

**The Creative Economy and Its Implications for the Brazilian Art Market:
The Case of SP-Arte**

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ABSTRACT

This article examines recent transformations in cultural discourse, particularly concerning issues of the creative economy and its impact on the contemporary Brazilian art market, using SP-Arte as a case study. The analysis highlights the integration of cultural industries into new processes of subordination and assimilation, characterized by the aestheticization of the social sphere. Grounded in a literature review and data analysis, the research explores the concept of the "creative industry" and investigates recent production modes at SP-Arte, emphasizing its "biennialization" features—such as curated sectors and educational functions—and its internationalization strategies. The study examines the interrelation between culture and economy, contributing to a deeper understanding of the transformations within the contemporary art market and cultural policies in Brazil. Additionally, the article underscores challenges related to the exclusion of smaller agents and the gentrification of urban spaces that host services and businesses tied to the art system in São Paulo. The research provides theoretical tools for analyzing similar cultural events, broadening the debate on the interaction between cultural practices, market dynamics, and public policies.

KEYWORDS: contemporary art, creative industry, creative economy

1. INTRODUCTION

The São Paulo International Art Fair, open to the public this year for five days in April, takes place annually at the Ibirapuera Pavilion in São Paulo. In 2024, it reached its 20th edition, bringing together over 190 exhibitors, including galleries from Brazil and around the world, showcasing modern and contemporary art. SP-Arte is the second largest among the major art fairs in Latin America, behind only arteBA in Buenos Aires. For comparison, among the largest art fairs worldwide are ArtBasel, held in Switzerland, with grand editions also taking place in Miami, Hong Kong, and Paris, and TEFAF Maastricht, which this year gathered around 270 galleries in the Netherlands.

Beyond the number of galleries present, other statistics stand out: the 2024 edition of SP-Arte recorded 32,000 visitors—a significant jump from the 9,000 visitors in its 2014 edition. This number is close to the 35,000 visitors of 2019 and falls far behind only the 56,000 participants in 2020 when the fair was held virtually due to the Covid-19 pandemic.

Since its inception in 2005, SP-Arte has played an increasingly important role in the global art market circuit. On the fair's website, SP-Arte presents itself as a space where collectors, professionals, and art enthusiasts can enjoy a "creative encounter," including "discussions about artistic practice, as well as the presence of magazines, publishers, and book launches at the fair." The event thus aims not only to sell artworks but also to serve as "a trend aggregator" and strengthen the "country's creative economy."¹

This demonstrates the fair's interest in asserting its position within an economic sector that has been gaining prominence globally since the mid-1990s: the creative economy. This sector comprises creative industries—a set of economic activities related to the creation, production, and distribution of tangible and intangible goods, whether intellectual or artistic, with creative content and economic value. The term "creative industries"—controversial and widely adopted in the international cultural policy arena—is sometimes used in place of "cultural industries" because, according to the United Nations Creative Economy Report (2010), cultural

¹ In: <http://www.sp-arte.com/a-feira/> Accessed June 22, 2016.

products and services form part of a broader category of creative goods and services. Activities comprising cultural industries include “the art market, cultural tourism, the live performance industry, publishing, the recording industry, film, broadcasting, and television” (Saravia, 2007, p.31).

The shift from "cultural" to "creative" has been widely debated in both public policy formulation for cities and in academic discourse. After all, what is not creative, given that "creativity" spans a broad range of human activities? Within this semantic dispute, is there a distinction between creative industries and cultural industries?

This article proposes an operational delineation of the concept of culture to frame the term "creative industries" and subsequently examines some production modes of SP-Arte within this new sociocultural context.

2. CULTURAL INDUSTRIES VS. CREATIVE INDUSTRIES: DEFINING CONCEPTS

The term “cultural industry” emerged in the post-war period as a radical critique of mass entertainment, articulated by members of the Frankfurt School, led by Theodor Adorno and Max Horkheimer, followed by writers like Herbert Marcuse. For them, the “cultural industry” symbolized the ultimate reduction of the cultural realm to the logic of monopolistic capitalism. One of its consequences was that the control exerted over workers extended into everyday life through the consumption of cultural products in mass society.

Over time, a positive connotation was added to the concept of “industry” as a collective project. Edgar Morin, for instance, highlighted the positive aspects of the cultural industry, especially its potential for democratizing culture. By the mid-1980s, there was “a strong sense of democratic modernity, breaking away from the anti-technological cultural critique of Heideggerian influence, as well as from the formalist aesthetics of post-war modernist orthodoxy” (O’Connor, 2011, p.29, translated by the authors).

In this new context, individual artistic practice had to establish itself within a broad range of professional, administrative, and commercial services, positively embracing new production, reproduction, and distribution technologies, which inevitably involved a reevaluation of the market. However, while economic elements were increasingly central to cultural policies, the overarching vision was of a culture that was more democratic than “economy” itself, aligned with the consolidation of an emancipatory cultural project.

