
**The Art Market as a Catalyst for Sustainable Local Development: Insights
From the Brazilian Context**

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Abstract

This paper investigates the role of the art market as a vector for sustainable local development in Brazil, based on data from the “Art Analysis Annual Report 2024” (Chemalle & Spinola, 2024b), which analyzed the performance of the country's leading contemporary art fairs: SP-Arte, ArPa, Rotas Brasileiras, and ArtRio. The research adopts a mixed-methods approach, combining quantitative data—such as market performance, buyer profiles, and pricing ranges—with qualitative insights drawn from ethnographic work with gallerists and other actors within Brazil's art market ecosystem. The fairs emerge as strategic platforms for information circulation, reduction of informational asymmetries, and integration of local artists into the global market. The study observed a growing perception of art as a financial asset and an expansion of the collector base, especially among emerging and intermediate buyers. It also highlights the role of art fairs in forming social networks and fostering a sense of belonging, while providing infrastructure for innovation and transparency. By demonstrating how art can serve as a tool for economic revitalization and cultural inclusion, this paper contributes concrete proposals for public policy and institutional strategies that can strengthen the Brazilian art ecosystem in alignment with the Sustainable Development Goals (SDGs).

Keywords: art market, cultural Heritage, brazil, information asymmetry, local development, sustainability.

1. Introduction

The professionalization of the Brazilian art market faces persistent structural obstacles, including pronounced informational asymmetries, a lack of systematized data, and the absence of consolidated institutional guidelines. In this context, art fairs—such as SP-Arte, ArPa, Rotas Brasileiras, and ArtRio—emerge not only as commercial platforms but also as strategic agents of cultural and economic development. This study starts from the hypothesis that such events play an expanded role within the artistic ecosystem by fostering the circulation of information, stimulating creative production chains, and contributing to greater inclusion and visibility in the

sector. By empirically analyzing the perceptions and practices of gallerists active in these circuits, the paper aims to demonstrate how art fairs can function as institutional mechanisms capable of reducing market failures and aligning the sector's development with the Sustainable Development Goals (SDGs).

2. Method

This study is based on data from the ArtAnalysis Annual Report 2024 (Chemalle & Spinola, 2024b), produced by ACESSART under the ArtAnalysis Program.

Conducted at art fairs with gallerists primarily from the primary market, the research aims to understand the perceptions, practices, and expectations of these agents regarding the structure and future of the Brazilian art market. Using structured questionnaires and field data collection, the study seeks to map trends, challenges, and perceived opportunities. In this context, 45% of the gallery representatives present at the fairs were interviewed. To enrich the analysis, the study incorporates ethnography and participant observation at events such as art fairs, vernissages, studio visits, collector gatherings, and exhibitions, drawing on an interpretive ethnographic approach (Geertz, 1973).

This qualitative dimension allows the researcher to capture symbolic engagements, strategies of distinction, specialized vocabularies, and the dynamics of exclusion and validation within the art circuit. Ethnography, as a research tool, enables the identification of both explicit, easily understandable data and tacit, underlying elements that require deeper observation to be fully grasped (Spradley, 1980).

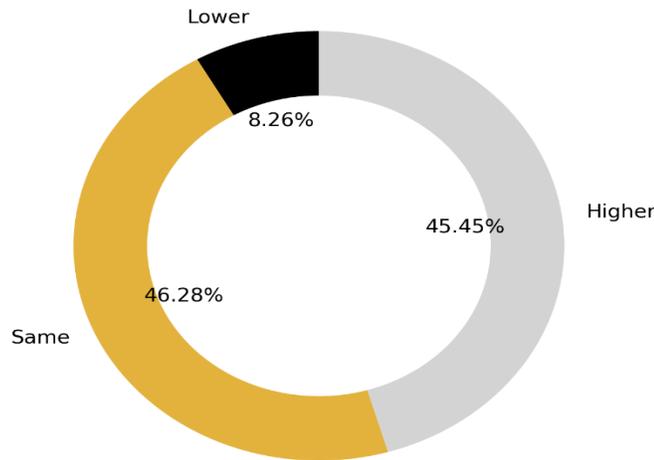
By articulating quantitative and qualitative data, the study offers a comprehensive reading of the economic, social, and cultural dimensions of the Brazilian art market. Furthermore, it aims to integrate these findings with the United Nations 2030 Agenda, reflecting on how strengthening the sector can contribute to the Sustainable Development Goals (SDGs), particularly those related to the creative economy, decent work, reduced inequalities, and the promotion of cultural diversity.

