Introduction to the Special Issue: The Economic History of the Arts

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Abstract

This is the Introduction to the Special Issue on the Economic History of the Arts. It argues that economic history is well suited to study the arts. It also posits that the value of the discipline lies, among others, in its interdisciplinarity and the possibility to study creativity in history. Finally, attempts are made to coin the name of the discipline and some thoughts are shared on the way forward.

"*In all the (...) arts, in painting, in poetry, in music, in eloquence, in philosophy, the great artist feels always the real imperfection of his own best works*" (Adam Smith, 1759).

"*The growth of towns makes it doubly urgent (...) to turn music & painting & other fine arts to account in filling the void in man's life caused by the want of the free light & freshness & beauties of nature*" (Alfred Marshall, 1996).

Introduction

Viewing a painting by Frida Kahlo, listening to a composition by Fryderyk Chopin, or attending a play by William Shakespeare, produces many benefits. These activities are conducive towards education, well-being, and health, contribute to a national identity and strengthen the sense of belonging, but they are also leisure activities that simply generate pleasure. It is for the reader to decide how much pleasure is derived from reading research about famous and less-famous artists, but this line of work also often delivers significant and interdisciplinary contributions. This Special Issue introduces the Economic History of the Arts and showcases some of its research. It also posits that the value of the discipline lies, among others, in its interdisciplinarity, and the possibility to study creativity and creatives in history. Finally, attempts are made to coin the name of this discipline.

The Economic History of the Arts lies at the intersection of economic history and cultural economics, and as such covers the economics of the arts and culture of the past. Cultural economics is efficiently described in the aims and scope of the field's main outlet – the *Journal of Cultural Economics* - as the "application of economic analysis to all of the creative and performing arts, the heritage and cultural industries, whether publicly or privately owned. It is concerned with the economic organization of the cultural sector and with the behavior of producers, consumers, and governments in that sector". The Economic History of the Arts has a similar coverage in terms of topics, but approaches them in historical settings.

Why *Economic History* of the Arts?

Creative individuals have been often sidelined in economic history, and yet they left an indelible mark on culture, heritage, and identity. We would not be *who* we are without the creative contributions by artists. Consequently, the creation of art has occupied a special position among human activities and would often be regarded as above "mere commerce" (e.g., Borowiecki, Gray, and Heilbrun, 2023). Some might rank artistic creation at the highest of all callings, especially considering that artists are the creators of cultural heritage and influencers of our culture.

Yet no matter how highly we may value them, art and culture are produced by individuals and organizations working within the larger economy, and therefore cannot escape the constraints of that material world. Take the example of artistic production, which is influenced by economic factors such as the availability of resources, demand, and technology. From medieval frescos to contemporary digital art, artists have always had to navigate economic constraints and opportunities. And (cultural) economists are very well equipped and eager to study these and other factors.[1]

Increasingly often economic studies of the arts are conducted using historical data and by building on past context. Given the importance of the arts throughout history, a lot of knowledge has been preserved, ranging from individual biographies, artworks, and writings, to records of transactions, contracts, commissions, and data on cultural policy and institutions. This wealth of information is also increasingly often available in databases, and enables researchers to pursue a number of different and valuable studies, some of which are presented in this Special Issue. The historical focus comes with many advantages, some of which are well known and appreciated by economic historians, including the ability to derive knowledge on where we come from and what we have been through, which in turn may allow us for a better understanding of the present and perhaps facilitates a better building of the future. However, economic studies exploiting historical data and context, should not be – in the words of Arnold Toynbee – "too dissociated from history" (Toynbee, [1884] 2000). This line of scholarship requires historical literacy – whether history in general or art history – and so it is close to Economic History in the methods and approaches used, and discloses a greater awareness of the historical context. This motivates the name for the discipline: the *Economic History* of the Arts.

Previously the term "Economic History of Arts and Culture" has been used (e.g., Borowiecki and Greenwald, 2019). However, the *Economic History of the Arts* is not only more concise, but also exhaustive, since the arts, a subdivision of culture, covers the artistic and creative endeavors that form part of this subfield. So far, nobody has used the term cultural economic history. This is

[1] For more on this, refer to the handbooks in cultural economics by Ginsburgh and Throsby (2006), and Towse and Navarrete (2020).

probably for the best, especially if one wants to differentiate from the scholarship that covers more widely social behavior and norms found in human societies. Currently, the *Journal of Cultural Economics* with David Galenson and Federico Etro as editors are preparing a related special issue with a focus on the visual arts, and hence the title The Economics of Art History (Galenson and Etro, 2023). The Economic History of the Arts is the overarching term, as it encompasses the economics of all arts and culture, including visual art, which is studied in art history.