During the 1980s, Miege and Garnham, academics associated with the social-democratic policies of Jack Lang² viewed cultural industries less as a capitalist ideology and more

² Jack Lang was the Minister of Culture under François Mitterrand. In 1981, he laid the groundwork for the revival of the French film industry through a model of strong state intervention, as well as the "Fête de la Musique" ("Music Festival"), where individuals and musical groups take to the streets at night to play instruments and celebrate the arrival of summer. Mitterrand's government became famous for its massive architectural program known as "Grands Travaux" or "Great Works," which included landmarks like the National Library of France, the new Louvre Museum, the Arab World Institute, the Musée d'Orsay, the Bastille Opera House, the Grande Arche de la Défense in Paris' financial district, and the City of Science and Music in the Parc de la Villette. This administration marked a turning

as a fragmented group of capitalist industries interested in producing cultural goods for profit (O'Connor, 2011, p.28).

Thus, Miede and Garnham, both rooted in marxist thought, sought to understand cultural industries in terms of the classical opposition between use value and exchange value. However, they encountered significant challenges in predicting either use value or exchange value before a cultural product became a “social fact.”

The issue was that the use value of cultural products was extremely difficult to establish, as it was subject to high levels of contingency and novelty. Likewise, the labor time associated with the cultural product appeared (...) only tangentially related to the final price of the product. A genuine source of problems for post-industrial economists and cultural theorists. (O'Connor, 2011, p.31, translated by the authors)

The study of the specificities of cultural industries opened a new field of study, now appropriated by the cultural system itself.³ This field addresses questions such as “how creative input, production and creative management, market studies, financial accounting, etc., combine in a complex, fluid, and conflictual collective process.” (O'Connor, 2011, p.31-2, translated by the authors)

The term “creative industry,” however, originated only in 1994, in Australia, with the release of the Creative Nation report. It gained greater prominence in 1997 when policymakers from the UK’s Department for Culture, Media, and Sport established the Creative Industries Task Force. The designation “creative industries” has since evolved, expanding the scope of cultural industries beyond the arts, marking a shift in the approach to potential commercial activities that, until recently, were considered purely or predominantly in non-economic terms.

This approach aligns with the shift that has been occurring since the mid-1970s, moving from a “narrow” conception to a “broad” conception of culture, transitioning from an “arts policy” to a “cultural policy.” This position:

(...) demonstrates the incorporation of the concept of culture in its anthropological sense, considering it as a way of life that encompasses knowledge, customs, and the daily practices of a community. From this perspective, the city is approached as a document or artifact relevant as collective cultural heritage. It also shows an expansion of the concept of culture, and consequently of heritage (...) which recognizes value not only in works of exceptional, monumental, or memorable character from a historical standpoint. (Franco, 2013, p.12)

point in discussions around cultural democracy, state sponsorship, and active participation in cultural production, epitomized by the famous phrase “économie et culture, même combat” (“economy and culture: the same struggle”)

³ For example, in the city of São Paulo, there is the “Escola São Paulo- economia criativa” (São Paulo School – Creative Economy), an educational institution focused on training in the creative economy sector. It offers courses for those who wish to work, manage, or undertake ventures in this sector. One example is the ArtBusiness course it provides in partnership with ABACT – Brazilian Association of Contemporary Art, which explains the functioning of the art and culture system, its main agents, and its administration and management.

It is this expansion of the concept of culture that allowed the "culturalization" of the economy, the aestheticization of life, and the operationalization of culture in public policies. Avant-garde artistic practice has transformed into a model for entrepreneurial and innovative thinking in business, encouraging the search for "a professional who stands out for their anti-conventionalism, versatility in multiplying projects, and ability to establish connections in an increasingly relational business world." (Arantes, 2005, p. 7-8, translated by the authors). This shift occurred due to the expansion of cultural product markets, but also the growing assertion of symbolic or cultural content in goods and services, as seen in "interior and product design, the 'experience value' in services, 'attention value' in marketing and public relations, cultural tourism, and the increasing role of social networks." (O'Connor, 2011, p.43, translated by the authors).

These changes culminated in the 1990s, a period marked by significant transformations in the global political and economic landscape. Among other things, these transformations included the retreat of the State as the primary investor and the decline of themes such as mass production and city planning, which were replaced by the entrepreneurial management of urban space (Arantes, 1999).

This period is closely tied to the rise of what Harvey terms "new urban entrepreneurialism," which paved the way for more geographically open and market-based forms of flexible accumulation, undermining the Fordist production model, which was locationally rigid and supported by the Keynesian welfare state doctrine. According to Harvey, new urban entrepreneurialism:

relies on public-private partnerships, focusing on investment and economic development through speculative place-making rather than improving conditions within a specific territory, while its immediate (though not exclusive) economic goal is profit. (Harvey, 2005, p.172)

In this context, urban regions strive to improve their competitive position regarding the spatial division of consumption. There is a culturalization of the economic sector, with a focus on cultural innovation and the physical enhancement of the urban environment to revitalize degraded urban areas, create consumption and entertainment attractions. The art system emerges as a prominent agent in this scenario: the public role of cultural institutions like museums is emphasized, and their funding increases; there has been a significant rise in contemporary art exhibitions modeled after biennials since the 1990s; the professionalization of so-called peripheral art markets, such as Brazil's, is encouraged; and there is also growth in galleries, art fairs, and auctions. In this way, a new image of cities is crafted, where "spectacle and display become symbols of a dynamic community" (Harvey, 2005, p.174-5), capable of attracting financial resources.