3. Results

3.1 Reduction of Information Asymmetry

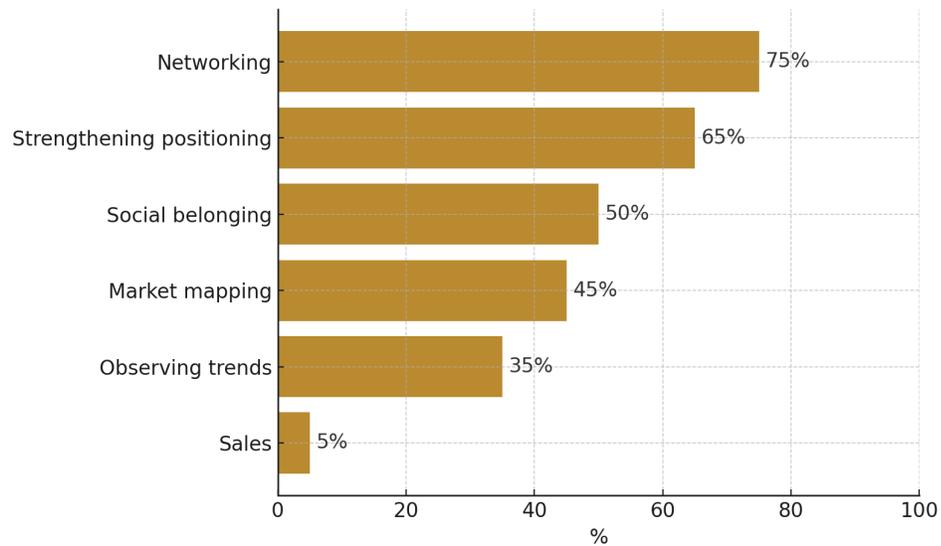
Art fairs function as hubs of knowledge and transparency, fostering a more trustworthy environment for new collectors. They help to mitigate the issue of asymmetric information in the art market (Akerlof, 1978).

Figure 1 – Participation in art fairs compared to the year 2023 (%)¹.



Analyzing Figure 1, we observe that only 8% of respondents reported a lower participation in art fairs in 2024 compared to 2023. In contrast, more than 45% stated that their participation increased compared to the previous year. This highlights the intrinsic role of art fairs in the Brazilian art market.

Figure 2 – What Art Market Participants Seek at Art Fairs (%)²³.



¹ 121 responses from a universe of 274 galleries. Three respondents chose not to answer this question.

² 121 responses from a universe of 274 galleries. Three respondents chose not to answer this question.

³ Up to three answers were allowed.

The responses shown in Figure 2, combined with participant observation, support the perception that art fairs are increasingly contributing to the professionalization of the Brazilian art market, given their relevance as catalysts for encounters centered on commercial interests and collective belonging. Notably, the “Networking” option was selected by 80% of respondents. The options “Strengthening positioning,” “Social belonging,” and “Market mapping” were each mentioned by over 50% of gallerists. The relevance of art fairs is also highlighted in other recent studies on the art market (ABACT, 2025; McAndrew, 2025).

3.2 Expansion of the Buyer Base

The fair environment facilitates access for emerging collectors, strengthening the foundation of the market.

Figure 3 – Buyer Profile at the Fairs (%)⁴⁵.

