**Art Economics: The Association between Economic and Structural Characteristics of Art Museums to their Artistic Repertoire**

**Abstract**

This article examines the correlation between economic and artistic aspects of cultural production in the context of art museums. Using quantitative and qualitative methodologies, an analysis is conducted on economic and structural traits of 11 art museums and their cultural products during the years 2000-2014. The sample consists of art museums in Israel that are officially recognized and supported by the Cultural Administration of the Israel Ministry of Culture and Sport. The research field is defined by a theoretical distinction between center and periphery. Three mechanisms are identified in the analysis that are external to art and yet which characterize art museums and influence their various cultural outcomes: (1) the proportion of various types of funding within the museum’s income; (2) the physical location of the museum; and (3) the museum’s leadership. By examining the interactions among these mechanisms, this article offers a theoretical lens that clarifies our understanding of museum managers’ curatorial choices and the impact of museums’ various sources of funding on their cultural products.

**Introduction**

Art museums are perceived as being cultural and educational institutions. As such, they have a dual responsibility to preserve historical works of art as well as to influence the future of art by selecting what is included in the cultural canon. Many artists aspire to exhibit their work in prestigious museum spaces in order to establish their status in the art field; being displayed in a museum is an indicator of a high level of artistic quality. Such visibility may encourage investment in the galleries where an artist’s works are collected and commercially sold. Therefore, the curatorial decisions made in these cultural institutions have great significance for artists, and for the society and nation in which they are located. Within this context, sociological research has examined various economic and social mechanisms of cultural production.

Some sociological studies of cultural markets address the tension between aspects of cultural activities that are based on economic rationale and those based on intangible ideals. Research on cultural markets in the specific case of art institutions indicates that factors such as state subsidies, support by art patrons, supply and demand, and the structure of the museum all influence the artistic activity that takes place within them (Camarero, Garrido & Vice, 2011; Frey & Meier 2002; Murray, 2019; O’Hagan & Neligan, 2005; Rosett, 1991; Towse, 2003). Studies in the sociology of art emphasize that cultural production is a type of social action (Becker, 1984). Further, there are social mechanisms that underlie value-assessment processes for artwork (Becker, 1984; Beckert, 2009; Bourdieu, 1983; Jyrämä, 2002, Yogev, 2010). One of the most influential approaches is that of sociologist Pierre Bourdieu, who asserts that art is a social field in which (as in any social field) power dynamics exist between stakeholders who struggle to define the rules of the game. Within this framework, artwork is judged, and belief systems are established regarding what comprises ‘meritorious’ art. Power is expressed by producing meaning and transforming it into capital, for example by deciding what works of art will be included the canon, thus raising the value of these works of art and establishing the status of the artists who created them (Bourdieu, 1983).

Following these perspectives, the current article explores how the economic and structural characteristics of art museums influence the exhibitions and works of art they display. The main contribution of the article is the identification of mechanisms that are external to art, yet which impact various cultural outcomes in museums. Additionally, it reveals the distinctive contribution to the field of cultural production that is made by art institutions located in the periphery.

**Literature Review**

**Economic Aspects of Museum Activity**

Sources of funding for art institutions are diverse and include public allocations, visitor entrance fees, donations, endowments, foundations, sponsors, and investments (Frey & Meier, 2002; Lindqvist, 2012; Rosett, 1991). In recent decades, there has been a global trend towards the reduction of government support for the arts and culture (Mulcahy, 2006). In the spirit of economic liberalism, governments encourage arts institutions to strive for economic independence (Lindqvist, 2012). Many museums are not eligible to receive substantial state funding if they cannot also show financial justification for receiving it (Skinner, Ekelund, & Jackson, 2009). For example, Israel’s Museums’ Law only grants government support to museums that bring in a minimum of 7500 paying visitors per assessment year (Israel Ministry of Education, 2018).

At the same time, museum managers must deal with the challenge of drawing large numbers of visitors because, unlike many other recreation and leisure industries, the art world has a relatively limited audience. Appreciation of art requires the development of taste through education and prior experience, independent of financial differences among consumers and the costs of participation (Blaug, 2001; Bourdieu, 1984; Towse, 2003).