Similarly, as there is a degree of interurban competition within this framework of new urban entrepreneurialism, the art market competes for symbolic capital⁴, market shares, and

⁴ According to Pierre Bourdieu, symbolic power is "the invisible power which can be exercised only with the complicity of those who do not want to know that they are subject to it, or even that they themselves exercise it" (BOURDIEU, 1989, p.8). The author recognizes that symbolic systems, such as art, exert a structuring power in society because they are structured. This structure relates to symbols capable of contributing to greater social integration by forming

monopolies. Local political and economic demands for cultural significance and supremacy further accentuate the singularities of specific cultures and locations. Thus, the art system creates market niches and contributes to attracting an international audience, generating cultural capital and new revenue streams derived from art tourism.

3. THE BRAZILIAN EXPERIENCE

In Brazil, the debate surrounding creative industries gained momentum following the XI Ministerial Conference of UNCTAD – United Nations Conference on Trade and Development, held in São Paulo from June 13 to 18, 2004. This conference reaffirmed the notion that development must be at the core of trade negotiations and identified key issues in the development discourse, such as corporate social and environmental responsibilities, the relationships between trade and poverty, as well as trade and creative industries. It charted new directions for researchers and policymakers.

In the subsequent years, many of these issues included in the XI UNCTAD agenda appeared in other multilateral and regional forums, were refined through further debates and research, and played a role in economic, financial, and trade negotiations.

This debate seemed to foster a service-based economy in the years immediately following the conference, as evidenced by the growth of art galleries in São Paulo. For instance, among the 57 São Paulo-based galleries that participated in SPArte in 2024, at least 10 were established between 2000 and 2009⁵, and at least another 22 were founded or opened branches in São Paulo between 2010 and 2020⁶. These galleries represent 56.14% of the São Paulo-based participants in the 2024 SPArte. The fair itself, founded in 2005, emerged as part of this immediate post-XI UNCTAD Conference context.

The concept of a creative economy only gained significant traction in public policies during the administrations of the Partido dos Trabalhadores (Workers' Party), particularly under Dilma Rousseff's presidency, which marked the peak of the so-called neo-developmental policies⁷. The Brazilian experience brought new aspects compared to the British experience,

consensuses about reality, thereby facilitating the reproduction of social order (BOURDIEU, 1989, p.10). Bourdieu also notes a convergence of interests between holders of symbolic power and those of temporal, political, or economic power. See more in: BOURDIEU, Pierre. *Sobre o poder simbólico*. In: BOURDIEU, Pierre. *O poder simbólico*. Translated by Fernando Tomaz. Rio de Janeiro: Bertrand Brasil, 1989.

⁵ São Paulo-based galleries founded between 2000 and 2009 participating in SPArte 2024 include Almeida & Dale (2001), Berenice Arvani (2000), Choque Cultural (2004), Estação (2004), Fólio (2000), Fortes D'Aloia & Gabriel (formerly Fortes Vilaça, 2001), Leme (2004), Papel Assinado (2004), SteinART (2000), Vermelho (2002)

⁶ Galleries founded or establishing headquarters in São Paulo between 2010 and 2020 include Andrea Rehder (2010), ArteFASAM (2019), Arteformatto (2015), Aura (2015), BG27 (2013), Carbone (2013), Central (2010), Frente (2015), Gomide&Co (2013), Janaina Torres (2016), Luciana Caravello (2011), Luis Maluf (2014), Lume (2011), MaPa (2015), Mario Cohen (established headquarters in São Paulo in 2015), Mendes Wood DM (2010), Simões de Assis (2018), Superfície (2014), VERVE (2013), Zipper (2010), HOA (2020), Continua (established headquarters in São Paulo in 2020), Casa Rosa Amarela (2020)

⁷ Neo-developmentalism in Brazil was based on the alliance between popular sectors, represented by the Workers' Party government, and factions of the bourgeoisie. These governments sought to harmonize neoliberal aspects, such as monetary stability, fiscal austerity, international competitiveness, and non-discrimination against foreign capital, with beneficial characteristics of old developmentalism, such as economic growth, industrialization, the regulatory role of the state, and social sensitivity.

whose creative economy policy was associated with a neoliberal government. This confirms an observation made by Cunningham (2011) in his work: that creative economy policies take different paths depending on the historically formed political and institutional arrangements in different contexts. In Brazil, there was a clear effort within the "Brasil Criativo" (Creative Brazil) project to align the creative economy with social demands for inclusion and equality. This was explicitly reflected in the guiding principles of the SEC Plan – Creative Economy Secretariat Plan, established in 2012. These principles were based on sustainability, social inclusion, cultural diversity, and innovation. According to Cláudia Leitão, former Secretary of Creative Economy at the Ministry of Culture, without these principles, it would not be possible "to ensure the necessary income redistribution as well as promote quality of life, access, empowerment, and citizenship for Brazilians" (Leitão, 2015, p. 85).