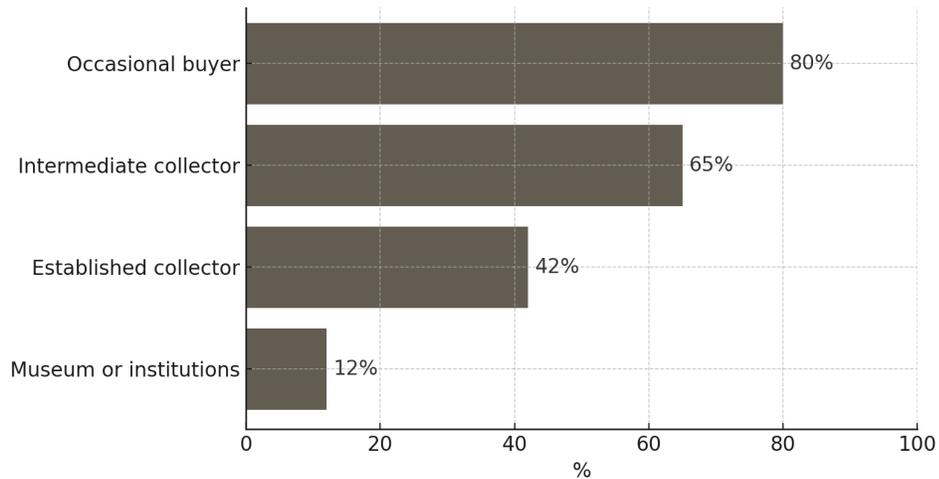


Figure 3 provides quantitative evidence for a phenomenon also observed through participant observation and documented in the literature (Hochleitner, 2015): the fundamental role of art fairs in expanding the base of collectors and buyers in the market. The “occasional buyer” was identified as the main buyer profile at fairs by 80% of respondents. More than 50% of gallerists selected “intermediate collector”⁶ in response to the same question. It is worth noting that “established collector” was mentioned by 40% of respondents, underscoring their role as validators of the fair environment—signaling quality and trust to new market entrants. Collecting dynamics in a broader sense are explored in the *Survey of Global Collecting*, produced in partnership with Art Basel and UBS (McAndrew, 2024).

⁴ 119 responses from a universe of 274 galleries. Five respondents chose not to answer this question.

⁵ Up to three answers were allowed.

⁶ For methodological purposes, the intermediate collector was not defined by a specific volume of artworks collected, but rather by an attitude that motivates professional collecting practices.

3.3 Recognition of Art as a Financial Asset

Over 90% of respondents agree with this perception, demonstrating the sector's growing maturity.

Figure 4 – Gallerists’ Opinions on the Statement: “Art is increasingly perceived as a financial asset.”⁷

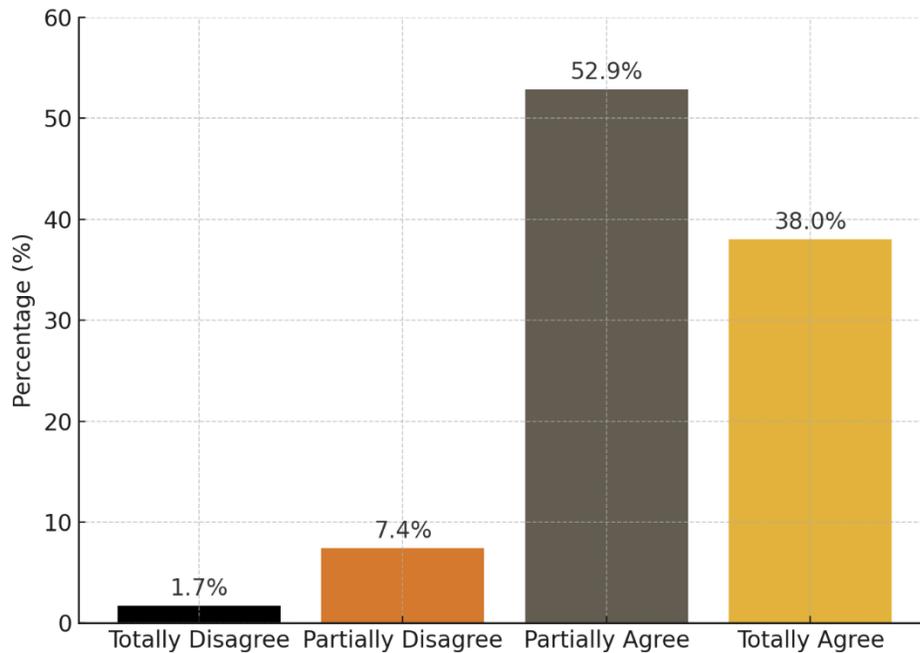


Figure 4 shows that, although art purchases may be influenced by subjective factors, they are predominantly perceived as financial assets—a topic extensively discussed in the literature (Agnello, 2016; Campbell, 2004; Chamber, 2017; Chemalle, 2023, 2021, 2019; Edwards, 2004; Frey, 1989; Goetzmann, 1993, 1995, 2011; McAndrew, 2007; Mei & Moses, 2002; Menconi, 2021, 2024; Pesando, 1993, 1999; Pinho, 1989). This finding goes beyond the intrinsic or symbolic value of artworks (FGV-EESP, 2021; FGV Projetos, 2016; Veblen, 1997) and reflects a growing awareness that the Brazilian art market—though still in a relatively early stage—is increasingly aligning with broader processes of professionalization and Pareto-efficient market behavior (Menconi & Hama, 2022; Tenani, 2024a, 2024b; Pyndick & Rubinfeld, 2013).

