: to understand the structure of and position of the art organizations related to the state	Aim: to understand how the art institutions function, their structure and adaptation /adoption to the western model	Aim: to understand how the commercial art galleries function. Their structure and adaptation /adoption to the western model
Questions about career development and artistic promotion. (5Ws and H)	Aim: to understand who promotes the artists and how. To understand if the artists want to be presented on a local or international level. Whether they want to stay or leave the country	Aim: to understand how the government promotes/supports the artists	Aim: to understand how they select the represented artists and how do they promote them. To understand if they want to be recognized locally or internationally	Aim: to understand how they select the represented artists and how do they promote them. To understand if they want to be recognized locally or internationally
Questions about audience and education. Vicious Circle	Aim: to understand the local contexts and the co-existence with the old system. Moreover, to examine future opportunities	Aim: to understand the local contexts and the co-existence with the old system. Moreover, to examine future opportunities	Aim: to understand the local contexts and the co-existence with the old system. Moreover, to examine future opportunities	Aim: to understand the local contexts and the co-existence with the old system. Moreover, to examine future opportunities

Collectors	Aim: to explore whether the system of art collecting is developed. Do artists sell more to local or international collectors	Aim: to understand how the state is supporting/promoting art sales.	Aim: to understand how the art organizations and museums attract/stimulate art collectors	Aim: to understand whether the system of art collecting is developed, and how the commercial art galleries attract/stimulate art collectors.
Collaborations among institutional and market side of the art scene.	Aim: to explore the interconnectedness of the institutional and commercial side of the market	Aim: to explore the interconnectedness of the institutional and commercial side of the market	Aim: to explore the interconnectedness of the institutional and commercial side of the market	Aim: to explore the interconnectedness of the institutional and commercial side of the market
Financial structure and Legal aspects	Aim: to explore the processes of agreements with galleries/art institutions	Aim: to explore the overall investments/financial support of the State. Tax incentives, entry/exit certificate for the artworks	Aim: to explore the financial structure and processes of agreements the artists	Aim: to explore the financial structure and processes of agreements the artists
Perceived role in the market	Aim: to understand position of contemporary artists in the emerging art market.	Aim: to explore how the State is involved in the development of the art market and its key actors	Aim: to explore the role of the Contemporary art organizations and museums	Aim: to explore the role of the commercial art galleries.
Impact of the globalization. Reception of the Azerbaijani artists abroad	Aim: to explore the visibility of the local artists. The influence of globalization and art events such as art fairs and biennials.	Aim: to explore the visibility of the local artists. The influence of globalization and art events such as art fairs and biennials.	Aim: to explore the visibility of the local artists. The influence of globalization and art events such as art fairs and biennials.	Aim: to explore the visibility of the local artists. The influence of globalization and art events such as art fairs and biennials.
Key activators of the contemporary art market in Azerbaijan	Aim: to evaluate who is the key activator of the young art market	Aim: to evaluate who is the key activator of the young art market	Aim: to evaluate who is the key activator of the young art market	Aim: to evaluate who is the key activator of the young art market

APPENDIX B: Interviewees

Name	Occupation
Butunay Haqverdiyev	Artist
Sabina Shikhlinskaya	Artist, Curator
Farid Rasulov	Artist, Entrepreneur
Teymur Daimi	Art Critic
Ramal Kazim	Artist
Sitara Ibrahimova	Artist, Founder of the platform VarYox
Asmer Abdullayeva	Curator, Founder of the platform ASMART creative hub
Babi Badalov	Artist
Lana Sokolova (Yay Gallery)	Gallery Manager
Emin Mammadov (Q Gallery Baku; Q Gallery Berlin)	Founder, Chief curator at Heydar Aliyev Center
Mila Askarova (Gazelli Art House Baku/London)	Founder
Ulvia Akhundova (YARAT)	Head of Education Department