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Defining Art.
From the Brancusi Trial to the Economics of Artistic Semiotic Goods.

by

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Abstract

The special nature of the artistic and cultural goods is commonly stressed in inquiries into the art market failure. Though the artistic goods are not quite defined, their special character is used as a rationale for art policies. The paper try to theoretically found them. In the first section we introduce the concept of artistic goods as a class of the semiotic goods, that is goods bearers of an aesthetic sign acknowledged in a specific cultural context. The second section relates the semiotic nature of art to three models of organization and regulation of the artistic field, namely the model based on institutions and hierarchies, the gift model and the market model.

La spécificité de l'art et l'impossibilité de le gérer par un recours exclusif au marché sont couramment invoquées pour justifier des politiques publiques des activités artistiques mais restent généralement imprécises. Le texte se propose de les fonder théoriquement. La première section introduit la notion de bien artistique sémiotique, bien porteur de signe esthétique dans un contexte culturel donné. La seconde relie la nature sémiotique de l'art à trois modèles d'organisation et de régulation du champ artistique, le modèle des relations personnelles, le modèle du don et celui du marché.

Keywords: cultural economics

Introduction. Brancusi vs. The United States of America

On the twenty-first of January, 1926, Marcel Duchamp arrives in New York bringing from Europe about twenty sculptures by Brancusi to be exhibited at the Brummer art gallery (Brancusi contre Etats Unis, 1996). The works that are to return to Europe are issued a transit visa, but one sculpture, "Oiseau dans l'espace" bought by an American citizen, is taxed as an imported commodity. Given that the Tariff Act of 1913 grants works of art duty-free entry into the U.S., Brancusi refuses payment of the tax and insists that the object in question be acknowledged as a work of art. Quite to the contrary, the Customs authorities consider his work an ordinary manufactured industrial good.

The Brancusi vs. The Customs Administration trial took place in New York in 1927. The bulk of the trial proceedings was concerned with how to define art and how to distinguish it from industrial production. The Tariff Act defines a work of art as meeting the following three conditions: (1) it must be an original and not a multiple; (2) it must be made by hand and not manufactured; (3) it must be entirely devoid of utility. The debate concentrated on the second of these conditions because Brancusi's sculpture was in bronze that had been perfectly smoothed like a skillfully manufactured object. Brancusi had to explain at great length that the smoothing had been carefully done by hand. The controversy also concerned the aesthetic aspect of Brancusi's work, in particular the conformity between its title and its final form. The sculpture, titled "Oiseau", did not resemble a bird, and some of the artists and critics called as witnesses refused to admit that the object was an artistic sculpture: as a matter of fact, it could be considered simply a well-smoothed piece of bronze. Other artists and critics affirmed instead that Brancusi was an artist and that his sculptures were genuine works of art.

Two Basic Questions for a Great Challenge

Beyond the anecdotal aspect of the trial, there are two basic questions being dealt with here. The first one relates to the definition of art. The second one is that of the relationship among artistic goods and art market, art management and economic management.

The special nature of the artistic goods is commonly stressed in inquiries into the art market failure. Though the artistic goods are not quite defined, their special character is used as a rationale for public policies or non market management. As a matter of fact they need to be rigorously justified. What is the specificity of art ? What are the boundaries of the artistic fields ? Why this specificity can be managed by non market regulation ? And what kind of non market management should be implemented ? Here is a great intellectual challenge.

In practice, two kind of definitions are possible - an "essentialist" definition founded on the idea that artistic objects have a special essential quality which sets them apart from other non-artistic goods and a "conventional" definition based on a social convention - that is, on the idea that art is that which society acknowledges as such. A study of the economic nomenclature of artistic goods allows us to study their specificity and to introduce here a new category - that of artistic semiotic goods.

Given that artistic goods are sign bearers, economic activity must take this characteristic into account. Throughout the history of art, we can observe a few systems of regulation that are based on a non-market logic. If, today, market organization is able to manage some aspects of artistic

goods, the market meets with failures when it has to deal with the semiotic character of artistic goods. Art markets may therefore have special ways of working. Market regulation must be connected to a plurality of institutional and organizational models for the artistic field.