The role of art as an investment is also explored in studies focused on real-life collections, where the core criterion is the acquisition of works at an early stage in the artist’s career (Chemalle & Spinola, 2024a; Whitaker & Kräus, 2023).

⁷ 121 responses from a universe of 274 galleries. Three respondents chose not to answer this question.

3.4 Promotion of Regional Diversity

Initiatives such as Rotas Brasileiras encourage the inclusion of galleries and artists from outside the Rio-São Paulo axis.

Figure 5 – Key Positive Differentiators of the Rotas Brasileiras Art Fair⁸⁹

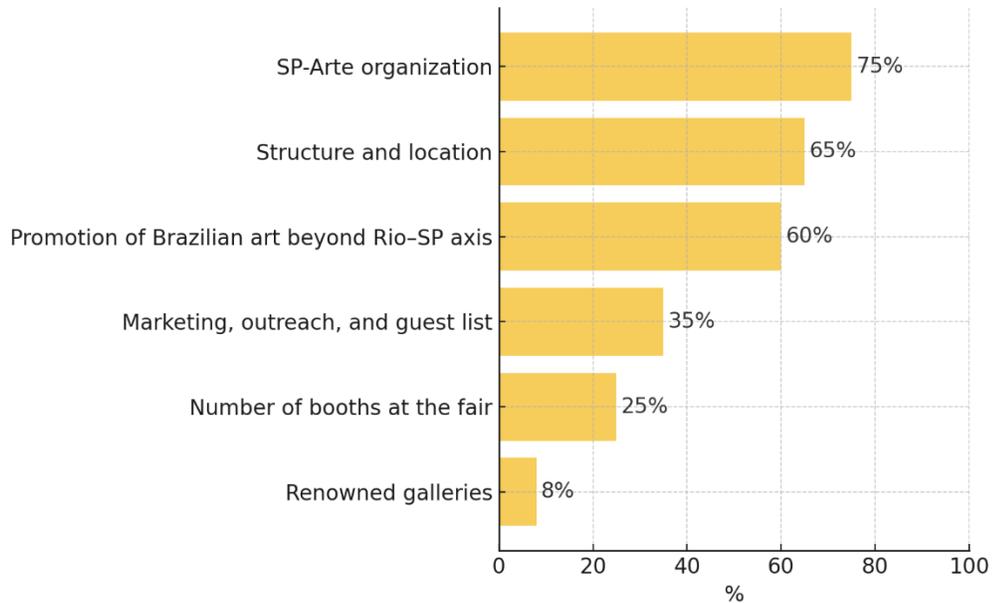


Figure 5 not only highlights the relevance of established agents in introducing new entrants—galleries and artists from outside traditional hubs—but also reinforces the collective recognition that this goal is effectively being achieved. While more than 60% of respondents identified aspects related to SP-Arte’s reputation and branding as key positive differentiators of the Rotas Brasileiras fair, it is equally important to note that nearly 60% of respondents acknowledged the fair’s role in promoting Brazilian art beyond conventional geographic centers.

Just as the presence of established collectors is seen as fundamental for fairs to pave the way for new ones, the perception that a fair focused on encouraging Brazilian art beyond the Rio-São Paulo axis must carry the structural strengths of a more established event is viewed as a *sine qua non* condition for promoting art from outside major urban centers. The validation of emerging art is preceded by institutional recognition and endorsement.

