

Does the painter live only on applause? A note on the artistic motivation

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Abstract

Art moves billions of dollars, having received a relatively small consideration from the economic science, mostly focused on the secondary market, the auction market, where only works from renowned artist are sold, in many cases deceased artists. There is very little said about the novice artist, his work and his motivation. We look on the primary supply side of picture art, the painter as an art producer.

Keywords: Artistic motivation, Art markets.

JEL Codes: Z11, Z13

Motivation

The art market moves billions of dollars. In 2014 Christie's sold artworks and collectibles worth 7.7 billion dollars, and Sotheby's reported 6 billion dollars, a record year in sales, mostly due to the increase in the demand side (The guardian, Bloomberg). This is a very interesting result. It suggests that the economic downturn has not affected the art auction market; it even seems to suggest that art markets might be a refuge for investors in times of crisis. There is an remarkable interest from economics towards that particular market and the use of art as an investment, practically comparing the art auction market to a stock market, as shown by the seminal works as Robert Anderson (Anderson 1974) or William Baumol (Baumol 1984). There are intents to establish an art price index (Candela and Scorcu 1997), relations between art markets and between stock markets and/or returns to art as a financial asset(Goeztmann 1993; Ginsburg and Jeanfiels 1995; Chanel 1995; Frey and Eichenberg 1995), information problems in art markets and expert mediation(Bonus and Ronte 1997; David, Oosterlink and Szafars 2013), but all these works are related exclusively to the secondary market where only renowned artists are sold and where the supply side is not

producing the art itself, it's just a set of art collectors or previous owners of the artwork selling their stock. The question would be what happens in the primary market, and especially what drives the primary supply side of art, the artist as art producer. There is a theoretical model by Singer (1978) describing the supply and demand in the auction market, but not production per se. There is some work about pricing in the primary market, as the work by Schönfeld and Reinstaller (2005) where the reputation of both artist and the gallery are relevant to determine the price, or Schuetz and Green (Schuetz and Green 2014) that examines in to the spatial location of art galleries in Manhattan, considering it as a primary market. In both cases galleries, or the interaction between galleries and artists, are considered and not the production side by the artist. Thorsby (1994) analyzes the production and demand side for performing arts that differ considerably from a picture art. Singer (1981) is the only article we found describing the decision process of the artist in a convincing economic fashion. We will try to describe the motivation of the picture artist as a multiple dimension situation as a consideration on the requirements to model such production.

Who is a painter and what does he produce?

Who is a painter? But not just any painter. Who is an art painter, an artist? And how does one become an artist? Painters and other artists are producing art objects that are not subject to normal consumption, at least in the sense that the product is not consumed in the process. Most forms of art are essentially everlasting if not destroyed on purpose, accident or not properly preserved, so the possible stock of art is constantly increasing, with the exception of the eventual disaster that historically has reduced the art stock.¹ What moves an individual to become an artist to increase the existing stock of artistic capital? Is the development of markets, primary and secondary, or the monetary profit for the artist itself and issue to determine how much art is actually produced?

Since each art market has different features and we are interested particularly in the picture art we will narrow the question and focus just on the painter. To define who is a painter we must define what exactly his production is. A picture, an artistic one, to be sold in art markets (later on) is essentially unique (Thorsby 2001) and must not be repeated and preferably must not be reproduced, or at least not reproduced massively. A picture that is produced in order to be massively reproduced is not made by a painter; it is made by a designer, who is also an artist. A musician produces a form of art that usually is intended for mass production, music is a form of art linked with a complex industry developed around it, and there is no social differentiation between a musician who produces a song not to be distributed massively and one who does. So, a picture art piece is unique. This implies that the demand for a given painting is the demand for a single and unique good. Therefore, the picture art market is basically the market of a single good with many close substitutes, but not any perfect substitute, and many possible buyers, so it is close to a monopoly defined over a single object with many close substitutes, a monopolistic competition perhaps. A painter might even not be increasing the competition of a given artwork by increasing his own production, because each painting is unique, so the most common case is that different paintings of a given artist have different prices, since they are not the same good. This implies that a Picasso is not a perfect substitute for another Picasso, in a way that one can be sold at Christie's for \$179,365,000 and other sold in N.Y. art Expo 2015 for 18.000 \$.

To support the value, the uniqueness of the art work, and the rights of the artist, we require some form of intellectual property rights (Thorsby 1994), developed to avoid falsification and usurpation by others. However the requirement is minimal and it can be narrowed to the simplest moral right of attribution. This is

¹ Notice that thievery does not reduce the stock, it just reallocates the good. Some forms of art have a larger decay rate and might eventually disappear, but cave paintings and rock art date tens of thousands of years, of course proper preservation is many times required.

especially relevant when the value of an art work, as a complex social relation, is strongly related to the identity of the artist, and not the aesthetic qualities of the artwork per se; “Man with golden helmet” is a good example to illustrate the case (Bonus and Ronte 1997; Nytimes). The painting was attributed to Rembrandt and considered a popular master piece of high economic value but later discovered to be the work of, possibly, one of Rembrandt’s students, loosing virtually its economic value, even when the painting was still the same master piece.