Public policies thus began to more robustly incorporate culturalist concerns while maintaining economic considerations. The principle of "cultural diversity" encapsulated an attempt to address a "politics of recognition." This concept, rooted in Hegelian philosophy and revived by political scientists, captured the distinctive nature of post-socialist struggles, which often took the form of identity politics, aiming more at the valuation of difference than the promotion of equality. This culturalization of policies sought to unite with the economist issue of socio-economic "redistribution," as expressed by Cláudia Leitão. The trend was to subordinate, at least within cultural policies, social demands to cultural issues, blending redistribution politics with recognition politics.

This approach culminated in cultural policies that advocated democratizing access to culture, scientific knowledge, and symbolic goods. Coupled with "urban revitalization" processes, highly appealing to the media and capable of drawing large volumes of visitors to cultural institutions, these policies contributed to urban gentrification and a sort of substitution for education. In this context, the educational role of cultural institutions such as museums and exhibitions was exalted, the professionalization of cultural services was advanced, and marketing and management techniques were employed to attract a significant number of visitors, especially public school students. The success of audience turnout justified investments and attracted and retained sponsors, in a context where public funding for culture was increasingly withdrawn, and cultural policies came to be driven by tax incentive mechanisms. Consequently, the democratization of cultural access was imbued with purportedly redemptive capacities for social inclusion, prioritizing short-term cultural investments over long-term educational investments.

It is undeniable that improving the quality of educational and cultural facilities, along with expanding access, dissemination, and circulation of culture, carries democratic potential. However, effective redistribution remains insufficient. What cultural experience is offered to a young person without daily contact with art who occasionally visits a biennial once a year? What is the tangible contribution of such sporadic visits to art exhibitions to their formation? Undoubtedly, it is a valuable stimulus, but it cannot compare, in terms of social parity, to the experiences of a young person who enjoys continuous cultural education in a quality school, with socio-economic conditions conducive to art consumption, alongside a consolidated social habit of cultural access.

The aforementioned contemporary cultural policies align with a narrative that links the "elitism" of art to its separation from "life." What left-leaning cultural policy since the 1980s has suggested is

that the self-sufficient and autonomous work of art now needs to find its place within a broader social context, in "everyday life." At the same time, it must acknowledge its material conditions of production and its relationship with the "economy." (O'Connor, 2011, p.33, translated by the authors)

Today, cultural policies and "creativity" take "autonomous art (...) and transform it into a universal human attribute: it is no longer the exclusive property of the artist and can be made available for broader economic and social development" (O'Connor, 2011, p.41, translated by the authors). It can thus be integrated into life.

In the current context of the financialization of culture, art stands precariously between being a cultural asset—a heritage to be disseminated—and a cultural commodity. The horizon of art unfolds within the dialectic between the public and the private. As a commodity, art and its "special" characteristics enable increased economic exploitation, aligning with strategies employed by the art market, such as art fairs and galleries, which will be further explored through the artistic circuit in the city of São Paulo.

4. THE LOGIC OF THE ART MARKET AND THE SPARTE FAIR

David Harvey's (2005) analyses reveal that rentier class investments over the past decades have shifted, with industrial capital surplus being redirected to the financial sphere, which offers higher and faster returns. The art market has also attracted this surplus, as its commodities have proven to be a highly profitable business.

Marx's perspective, which emphasizes the importance of private property as the basis for justifying income generation, combined with his theories on interest-bearing capital and fictitious capital, allows Harvey to explain the inversion of this antagonistic relationship in contemporary capitalism. In this framework, "monopoly rent" arises when monopoly pricing generates the income. This rent is considered a typical monopoly rent, derived from the absence of any significant action related to the commodity—particularly the imposition of socially determined labor time.

Harvey (2005) uses the wine business as an example of an economic activity that leverages its "special" nature to gain rentier advantages in the sale of its products. The wine business relies on its uniqueness, stemming from a set of exclusive characteristics of the land, climate, and tradition encapsulated in the term *terroir*. Similarly, the art market depends on the authenticity, originality, and singularity of cultural goods to enable them to be traded at monopoly prices.

Artworks could be considered monopoly goods par excellence, if not for their unique characteristics, such as their auratic qualities⁸ and their involvement in speculative price dynamics. The contradictions of monopoly rent discussed by Harvey do not apply *ipsis litteris* to artworks. According to the author, two contradictions are associated with the category of monopoly rent. The first is that “although singularity and particularity are crucial for defining ‘special qualities,’ the requirement of negotiability means that no item can be so unique or so special that it cannot be monetarily calculated” (Harvey, 2005, p.222). This makes it possible to price an artwork, despite its potentially inestimable cultural value. On the other hand, the second contradiction states that “for monopoly rent to materialize, it is necessary to find some way to preserve the uniqueness and particularity of commodities or places” (Harvey, 2005, p.222). This issue does not affect a Monet painting, for example, which retains its uniqueness over time, further upheld by its artistic aura.