This Introduction does not attempt to review the existing literature in the Economic History of the Arts. An overview of research on related topics is provided in the chapters "Arts and Culture" in the *Handbook of Cliometrics* (Borowiecki and Greenwald, 2019, 2024) and "Creativity" in the *Handbook of Cultural Economics* (Borowiecki, 2020). Further reading is provided in the underlying issue as well as in the forthcoming special issue on the Economics of Art History in the *Journal of Cultural Economics*.[2] Moreover, research in the Economic History of the Arts appears increasingly often not only in leading economic history journals, but also in top-five economic journals (e.g., Galenson and Weinberg, 2001, Moser and Giorcelli, 2020, Borowiecki, 2022). As becomes clear from all those publication dates, much of the scholarship in this area is relatively recent, which signifies that the discipline experiences a wider momentum and growth. However, these recent developments build on a solid foundation. The arts and culture have occupied an important role among economists for centuries, beginning with the writings by Adam Smith, who was particularly intrigued by the demand side of art markets, or by Alfred Marshall, who suggested the possibility of positive externalities emerging from the arts. Many others followed, including Montias (1983) on artists and artisans in seventeenth century Delft,[3] Baumol and Baumol (1994) on the economics of music in Mozart's Vienna, Scherer (2004) on music composition in the eighteenth and nineteenth centuries, Etro (2012) on the market for paintings in seventeenth century Italy, Graddy (2013) on the endurance of taste for art, and Greenwald (2021) on the inequities in the formation of the art historical canon.

But even those who do not share an interest in the arts may find something of value in the Economic History of the Arts. The discipline enables namely long-term insights into creativity and

[2] Among others, the special issue in the *Journal of Cultural Economics* will include a study on nepotism and sexism in artistic recognition (de Beyssat, Greenwald and Oosterlinck, 2023), on the rise of Monet to great wealth (Kelly, 2023), on what drove creativity of three late twentieth century painters (Galenson and Lenzu, 2023), and an article by an art historian on how market prices for contemporary art flourished in the late nineteenth century, fell after 1900, and rose again in the 1960s (Jensen, 2023).

[3] A book reviewed by both the *Journal of Economic History* and the *Journal of Cultural Economics in the 1980s*, which is another indication of the shared history (also literally) between both fields.

the lives of creatives, which otherwise is mostly unobserved throughout of history. For example, historically, farmers or factory workers, who possibly account for the vast bulk of the labor force of the last centuries, and are often the focus in economic history, were not required to be systematically creative in their work. What was valued by labor markets was their diligence, discipline, and perhaps punctuality. In contrast to that, artists of the past were required to be creative. Of course, the boundaries of creative work or incentives for creative output, have changed much over the centuries, but creativity has been systematically an important input factor in artistic production. In consequence, the Economic History of the Arts provides the unique opportunity to study creativity in the long-run, along with its drivers and limitations, or the role of policy and institutions; insights that are potentially of great value today.

Interdisciplinarity

The Economic History of the Arts is rather uniquely positioned in proximity to the humanities and has the increasing potential to exploit synergies, which makes it more than just the subset of economic history and cultural economics. Until recently there was very little exchange between economics and art history, music history, cultural and heritage studies, and other domains of the humanities. The methods and language used, and questions studied were too distant. But this has been changing fast in recent years.

With the onset of digital humanities, and its interest to collect, visualize, and analyze data (e.g., Berry, 2011, Drucker, 2013), the barriers between humanities and economics have very much decreased. Art and music historians are increasingly often interested and knowledgeable in pursuing quantitative approaches and using data, and as a result it becomes easier to understand one another. The potential benefits of a shared language at the intersection of our disciplines are manifold and exciting.

Moreover, it is not only the humanist who moves closer to the methods used by economists and cliometricians. It is also us who increasingly avail of methods developed in humanities, for example, consider the growing scholarship availing of textual analysis tools (e.g., Hills et al, 2019 and Hansen et al, 2019), while others build on databases collected in the humanities, whether by literary scholars (e.g., Ashworth et al, 2010), archeologists (Etro, 2022), or musicologists (e.g., Benetos, 2022).