Art production is based mostly on human capital (Thorsby 1994), considering as such the abilities of the artist that are private and non-transferable. There are several abilities that we have in mind: creativity, technique, empathy, innovation, inspiration, etc. They interact in a complex way in the process of art production, not as substitutes, but rather as complements. An artist with a well-developed technique but without inspiration would not produce too much, an artist with inspiration but lack of technique will produce probably something unacceptable. Therefore art production is a highly discontinuous process (Zorloni 2013) that is probably close to a random distribution dependent on the time and effort the artist is willing to devote to the process. So production cannot be described as a standard production function, where a given set of inputs determine a given output, close to what Singer (1981) does. Of course, some amount of capital is required in paint, canvas, brush, etc.

This implies that the production cost of painting is mostly the value that the artist gives to his own time and effort, normally related to alternative options that determine the opportunity cost. If alternative options are scarce the opportunity cost of art production might be very low, so the artistic activity might be desirable even when the related expected income is low.

However, the value of the artistic production depends not just on the human capital of the artist, but of a complex system related to social capital and the institutions related to the art world. Still any art work might have value to the artist itself when it fulfills some of the primary motivations of the artist. Being that the case an artist might produce just for self-satisfaction.

Why does the artist paint?

The incentive to create art might not be a financial one (Zorloni 2013). An artist can be motivated by the fact that he just wishes to create things and hopes his creation to be acknowledged by others, to some extent.

Many novice artists do not live off their art, but develop it in parallel to some other lucrative profession (Ips0 2008; Bondi and Sitton 2007). To describe the productive decision of an artist, the mere fact of the realization of his creation is an essential part. It’s a well-known fact that Van Gogh only sold one painting in his life-time. However, since artists are not usually giving their art away for free, or charging just the cost of capital, the financial incentive is not absent. Artists hope to get a monetary reward in exchange for their creations, fixing quite high prices even when not successful, probably being conscious in some extend of their monopoly power, or representing the value they attach to their creation, not willing to sell it for less. Art might not be exclusively created with a financial purpose, but a financial reward might foster art. Ips0 (2008) shows that an artist considers himself successful if he can create art that fully satisfies him (64%), he is appreciated by the art critics (20%), he earns large sums of money (11%). Success, in the form of monetary income and appreciation by others is roughly 1/3 of motivation, but 2/3 are related to the artists self-fulfillment, pursuing his aesthetic vision of art, or the pleasure of creation (Singer 1981).

Another motivation for the artist is communication. Art is a way to communicate a message not just to contemporary society, but it might serve as well as a way to communicate with future societies. The artist as a communicator uses the artwork as a medium to reach an audience (his public) in a given social context to create an effect (Lasswell 1948), as for example Duchamps (Fountain, L.H.O.O.Q) and most of the conceptual art. This requires the acknowledgment of the artist by the rest of the society (public) and might

end with the artist giving freely his work to be observed by the society, as does Banksy, or other graffiti artists or happenings.

Art is also a way to create identity, group cohesion and express history, religion and also economic power (Otto 1998), so its existence might be socially desirable, and groups of interest will be willing to express their identity, values and ideas through art, fostering though artists willing to participate in such process, where the idea of providing some sort of a public good or common good is part of the motivation.

The combination of all those concepts explains why art will always exist and is one of the few things that remain as inheritance to future generations. Cave paintings are the oldest legacy we have on picture art, and they were not made in pursue of a financial gain, but most probably made a considerable contribution to social and individual welfare.

In all these descriptions there is an important issue related to recognition and being acknowledged by others, becoming a renowned artist. There is a motivation then in artistic stardom (Adler 2006), in being one of the few chosen ones to lead the artistic movement. This also opens the gates for the lucrative secondary auction market and the doors to artistic immortality. So both recognition and financial success are, at some point relevant to become an artist.

Conclusion

There is a similarity between this description of the artist and the idea of an athlete. Both are primarily driven by self-fulfillment and social success more than by a financial goal. However there are more individuals choosing to develop those sports that might have a higher financial reward and social visibility, even when the probability of achieving the stardom and therefore high income in those sports is very low. Similarly in arts there are more musicians or actors than painters, developing more those arts that have a high monetary and social reward.

The high financial performance in the secondary market for the few renowned artist, as well as their public exposure and social relevance, is not only a motivation for collectors and gallery owners in the primary market to buy and treasure novel art, it also might be a source of inspiration for the artist as well. There is still a lack of a formal model trying to describe properly the complex process of art production considering all its sides.

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