Moreover, art has become a highly profitable asset: due to its considerable liquidity, it can be sold relatively quickly and has thus entered the logic of the stock market, whose mechanisms are governed solely by the law of supply and demand. However, it is not liquid enough to lose its value.

The processes involved in determining the value of an artwork are complex and, according to Ana Letícia Fialho (2014), encompass at least four fundamental spheres, whose dynamics are distinct yet interconnected: production, institutional framework, critical reflection, and the market.

Even so, the final value of an artwork is often purely social, having become a fetishized form of labor (Jappe, 2006, as cited in Ferraz, 2015). This phenomenon is evident in auctions, where the price does not correspond to the artwork’s use value—the disinterested pleasure of an autonomous work, as per Kant—but instead reflects the speculative nature characteristic of the financialization of capitalism.

In general, the “evolution” of the art market in Brazil since the 1970s developed alongside economic shifts in the global geography of capital, marked by the financialization of capitalism, and corresponded to the professionalization of the field.

The post-war period initiated the professionalization of the Brazilian art market through the activities of recently arrived immigrants such as Giuseppe Baccaro, Arturo Profilli, Franco Terranova, Jean Boghici, and Pietro Maria Bardi. The first galleries representing modern art emerged—Azkanazy in Rio de Janeiro and Domus in São Paulo. The subsequent years were marked by the establishment of major museums, such as the São Paulo Museum of Art (MASP), the Museum of Modern Art in Rio de Janeiro (MAM-RJ), and the Museum of Modern Art in São Paulo (MAM-SP). The first biennials also played a significant role in fostering artistic production, promoting international exchanges, and stimulating local art markets (Ferraz, 2015).

⁸ Walter Benjamin (1936) proposed that artworks before the “age of mechanical reproduction” possessed an “aura,” a term he used to describe the inherently transcendent, elusive, inexhaustible, and distant nature of art. This aura, inseparable from the artistic cult value that shapes the richness of traditional aesthetic experience, would diminish with the mass reproduction of art forms such as photography and cinema.

Next, the famous market boom of the 1980s was driven by the emergence of a young generation of painters in the country, such as those from the Casa 7 group, who had been participating in the São Paulo Biennials from a very early stage. It was only in the 1990s that the internationalization of the Brazilian art market accelerated, due to several factors, including the growth of artist exchange mechanisms through residency programs, the increased participation of galleries in international fairs, and the expansion of the São Paulo Biennial's boundaries – especially from the 25th Biennial (Ferraz, 2015), which for the first time featured a foreign curator: Alfons Hugs, bringing the exhibition closer to the globalization process of the art system.

As a result, exchanges became more systematic and voluminous, especially in the cities of São Paulo and Rio de Janeiro. But regardless of the innovations in the exchange processes, the organization of the art market follows the same logic created by Paul Durand-Ruel, the art dealer of the Impressionists, who established the foundations of the current system as early as the 1880s.

According to Durand-Ruel, the art market is organized around the individual and temporary exhibition of a single painter in a private gallery; the monopoly and production of the artist, either by total purchase of works or through contracts, with financing from external capital; and the opening of branches abroad, a necessary condition for the emergence of the international market. In addition to the basic participants in this market (painters, galleries, public institutions), the increasingly determining presence of auction houses, such as Sotheby's and Christie's, must also be highlighted. (SARAVIA, 2007, p.32)