Many authors have stressed the non-market aspects of artistic goods. Baumol asserted that a rational art collector values aesthetic pleasure at least as much as the difference in returns between works of art and financial assets (Baumol, 1986); Frey B. S. and Eichenberger R. (1995), Lahlou, Maffre and Moati (1991) study how passion can influence economic choices; Wijnberg (1995) compares institutional regulation in the artistic field with that in other areas such as scientific production. Rouget and Sagot-Duvaurox (1996) consider non-market regulations in the artistic field, examining passionate regulation and conventional regulation. What differentiates our approach from the others is our attempt to derive a plurality of models of regulation directly from the definition of artistic semiotic goods.

At the time of the Brancusi trial, it was already clear that defining art was not an easy task. Brancusi won the case, but the judge chose to ignore the legal criteria of the Tariff Act and passed an aesthetic judgment. The sentence stated that the object, despite the fact that there was some difficulty in assimilating it to a bird, was at least pleasant to look at and accepted its duty-free entry into the United States. A cultural agreement can thus give an object the status of a work of art.

1. Artistic semiotic goods.

1. 1 From the physical and immaterial characteristics of art to its social status.

The criteria adopted in "Brancusi vs. the US" referred to the characteristics of artistic goods. On the whole these characteristics do not appear to make a clear differentiation between art and industrial goods. Two of them - originality and hand-manufacture - have to do with production, and the third - the lack of utility - with consumption.

Can we, then, determine where the specificity of the process of artistic production lies?

1. Originality is a restrictive condition. It implies that the artist produces new works *ex novo*. Moreover, every creative act, if original, is also unique and in this sense is the opposite of the multiple production of standardized goods. Finally, the characteristic of originality/unicity means

that art can be copied but not perfectly reproduced. The reproduction of an original would be a contradiction in terms.

The difficulty with originality is twofold. First of all, the concept is not able to distinguish between a sculpture and an industrial prototype, which are both single pieces. Secondly, the concept leaves out many artistic goods that in the age of "technical reproducibility" à la Benjamin are works of art in every sense of the term. Sculptures in bronze are perfect multiples; photographs and etchings can be not only copied but also reproduced. We need other criteria to distinguish a reproduced photograph from a practical object produced in series.

2. The criterion of manual labor is meant to stress that in art, labor is the dominant factor. Of course the techniques and the materials can make a difference, but the creation is organized on the basis of specific labor. The output depends on labor and not on other inputs. Industrial production, on the contrary, makes use of machines; they are the dominant factor.

Furthermore, artistic labor is not to be confused with the craftsman's labor. The output of artistic labor is extremely heterogeneous because of its specificity. The element which is common to these two kinds of labor - that is, human energy - is secondary to the quality and personality of artistic labor, to the talent and creativity incorporated in it. A work of art is created by irreplaceable labor: you cannot replace the labor of Picasso with that of Braque. But you can replace the labor of a craftsman or a worker with that of another.

Another obstacle to applying the criterion of manual labor lies in the fact that contemporary art has abandoned the criterion of the artist's skill and talent as a general rule for defining art. The aesthetic canon of conceptual art, which has gained favor with critics since the time of Duchamp's early works, magnifies conception and disdains, in a certain sense, manual accomplishment. It increases the value of an idea, but not its materialized form.

3. From the point of view of consumption, the essentialist definition is based on two criteria - one negative (artistic service is without functional utility) and the other positive (artistic service satisfies an aesthetic need). The main criticism of this third characteristic is that it cannot be generalized. Some goods may be considered art in a given society and not in another; the borderline between art and non-art is very mobile. An African tragic mask can be an actor's stage prop, a wizard's ritual symbol or an object of art on display in a museum. We cannot then distinguish between art and non-art merely by looking at the object: we must look at the relationship between men and objects, i.e. to the ideas, values, beliefs which constitute the shared bases of social culture. This means, as we will discuss later on, that what is art can vary as

cultural environment varies with time from generation to generation and space from a national culture to another.

Other Suggested Characteristics

Originality, hand manufacture and non-utility do not capture per se the nature of a work of art. Other characteristics have been proposed; we will now briefly examine the nomenclature.

Grampp (1989), one of the modern supporters of the identification tout court of artistic goods with the general class of economic goods, states that "... works of art are economic goods, whose value can be measured by the market, (...) sellers and buyers of art (...) are people trying to obtain the maximum benefit from what they own. Shortly, in the artistic field each activity is a maximising one." (Grampp, 1989, p. 8). Also for Throsby (1994) original art objects can be assimilated to commodities. Moreover, they can be described and circumscribed by an extensive nomenclature of characteristics (Throsby, 1994; Pommerehne e Granica, 1995; Moulin, 1967, 1992; Rouget, Sagot-Duvauroux e Pflieger, 1991). None of these on its own is able to distinguish artistic goods from industrial ones: heterogeneity, duration, addiction, informational content, scarcity, publicness, and being a capital good.