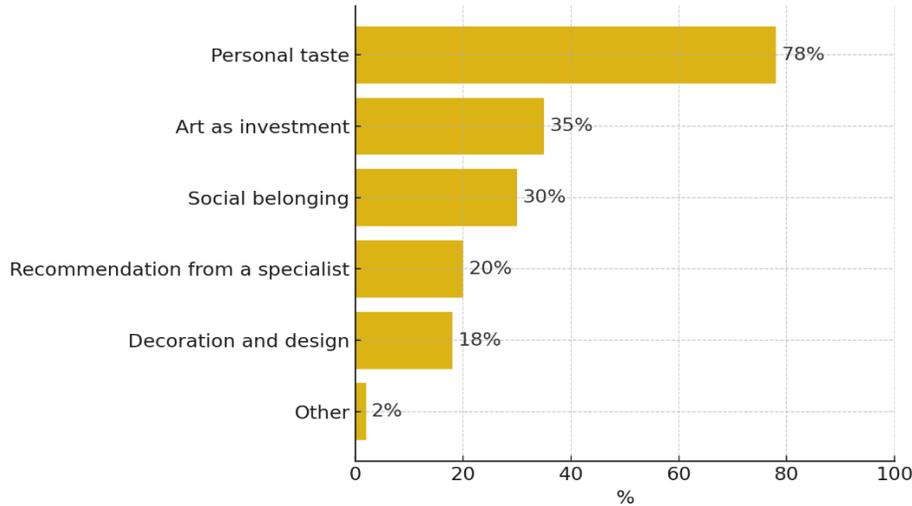
3.5 Professionalization of the Sector

The rise in advisors and collection management practices signals the consolidation of a more robust infrastructure.

⁸ Up to three answers were allowed.

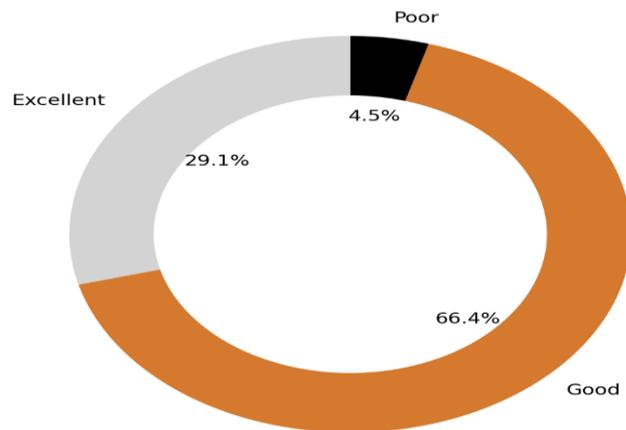
⁹ 34 responses from a universe of 67 galleries.

Figure 6 – Gallery Clients’ Motivations for Purchasing Artworks (%)¹⁰¹¹



The clear conclusion from Figure 6 is that personal taste is the primary driver behind buyers’ choices of artworks, according to gallerists. In second place comes the perception of art as a relevant financial asset. Although the option “Recommendation from a specialist” was selected by approximately 20% of respondents, it is worth noting that participant observation by the researchers during the fairs revealed a growing presence of such professionals. It will be important to observe whether future research captures the rising relevance of advisors in the art market.

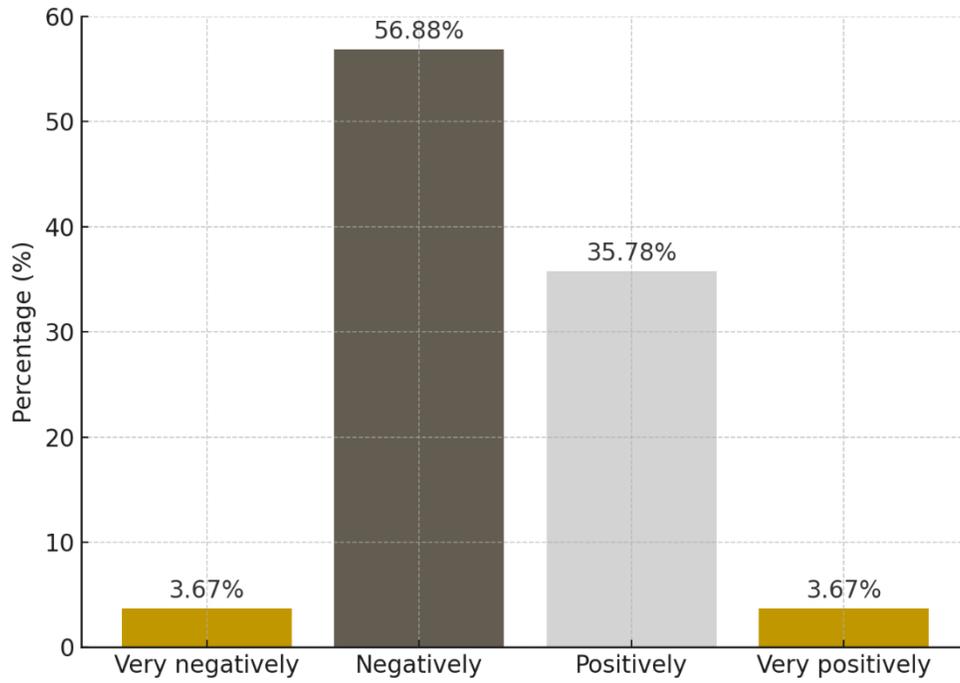
Figure 7 – Gallery Performance in the Past Year (%)



¹⁰ Up to three answers were allowed.