Studies examining the characteristics of museum audiences indicate that the higher the educational, social, and occupational status of an individual, the more likely that person is to frequent museums and art galleries. Highly educated people have the knowledge and motivation required to enjoy museums. Further, their professional status often includes an expectation that they will engage in high-level culture as part of their lifestyle (Falk & Katz-Gerro, 2016; Katz-Gerro, 2011).

For much of the twentieth century, museums were perceived as a type of sanctum from which the general public was alienated. However, museums are increasingly striving to make art accessible to a large and diverse audience in order to leverage themselves financially (Cohen-Schneiderman, 2014). This process often necessitates curative initiatives made to meet market demands. For example, in addition to exhibitions for art lovers, museums often include in their repertoire popular or ‘blockbuster’ exhibitions with content that is more accessible to general audiences, and they have a faster turnover of temporary exhibitions. In addition to their exhibitions, museums also offer cultural events and social activities to increase the number of visitors and maximize their self-generated revenue (Frey, 2003; Frey & Meier, 2002).

One major source of income for museums is donations from art patrons. Sometimes these donations are contingent upon requirements from the patrons. This may create conflicts of interest (Litman, 2015; Sherer, Suddaby & de Coquet, 2019) and influence the museum’s repertoire of art (Ben Yehuda & Katz, 2017). Studies indicate that donors tend to support projects that meet their own needs and aims. For example, wealthy philanthropists generally support traditional exhibitions featuring canonical works that are prestigious in the art world. By donating money or collections of art, philanthropists can increase the market value of works in their private collections, which are endorsed as being of high quality by virtue of being shown in a prestigious museum. In contrast, the goals of commercial entities that donate to museums are more related to public relations. They generally support popular and commercial exhibitions that are accessible to wide audiences, in order to enhance their visibility and public image (Alexander, 1996a, 1996b; Sherer et al., 2019).

A museum’s economic status is also affected by its environmental conditions and the resources at its disposal. For example, art museums centrally located in major cities enjoy many economic benefits. Large cities are readily accessible to visitors; cultural and commercial supplies are easily available to them; and there is a large community of professionals working in the art industry (Gronenberg, 2007; Rosett, 1991; Von Graevenitz, 2007). Therefore, major art institutions are most often located in large cities like Paris, Berlin New York, and Tel Aviv, where there is access to financial capital, information, and channels of power (Ofrat, 2016). Art institutes are also often located in nations’ capital cities because their features of heritage, historical structures, and cultural treasures attract tourists (Maitland & Ritchie, 2007). The greater the distance from the metropolitan center (i.e. the more ‘peripheral’ it is geographically) the smaller a museum’s supply of artworks and the lower the revenue from visitors (Weitz & Posner, 1999). The next section looks at the periphery-center dichotomy in the cultural space, particularly from the perspective of the power relations that link geographic location to hierarchies in the art world.

**Power Relations between Center and Periphery in the Cultural Space**

Sociologists relate to the terms ‘center’ and ‘periphery’ to give insight into the social order (Shils, 1975). Ideologies are created in the center that determine the desired world order; the center comprises a broad cluster of institutions and roles, and contains databases, resources, and skills in various fields; the center is where control, power, and strength are concentrated, and where society’s elites can be found (Kimmerling, 1995; Shils, 1975).

The periphery, in contrast, is expected to accept the authority of the center and the ideas emanating from it, without taking part in their creation or dissemination. Additionally, Shields (1991) links the geographical periphery to social and cultural marginalization. This marginalization is part of a complex social and cultural process that identifies the center with enlightened ‘high culture’ and the periphery with ‘low culture’ due to its geographical distance from the center.

Understanding the structural relationship between center and periphery in cultural spaces reveals the power relations in the art scene. Most resources, galleries, museums, and collections of information are located in the center, as are most artists and visitors (Cohen, 2001; Ofrat, 2016). Additionally, the majority of stakeholders (art critics, curators, directors of galleries and museums, auction houses), who dictate local art discourse and influence prevailing fashion and tastes. The ongoing migration of artists to the central region and their adoption of its norms contribute to the canonization of art that is legitimized by a hegemonic artistic discourse (Yogev, 2004).