The total assimilation of art to commodities creates serious problems because artistic goods escape the standard rules of utilitarian market exchange. In this context Pommerehne and Granica (1995) maintain that artistic goods can be defined on one hand, by a list of characteristics and on the other, by making reference to the historical and cultural environment. Others make explicit reference to the concept of social network or artistic field of the artistic paradigm (Wijnberg, 1995). What defines the meaning of the goods is the context in which they are produced, exchanged, consumed and interpreted. What matters are the rules shared by a community. The paradigm evolves in cycles, in which the avant-gardes define new aesthetic rules acknowledged by experts. The experts do in fact select the young artists and acknowledge the new language. The experts dominate the market with their judgment (Mossetto, 1993). According to this view, artistic goods are different from industrial goods because of the selective cultural paradigm which dominates the community.

To better elaborate a conventional definition of artistic goods we must now resort to the concept of semiotic goods.

1. 2 Defining artistic semiotic goods

In defining art our main reference is Panovsky's concept of semiotic goods - that is, goods that bear a sign (Panovsky, 1940).

Panovsky divides the goods according to a clear-cut taxonomy into:

- (a) "practical objects", that don't demand to be aesthetically consumed;
- (b) works of art, that demand to be aesthetically consumed.

In order to distinguish between the two classes, we must refer to the creator's intentio. Both practical objects and works of art can be communication carriers (a newspaper, a painting) or functional devices (a coffee-pot, a cathedral). As in the work of art the intentio stresses the interest in the form, in the practical object the intentio is connected to the communication to be made or the function to be performed. Given that every object has form and matter, we cannot define technically at what point the form becomes dominant with respect to the matter. "It is then impossible, and undesirable, to define the exact moment in which a communication carrier or a functional device begins to be art." "Where the sphere of practical objects ends and art begins depends on the creator's intentio. But the intentio cannot be determined in an absolute manner."

Panovsky's argument asks, then, for further inquiry in order to capture the cultural context in which the intentio reveals itself. The cosmos of the culture is an evolutive space-time structure. The meanings and intentions materialize and change in time and space. The culture of a given place and epoch can modify the intentio both of the creator and of the consumer. Let us think for instance of a car by Enzo Ferrari: it has been produced in order to reach high speed, today is collected as a status symbol or as an art work. Let us think of an item of furniture by Phillips Stark: today its aesthetic side is highly appreciated, tomorrow could be neglected.

The sign or symbol must in some way be revealed, meaning that the original idea must materialize in a medium, otherwise it remains a pre-object, private and unknowable.

The work of art, then, is a semiotic good, bearer, thanks to its materialized form, of an aesthetic sign acknowledged in a specific cultural cosmos or context. Its dual nature is derived from this definition: it is at the same time sign and object. This duality allows us to separate, in modern times, an artistic semiotic good (for instance, *Bottle Rack*, 1914, a ready-made by Duchamp), from an industrial good like a "bottle-rack", which is functional as a practical object but devoid of any aesthetic significance. Duchamp showed how an action acknowledged by the artistic community can shed sacrality on an object of daily use.

The sign allows us to separate the idea created by the artist from its technical means of expression. As a sign, the artistic good is a couple signifying/significance. It expresses the significance by means of the signifying. It belongs to the field of symbolic production. As the linguistic method has shown, every signifying belongs to a system, and appreciating the significance depends on the social system of representation. Artistic communication needs codes, regular relationships of signifying/significance, founded on common conventions, on consensual culture. The sign is accepted within a system of representation, which in turn is the result of learning and memory. Only the dominant culture can give us the key to interpreting a sign or a symbol.

In the artistic dimension sign is synonymous with meaning, symbol, icon, sacrality. It is true that many industrial objects have a significance (let us think of status symbols) or that many relational goods become symbols, but we refer here to the aesthetic sign. Like the famous "l'oeil du XVI Siècle" by Baxandall (1972), it is usual to think of an artistic paradigm. The paradigm is the dominant writing and reading code, it defines the cultural meaning of the goods.

