

The Impact of Economic Development on Art Research

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Abstract. Today, art research and economic development are increasingly closely linked. Through literature review and analysis, this paper examines the core concept, development process and research status of art economics, and reveals the complex interactive relationship between art and economy. Firstly, this paper analyzes the structure of the art market, covering the production, circulation and consumption of artworks: production involves artists' creation and the intermediary role of galleries and auction houses, circulation includes exhibitions, auctions and sales forms, while consumption is related to the buying behavior of collectors, investors and the public. Then, it focuses on the research results and disputes of artistic liquidity, pointing out that it refers to the convenience of buying and selling works of art, which affects the price and market stability, and is influenced by factors such as the popularity of works of art, the reputation of artists, scarcity and market demand. It also discusses its relationship with financial market liquidity and its promotion path. At the same time, it is concluded that art research faces the challenges of over-commercialization and artistic homogenization: the former leads to artistic creation catering to the market, while the latter leads to the convergence and lack of innovation of works of art with different cultural backgrounds under globalization. Finally, it looks forward to the trend of artistic creation, puts forward that economy and art complement each other, and holds that globalization and digitalization promote artistic creation and communication changes.

Keywords: Economic development; artistic creation; art market.

1. Introduction

Art economics can be explained using the basic supply and demand model from microeconomics. The art market is a specialized venue for trading artworks, and like most commodities, artworks are influenced by supply and demand factors.

On the supply side, the supply of artworks is constrained by artists' creative capabilities, the condition of artworks, and market distribution channels. Since the creation of artworks requires time and effort, and some artworks are scarce, the supply of artworks is often limited [1].

On the demand side, the demand for artworks is influenced by consumers' income levels, cultural tastes, and investment expectations. During periods of economic prosperity, people's income levels are higher, and demand for artworks increases; conversely, during economic downturns, people's purchasing power decreases, and demand for artworks may decline [1].

As a result, during economic upturns, as demand for artworks grows while supply changes slowly, shortages may occur. Conversely, during economic downturns, the supply curve is difficult to alter in the short term, while the demand curve shifts to the left, leading to excess supply relative to demand.

The emergence and development of art economics stem from the growing social demand, driven by the rise of various cultural and creative products and the integration of artistic elements across industries. In recent years, as the basic theories of economics have continued to evolve, aesthetic value has increasingly become a focal point of research in art economics, attracting widespread attention from scholars both domestically and internationally.

From a theoretical perspective, while the foundational theoretical framework of art economics has been preliminarily established, existing theoretical controversies continue to hinder its deeper development, such as those related to consumer culture and the art market. From a practical perspective, art economics has achieved certain effectiveness in its application to areas such as transaction models in the art market and the economic contributions of art exhibitions. However,

significant shortcomings remain in practical applications, particularly in terms of "inefficiency," "high costs," and "insufficient compatibility."

Additionally, social phenomena in related fields further highlight the necessity and urgency of in-depth research into art economics. Therefore, conducting a systematic review of research findings in art economics, clarifying its development trajectory, existing issues, and future directions holds significant theoretical value and practical significance.

This paper explores changes that can be anticipated in the field of art research in the future, providing art researchers with ideas and a general analysis of the future. In today's world, international exchanges and cooperation are growing, and cultural exchanges are naturally increasing. The forms of artistic creation can undergo diverse transformations. Therefore, using the definitions and frameworks of economics, this study seeks to find the close connection between economics and art and provide feasible policymaking and support.

2. The Impact of Economic Development on Art

2.1. The Impact of Economic Development on Artistic Creation

Related scholars have proposed that economic development can provide artists with adequate material foundations and creative spaces [2].

During periods of economic prosperity, society allocates more resources to cultural and artistic endeavours, such as government or private sponsorship of art projects and the establishment of art funds, thereby providing artists with material guarantees for their creative work [3]. Most artworks require a significant amount of time to create, such as Leonardo da Vinci's "The Last Supper," which took seven years to complete. Sufficient social and financial support during this period ensured that da Vinci could dedicate seven years to finishing this masterpiece. Economic prosperity increases the demand for artistic expression, and under such demand, artists are more inclined to create. This is because artistic creation is not merely about expressing personal ideas or providing aesthetic enjoyment; for some artists, it is also a means of livelihood.

Economic development brings about social openness and ideological liberation, enabling people to allocate more disposable income towards skill development and artistic self-cultivation, thereby enhancing their cognitive abilities. This provides artists with a more liberated creative environment, allowing them to boldly explore new artistic forms and themes [4]. During broadly defined periods of economic ascent, such as Japan's bubble economy era, China's reform and opening-up period, and America's golden age, numerous renowned artworks of both artistic merit and innovation emerged. Related scholars have found that economic development also influences artists' choice of subject matter. For example, during periods of rapid economic growth, some artists may focus on real-world issues such as social change and urbanisation, incorporating them into their works [1].

2.2. The Impact of Economic Development on the Art Market

Economic development can directly promote the prosperity of the art market and drive its growth.

As people's living standards improve, demand for cultural and artistic products increases, thereby stimulating the expansion of the art market [3]. With higher wages comes increased disposable income, enabling people to spend more on education and artistic cultivation, thereby boosting demand for artworks and the art market. Additionally, artworks are no longer merely collectibles for the elite but are increasingly entering the lives of the general public, becoming both an investment and a consumer good. As such, economic development influences the volume of transactions and also stimulates the vitality of art transactions. Art market institutions such as galleries, art fairs, and auction houses have also grown and expanded, providing more channels for the circulation of artworks [1].

Related research has found that economic development also drives the appreciation of artworks. On the one hand, as a scarce resource, the value of artworks rises with economic development; on the

other hand, artworks with historical and cultural value receive greater attention and protection in the course of economic development, further enhancing their value [5].

