Introduction

The goal of this course is to explore, analytically and historically the emergence of new art markets as well as interactions between market behavior and artistic creation, art theory and practice, as well as the role of art entrepreneurship and regulatory environments in emerging art markets. We will compare representative examples of emerging markets horizontally in various places of the world, as well as chronologically. This also involves at times a very detailed historical analysis of various socioeconomic, regulatory and art historical contexts to understand how and where new art market segments emerged (or were not able to develop fully), the entrepreneurial roles played by participants in these markets and how all this shaped very specific visual culture(s). Throughout this chronological overview, we will also study representative examples of art entrepreneurship, local product differentiation in the arts and the many innovative marketing strategies deployed by artists and dealers in various regions of the world in the early modern, modern and contemporary periods.

In order to accomplish this overview of the history of art markets in an effective manner, the course is structured both thematically and chronologically. The chronological organization is necessary to identify several pivotal moments of change and to analyze the factors that caused these changes. The thematic organization will help us to identify causally related economic, legal and art historical principles behind some of these changes. The emergence of the most innovative infrastructures for buying, selling and displaying art affected both local and international art supply and demand for art and its attendant equilibrium structures.

We find the first substantive European evidence for primary markets and the retailing of paintings in the fifteenth century and our overview will start there. 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 resale markets joined primary sales, we see the appearance of new types of art entrepreneurship: specialist dealers, auctioneers and dealer-auctioneers bent on expanding or maintaining markets.


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**Wed 9 Jan**  
1. **Introduction**

**Mon 14 Jan**  
2. **Understanding the Economics of Art:**  
   *the economic point of view*  
   The demand and supply for Art  
   Historical scenarios to reach equilibrium between Demand and Supply  
   Excess supply of Art / Excess Demand for Art  
   **Read:** Frey, pp. 1-34.

**Wed 16 Jan**  
3. **Understanding the Economics of Art:**  
   *the art historical point of view*  
   Bridging the gap between Art History and Economics  
   Art theory and art market realities  
   Art and entrepreneurship  
   **Read:** *Mapping Markets*, pp. 3-13.

**Wed 23 Jan**  
4. **Identifying allowing circumstances for art markets to emerge historically**  
   Characteristics of emerging primary to secondary markets: professionalization  
   Elasticity of wealth and demand for art  
   Art consumption as economic and cultural phenomenon  
Mon 28 Jan  5. First-mover advantages for innovative imagery
Technological leadership of new paintings occupying new market segments
Substitutability of art
The creation of new sales outlets and distributing across markets
Read: Peter Stabel “Selling Paintings in Late Medieval Bruges” in Mapping Markets, pp. 89-105; History of Art Markets, pp. 86-96.

Wed 30 Jan  6. Market and anti-market strategies in emerging art markets
Comparative analysis of regulatory environments
Horizontal comparison between Bruges, Venice and Cologne
Guild strategies versus the active exploitation of market opportunities

Mon 4 Feb  7. Market segmentation, product differentiation and new marketing strategies
The rise of the Antwerp market
Specialization under pressure of rising demand for art
New production, marketing and sales techniques / outlets

Wed 6 Feb  8. Print industry and economies of scale
Economies of scale: large-scale production of prints and new marketing strategies
Circumventing regulatory environments
Historical roots of copyright
Read: Jan van der Stock, Printing Images in Antwerp: The Introduction of Printmaking in a City, Fifteenth Century to 1585 (Sound & Vision Interactive: Rotterdam, 1998).
Mon 11 Feb  9. Copy culture(s) and forgeries
Copies and phantom copies
Art forgeries
Historical value(s) of art

Wed 13 Feb  10. The rise of the public auction
Public auctions and the development of a system of auction sales
Lotteries
Dutch and English auction models

Mon 18 Feb  11. New types of art and art entrepreneurship
Art entrepreneurship and dealer behavior in emerging art markets
Reverse engineering the Bruges and Antwerp first mover advantage

Wed 20 Feb  12. Art entrepreneurship and vertical integration in export markets
Vertically integrated dealers and international traders
Repurposing international trading networks
Over production and large-scale art exports to the Americas, Africa, and Asia

