Introduction

The goal of this course is a follow-up to the Contemporary Art Market (ARTHIST 261; ECON 343), the History of Art Markets (ARTHIST 231; ECON 344; VMS 242) and the History of Netherlandish Art & Visual Culture (Duke in Flanders & the Netherlands; 262A-263A; ARTHIST 506A-507A). But here the objective is to engage in team research on historical art markets, the emergence of new art markets as well as interactions between market behavior and visual culture, past and present. We have discussed this in detail in Neil De Marchi and Hans J. Van Miegroet, “History of Art Markets,” in: Victor Ginsburgh and David Throsby (eds.), Handbook on the Economics of Art and Culture, Elsevier Science: Amsterdam-London-Tokyo, 2006, pp. 69-122 and in the introduction to and comments on others’ essays, in Neil De Marchi and Hans J. Van Miegroet (eds.), Mapping Markets for Paintings in Early Modern Europe 1450-1750 (Brepols Publishers, Turnhout, 2006 [available in Duke Textbook store].

Visual culture, as part of the material culture, can include a range of objects and representations, but in this seminar, we will focus mostly on popular imagery such as paintings, sculpture, and prints. Our discussion will use the emergence of new art markets in Europe and the Americas as a chronological template to raise three sets of questions. First, what is an art market? What is specific about an art market and do the methods of economic analysis apply to art? (And, conversely, are art historical methodologies deployable while analyzing the economics of art?) And what about newly emerging objects of study, such as Visual Culture and Visual Studies? Second, how, in what specific places, and either via or ignoring what market institutions, have and do players in the market shape visual culture(s)? What are the effective causes shaping art consumption across time? What is the role of taste and fashion? Can these be analyzed? Third, what are the methodological implications of practicing research at the interface of Economics, Art History and Visual Studies? How do these new perspectives inform new research in art and science, law and business?

We find the first substantive European evidence for primary markets and the retailing of paintings in 15th century Florence and Bruges. Historically primary
markets involve artists doubling as dealers. Secondary or resale markets typically followed the primary markets with a lag of a century or more, as was the case in Antwerp. Specialist dealers in paintings in the resale or secondary market followed. Tertiary markets (and combinations of the two previously mentioned models) emerged in the late 16th century. The clearest early evidence concerning auctions that served resale markets pertains to 17th century Amsterdam, to late 17th century London, and to Paris in the 18th century.

As resale markets joined primary sales, we see the appearance of specialist dealers, auctioneers and dealer-auctioneers bent on expanding or maintaining markets. For dealers, their single most important commodity, in addition to their paintings, is information. Art dealers often prefer to be secretive (non-transparent, in economic language) when they are allowed. An interesting question is whether there is anything about competition that causes them to change. One persuasive view is that, because dealers must invest heavily in their stocks of art, but do not have available to them the usual hedges enjoyed in financial and commodity markets, they are obliged to behave in duplicitous and otherwise questionable ways, just to survive. In the next pages you will find a list covering topics we will explore week by week.

FANTASY COLLECTING GAME

Over the course of the semester, students will have the opportunity to recreate some of the basic dynamics of the art market through the Fantasy Collecting Game. In our first meeting, students will be exposed to a select group of images portraying artworks that will fuel the in-class marketplace. Each student will then receive a "fantasy collection" in the form of a dossier containing images and information on the works that he/she owns. In subsequent classes, students will engage in bartering sessions through which they can shape their randomly assigned collections into collections that actually reflect their preferences. Students will be encouraged to communicate outside of class on their proposed trades in order to facilitate successful bartering, which will take place in lightening rounds at the beginning of each class. Toward the end of the semester, students will learn the values of their collections—to be derived from a point system which will be explained in the first seminar—and the two students with the highest scores will compete to be named Master Collector. This game will allow students to think critically about how individual preferences and market dynamics have shaped collection formation across time, including testing and/or developing game theoretical models.

For your regression analyses or any other data-driven analytical methodology to study Art & Markets, see http://guides.library.duke.edu/content.php?pid=19863&sid=139037
1. INTRODUCTION

Methodological statement and overview of historical approach of the topics. What is a market? What is an art market? Do the methods of economic analysis apply to art? Do the methods of art historical analysis apply to economics?