2.3. The Impact of Economic Development on Art Consumption

Economic development influences people's attitudes and behaviours toward art consumption. As income levels rise, people's consumption structures are also changing, with cultural and artistic consumption gradually becoming an important part of people's lives [6]. Economic development has driven the diversification of art consumption. People can engage in art consumption through visiting museums, galleries, and art exhibitions, or by purchasing artworks and participating in art training, among other activities. These provide people with diverse ways to learn art knowledge and skills, thereby enhancing their understanding of art [3].

At the same time, economic development has also changed people's perceptions of art. Art is no longer viewed as an elitist luxury but rather as a cultural product that can enhance the quality of life and enrich the spiritual world. People now have more opportunities to appreciate art.

3. Art Promotes Economic Development

The role of artistic creation in economic development cannot be overlooked, as art plays an increasingly important role in promoting local economic development [7]. For example, the development of creative industries, particularly those rooted in intangible cultural heritage, can drive rural revitalisation and economic structural transformation. In rural areas of Australia, art projects supported by public funds, such as grain silo artworks, have been used to activate local infrastructure and promote regional community development. However, there are challenges in ensuring that local communities truly benefit from these initiatives [8]. The integration of the cultural industry with tourism has also injected new vitality into local economic development [9]. Through the dissemination role of artistic creation, local tourism development can be promoted, attracting tourists to increase local residents' income, and driving economic growth through tourism development. Simultaneously, unique elements can be introduced into the local economy to sustainably attract tourists.

The following are examples of promoting economic development through art and culture. Relevant departments leverage local cultural characteristics and artistic resources to develop the cultural tourism industry, attracting tourists to visit and experience, thereby driving local economic growth [10]. For example, in recent years, cultural and creative products have emerged in tourist attractions, such as specialty ice cream, fans, and postcards. These are effective carriers for the dissemination of art and culture. Governments and artists can collaborate to develop the creative industry, combining art with design, technology, and other fields to create culturally significant products and services with market competitiveness, thereby increasing the value of these products [11]. The integration of art and technology can help promote technological products more effectively, sparking interest among a broader audience and thereby increasing their market share and target audience. The public should strengthen art education, implement art courses in compulsory education, and cultivate artistic talents with an innovative spirit and practical abilities to provide talent support for the development of the cultural industry [12]. The art education industry provides employment opportunities for a large number of people, enabling more individuals to benefit from art education, thereby increasing their disposable income and promoting consumption.

4. Challenges and Responses

4.1. Challenges to Address

While acknowledging the positive impact of economic development on art, it is also important to recognise some of the issues that exist.

Although scholars have suggested that economic prosperity can promote artistic development, excessive commercialisation can limit artists' creativity. As a result, scholars have pointed out that the pursuit of economic interests may lead to the excessive commercialisation of artistic creation, with some artists producing works lacking artistic value to cater to market demands [13]. As seen in the current music market, where formulaic sentimental ballads and viral catchy songs dominate, this not only hinders artistic innovation but also undermines the cultivation of the public's artistic literacy.

Economic development may lead to the homogenisation of artistic forms. Under the pursuit of economic benefits, some regions may blindly imitate the successful experiences of other areas, lacking their own unique characteristics and innovation [14]. As mentioned earlier regarding tourism and cultural creativity products, the products launched are all uniform, lacking local characteristics and merely imitating others. While this may attract a certain amount of foot traffic in the short term, in the long run, homogenised tourist attractions lack distinctive features and are eventually abandoned by consumers.

Since there is currently no comprehensive method to assess the value of an artwork, this may result in high investment costs and low returns, leading to losses. Many artists spend years creating and refining a piece, only to find that the public does not accept such artworks, which is not what artists hope to see.

4.2. Feasible Measures and Policies

The government should strengthen policy guidance for the cultural and artistic sector, encourage artistic innovation, and protect cultural diversity [15]. The government can provide tax incentives and increased subsidies for cultural parks to alleviate the survival pressures faced by the cultural industry, enabling it to gain market recognition and attract visitors. Additionally, the government should expedite the enactment and implementation of laws related to cultural intellectual property rights to promptly protect innovative initiatives and reduce homogenisation.

Society should increase financial support for non-profit art institutions, encourage them to carry out public welfare art activities, and improve the public's artistic literacy [16]. Non-profit art institutions can attract more people to learn about and engage with art-related knowledge through public welfare activities such as producing public service announcements, family-friendly events, and educational outreach.

Society should be more inclusive towards artists, strengthen the cultivation of artistic talent, and encourage artists to immerse themselves in life to create works that reflect the spirit of the times and possess cultural value [16]. The government can introduce foundational art education courses during the academic period to provide young people with a basic understanding of artistic knowledge and the ability to appreciate artistic works.

International exchanges can help governments effectively address such challenges. Similar issues can draw solutions from other countries' experiences, such as the UK's ACE (Arts Council England), a government-established institution dedicated to fostering artistic creation, encouraging innovation, and motivating artists. In New York City, the Seniors Partnering with Artists Citywide (SPARC) programme provides artists with affordable community spaces and collaborates with senior centres, where artists offer artistic services in exchange for rental subsidies. This model alleviates artists' cost pressures while enriching community cultural life by integrating idle space resources.

5. Conclusion

There is a complex interactive relationship between economic development and artistic development. In most cases, artistic development and economic development can mutually promote each other. However, only by fully understanding this relationship can people better leverage the role of art in socio-economic development and achieve coordinated economic and cultural development. Governments can achieve sustainable development in economic, social, and environmental aspects through innovative technologies and green finance. Artworks should also play a promotional role. In

the new era, artists should also dare to explore new forms of artistic expression and maintain active communication with foreign artists, while the public should demonstrate greater tolerance toward artistic creation.

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