

ART MARKET

DAMS (L-3)

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DIPARTIMENTO DI
SCIENZE DELLA
COMUNICAZIONE

*XXIX LESSON – ARTISTIC
ASSET AS AN ECONOMIC
ASSET*

ARTISTIC ASSET AS AN ECONOMIC ASSET

Object of study of the economics of art:

a set of activities that are defined as "artistic goods and services".

Problem:

identification of the characteristics that make the "artistic connotation".



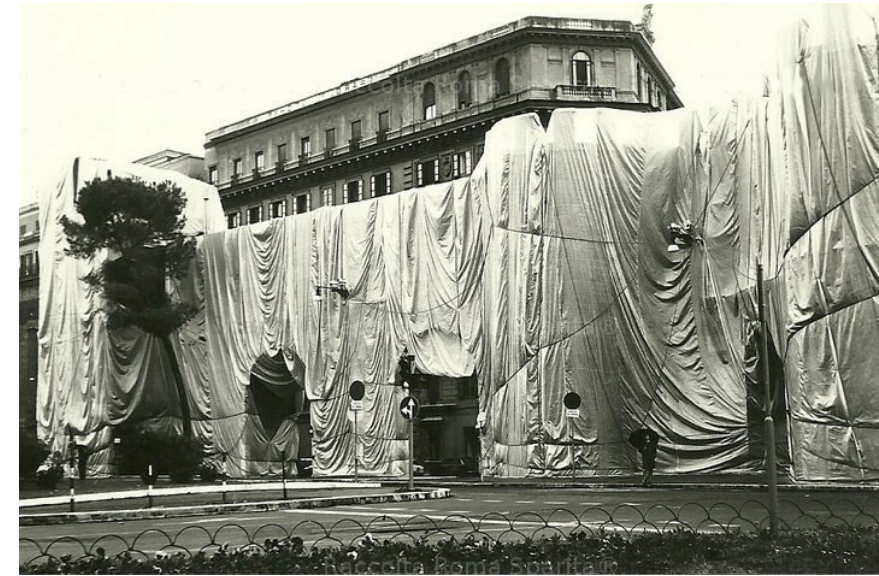
Daniel Spoerri, The Frozen Dinner

Definition of John Ruskin (*Economic Policy of Arts, 1857*)

The properties of an artistic asset must be three: originality, uselessness and manual realization.

BUT:

- Photographs and films are multiple and serial.
- Cult objects have their own usefulness.
- Some artistic goods are not made manually (example: Christo's wrappings).



Christo, Porta Pinciana in Rome, 1974

David Throsby

The characteristics of the art asset are identified by three properties: la **creativity** (invention connected to the act of artistic production); the presence and transmission of a **symbolic meaning**; the existence of some form of **intellectual property**.

Pommerehne e Granica

The art asset has primary and secondary characteristics:

- Primary characteristics: they are aesthetic in nature and distinctive.
- Secondary characteristics: these are historical and financial elements in common with other assets.



Davaroux, Pflieger e Rouget

Hidden quality of artistic heritage; The art asset is recognized as such only when its intrinsic quality is revealed by exhibitions, criticism, etc...

Diana Crane

Artistic assets are characterized by a particular selection system, which takes place through a network of experts (critics) and the artist's appropriability is generally low, linked to copyright.

Pierre Bourdieu (Sociological approach)

A crucial element of the artistic asset is the social definition: what is art or is not art derives from the evaluation of society rather than from the psychological characteristics of the individual or from the intrinsic characteristics of the asset.