However, some of those studying and writing about the Israeli arena have challenged the premise of the cultural inferiority or marginalization of the periphery. They offer a conception of the periphery as an environment that allows for artistic growth, greater opportunities for emerging artists, experimental art, the creation of an independent repertoire of art repertoire, and working conditions that are less stressful than those in the center (Bar-Or, 1998; Yavo-Ayalon, 2019; Yogev, 2004).

**The Social Context of Art Appreciation**

In general, it can be said that the value of a work of art is determined by its design, content, use of precious materials, the artist’s technique, the rarity of the work, the circumstances under which it was created, and the fashion of the times. An artist’s resume and reputation also influence the value of the work, the connections and bargaining power of the agent representing the artist, media attention and publicity, and cultural awareness of the artist (Becker, 1984; Galenson & Weinberg, 2000; Jyrämä, 2002; Nahm, 2010; Throsby, 1994; Zorloni, 2014). One of the core challenges regarding the boundaries of the art world and discourse about it pertains to the exclusion of female artists, especially in the arena of higher art (Cowen, 1996; Dekel, 2014; Miller, 2016).

As early as the nineteenth century, a distinction has been made between women’s art and men’s art, based on the argument that women produce inferior art that does not meet the standards of male artists. There has been a perception that, although women may have refined artistic tastes, their work deals with simple, personal issues while men create art that is important and meaningful (Parker & Pollock, 1981). Nochlin (2006), notes the historical, social, and institutional environment that stripped women of their status and prevented them from attaining achievement. For example, in the past, women did not have the autonomy to acquire an education or to devote time to experimental pursuits in art. Another example is that, while painting nude models was a crucial practice for artistic training and creating important works of art, it was not considered acceptable for women to paint nude models. Furthermore, societal rules of conduct prohibited women from attending cultural clubs or centers of artistic discourse. This restricted their artistic development. Studies examining gender show that even in contemporary society, female artists have a harder time getting paid work, they earn less, and the quality of their work is undervalued by critics, audiences, and contributors in comparison to male artists’ work (Dekel, 2014; Markus, 2008).

In summary, this literature review identifies three aspects of cultural production. The first relates to the museum’s physical conditions. The second is centrality versus marginalization in the cultural field. The third relates to why some works of art are considered to be more valuable than others. Accordingly, we developed the research question: How do the economic and structural characteristics of art museums influence the museum’s repertoire in terms of the exhibited art and the characteristics of the exhibiting artists? The economic characteristics of art museums relate to their various sources of income. The structural features refer to the location of the museums in terms of center and periphery.

To answer this question, we analyzed quantitative data spanning 15 years collected from 11 art museums in Israel that receive recognition and support from the Cultural Administration of the Israel Ministry of Culture and Sport. In addition, to improve understanding of these quantitative findings in a broad context, 20 interviews were conducted with museum managers, curators, and artists involved with the museums in the sample.

**Research Hypotheses**

Based on the findings of the literature review, we hypothesize that a high level of financial support for a museum will be correlated with exhibiting well-known artists. Further, it is hypothesized that self-generated revenue will be correlated with a higher number of new exhibitions. The second hypothesis is based on the motivation of museums to maximize visitor revenue by increasing the number of exhibitions, alongside other issues (Alexander, 1996b; Frey & Meier, 2002).

H1: A museum’s revenue will have a positive impact on the display of art by artists with an international reputation.

H2: A museum’s self-generated income will have a positive impact on the number of new exhibitions.

With regard to structural characteristics, museums located in the center are expected to have greater economic resources and, consequently, a higher number of exhibitions and works by artists who are internationally known, in comparison to museums located in the periphery.

H3: A museum’s location in the center will have a positive impact on the level of self-generated income, donations, and budget from the local authority.

H4: A museum’s location in the center will have a positive impact on the display of works by artists with an international reputation.

H5: A museum’s location in the center will have a positive impact on the number of new exhibitions.