¹¹ 120 responses from a universe of 274 galleries. Four respondents chose not to answer this question.

Figure 8 – Impact of the Current Economy on Sales and Operations (%)¹²



Although more than 60% of respondents believe that the current economy has a negative or very negative impact on their sales and operations (Figure 8), nearly 95% of gallerists reported that their gallery’s performance in 2023 was good or excellent (Figure 7). This finding contradicts the literature that suggests art markets tend to underperform during periods of economic downturn (Chemalle, 2023; Goetzmann, 2011). In this sense, participant observation among market agents supports the hypothesis that, over the years, the Brazilian art market has become more professionalized—and thus more resilient to economic fluctuations—since the positive performance reported by galleries exceeds the negative perception of the broader economy.

4. Discussion

This section presents final considerations and perspectives for the Brazilian art market based on data collected at the main art fairs held throughout the year. The sector is undergoing significant transformations, driven by both internal dynamics—such as the growing professionalization of collection management and the rise in the number of art advisors—and external factors, including economic and geopolitical reconfigurations. The expanding influence of BRICS countries and the Global South, with particular emphasis on China, has redirected investment flows and collector interest toward the East. In contrast, challenges such as inflation, protectionism, and climate change impose an uncertain future, requiring resilient and adaptive strategies to sustain the market’s dynamism.

¹² 109 responses from a universe of 274 galleries. Fifteen respondents chose not to answer this question.

In this context, the professionalization of private collection management is intensifying. Collectors with significant holdings have increasingly invested in practices such as loaning artworks to museums, digitizing and systematically cataloguing their collections, and developing dedicated conservation areas. These practices not only preserve the value of artworks but also contribute to the sector's sustainability by fostering technical and institutional capabilities (SDG 8)¹³, while enhancing public access to art and promoting cultural democratization (SDG 11)¹⁴.

The sharp rise in the number of art advisors also reflects a drive toward greater coordination and transparency in market relationships. These professionals act as facilitators and mediators in transactions, promoting liquidity and reducing informational asymmetries—key elements for building a more efficient, ethical, and sustainable art market (SDG 17)¹⁵.

Art fairs remain the leading force in cultivating new audiences. By offering immersive in-person experiences, they distinguish themselves from more digitized markets such as fashion or commodities. These platforms promote interpersonal connections, direct engagement with artworks and artists, and strengthen networks among galleries, collectors, curators, and institutions. In this sense, art fairs act as catalysts for local development and the creative economy, fostering collaboration and generating employment and income in the cultural sector (SDGs 8 and 11).

The rise of the Global South and the growing centrality of China are reshaping the landscape of international collecting. This geopolitical realignment not only repositions the economic axis of the sector but also amplifies the visibility of Asian cultural narratives, influencing aesthetic preferences and investment strategies. China's growing prominence creates new opportunities for artists and institutions while challenging Western markets to rethink their reference points and practices. International cooperation and knowledge exchange between actors from different regions are thus more relevant than ever (SDG 17).

On the other hand, gallerists warn of economic impacts already being felt in their operations, indicating that the market may face a more complex cycle in the coming years. Geopolitical tensions, renewed protectionism, and the climate emergency are likely to continue shaping consumer behavior, operational costs, and supply chains within the sector. The 12% decline in the global art market's financial volume in 2024, according to the Art Basel & UBS Art Market Report (McAndrew, 2025), reflects this challenging environment: the US\$57.5 billion transacted in 2024, in real terms, marks a level lower than a decade ago, indicating stagnation or contraction.

In Brazil, although economic and tax reforms bring positive expectations, the market remains sensitive to the global landscape. Gallerists' responses suggest that 2023 was perceived as a

¹³ SDG 8 – Decent Work and Economic Growth: Job and income generation in the cultural sector.

¹⁴ SDG 11 – Sustainable Cities and Communities: Valorization of intangible heritage and strengthening of local economies.

¹⁵ SDG 17 – Partnerships for the Goals: Collaboration among public, private, and third-sector actors in fostering the art market.

more positive year than 2024 has been so far—a perception not aligned with UBS and Art Basel’s calculations for the global results of 2024. This scenario underscores the importance of support policies, enhanced professional training, and institutional alliances capable of strengthening the art ecosystem as a driver of sustainable, inclusive, and collaborative development (SDGs 8, 11, and 17).

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