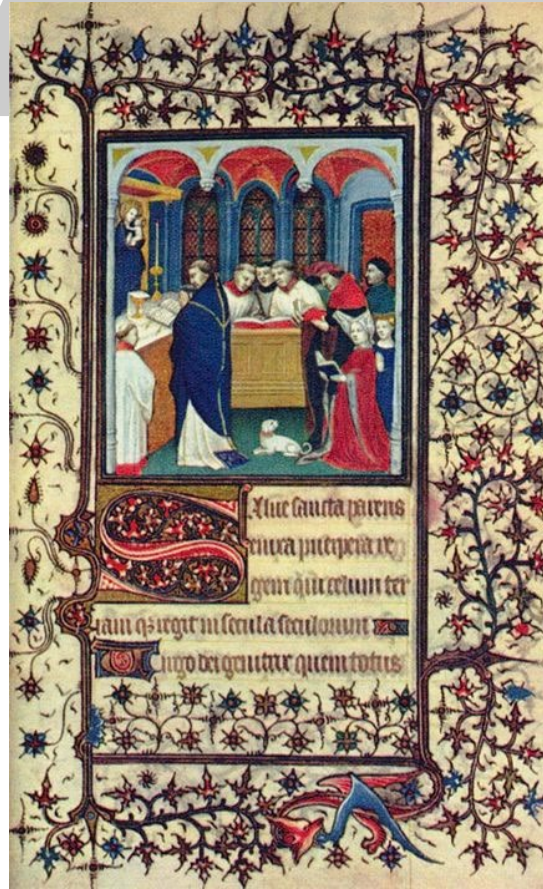


The symbolic nature of the artistic asset requires that the symbol itself materializes in a support: on the market, therefore, the work of art has a double value, economic and artistic. It is characterized by its **market value (price) and its significant value (referring to the artistic aspect)**.

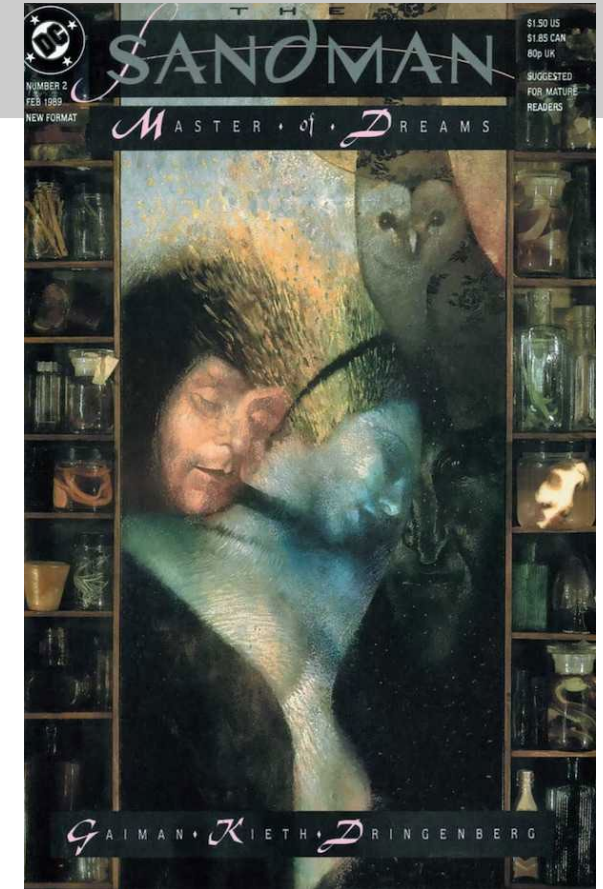
The economic analysis of the artistic asset requires a link between **monetary value** and **artistic merit**: if the latter is universally recognized, the number of potential buyers is greater than that of a transaction in which artistic merit is recognized by a few.

A high market price is connected to a shared recognition of the artistic quality of the work.

Art is a **dynamic concept**, which changes over time: it is important that economic analysis takes into account how social rules and institutions condition the behavior of individuals, even in the artistic field.



Book of Hours, France, early
fifteenth century



Dave McKean, cover of Sandman

- 1) Those who ask and those who offer are uncertain about the artistic merit of the goods: before the exchange *nobody knows* what the future artistic merit of the good is.
- 2) Artistic work must be a source of utility rather than sacrifice.
- 3) The creative activity of simple products is carried out on an individual basis, whereas the cultural enterprise produces complex artistic goods and services, which necessarily require the work of several artists.
- 4) Artistic goods and services show a combination of horizontal (*artistic variety*) and vertical (*artistic quality*) differentiation.
- 5) Creative product is *durable (ars longa)*.



- **Bond Model**, born with the artist who lives off the prince's "orders" (in modern times it becomes the model of politics, when the artist works within a strong relationship between politics and art).
- **Model of symbolic goods**, reciprocity and gift within the artistic community, so that a collector feels involved in the creation of the work through its purchase.
- **Market separation model**, in which the artist produces the good in the dark for a client he does not know.
- **Inheritance allocation model**, according to which assets circulate through inheritances and donations.



- In the past, a direct link between artist and "prince" prevailed, with artistic work carried out on commission defining in detail the subject, time of execution and price of the work (the relationship between supply and demand, when it becomes personal, incorporates forms of reciprocity).
- The market model, on the other hand, asserted itself from the seventeenth century with the increase in demand for works of art by the bourgeoisie (examples: annual Paris Salon which, in the second half of the 19th century, became a point of reference for collectors and artists of all kinds; development of the opera market in Italy).

Ability of the market to self-regulate by identifying rules aimed at encouraging the expansion of trade: the figure of the intermediary capable of satisfying potential demand is spreading.