Chapter 6

VALUE AND THE VALUATION OF ART IN ECONOMIC AND AESTHETIC THEORY

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Abstract

Artistic value played a minor role in classical philosophy, but moved to center stage in 18th century aesthetic theory and also played a role in moral philosophy. The value of Art and the process of its valuation has remained an indispensable subject of modern aesthetics, while economists have excluded these topics from consideration. Recent attention to "external effects" has opened new ways of interpreting artistic value in a manner consistent with economic theory. Sections 1–5 narrate historical positions in both disciplines, many of which have left their imprint on current analysis. Sections 6–8 focus on the contemporary discussion of artistic values and their logic of evaluation in economics and in aesthetics.

Keywords

artistic valuation, consumption skills, tastes, use value

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1. Premodern theories

Both economic and aesthetic theory, in the most strict and technical sense, are a product of modernity. Both theories have been very powerfully shaped by Greek philosophy, particularly by the works of Plato and Aristotle. Therefore we must begin our study with ancient theories of economics and aesthetics "avant la lettre". Plato (427–347 BC) [see Plato (1997)] provides what is generally regarded as the first substantial theory of art. Though the value of art and beauty are usually closely related, Plato treats them very differently. Beauty plays an extremely positive role in his philosophy, serving as an exemplar of the very highest level of the ideal Forms and associated with truth and the good. Moreover, beauty is seen as the inspiration and goal of philosophy itself. Plato's Phaedrus characterizes beauty as the clearest, most understandable Form and his Symposium describes the philosophical quest as an ascent from the love of beautiful bodies to the love of beautiful deeds, discourses and thoughts, and finally to a vision of Beauty itself from which the philosopher can give birth to the beautiful.

In contrast, art — in our modern sense of the fine Arts — fares miserably. Plato's Republic defines such arts in terms of "mimesis" (typically translated as imitation though sometimes also as representation), while the general Greek term for art (techne) had a much wider meaning denoting any systematic skill or form of knowledge. Plato denounces the mimetic arts, such as poetry, drama, painting and sculpture, as an imperfect imitation of the forms of the phenomenal world, which for him are themselves but a distorted imitation of the ideal rational Forms that constitute true reality. Art is thus condemned both ontologically and epistemologically as an imitation that distorts the truth it pretends to present. Plato further condemns mimetic art on psychological, ethical, and political grounds. By appealing to the lower, emotional part of the soul and inciting it with passions, art disrupts the rational psychological order that should prevail and thus corrupts character and leads to improper behavior. Since political order and justice are intimately interdependent with the order of proper moral psychology, mimetic art — at least the popular genres criticized by Plato — represents a grave political danger; the vivid depiction of war's horrors and of love's delights could, for example, sway soldiers from their duties.

Plato never really considered art's value on aesthetic grounds for to do so would establish criteria that might give it more autonomy, and art's autonomy and social prestige were exactly what Plato wanted to undermine in order to establish the hegemony of philosophy. This depressive strategy was useful because the nascent and still fragile discipline of philosophy, in order to establish its authority, needed to struggle against the cultural prestige of the artists, particularly the poets, who were recognized as repositories of ancient wisdom. Defining art as an imperfect imitation not only helped to demean art but also to conceal the fact that Plato's philosophy itself imitated many aspects of art — the concern for rational form and coherence, the satisfactions of imagination and contemplation of form, and the interpretation of the meaning of experience and events [see Dewey (1987); Shusterman (1992)].

Plato's political philosophy includes a similarly detailed discussion of economic theory and practice. The art of managing a household or the economic affairs of a city-state ranks among the more highly valued theoretical arts. Among the lower practical arts, there are the skills of producing or building objects, the skills of applying them, and the skills of acquiring them, either by conquest or by exchange. While all these skills are necessary for the maintenance of the city-state, they do not contain much of the quality of the ideal, divine Form. But, at least, they do not disrupt the political natural order.

Aristotle (384–322 BC), who had been Plato's disciple for two decades, maintained the Platonic notion of an ideal, divinely inspired state of human behavior and political organization. With his works, the proportion between the different arts which make up the city-state gained in prominence. All human action contributes to the realization of that state of the community which corresponds to the divine and, thus, to natural order. Ideal wisdom may be perfect self-reflection. But humans need a balance between theoretical (gnostike) and practical (praktike) wisdom. "Oikonomia", the art of managing a public household, qualifies as a theoretical art. Among the practical arts, there is a distinction between actions and occupations that generate some external result (poistike) and actions which employ these results. Only the latter are truly practical and ethical because they have their end and value in themselves.