The failure of the *Arts Incohérents* movement is a confirmation, a *contrario*, of the dependence of semiotic goods on the cultural context. A group of artists working at the end of the XIX century elaborated an aesthetic like that made successful by the *Conceptual Art* movement in the sixties. The lack of collective attentions ^à la Mauss meant that their artistic message could not be acknowledged. The necessary social conditions were missing.

From the sixties on, the *avant-garde* movement eliminated the question of form. For minimalism, land art and conceptual art, the style becomes irrelevant; only the contents matter.

2. Organizational and institutional models of artistic semiotic goods.

The sign/object duality is a basic point of departure for the economics of artistic semiotic goods. Our thesis is that different historically-determined forms of organization can regulate the production and consumption of artistic semiotic goods. Today market regulation is dominant, but other forms at least survive. As we will see shortly, there is nothing new here for economics. What seems new is that different forms of organization can be derived from the dual nature of artistic semiotic goods, and not only from the historical evolution of social systems.

During the thirties, Coase showed economists that the logic of the market was not the only way to regulate economic activity. A significant portion of economic activity is regulated by the logic

of the organization, as for example inside a firm. Hierarchies and organization are good ways to minimize transaction costs. From an anthropological point of view, the research conducted by Malinovsky, Mauss and Polanyi (Polanyi, 1943; Malinowsky, 1922; Mauss, 1925) showed that economic activity was regulated in primitive and classless societies by norms of generosity and reciprocity and centralized redistribution processes. Modern institutional economics (North, 1990) emphasizes the importance for economic development of establishing property rights (Santagata, 1995), of "path dependency" and cultural environment. Institutional rules do not coincide with market rules. Finally, we can mention the regulationist theory: "...the economic agents interact by means of a series of institutions, rules of the game and conventions which imply many situated rationalities (Orléan, 1994). It should be fallacious trying to explain the specificity of contemporary evolution using principles valid in every time and place." (Boyer, 1995, p;22)

On the basis of our hypothesis we will now examine three organizational and institutional models for the artistic field. Although in principle they coexist, each of them may be dominant at any one time.

2. 1 The institutional liaisons and hierarchies model.

Generally speaking, this model was established in Europe during the Middle Ages and Renaissance. As princes and noblemen of Western Europe consolidated their civil and military administration, they performed the strategic function of art and culture. The semiotic nature of artistic goods fit well with their new political needs for political legitimacy and a stronger identification of the people with the State.

Within that context and in order to enhance the symbolic dimension of their dominance, they needed the productive and organizational assistance of a new social figure: the artist, a creative man who was independent of the powerful corporations of craftsmen. Together with the ministers of religions, poets and humanists, the artists were those most capable of producing symbols.

The courts tried to solve their daily communication problems with the aid of art. Thus in this model, the sign borne by the artistic good is indirectly the symbol of legitimate power. The artist becomes a member of the family of the monarch, then his work confers honor and respect on the kingdom, whether the sculpture or the painting represents a mythological subject, a Madonna and child or the dignity of the monarch.

The historical locus of the institutional liaisons and hierarchies model is in the Middle Ages and Renaissance. However, it is also present today where it survives in some segments of the artistic field - namely where and when patrons and non-profit organizations intervene to support the arts and artists. This kind of selection of modern artists shares the paternalistic nature of the institutional liaisons model. Fellowships, stages and prizes are not connected to the quantity produced. Artists usually receive a grant for a project, whose market price does not exist.

We will outline here the main traits of the model, whose specificity makes it different from the market and other ways of regulating economic activity and human relationships. We shall describe the model bearing in mind that what matters most is the aspect of production - i.e., the context in which the new artist is acknowledged as such.

I. Power and Hierarchies

Great and successful artists acquire a social position that is very different from that of a craftsman who works in the market. In the Middle Ages, their productive sphere was regulated mostly by their liaisons with the court and the family of the monarch. Being a member of the family established a purely personal legal tie with the monarch, confirmed by a solemn oath. Simone Martini, from Siena, lived at the court of Robert d'Anjou in Naples around 1315, where he had been nominated *familiaris* and dubbed a knight. He received a yearly salary of about 50 ounces. In exchange he provided the king with a very special semiotic good, immortalizing Robert, whose claims to royalty were considered doubtful at the time, being crowned by Saint Louis of France. This kind of institutional regulation of artistic production lasted for more than a century. In this model we can see that the law of supply and demand does not prevail. What prevails instead is an organic conception of artistic systems.