The increasing proximity between the academic disciplines is not only a result of the cross-disciplinary diffusion of methods used, but also the increased alignment in the questions studied. The rising pressure on all sciences to be of societal relevance may have contributed to the gravitation of humanities towards projects that bring relevance to the wider society, and in turn closer to the social sciences, which studies societies. Or perhaps economists and economic historians are becoming more open towards questions that do not have a clear economic or monetary aspect? After all, some may agree that economics is more about decision making, than money making!

Boundaries diminish, while those remaining are often breached by curious and open-minded scholars, which facilitates cross-disciplinary interaction. For example, the cultural economist Anne-Sophie Rademecker presented her economic work at the Renaissance Society of America Annual Meeting 2022, a major event in the humanities that "brings together thousands of scholars from around the globe, welcoming the broad range of activity in Renaissance studies today". Around the same time, research by the art historian Léa Saint-Raymond has been more widely disseminated and appreciated in cultural economics. Both studies are included in this Special Issue. It may not be long before research by digital humanists will appear more regularly in outlets of the social sciences or economic history will be published in journals of the humanities.

Overview of this issue

This Special Issue includes seven contributions, which are not constrained to any particular domain of the arts domain, time period or geographic area, and hence together they showcase the width and depth of the Economic History of the Arts. The ordering is conducted chronologically by topic.

We begin with "*Contracting creativity: patronage and creative freedom in the Italian Renaissance art market*", which explores contractual solutions in the market for original paintings. Throughout history some of the highest quality artworks have been solicited by a patron, but have they affected the creative choices of the artist beyond the provision of financial resources? Ennio Piano and Clara Piano look at the commissioning process in the context of the primary market for paintings in Renaissance Italy. Using a novel dataset constructed from original commission documents, the authors show that the degree of creative control exercised by the patron (and, thus, the degree of artistic independence) varied dramatically across commissions. The findings indicate that higher commission prices are associated with greater patronal input on the creative process, with this input being systematically larger for individual patrons than for corporate bodies, whether lay, religious, or public. The evidence also suggests that patrons exercised more creative control over the execution of commissions awarded to better established artists. All in all, the authors argue (and demonstrate) that economic reasoning can be applied to the study of institutions like the commission system and thus contribute to our understanding of historical art markets.

Another institution of relevance for art markets is that of market makers, which is the focus in "*Authorship as a determinant of art prices and auction settings in eighteenth-century Paris*". Here, Hans Van Miegroet and Anne-Sophie Radermecker, by building on the case study of Jean-Baptiste Pierre Lebrun, an art dealer in eighteenth-century Paris, show how authorship was exploited as a value-enhancing strategy. In the booming Parisian art market, there was an oversupply of artwork, and hence buyers, especially those less knowledgeable, lacked trustworthy signals of quality. To assist buyers in their purchasing decision, gain their trust, and maximize their willingness to pay, Lebrun provided a straightforward scale of authentication that connected attribution, authentication, and valuation. Van Miegroet and Radermecker show that auction houses purposefully used a scale of authentication to create product differentiation and boost auction dynamics and revenues by reordering the auctioned lots. The empirical findings support the hypothesis of the development of a market driven by the quest for the artist's hand in pre-revolutionary Paris, with a differential use of connoisseurial knowledge depending on buyers' profiles.

We remain in France, but move from the capital to its periphery with the third contribution: "*The Toulouse salons: a regional counterweight to the Parisian art scene? (1861–1939)". The Toulouse Salons are an excellent early example of how policy makers tried to redirect economic activity from overcrowded arts centers to new locations. Léa Saint-Raymond uses a novel dataset to analyze the functioning of the primary art market for living artists in the periphery of France, where there was no secondary market or intermediaries such as art dealers. The results of the analysis suggest that the Toulouse Salons did not succeed in emancipating the local artists from the influence of the capital. The exhibitions favored Parisian artists who continued to offer higher prices and the exhibited works did not stand out from the capital's influence. These findings contribute to the literature on geographic clustering of creative activity by showing another angle on the influence and persistency of a dominant artistic center like Paris.

But how are artistic clusters formed in the first place? The fourth contribution, "*Market structure and creative cluster formation: the origins of urban clusters in German literature, 1700–1932*", approaches this (and other) questions in the context of German literature. Lukas Kuld and Sara Mitchell collect from biographic sources a large dataset on 153 prominent German authors and combine it with data on the development and location of book publishing and trade. These detailed data enable not only insights on the long-term role of large cities, and ultimately the formation of literary clusters, but also – by being at the year-level – illuminate the changing opportunities for an individual writer over her career. The findings reveal that the geographic concentration of writers increased over time, as authors moved greater distances to connect with their peers, and into large capital cities and centers of book trade. This led, ultimately, to the formation of a dominating literary cluster in Berlin.