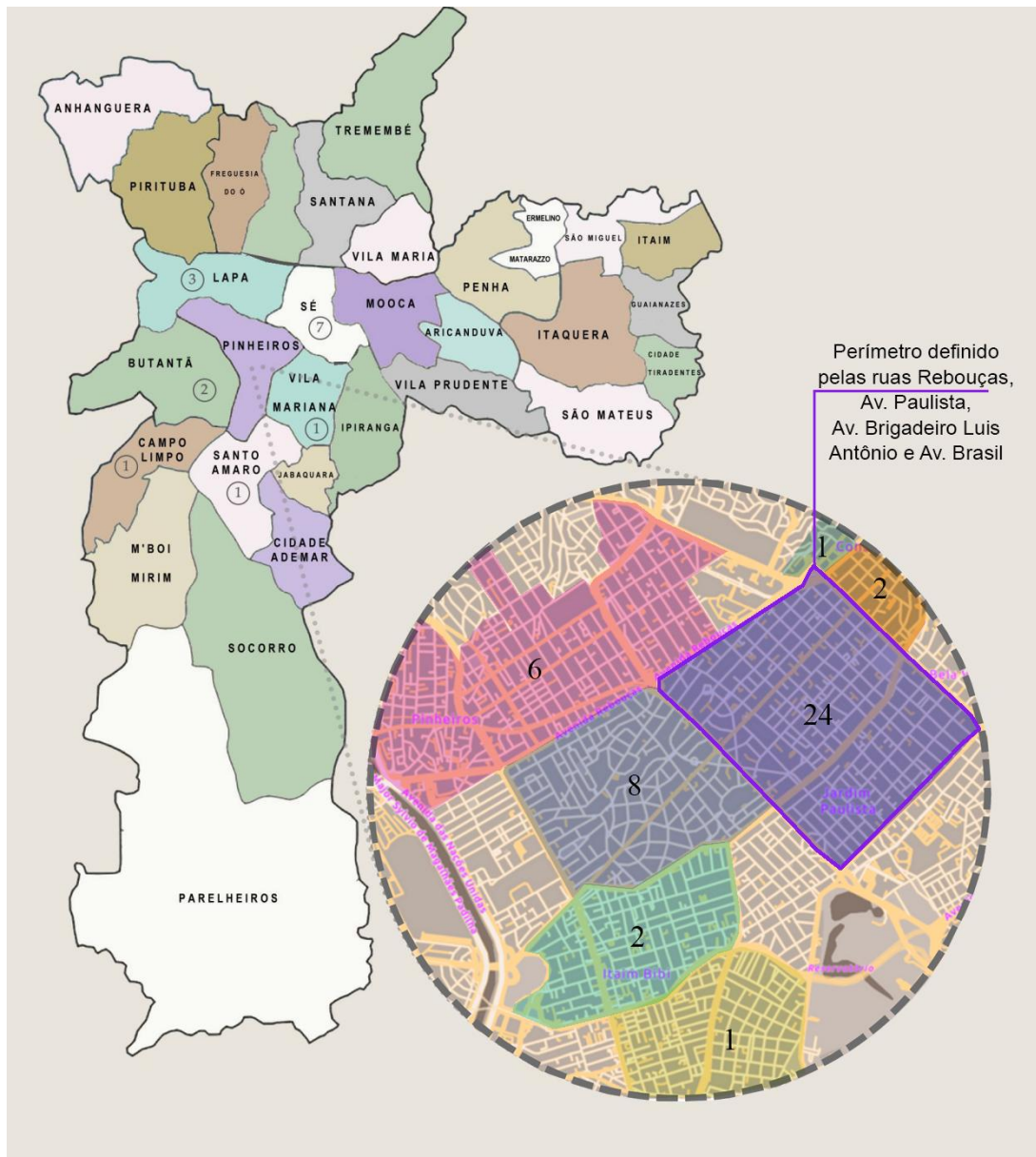
This control over the production of artists is carried out by galleries, which act as the representatives of artists in the market. The gallery is, ultimately, a form of subsumption of intellectual labor, of the artist's creativity, to the interests of capital. The galleries' search for cultural products imbued with monopoly value and the mechanisms they use to maintain such advantages have created a competitive space characterized by concentration, monopoly, cross-ownership, vertical integration, and increasing levels of capitalization, referred to as the "negative trends" discussed by Girard (1982, apud O'Connor, 2011, p.29, translated by the authors).

To illustrate: it has been common for galleries that have been established longer in the market to diversify their products by creating a second gallery dedicated to contemporary art. In this way, the company integrates vertically, creating a hierarchy and sharing a common owner. This is what happened with Dan Galeria, a gallery from São Paulo founded in 1972 that initially focused exclusively on Brazilian modern art, representing artists such as Di Cavalcanti, Antonio Gomide, Ismael Nery, and Tarsila do Amaral. Gradually, other artists were incorporated, and in 1996, Dan Contemporânea was created, opening space for the concrete avant-garde with artists such as Ligia Clark, Lothar Charoux, and Luiz Sacilotto.

Market concentration or concentration within an industry can be associated with the idea of "creative clusters," developed by Richard Florida, and embodied in a spatial concentration of activities related to the cultural industry, including the art system. To illustrate, of the 98 art galleries present at SPArte 2024, 85 were national, and of these, 57 were located in the city of São Paulo, which corresponds to 67.05% of the national galleries at that exhibition.

The concentration seems even more significant when considering that 24 of the São Paulo galleries were located within a quadrilateral defined by Rebouças Street, Av. Paulista, Av. Brigadeiro Luis Antônio, and Av. Brasil, which corresponds to 42.1% of the galleries from São Paulo participating in SPArte 2024. Most of the other galleries were also located near this quadrilateral, especially in Pinheiros and Jardins, as shown in the image below.

Figure 1 - Location of some of the São Paulo galleries present at SPArte 2024



Source: Produced by the authors (2024)

Ana Carla Reis Fonseca (2011, p.168) highlights that the phenomenon of physical or virtual creative clusters in cities “can favor greater interaction between sectors, stimulate

knowledge exchange between creative companies and other sectors, and enhance the synergies that can be generated.” She goes further and states that “establishing networks of connections between micro and small enterprises can help them not only benefit from each other’s resources, but also unite their efforts in the search for new markets, share management services, and encourage studies and insights.” (Fonseca, 2011, p.168)

However, in the city of São Paulo, the cultural and urban scenario presents contradictions in relation to this idealized narrative. The capital of São Paulo, Brazil's largest metropolis, has established itself as an important creative and economic hub, but the processes that led to the formation of what can be considered its creative clusters did not follow the logic of diversity and inclusion highlighted by Florida. In São Paulo, urban development linked to the creative economy has often been associated with dynamics of spatial segregation and socioeconomic inequality. The appreciation of specific areas of the city, such as Vila Madalena and Pinheiros, occurred in parallel with rising living costs and the exclusion of vulnerable populations from these spaces.

