Economics and the Arts

OVERVIEW

Economics inevitably enters into many aspects of the arts, from the mechanics of the purchase and sale of works of art, to the investment returns to holding art, and to taxation of the arts. Art history studies the place of the artist and artwork in a matrix of social, political and stylistic factors. The purpose of this course is to provide students with an understanding of how the history and patronage of specific artists and works of art intersects with the marketplace.

LEARNING GOALS

You will learn how works of art come to the market, how the art marketplace can affect the price of art, and to gain a broad understanding of some factors that affect the labor supply of artists. You will learn about the formation of art collections, the responsibility of galleries and museums to hold, curate and deaccession works of art in accordance with stated ethical standards. Assignments will gauge and strengthen the ability to research and analyze works of art, set in an economic and cultural context.

PRE-REQUISITES

Econ 2a AND one of the following art history survey courses: FA30a, FA30b, FA57a, FA59a and FA62a should be taken either simultaneously with this course or prior to the start of the course.

COURSE REQUIREMENTS

Course material will be covered through assigned readings, lectures and class discussion. There will be an in class mid-term examination and a final examination along with a 10 page paper on a topic at the intersection of arts and economics that has arisen from the course material or discussion. All students will present brief oral reports based on their papers in class or at a specially arranged meeting. Success in this four-credit course is based on the expectation that students will spend a minimum of 9 hours of study time per week in preparation for class (readings, papers, discussion sections, preparation for exams, etc.).

Course grades will be determined by performance on the midterm (25%), the paper and class presentation (25%), the final (30%), class participation (5%), and homework/reading responses (15%). You cannot receive a grade in the course if you have failed to turn in all required work.
The paper and class presentation will be done with a partner on a topic that it mutually agreed upon. Please see the document “Term Paper Guidelines” for more information.

The homework consists of submitting questions or responses that you have to the assigned readings. These should consist of at least one paragraph or about 3 or 4 bullet points. The purpose of these assignments is to get you to engage with and think about the assigned readings before class so that you can fully participate in class. Our TA will collate these responses before class and we will address any questions or insights during the class. These will be due by Saturday night (at 11:55 pm) for Monday’s class and by Monday night (at 11:55 pm) for Wednesday’s class. There will be readings for most classes; for full course credit, you will be allowed at most two late submissions. The responses will be submitted through latte.

ACADEMIC INTEGRITY

You are expected to be familiar with and to follow the University’s policies on academic integrity (http://www.brandeis.edu/studentlife/sdc/ai/). Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judiciary System. Sanctions may include failure in the course and suspension from Brandeis. If you have any questions about expectations, please ask.

READING ASSIGNMENTS

The exact reading assignments are given below in the course outline. Some of these assignments are taken from the books listed below; others are from journals. Reading materials do not need to be purchased for this course, as required readings will be posted on latte. Additional optional readings are also posted on latte.

The following is a suggested bibliography for additional optional reading.


For background reading, relevant chapters from any Principles of Economics textbook will work.

**COURSE OUTLINE AND READING LIST**

**Session 1: Introduction: Presentations by Professors Graddy and Scott**  
January 10

**Session 2: The American Leonardos: From La Belle Ferronnière to Salvator Mundi - How the work of art comes to the auction block.**  
January 17

**Required Reading:**  

**Session 3: Case Study: The 19th Century Art Market**  
January 18

**Required Reading:**  

**Sessions 4 and 5: Understanding Art Auctions**  
January 22 and 24

**Required Reading:**  

**For Reference:**

**Sessions 6 and 7: The Art Market and appropriation by the state:**
*Painter and dealer: the journey of one Van Gogh masterpiece, from Auvers to Manhattan, 1890-1990*
Sergei Shchukin – building and losing a great collection in Moscow, 1917-2017

January 29 and 31

**Required Reading:**
February 5:


UPLOAD responses to reading questions by Feb 7th.

**Sessions 8 and 9: Art as an Investment**

February 5 and February 7

**Required Reading:**

**For Reference:**
Sessions 10 and 11: The Gilded Age as Foundation for American Collecting –Isabella Stewart Gardner, the Havemeyers and Mary Cassatt, JP Morgan, Henry Clay Frick
February 12 and February 14

February 12: Collectors from the era of Isabella Stewart Gardner and JP Morgan to the establishment of the Frick Collection, in New York.
Readings: C Saltzman, Old Masters, New Worlds (2008): (Req. responses for 2/24 readings)

ch. II : “C’est mon Plaisir” on Mrs. Gardner and Bernard Berenson (acquisition of Botticelli and Titian’s Rape of Europa), pp. 45-92;
ch. IV: Mary Cassatt & the Havemeyers’ taste for Spain (El Greco’s View of Toledo), pp. 109-44;


Midterm Recess: No classes

Early 20th Century Modernism Gains an Audience
Session 12
Dealers and Collectors
February 26: Dr. Albert Barnes, and ‘democracy in education’


Making Modernism: Picasso and the Creation of the market for Twentieth Century Art.
The Bernheim-Jeune brothers, Durand- Ruel, and Ambroise Vollard, avant-garde gallerist Collectors: the steins in Paris (Gertrude and Leo; Michael and Sarah), Sergei Schukin in Moscow
Session 13: Modern Art Investment Funds
February 28th


Session 14: The Critic

March 5
Ginsburgh: Awards, Success and the Aesthetic Quality in the Arts
Graddy on Roger de Piles

Session 15: Take-Home Midterm Due by 1:00 PM
March 7
Trip to the Gardner Museum! (starts at 2:00, return about 4:45)

Sessions 16 and 17: Auctions without heirs
March 12 and March 14
April 6:

Suggested: Ronald, Susan. 2015. Hitler's Art Thief: Hildebrand Gurlitt, the Nazis, and the Looting of Europe’s Treasures. Chapter to be listed.

Session 18: The Critic Examining Value
March 19
Guest speaker, Sara Friedlander ’06, Vice President, Head of Evening Sale
Post-War and Contemporary Art
Christie’s, NY

Session 19: Looted Art for Sale
March 21

Session 20:

**Session 20: Creativity, Conceptualists, Experimentalists and Superstars**

March 26

Galenson and Jensen: "Young Geniuses and Old Masters: The Life Cycles of Great Artists from Massacio to Jasper Johns." *NBER working paper 8368*


**Background Reading:**


**Session 21: The Christie’s-Sotheby’s Price-Fixing Scandal**

March 28

**Required Reading:**

Background Reading:
Krugman, Well 2e  Principles of Economics, Chapter 15, Oligopoly, 387-410, OR Mankiw, 4e, Principles of Economics, Chapter 16.

April Break:  4/2, 4/4

Session 22: Above the Hammer Price: Commissions and The Droit de Suite
April 9

Required Reading:
Ginsburgh, V. ”What is wrong with the droit de suite? The economic argument"

Suggested (see also Week of April 11th):
A case of mid-20th century “superstar” auction (includes Rauschenberg, Johns, et.al):
Be sure to review illustrations, and the types of art collected by the Sculls in the 1960s.

Background Reading:
Krugman Wells, 2e, Principles of Economics, Chapter 7, Taxation, pages 167-183 OR Mankiw, 4e, Principles of Economics, Chapter 12.

Session 23: Panorama of the Auction World – Old Master Paintings at Sotheby’s
April 11
Speaker: George Wachter, Chairman of Sotheby’s North and South America and Co-chairman of Old Master Paintings Worldwide

April 16
Edinburgh | UK.


**Sessions 25 and 26: Student Presentations**
April 18 and April 23