Introduction to the Fantasy Collecting Game


2. WHY PAINTINGS?

a. Why paintings?
b. Emergence of early modern cities; disposable income and the desire for non-essentials; shops; city-fairs; specialized markets
c. General mapping of production and consumption of art;
d. Markets as experimental arenas in which rules and plays interact creatively.
e. Value? How is it determined? Who decides?
f. Economic ↔ Art Historical analysis


3. SPECIFIC GEOGRAPHIES OF PRODUCTION AND CONSUMPTION: BRUGES-VENICE-COLOGNE

Teams to present research topics to the seminar and hand in one-page executive brief with topic, research strategies, concise bibliography and expected results. We will discuss your proposals with all participants of the seminar.
a. Scale, specialization, division of labor, joint production producing “on spec”: Bruges-Venice-Cologne.
b. Experimenting with new sales outlets and techniques.
c. The regulatory environment and market or anti-market strategies versus the active exploitation of market opportunities.


4. EMERGING MARKETS PAST AND PRESENT

a. What are emerging markets? How to define and analyze them?
b. Primary-secondary-tertiary market segments
c. International trade and export networks to the Americas and Asia
d. Vertical integration, economies of scale, specialization, division of labor, joint production producing on spec.
e. Copy culture(s): Originals, copies, phantom-copies; and relative prices.

5. PROFESSIONALIZATION: RISE OF DEALER-AUCTIONEER AND SALES CATALOGUE

Teams to present research topics to the seminar and hand in one-page executive brief with topic, research strategies, concise bibliography and expected results. We will discuss your proposals with all participants of the seminar. Prepare for discussion: Rachel A. J. Campbell & Christian Wiehenkamp, “Credit Default Swaps and an Application to the Art Market: a Proposal,” Niklas Wagner, Credit Risk, Models and Management (2008), pp. 53-66.

a. Emergence new market segments, risk and rise of new types of dealers (local and international)
b. Art and arbitrage
c. The sales catalogue
d. Dealers transforming art markets: Gersaint-Rémy-Paillet-Lebrun (Paris)


6. ART AUCTIONS / MULTIPLE ROLES AUCTION HOUSES / ON-LINE

a. Experimenting with auctions, public sales, and lotteries, the Dutch and English auction models.
b. Historical trajectory major auction houses:
   Stockholms Auctionsverk (1674) Dorotheum (1707) [note: has auction results with images]; Sotheby’s (1744); Christie’s (1766); Bonhams (1793); Phillips de Pury & Company (1796); Beijing Poly International Auction Co., ltd. (2005)
c. Auction and market index funds
d. On-line art auctions

7. THE RISE OF THE NATIONAL MUSEUM, NEW MUSEUMS, SUPERSTAR MUSEUMS, UNIVERSITY MUSEUMS, PRIVATE MUSEUMS

a. The Louvre as global model for the “national museum”

b. Theories behind superstar museums: competing art historical and economic concepts

c. Museums and market oriented policies


8. THE EMERGENCE OF THE MODERN COMMERCIAL GALLERY SYSTEM

a. The rise of commercial art galleries in the mid-nineteenth century


c. The Bauhaus aesthetic / *White Cube*

d. Peggy Guggenheim's *Art of This Century Gallery*

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Background reading:


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Readings

All the required readings are assigned for the next session. All participants in the seminar are expected to read and critically analyze this material, to come well prepared, and to participate in the discussion of this material in class. Art historical knowledge is crucial, since the makers and marketers of visual images invariably have had either individual clients or “sorts” of customers in mind. Economic knowledge too is critical, for without economics one is unable to address the reality that art objects are also commodities like any other.

Paper assignments

Topics for your presentation and research paper will be decided in consultation with the instructors. Exchange and collaboration, joint papers and Economics-Art History or Art History-Law team presentations are encouraged and positively rewarded, including the development of new analytical tools. At the end of the seminar, all students are expected to hand in a research paper that clearly demonstrates their ability to engage in cross-disciplinary, Art Historical-, Law- or Economics-related research. The research paper should be an original contribution and focus on either one the periods or issues presented in class. You can file a digital file (or e-mail attachment) of your paper, but you also need to hand-deliver a hard copy to the instructor, when your paper is due.

Grading

Your final grade is based on your progress report in the 3rd and 5th session, oral presentations, active class participation and executive research brief [3rd session), and written research paper [final seminar presentation].

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No course credit will be given unless all components of the final grade are completed.

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