Moreover, the promise of a broad and connected labor market, which would favor mobility between companies, faces limitations in a context marked by structural disparities. Many workers in what can be considered as São Paulo’s “creative economy” still operate under conditions of informality or precariousness, making it difficult for individual workers, freelancers, and small businesses to access resources, mostly public ones. The formation of networks and partnerships, as suggested by Fonseca, faces challenges imposed by the concentration of opportunities and the lack of public policies that promote decentralization and inclusion.⁹

Although these disparities persist, the creative industry market has shown growth and signs of professionalization. One of the symptoms of this market professionalization is the creation of platforms such as the Brazilian Contemporary Art Internationalization Project, launched in 2007 by Apex-Brasil (Brazilian Agency for Export and Investment Promotion) and the São Paulo Biennial Foundation, with the main aim of promoting the Brazilian contemporary art gallery sector, creating opportunities for projects and businesses abroad. In 2011, the project was named Latitude – Platform for Brazilian Art Galleries Abroad, and since then it has been managed by Apex-Brasil in association with ABACT - Brazilian Association of Contemporary Art, an organization also created in 2007 with the mission to expand cultural exchange, promote actions for professionalization and the simplification of the market, and foster dialogue and education in the contemporary art sector in Brazil, valuing the different stages of production and their contributors.¹⁰

⁹ Access to cultural support mechanisms in Brazil, such as cultural grants, is hindered by high competition, bureaucracy, and a lack of technical training, often excluding freelancers and informal workers. The Rouanet Law, the main tax incentive for culture, has historically favored projects with greater visibility, prioritizing initiatives with potential financial or image returns and neglecting experimental or peripheral proposals, which deepens inequalities in access to cultural funding.

¹⁰ In: <http://abact.com.br/abact-missao>

The Latitude project works for the galleries associated with it, around 60 galleries from 7 Brazilian states and the Federal District¹¹. Its actions include “financial support to galleries at international fairs, organizing and hosting groups of foreigners on immersion trips in Brazil, content creation (publications, research, and exhibitions), and sector-structuring actions related to communication and foreign trade,” as well as forming “partnerships with national and international entities that reinforce their actions and maximize their efforts.”¹²

The logic of monopoly – oligopoly here – operates, therefore, in different instances of the art market, manifesting itself through the concentration of power in a small number of agents, such as galleries and cultural institutions, which define narratives and establish symbolic values. Projects like Latitude, while expanding the international reach of Brazilian art, end up reinforcing inequalities by privileging already established galleries, making it difficult for smaller or independent agents to enter. This centralization of resources and networks consolidates the hegemony of certain actors, promoting professionalization and internationalization, but also limiting the diversity represented, both in geographical and aesthetic terms.

Another way to gain competitive advantages for galleries is through art fairs, which are capable of attracting a large number of collectors to a single location. This, besides being an efficient arrangement, provides a high level of comfort to buyers in terms of risk, since the number of people and “sold” labels reduces the uncertainties for buyers, increasing sales. This increase in sales also represents “a cultural shift in the purchase of art, with the replacement of individualized purchases – spatially and temporally, in galleries.” (Ferraz, 2015)

Art fairs worldwide have increased from about 55 in 2001 to nearly 300, according to the UBS Global Art Market Report. This growth indicates that the traditional model of transactions carried out in galleries has been progressively replaced by the economic format of art fairs. The 2014 Latitude sector report (Fialho, 2015) showed that fairs accounted for a large portion of sales for national galleries: 40%. In the same survey, 56% of national galleries stated that SPArte was the most profitable fair in business terms.

The report on the impact of the Covid-19 pandemic on the art market, published in November 2020 by Latitude, demonstrated the development of other strategies. In a pandemic context, the expansion of digital platforms was a response to the crisis. In Brazil, most respondents emphasized the need for innovations in their approaches, implementing initiatives such as the renewal of websites and strengthening their presence on digital platforms. Additionally, participation in online fairs, marketplaces, and the development of viewing rooms were adopted as strategies to adapt to the new context. These initiatives, however, simulated in the digital space the approaches developed at in-person fairs, reflecting not so much a significant transformation in the way the market operates, but an adaptation that certainly contributes to market expansion to this day. In 2024, we already see fairs consolidating again as a tool for contact between collectors and gallery owners.

Created in 2005, SPArte recognized the art market as a complex sector with the potential for useful complementarities between companies and institutions of various sizes. This has led the fair to bring together national and international galleries, galleries that have existed since

¹¹ Cf.: <https://latitudebrasil.com>

¹² In: <http://abact.com.br/projetos>

the early days of the Brazilian art market, and galleries that were established more recently in the 2000s and 2010s, in the wake of the market's international boom. Recently, the fair has also included companies with areas "related" to art in the list of represented galleries. These companies provide solutions for art, scenography, architecture, furniture, lighting, and design, in an increasing union of economic efforts.