Bearing in mind the institutional field dominated by legal ties, we can trace the evolution of the social status of the artist from the "mechanical" guilds to a member of the so-called *arti liberali* (liberal guilds). The first step in this process leading the artist to the humanists' position lies in making society accept the idea that the artist is an "inventor" and an "engineer", while the craftsman is someone who executes a piece of work and sells it under market conditions. A free guild was not supposed to demand physical work, nor was the work to be performed in exchange for a wage. *Ars* is a *Virtus* which expresses itself in an original and inimitable way: the artist is someone who sells an image, a sign, which bestows dignity on whosoever is mirrored in it. The performance of a craftsman, on the contrary, can be evaluated, its value can be appreciated and paid for. (Warnke, 1985, p. 46)

II. *Scientia Donum Dei est, unde vendi non potest.*

The artist's social ascent and the symbolic character of his work separate him from the market. Serving at court was not wage-earning labor but the offer of a virtuous activity tied to an oath of reciprocal trust. In a famous document of April 12, 1334, Giotto was nominated by the city of Florence cathedral architect, *magister et gubernator*. The Signoria received Giotto, signing a contract for life (Warnke, 1985, p. 18).

Art is a gift of God and therefore impossible to quantify. There is no sense in searching for its monetary counter value. Many documents stress this ennobling of artistic labor. It was evident that at court the wage was a compensation for the virtue and not for the services rendered. The typical formula of the official acts established that payment be made to the artist in exchange for a virtue which in any case could not be bought, "for as little as may be" - though humanists earned much more than painters. Payments reflected in fact the duties of the prince, which included responsibility for the conditions of his servants. This meant giving the artist a house, servants, clothing, a knife and fork and a doctor (Haskell, 1966 ; Baxandall, 1972, Warnke, 1989). Even from the point of view of consumption we see rules different from the market ones. The Lord does not buy; legal ties define precise ceremonial acts with which artists ritually offer their works of art to the Lord.

However, the institutional ties model works together with other market factors. In general, the successful artist accepts an invitation to court firstly for economic reasons, but also in order to be freer. The city Signorie were conservative, because the guilds were conservative, while courts were extremely lively: they loved innovation and originality. The guilds were the bulwark of a protected market. Weakening their role through the social ascent of an independent artist meant reducing the room for the market in artistic production.

Being a *familiaris* gradually lost its hierarchical significance. Important changes were made in the model of regulating artistic activity. On one hand we can see that at the end of the XVI century the figure of the artist supplying the court stemmed from the legal ties system. This is an intermediate position between working on commission and working at court. Tiziano, Durer, Rubens, Michelangelo were suppliers of kings or popes. They lived in the city and escaped the bureaucratic constraints and ritual of the courts. Moreover, they enjoyed the privileges of the artists at court and were not subject to the rules of the guilds. The autonomy of the artist supplying the court was not total; in any case his privileges depended on the benevolence of the court: here

we have a sort of implicit ties model. On the other hand, at the end of the XVII century another model of hierarchies becomes dominant: the Academies model.

The model we have just described never returned to its initial splendor but survives in the logic of patronage and of the not-for-profit sector, limiting the hegemonic expectations of market regulation.

2. The model of symbolic goods: gift and reciprocity

The economics of symbolic goods is founded on the unselfish logic of the gift as opposed to the selfish logic of market exchange. However, the gift models are essentially different: according to Mauss (1925) gift exchange is a discontinuous succession of generous action; according to Levi-Strauss the gift and counter-gift system reflects a logic of reciprocity which is beyond any exchange; according to Bourdieu (1994) the gift logic conceals an objective frame of selfish exchanges.

The description of the "gift and reciprocity" system usually refers to primitive peoples without social classes, but the same organizational and institutional logic could be applied to the artistic community. If we take the artistic community seriously, we will see that artists and collectors try to regulate the exchange of semiotic goods, constantly swinging between dependence on and independence from the market.

Freedom from the market is sought by carrying out the anti-economic logic of *l'art pour l'art*, implying the negation of all that is tradable, praising, on the contrary, what is creative against what is salable and commercial. The artist is indifferent to market sanctions, to commercial success. He is interested above all in the accumulation of symbolic capital.

Market dependence, on the other hand, induces artists and art collectors to become managers of themselves. They spend their time controlling the system of sales and the process of valorization of their works of art. The aim of the community becomes the search for short-run gains.