It is also predicted that in museums in the center, which are viewed as high-status exhibition spaces, and display the mainstream art, there will be fewer exhibitions and works by female artists displayed

H6: The location of a museum in the center will have a negative impact on the exhibition of works by female artists.

Museums in the periphery can be expected to display more young artists, including those in the early stages of their careers, due to economic considerations and the greater openness of cultural spaces in the periphery to displaying works by emerging artists (Littman-Cohen, 2001; Yavo-Ayalon, 2019; Yogev, 2004).

H7: The location of a museum in the periphery will have a positive impact on the presentation of works by young artists.

**Qualitative Results**

Following analysis of the quantitative data, this section uses qualitative methods to expand the discussion of aspects that cannot be adequately explained through quantitative analytic methods. First, it looks at the relationship between museum revenue and the repertoire of art exhibited. Second, it addresses considerations that administrators and curators weigh in making their curatorial choices. Third, it looks at the connection between the museum’s location and the art exhibited.

**Economic Aspects Affecting the Art Exhibited**

**Correlation between sources of income and museum activity.** In his sociological studies of culture and art, Bourdieu (1984) formulated the concepts of “cultural capital” and “habitus,” which can be applied to descriptions of the distinct aesthetic tastes and preferences held by the audiences of art museums. Art museums are still often perceived by the general public as a type of sanctum, from which those who are not part of the art world feel alienated. Therefore, as government budgets are reduced and museums cannot financially depend solely on their “natural” audience, museum managers are required to enact various market strategies in order to generate revenue from visitors. Some of these are reflected in the exhibition program, as described by this museum manager:

“What usually brings people in is popular exhibitions. If we do an Agnes Martin exhibition, which is minimalist art, we know in advance that although it is important to present Agnes Martin’s art, we will not have a large audience for it. The museum must do both this and that, because of its reputation for being serious and relating to what is happening in art. There are important artists that the museum must exhibit, even though we know people won’t stand in line around the building [to see them]. In order to balance the budget, the museum has to offer popular exhibitions to bring in a wide audience, a large audience. Otherwise it will not meet its expenses and have enough self-generated revenue.” (# 3, museum manager)

Popular exhibitions do not always reflect the museum’s artistic vision and professional values, but they are attractive, bring in visitors, and increase the self-generated revenue upon which the museum depends. Such exhibitions have become widely accepted in the art world (Frey & Meier, 2002).

**Characteristics of the Artist**

**Female artists in the art scene**. Analysis of art history reveals systemic gender-based discrimination against female artists. Museum exhibitions include the work of fewer female artists, not because they lacked artistic talent, but because of stereotypes and gender-based social exclusion (Markus, 2008; Miller, 2016; Nochlin, 2006). Examination of Israeli art institutions reveals that although there are many females in key positions such as managers and curators, many museums exhibit the works of fewer female than male artists (see also Table 2 in the Appendices). One senior artist criticized this disturbing phenomenon:

“There are a lot of women in the system, but they [curators] always favor men. The things I ask for are reasonable. If it came from a man, it would have been different. You can say it’s the junior and sub-senior realm that is most flooded with women who don’t consider [other] women. There is something about the clichéd image of the male artist, that he is a genius, whose eccentric mannerisms are appealing. For women, eccentric behavior is not appealing. They are not as persuasive as men.” (#18)

Managers and senior curators at museums where a low percentage of women have their work displayed argue that this is a coincidence, and that their choices are primarily based on professional considerations: “Although we are acutely aware of the subject, we feel that at this time, we should not work according to a desire to achieve a strict balance but by considerations of quality.” (#5, curator)

In light of these social issues, professional considerations, and the quality of artwork, one may wonder why more female artists have not been included in museum exhibitions. In the Israeli art market, there are many female artists. The manager of one museum that displays a high percentage of female artists’ work explained: “There is no reason for this to be on the agenda. There is one very simple explanation: when you look at the art market in the country today, the majority are women, and some are very good” (#8, museum manager).