The German capital was a geographic cluster not only for writers and other artists, but also the center of art markets. We turn to the developments on the German art market between 1937 and 1944 in the fifth contribution: "*The German art market during WWII*". Jeroen Euwe and Kim Oosterlinck disclose that the German art market experienced a significant boom during World War II, despite the economic turmoil caused by the war, and suggest several factors that may have contributed to it. One such factor is the wartime economy, which was characterized by a strong increase in the monetary supply and a rationing of real goods. This led to a situation where some had money they could not easily use, and buying art provided a means to limit losses from inflation. The findings of this study shed light on the historical interest in the art market and contribute to the larger debates on wartime economies and the role of artworks as an investment in times of crisis.

Demand for art and well-functioning art markets can be conducive towards artistic output, and while only some artists were lucky enough to be born in an artistic center, many have decided to migrate towards one. This is the focus of the sixth contribution, "*Historical mobility, creative output, and age of prominent visual artists, composers, and authors*", where John O'Hagan reviews the large literature of the past about 15 years examining the historical long-term mobility of prominent visual artists, composers, and authors. The papers presented build typically on data collected from large encyclopedias, including the destination of a move and at what age (or year) it occurred. These approaches reveal interesting trends such as the frequency of long-term moves, age of moving, and destinations for moves. A common challenged in this literature is the introduction of measures of creative output. For visual artists, data on the prices of their works is typically used as a proxy for the quality of output. When it comes to composers and writers, one is usually restricted to the number of important compositions or publications written in a given year. Despite those limitations, research in this strand of the Economic History of the Arts made a substantial contribution to the agglomeration scholarship.

Agglomerations have been important for creative production throughout centuries and there are many reasons for this. One is perhaps related to the availability of better education in a larger city or especially in an artistic cluster. But how does a composer influence the quality of the composers they teach? This is the exploration provided in the seventh and last contribution. In "Harmonious Relations: Quality transmission among composers in the very long run", Karol J. Borowiecki, Nicholas Ford and Maria Marchenko explore unique data on more than 17,000 composers and their teachers and students. The results disclose not only a strong relationship between student and teacher quality, but also that this quality transmission persists across multiple generations. Some other insights emerge as well, such as the discovery of the longest teacher-student chain, starting with the fifteenth-century composer Jean Mouton, and including many of the leading composers (for example, Bach, Beethoven, Haydn, Mozart, and Schumann) as well as prolific teachers (such as Nadia Boulanger, with 413 students). But the contribution of this study goes beyond music history, especially considering that most creative professionals develop and refine their talents by learning from others and yet in most empirical settings estimating how this learning process fosters quality is challenging. Once again, the Economic History of the Arts provides the right context to overcome data limitations existing in mainstream research.

The way forward for the Economic History of the Arts

Every publication in the European Review of Economic History has historical content. However, this one is historical also in the proposition of the expansion and the coining of the Economic History of the Arts. A discipline that merges parts of economic history and cultural economics, but also one that is more than the subset. A discipline that now has a name and will hopefully one day receive also its own JEL Classification Codes Guide, for example, "Z14 The Economic History of the Arts" or join the crowded "N3 Labor and Consumers, Demography, Education, Health, Welfare, Income, Wealth, Religion, Philanthropy, and *Arts*"? With all these developments and opportunities there comes responsibility. Just as an economist working with historical contexts should be historically-literate, so should those who work in the Economic History of the Arts bring along an understanding of the required art history, music history, or similar. There is also the need for more conferences and workshops to create opportunities for academic dialogue between economic historians of the arts and the humanities, which will hopefully lead to more collaborations and a better exploitation of the synergies.

It is timely to be interdisciplinary. What is also timely is to be inclusive. And cultural economics is known for its meticulous track record when it comes to gender equality. The conferences and workshops in cultural economics are as good as gender balanced and so is the management of the Association for Cultural Economics International (Borowiecki and Mauri, 2019). It is less clear why this is the case, whether it is due to the topic of enquiries, a reflection of the overall openness and tolerance of the arts and art consumers, or path-dependency. However, it is hoped that the Economic History of the Arts will equally form a truly inclusive, diverse, and supportive discipline.

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