**Mon 25 Feb**  
13. **New markets, wealth elasticity and new marketing techniques**  
New markets for paintings in Amsterdam  
Urban development and new demand for art  
New financial institutions and instruments  

**Wed 27 Feb**  
14. **Historical changes in consumer preferences**  
The concept “industrious revolution”  
Mapping changes in consumer preferences for art  

**Mo 4 March**  
15. **The role of novelty and fashion circuits in shaping new markets for art**  
The role of fashion and fashion circuits in emerging art markets  
Arbiters of taste  
Novelty  

**We 6 March**  
16. **Dealer or collector dominated art markets**
Comparative analysis between Dutch and English art markets
Dealer dominated markets
Collector dominated markets

**SPRING RECESS**

Mo 18 March **17. Rise of dealer-auctioneer and sales catalogue**

The introduction of the sales catalogue (Gersaint-Lebrun)

Informational asymmetry vs transparency

Arbitrage between contracting and expanding (art) markets (Amsterdam-Paris)


We 20 March **18. A brief history of capturing tastes, prices and preferences**

Art theories and art markets: Roger De Piles

Art critics, dealers and collectors

Econometric research strategies to measure buyer preferences


Mo 25 March **19. The rise of the National Museum, new museums,**
superstar museums and market-oriented policies
The Louvre as global model for the “national museum”
Superstar museums: competing art historical and economic concepts
Museums and market orientated policies

**We 27 March** 20. The rise of auction houses and strategic market behavior, past and present
Sotheby’s and Christie’s (London)
Art Auction mechanisms and price data: reserve prices and declining price anomaly
Historical analysis of the empirical study of art auctions

**Mo 1 April** 21. The emergence of the modern commercial gallery system
The rise of commercial art galleries in the mid-nineteenth century
The gallery system for the exhibition and sale of contemporary art
Dealer-critic system and the role of advertising in marketing new paintings
Available at

**Wed 3 April** 22. Commercial displaying and promoting art in the age of mechanical reproducibility
Art publishing and art reproduction
The entrepreneurial models of:
(1) Goupil & Co (Paris-London)
(2) Boussod, Valadon & Co (Paris-London)
(3) Wildenstein (New York)


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**Mo 8 April**

**23. The rise of markets for modern art**

Interactions between artist and markets in the late nineteenth beginning twentieth century


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**We 10 April**

**24. The modernist “white cube” gallery**

The Bauhaus aesthetic

Peggy Guggenheim's *Art of This Century Gallery*

Auctions, galleries and price dispersion


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**Mo 15 April**

**25. A recent history of rapidly emerging new markets**

Historical and socioeconomic factors behind the boom in Asia India and China


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**We 17 April**

**26. A concise history of research on art as asset class or art as a consumption good**
Research on art as investment 1875-2000
Determining art as consumption good or asset class
The critical usefulness of repeat-sale price index and the hedonic price index in art market, marketing and art entrepreneurship research


Mo 22 April – Wed 24 April

27-28. Understanding International Art Markets and Management
International art markets
Emerging markets (Dubai, Hong Kong)
Architectures of the art market


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Readings
All the required readings are assigned for the next session. All participants in the class 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
Students are expected to conduct original research in art and markets. Included are, for instance, database research of sales results, price formation over time, art entrepreneurship, comparative analyses of regulatory environments, measurement of preferences over time with econometric models and so on. Every week a two-page progress report needs to be filed demonstrating progress using a cross-disciplinary methodology. Your final paper should be at least 15 to 20 pages, not counting the bibliography or appendices. These include data results, regressions, archival references and comparative materials.

Grading
Your final grade is based on your weekly progress reports, active class participation, written research paper and final exam.

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<td>Weekly progress reports</td>
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<td>Class participation</td>
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<td>Final Paper / Exam</td>
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No course credit will be given unless all components of the final grade are completed.

Concerning the progress reports, your TA’s will brief you weekly on how to proceed as follows:

- Define an Area of Interest
- Track down Primary Sources/Databases
- Define Research Question
- Conduct Preliminary Readings of Secondary Sources
- Continuation of Primary and Secondary Research
- Narrow Research Question in Thesis Statement

Office hours
Monday’s 2:00-3:00PM in 115 East Duke Building.

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