«Pricing the Priceless»

This dual nature of semiotic goods is reflected in the pricing mechanism. As far as semiotic and symbolic goods are concerned, we could say that where young artists, avant-gardes, talent scout art galleries and unselfish art collectors are prevalent, prices are an imperfect sign. When artistic goods are pure sign - i.e., they become pure semiotic goods - they are priceless, they do not enter

the logic of market exchange. They enter the class of connoisseur goods, and like relics, things belonging to the deceased, offerings to gods, king's treasures, they are collected, protected and kept out of the market sphere. These goods acquire significance, and as long as there are no cultural or institutional changes, they are devoid of any practical utility. Once the social environment changes, the goods may be treated as market goods. The symbolic aspect of artistic goods allows them to be exchanged, as Bourdieu says (Bourdieu, 1972), just as their monetary counter value is a sort of sunk payment. The payment of a price is a kind of gift, pure generosity that in the long run might give a good return, also from the market point of view.

The Artistic Community

Levi-Strauss tells of the primitive peoples of Papua and Melanesia who have only one word to indicate the action of buying and selling. According to Levi-Strauss, the reason is that these actions are two sides of the same coin, and the two actions are not antipathetic.

We can examine this point more closely. When an art collector, better yet a young one, buys a painting from a young artist he feels part of a wider cultural phenomenon. As it is revealed by a host of biographies and interviews to famous and less renown collectors, they feel as though they were participating in the creation of culture. In this sense his contribution is not on the demand side but rather, on the supply side. The cost of the payment of a price is transformed into the benefit of participating. The work of art does not charge the collector with its costs but becomes the pleasure derived from participating in an aesthetic and cultural adventure. Thus market exchange is replaced by liaisons and relationships in which cooperative and symbolic reasons take the place of prices and selfish preferences.

The artist is interested in reputation, which could in the long run produce social and economic benefits. There is a pre-capitalist dimension that withdraws part of the artistic activity from market exchange and weakens the efficiency of the prices as informative signs. In the artistic community there is a special dimension in which exchange has a moral dimension whose object is to produce a sentiment of friendship between two interested persons (Mauss, 1925)

Of course the "gift and reciprocity" model is directly related to the artistic community. It loses its significance where non-contemporary art is concerned. It has no sense when in a secondary market the work of art is exchanged between persons who are not members of the artistic community. The history of the movement called Industrial Painting which developed during the sixties under the aegis of the Situationist International is just one interesting case in point. The artist - namely, Pinot Gallizio from Alba, Italy - aimed to produce art for the people, exploiting all the

opportunities that industrial technology could provide. In order to accomplish this task, the idea was to "technically" separate the sign/symbol from the object, selling the latter at its market price. How? The artists painted rolls of canvas and sold them by meters at the low price of the canvas. Within the "artistic community" this was an attempt to strengthen generous relationships, where the symbolic side of the work of art was deprived of any economic value. Outside the community, dealers, selfish art collectors and speculators exchanged one meter of artistic cloth at its market value.

The gift and the reciprocity system can also concern the future generations. In the past and nowadays many exchanges of art works did not pass through the market mechanism. Churches, monastery, museums and public collections received paintings and sculptures by means of bequeath and heritage. The reciprocity expected by bequeathing corresponds to the will to be remembered by the community. The reason of bequeathing makes the price mechanism useless. Also transfers to relatives and friends define a community environment different from the market field.

2. 3 The market model for artistic semiotic goods

Artistic goods have several dimensions - social, political, aesthetic, economic, etc. Each of these dimensions has its own logic. The first specific characteristic of the market model is that all these dimensions are subject to the economic one. Its second characteristic is that the market model is a separation model. Personal or community links have disappeared, and the only mediation in a society made up of autonomous and separate individuals is that of the market - namely, that of a pricing system. Thirdly, in the market model the allocation of artistic goods is governed not by political power or by social relationships but by the willingness to pay.

A large part of the field of art is therefore never based on interpersonal relationships but rather, on a market of works of art, circulating autonomously and free of their creators. Artistic status is not dependent on the artist's sociopolitical status but on the market value of his/her products, on market contracts and finally, on the anonymous horizontal relationships among the owners of the goods.

Prices and Externalities

Our problem is that of the relationship between these specific characteristics of the market model and the semiotic characteristics of artistic goods. Artistic goods make up autonomous and closed

sets which have only one property - their price. Market efficiency rests with the ability of prices to synthesize all of the economic information relating to the good. Can we postulate a rational pricing system for semiotic goods? We believe in fact that the semiotic characteristics of artistic goods make it very difficult to obtain such a system.