Another notable change pointed out by art theorists is the mimicry of biennial exhibition practices by art fairs, a phenomenon that Ana Letícia Fialho (2014) calls the "biennialization of fairs." This process is reflected in characteristics such as the adoption of an educational function, seeking greater visibility for the event; the use of tax incentives as part of funding; the creation of curated sectors; the commissioning of works specifically produced for the fair; and the provision of spaces for artistic interventions.

These elements are present at SPArte. The educational function stands out in a series of seminars called "Talks," which each year addresses different themes in focus within the cultural circuit, featuring prominent figures from the art world.¹³ With a light and relaxed tone, the Talks sector discussions reveal what truly drives these cross-cutting modes of operation: the young profile of the consumers. A gallery owner¹⁴ highlights that many of the fair's buyers are aged between 25 and 30 and seek a creative environment enriched by cultural interventions and debates. For them, the experience goes beyond simply acquiring artworks; they seek an experience, an immersion into the world of contemporary art.

Education has recently gained importance in international exhibitions and museums, moving from being an educational service to becoming a foundational characteristic of various institutions, artistic processes, and curatorial practices. According to Paul O'Neill and Mick Wilson, authors of the book *Curating and the Educational Turn* (2010), formats, methods, programs, models, conditions, processes, and educational procedures have permeated contemporary curatorial and artistic practices and their concomitant critical frameworks. This phenomenon is part of what is called the "educational turn," which is:

Originating, to some extent, from the so-called social turn; on the other hand, from a critique of the art market and cultural capital, (...) among many other possible origins, (...) it consists of a radical change in the ways of acting and existing, mainly for artists and curators, in which the focus of the creation and organization of artworks shifts to the production of dialogical spaces and living situations, with critical pedagogy and experimental, more radical investigations conducted in the field of education in the 1970s as one of its main theoretical bases. (Gonçalves, 2006, p.17-18)

¹³ Examples of guests at the Talks include Sarah Meister, curator of the Photography Department at MoMA, in 2015; Mari Carmen Ramírez, curator of the ICAA – International Center for the Arts of the Americas at the Museum of Fine Arts, Houston (USA), in 2016; Franklin Sirmans, director of the Pérez Art Museum Miami (USA), and Guillermo Kuitca, Argentine contemporary artist, both also in 2016. In more recent editions, the Talks have highlighted Brazilian cultural issues and artistic agents, such as Denilson Baniwa, artist, curator, and activist for indigenous peoples' rights, who participated in 2022; Tadáskia, trans artist and educator; and Gervane de Paula, Black artist from Mato Grosso and member of the "Generation 80." This shift reflects a growing interest within the art circuit and the market for Latin American artistic and curatorial production, addressing issues related to Afro-Brazilian art, indigenous peoples, and the narratives of transgender people.

¹⁴ Cf. http://istoe.com.br/68953_DESAFIOS+DA+SP+ARTE/

However, it can be observed that events like SP-Arte, although framed within a discourse of cultural democratization, promote dialogues between contemporary art and audiences already integrated into cultural circuits, without fostering the inclusion of marginalized segments. This exclusion is not limited to physical or geographical access; it is also symbolic. The programming and curatorship of these events typically engage with cultural repertoires that assume prior knowledge, alienating individuals who do not share this background. Thus, cultural consumption dynamics reproduce market logics, where art is treated as a commodity and access to it is conditioned by economic and cultural capital.

5. FINAL CONSIDERATIONS

Art fairs have established themselves as an important platform in the contemporary art circuit. They not only offer a privileged space for the commercialization of artworks but also promote cultural exchange, stimulate dialogue between artists, collectors, and critics, and foster the visibility of new artistic trends. In Brazil, events such as SP-Arte have become meeting points where contemporary production is discussed.

In this sense, art fairs seem to be ahead of biennials in the competition for innovation, as they often showcase unpublished works that will secure their future as potential cultural heritage in private collections. Art fairs have become one of the most important means of discovering what contemporary artists are producing. One of the factors that supports this claim is that only 15% of sales are made to national and international institutions, further contributing to the privatization of art (Ferraz, 2015).

The value of art is constituted through the articulation between the market and cultural institutions that perform museological and exhibition functions. It is, therefore, shaped by its market value and its aesthetic value, which support each other. In this way, the São Paulo Biennial and SP-Arte, for example, act complementarily in legitimizing Brazilian contemporary art production, although they no longer follow a fixed flow: it is not always one or the other that brings novelty, but they alternate.

The overlap of artists at the Fair and the Biennial demonstrates, to some extent, a star system that works with the valuation on a scale that moves from the artist to the presentation of their works in galleries, following the performance of the works at fairs, which can then be further economically exploited in the secondary market of auctions. This star system plays a predominant role in defining the value of artworks within the fragility of the Brazilian art circuit and the weakening of art criticism.

In this context, it is important to recognize that, although art fairs may appear to be environments of innovation and inclusion, they operate within a system that often favors the already privileged. In conclusion, the Brazilian art market shows that neodevelopmentalist policies based on the alleged democratization of culture, combined with issues of the creative economy, do not truly democratize access to culture and still contribute to greasing the machinery of monopolistic capitalism, enhancing the mechanisms of accumulation.

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