**Young Artists Displayed in Museums**. In the art world, young artists represent the contemporary, emerging, creative, and expressive. Veteran artists are familiar with the art field and appreciated within it, which grants them a seal of quality. “The most important thing is to have a combination, because if you only present young artists, you never show artists who have reached the peak of their ability, but if you only show veteran artists, you are not stimulating thought about what is happening right now” (# 15 senior artist).

Despite the importance of presenting multiple facets of art, it emerges from the interviews that the decision to show the work of young artists or veteran artists reflects the museum manager’s preferences. For example, during the years considered in this study, all the artists whose work was exhibited in the Herzliya Museum of Contemporary Art were young (see Table 2 in the Appendices). This was due the museum’s management strategy to display many exhibitions of young artists who recently graduated art school (Buganim, 2013). However, the new management notes that this trend is changing: “My style is less towards first exposure and more concerned with the subject and what the artist presents.”

The current study also finds that presenting veteran artists may intersect with marketing strategies: “I have to convince my target audience, in the best sense of the word, that what’s happening in the museum is worthy of their attention. If I take an artist who graduated yesterday from Bezalel [Academy of Art] and does experimental art, that won’t appeal to the audience. To bring in the public, I have to convince them there is good art here, and good art is usually associated with canonical art,” (#9, museum manager).

It can be seen that, in general, the choice of showing more veteran artists or young artists in a museum often reflects the personal perception of the museum manager, whether for professional or financial reasons.

**Art from the Periphery: Experiencing a Different Culture**

In the cultural spaces, peripheral museums refer to those which are geographically distant from the center as well as satellite cities [as near Tel Aviv]. In terms of economics, museums in the periphery face the difficult challenge of limited accessibility to visitors, which affects the museum’s revenue and their cultural activities: “The museum is very centrally located, in a settlement in the center of the country. But clearly, in relation to the major museums Tel Aviv and Israel, it is a peripheral museum. At the same time, it is not provincial, and maybe that is how this can be defined. This peripherality is connected to everything [economics aspects] ... It is clear that we are working at a different budget level that allows for different activity,” (#7 museum manager).

The essential nature of art in museums in the periphery differs from that of museums in the center. In many cases, this stems from the managers’ need to attract visitors to a museum in a remote location: “The fact is, I am in the periphery, and not only in the periphery but in a place that is difficult to reach; there is no bus, there is nothing here. I can’t exhibit something that can be seen in Tel Aviv, because no one will come here” (#10, museum manager).

“Almost every one of my exhibitions is, in some way, something that can’t be seen elsewhere. I try to have exhibitions of lesser-known works by famous artists, which are being presented for the first time to this audience” (# 9 museum manager).

Art displayed in museums in the periphery also offers norms that differ from those in the center. There is an openness to art and artists that have been marginalized: “From my perspective, I have given a lot of space to voices from the periphery. This includes the geographical periphery as well as the conceptual periphery, and artists who have been given little or no exposure in more centrally-located museums .... Many times, we determine what is seen. There is a difference between reflecting what exists in the field and directing people’s gaze towards what is happening now” (# 6 museum manager).

One of the most notable museums in Israel is the Ein Harod Art Museum, which chooses to exhibit local artists who have not entered the canon or who have never had a major exhibition. This trend allows for an examination of the quality of Israeli art that is outside the canon, offering a new cultural order. In doing so, Ein Harod has become an important, reputable museum that is highly appreciated in various art circles in Israel:

“Let’s just say Ein Harod is a bit of a different story, with a different kind of agenda. An agenda that is corrective, as if to counter our canon, and it’s wonderful.” (#4, curator)”

Art exhibited in museums in the periphery also expresses a connection with the local environment. This can be done in several ways. The first is by emphasizing the physical environment surrounding the museum. “I have declared that this museum presents art that is ‘on the border’ in both the physical and metaphorical sense” (#31, museum manager). The second way is through connection with artists from the surrounding area: “The way I relate to the environment is not simplistic. It can happen in various ways. I might show an artist who paints landscapes of the Negev Desert, or someone who lives here” (#9, museum manager). The third way is through curatorial initiatives that explore local social and cultural issues: “It is important to me that artists exhibited here be those who not only engage in internal disciplinary discourse, but also engage with the local social, cultural space” (# 7 museum manager).