It is easier to identify and measure the costs of production of an industrial good than of an artistic good. As we have said, art is sign. It is produced not only by the classic inputs of labor, capital and commodities: it is also "produced" by other signs, representations, emotions and so on, all participating in the social context. Monet's painting "Impression soleil levant" is also the product of a social environment, which is not a purchasable input. If in fact the cost of production fails to be a basis for price determination, we must turn to demand price and utility as in the Ricardo-Marshall model of rare goods.

As a sign bearer, an artistic good has many widespread effects. Monet's painting favors the works of Manet and Degas. But the owner of this painting cannot receive the exact monetary value of all its effects, present and future. And given the semiotic character of artistic goods, the evaluation of utility depends on several changing social factors, variable social norms. These spatial and temporal externalities create a gap between price and social conditions and the benefits of an artistic good. Market regulation must therefore use conventional regulation.

Some Remark Upon Author's Property Rights

Contrary to the functioning of the gift model and the usual relationships developed within the artistic community, markets need, in addition to spontaneous conventions, formal rules and well defined property rights if they are to originate and function efficiently. Without these institutions an efficient market unlikely would exist. Artistic semiotic goods are information goods, like many other goods (music, movies, books) circulating in other cultural markets. However the acknowledgment and the allocation of property rights in the contemporary painting market is incomplete: the anomaly concerns an evolution of the institutional setting that does not acknowledge an equivalence of the copyright. While the composer and the writer can choose at least between selling the complete bundle of acknowledged property rights; or selling the bundle, except for the copyright to sound or written reproduction, the painter can only sell her/his complete bundle. This leads to the prejudice of the artist/author's property right. The *droit de suite*, a particular specification of an artist's right to the yields of his work, was the first institutional measure in place in many bodies of legislation - it is now going to be extended to the whole European Union - but on the whole neither enforced by the governments nor claimed by the artists. The *droit de suite* gives painters a little share in the value that their works may attain in a

sale following the first one. Although intended to correct inefficient rights allocations, the *droit de suite* has some serious drawbacks. First of all, the existence of this right depends on a hypothetical future resale. If there is no resale, there is no such right. The *droit de suite* does not seem to protect the artist from the economic point of view either (Rottemberg, 1975; McCain, 1989, 1994; Santagata, 1995). Because of its serious failures, a substitute of the *droit de suite* should be examined, such as an exhibition or display right.

The final problem we wish to pose here is that of the market dynamics of the artistic field. For standard goods market regulation is an incentive to reduce production costs by improving productivity and adjusting products to individual preferences. The first effect is important for those parts of the artistic field characterized by a process of industrial production, such as cultural industries. Conversely, the principle of productivity makes little sense for the more traditional areas of the artistic field. Moreover, the role of the cost of labor is decreasing with the gradual substitution of aesthetic form with a conceptual manner of "making" art. Similarly, the adjustment of artistic production to individual preferences cannot be seen to be as efficient as it is in the case of standard goods. The dynamics of art give the *avant-garde* a predominant role. *Avant-garde* movements do not match individual preferences but on the other hand, tend to oppose them, destroying the dominant paradigms in order to erect others. The dynamics of art need incentives other than those provided by the market.

3. Conclusion and suggestions for further research.

In the first part of this essay we have defined the semiotic artistic goods, that is goods bearing sign. We have thus described three models of organization of the artistic field. The institutions and hierarchies model is politically-oriented. In this context the logic of politics governs the semiotic dimension of artistic goods. The gift model develops within an autonomous artistic community. Its logic is linked to cultural and aesthetic dynamics, heavily based on the semiotic nature of artistic goods. Finally, the market model is economically-oriented. Here, the logic of resource allocation governs all transactions of semiotic goods.

These three models are not exhaustive: others can be used to explain the historical setting of the artistic field - for example, by referring to the practices of religion and magic with regard to art. Each model has its own logic; no one model can organize and regulate the entire artistic field on its own. Market logic clearly has a strong influence on the artistic field. The gift model can be seen at work in modern artistic communities. The institution and hierarchies model instead survives in some segments of the artistic field - namely, when and where patrons and not-for-profit organizations intervene in support of the arts and artists.

The first step in our analysis has been to link the semiotic characteristics of goods to different systems of regulation. The next step will be to devote ourselves to understanding the way in which the different systems and logic interact in order to regulate the artistic field.

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