



# The economics of art history

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Accepted: 11 July 2023 / Published online: 19 July 2023  
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## Abstract

The study of art history has been traditionally focused on the description of artistic innovations, the role of the artists and the meaning of the artworks. It has often neglected the broader reasons why certain innovations took place in certain places, in specific times and in particular ways. We believe that the impact of institutional and economic factors has been critical in shaping the evolution of art history, and quantitative methods can be useful to improve our understanding of the history of figurative arts and the relationship between market structure and creativity.

**Keywords** Art history · Innovation · Creativity · Painting · Sculpture · Artistic workshops

Art history is about sequences of artistic innovations taking place in markets. Its study has been traditionally focused on the description of these innovations, the role of the artists that made them and the meaning of the artworks they created. It has often neglected the broader reasons why certain innovations took place in certain places, in specific times and in particular ways. We believe that the impact of institutional and economic factors has been critical in shaping the evolution of art history, and quantitative methods can be useful to improve our understanding of the history of figurative arts and the relationship between market structure and creativity.

Art has been always flourishing with the development of markets. Systematic evidence on art trade and on art prices goes back to the ancient Greco-Roman world and reemerges in late Medieval Italy and then in the Flemish and Dutch countries. Art market structures have also affected the evolution of art history. One way took place prominently in classical Greece and Renaissance Italy, when rivalries between few competing patrons and towns stimulated sequences of technical and stylistic

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innovations: this happened in relatively small but rich markets where increasing art prices reflected investments in quality-enhancing innovations. A different scenario materialized for instance during the Roman Empire, with a huge integrated market, or during the Dutch golden age, with the new demand of the middle class documented by the pioneering work of John Montias: In these cases, a large market of anonymous buyers attracted entry of new workshops engaged in new genres and techniques, cost-saving innovations and mass production at stable prices.

The market has often driven innovations in art, from the replacement of frescoes with paintings on movable supports, opening up the way to a secondary market, to the introduction of the rules of perspective with Masaccio, oil painting with van Eyck or a new use of light with Caravaggio and has often found ways to allocate resources efficiently and to deal with problems emerging in bilateral negotiations. The systematic analysis of contracts between patrons and artists in the primary markets of Florence and Venice during Renaissance and Baroque Rome has shown that effective compensations were equalized across genres and destinations, and payments were conditioned on quantifiable aspects as one would expect in principal–agent relations. In a similar spirit, recent work by the art historian Jonathan Nelson and the economist Richard Zeckhauser, reviewed by Ennio Piano in this volume, has explored the way risk affected production, purchases and reception of art in Renaissance.

Art historical data from inventories, auctions and dealers' records from the eighteenth and nineteenth centuries are even richer. Their potential to study how art history was affected by primary markets (in a labor economics perspective), secondary markets (in a financial economics perspective) and aggregate factors (in a macro-perspective) remains largely unexploited. The same applies to the study of the relations between masters and apprentices and their impact on productivity, the networks of collectors, the distribution and diffusion of artistic talent, the life cycle of creativity and so on.<sup>1</sup> There are also long-standing questions of traditional art history that can benefit from systematic investigation through other datasets and quantitative approaches, as shown in recent work by the art historian Diana Greenwald on the effects of industrialization, gender and empire on the art world. This volume offers new directions for this agenda on historical art markets.

Understanding the impact of market structure is also critical for an explanation of one of the central features of art in the modern era. The art of the twentieth century is famously different from that of all earlier times: Thus, for example, neither a porcelain urinal purchased by Marcel Duchamp nor a pile of rocks collected by Robert Smithson could have been considered works of art in any earlier time. Art historians have described this revolutionary change in enormous detail, but have never offered a convincing explanation for why, when and where it occurred. This requires some simple but powerful economic analysis.

The explanation begins with the Impressionists. Claude Monet and his friends were not only outsiders in Paris' rigidly hierarchical art world, but as experimental

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<sup>1</sup> These and other issues are also explored in the Special Issue on the "Economic History of the Arts" edited by Karol J. Borowiecki for the *European Review of Economic History*.

painters they were ill equipped to construct the large and complex figure studies that were necessary to gain attention in the official Salon. Their frustration led them to hold their own independent group shows, where they could display as many works as they wished.

The Impressionist exhibitions remarkably led to the collapse of the official Salon. And this produced a basic change in the economic structure of the market for advanced art, by ending the monopoly of the Salon over the ability of artists to enter that market successfully. The liberalization and the subsequent proliferation of independent Salons and private group exhibitions initiated a new freedom for artists, who no longer had to satisfy a conservative jury in order to exhibit their work.

This new era of competition made the advanced art world of the 1880s and 1890s a battleground, in which new styles competed for critical prestige. Ironically the Impressionists, who had fought to create the new regime, came under the most severe attack, as ambitious younger artists contended to unseat Monet and his colleagues as leaders of advanced art. And in a preview of the future, the innovators of Neo-Impressionism and Symbolism were conceptual artists, who could innovate more quickly than the experimental Impressionists.

The role of galleries also began to change, as private galleries no longer merely exhibited the work of artists who had received honors at the Salon. Competition among galleries heightened the demand for conspicuous innovation, and the new century became an era of conceptual revolutions. The first artist who rose to prominence by exhibiting exclusively in galleries was the young conceptual genius Pablo Picasso. His Cubism became the first of a series of new conceptual styles, his collage became the first of a series of new conceptual genres—including Duchamp's ready-mades and Smithson's non-sites—and his practice of treating style not as an artist's personal trademark, but merely as a language to be taken up or discarded as convenient for expression, led the way for a host of other conceptual innovators and echoed through the art of the twentieth century and beyond.

We can genuinely understand art history only by taking account of economic forces. We hope that this brief sketch will be sufficient to demonstrate that taking account of the changing economic structure of markets for art is necessary for a true understanding of the evolution of art history in old times and also of why the art of the past century was no longer restricted to an imitation or representation of natural objects or events.

We believe that more economic theory and econometrics can improve our understanding of the history of art from classical times to the present. The works by art historians and economists included in this volume contribute to that understanding, but they represent only a beginning, and many opportunities remain. Within recent decades, a number of fields of economics, history and also other social sciences have been revolutionized by the use of social scientific methods: In some cases, they have produced answers to questions that had not previously been studied, while in others they have increased the precision of answers to questions that have long been debated. We believe that it is time for art history to join these fields and benefit from the powerful tools of economics and statistics.

**Funding** Open access funding provided by Università degli Studi di Firenze within the CRUI-CARE Agreement.

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