**Discussion**

This article examines the impact of the economic and structural characteristics of Israeli art museums on their repertoire of art over the course of a 15-year period. Both quantitative and qualitative methodologies were used. The findings of this mixed-methods research indicate the existence of three mechanisms external to art that influence the cultural products in the museum.

The first mechanism is related to economics. The study shows that art museums rely on a variety of sources of income. The total amount of the museum’s revenue as well as the proportion of each type of income within the budget have an impact on the art repertoire on display. For example, it can be seen that an overall high level of revenue is associated with a broader artistic repertoire and more exhibitions of art from around the world. Receiving a high proportion of income from visitors is associated with a greater turnover of new exhibits and a greater number of popular exhibitions. Private donations make it possible to present a larger number of exhibitions and more high-cost artistic projects. At the same time, private donations can also influence the cultural agenda of the museum (this was found to happen, for example, at the Israel Museum). In contrast, a high level of public (municipal) support has an impact on the agenda in the sense that it enables economic stability and allows for more autonomy in the museum’s work, without the pressures of the marketplace.

The second mechanism is related to the location of the museum. The study shows that periphery in the cultural sphere is not necessarily the same as geographical remoteness, but the periphery does have distinct economic and conceptual differences from the center. Museums in the center tend to be larger. They enjoy economic benefits due to their accessibility to visitors, their location in tourist centers, and their attractiveness to donors. They usually present mainstream and international art, and have a broad, universal artistic outlook. For museums in the periphery, the supply of artwork is more limited. However, the study clearly shows that these museums display more artwork by female artists. The paucity of exhibitions by female artists at museums in the center reveals the power relations in the art field and reinforces the long-standing claim of male hegemony and hierarchy in the art field. The finding is particularly interesting in light of the fact that precisely in the museum located in the center of a city considered to be a bastion of modernity and liberalism (Tel Aviv), the percentage of female artists exhibited is much lower than at the other the museums in this sample.

It was found that the museums in the periphery have an affinity for the local culture and environment. They present a different repertoire, with a distinctive artistic language. They give attention to artists who have been marginalized. These curatorial choices stem, in part, from the fact that their work takes place far from the pressures of the center (Bar-Or, 1998). These choices often reflect museum managers’ personal ideals. They are also a response to the need to present a repertoire that is distinct from that of museums in the center, in order to attract visitors to a museum whose location prevents it from competing economically with museums in large cities.

The third mechanism is related to museum management. This study indicates that the artistic leanings and subjective preferences of museum managers largely determine the museum’s agenda. This is reflected in curated initiatives that emphasize various types of content, such as providing a stage for young artists, local veteran artists, female artists, popular and ‘blockbuster’ exhibitions, or exhibitions with deep artistic merits. Such differences in the museum agenda reflect considerations of the museum managers, who operate within the museum’s physical and material circumstances.

**Conclusions**

Art museums, in terms of their status and role, are regarded as pantheons of art. At the same time, this study shows that their cultural production is rooted in considerations that are not exclusively related to the characteristics of the art itself. In this way, the article challenges the notion that art is a spiritual realm, distinct from other realms of life. This article provides insights into the mechanisms affecting cultural production in art institutions. Its main contribution is in defining the terminology for these mechanisms (economic, geographical, managerial), thus providing a theoretical lens for a description of mechanisms that are external to art and yet determine various cultural products in art institutions.

In addition, the findings of the study highlight that museums in the periphery are no less important than those in the center. Museums in the periphery present authentic exhibitions by a different type of artist, and offer opportunities to artists who are excluded from the center’s alienating approach. This allows for greater pluralism and artistic innovation within the field of cultural production in Israel. In addition, they contribute to the strengthening of local cultural activity.

Several questions raised by this study could be elaborated upon in future studies. What are museum managers’ practices in generating private donations? To what extent do museum managers subordinate curatorial initiatives to economic considerations? What role do the government’s cultural policies play in guiding museums’ artistic activity?

In addition, examination of the factors defined in the current study at art institutions in other countries would enable an international comparison and offer a cultural perspective on these concepts.