Aristotle recognized the Platonic distinction between the employment and the acquisition of material objects. He transformed it in a way which remained paradigmatic for the next two millennia: the "natural" use of objects is their immediate employment. The "unnatural" use of objects is their exchange. Unnatural uses are legitimate for a community since resources are distributed unevenly throughout a territory. But since they do not follow natural proportion, they are limitless, lead to excess and thus to disorder. "Value in exchange", then, is interpreted as a limit to the natural "values in use". Beyond that limit, the accumulation of treasure, measured in a money commodity, becomes an end in itself. The lending of money sums against interest is an example of economic activity with negative value.

If practical arts are exercised with virtue (aretē), i.e. in accordance with the divine laws of ethical and political order, they contribute to the well-being of the city-state. Yet, they remain far from those activities which lead to immediate experiences of "eudaimonia", i.e. the ability of humans to make their souls the receptacle of divine wisdom. In the case of the Arts (in the modern sense), the judgment is more favorable. In general, the "katharsis" induced by them is valuable for both the individual and society, because it allows such negative emotions as pity and fear to be stirred up and then expurgated within the protected context of art's experience rather than having them spill over into real life where they could wreak psychological, ethical, social, and political havoc. If art's most obvious, general, and traditionally affirmed values can be summed up under the categories of pleasure and use, Plato recognized the pleasures but deemed them.

[1] The term "techne" is used for any skill, be it technical, artistic or theoretical. The arts as discussed above — tragedy, music, sculpture — are dealt with as phenomena art generis.
base and corruptively dangerous, just as he argued that art had negative utility in the
cognitive, psychological, ethical, and socio-political spheres, while Aristotle defended
the legitimacy of art’s pleasures and their positive value.

Beyond catharsis, Aristotle argued for both the cognitive value of mimesis and the
psychological, ethical, and social value of art’s emotional arousal. Claiming that imitation
was a natural and primary means of human learning and also a natural source of
human delight, he further argued that art had important cognitive value because it
imitated the essential and universal rather than mere contingent superficialities. That is
why he described poetry as being more philosophical than history (Poetics, 1448b, 1151b) [see Aristotle (1947)]. He singles out music as a core discipline of education.

Music, moreover, generates images (homiôma) that come close to reproducing nobler plots and
tasks than tragedy. Aristotle’s compositional principles refer to the various elements that form the artwork,
and rate them in order of value. For example, in tragedy, the
plot is clearly asserted as the most important. The different elements can be
used in different genres. Tragedy is valued as nobler than comedy since tragedy
represents nobler plots and characters and has consequently less vulgar fiction as well.

Aristotle evaluated tragedy as a higher mimetic form than the epic, which also had nobility of action, plot, and diction, because it had more positive elements, such as music and spectacle, as well as more unity through its narrower focus or scope. More important than any specific list of formal elements and their evaluative import was, in the long run, Aristotle’s suggestion that there exist criteria for evaluating art in terms of its formal
composition and that they are not reducible to ontology, epistemology, psychology,
morality, or politics. The belief in such criteria – significantly linked to properties of
form, expression, and quality – played an important role in the modern theories of
the aesthetic that began to be formulated in the late 17th century.2

Despite the recognition of the values of poetry, music and tragedy, Aristotle continued the Platonic strategy of subordinating art to philosophy. Although art affords pleasure through cognition, philosophy’s truths and pleasures are clearly asserted as superior and

more rewarding, its contemplative activity of “theoria” being the “summum bonum” of
human life. Just as the theory of catharsis emphasized that art’s passions are aroused in a
special artwork context so that they can be harmlessly purged without harming real-life
character or society, so Aristotle’s continued to interpret art as “poiesis” as contrasted with “praxis”. Thus, he further isolated art from the sphere of ethics and social and political
practice. Art as “poiesis” means external making, the creation of objects outside the
self. The end and value of the making is in the objects made. In contrast, praxis or ethical
action have their ends and values in themselves and in their agents. They both
derive from the agent’s character and reciprocally help shape it (Nichomachean Ethics, 1140a1–1140b25).

2. Art in early subjectivist theories

Two thousand years later, the terminology of philosophical thought was essentially the
same. But the interpretation of the basic assumptions had changed radically. In ancient
philosophical theories, properties of value like beauty or utility were conceived as objec­tively inhering in the objects of which they were predicated. Beauty and utility were
considered real properties of things rather than a transactional product that essentially
depended on the subjective experience of the beholder. This so-called “realist” view of
value continued to be used in medieval and Renaissance philosophies of beauty and
of states craft. Earlier works were based on Aristotelian thought, while later texts emphasize abstract measurement, following the rediscovery of Plato’s treatises in Western
Europe. Since about 1500, the “nominalist” counter current of Humanist thought began
to question the objective existence of ideal Forms, culminating in the strictly empir­icist epistemology of John Locke (1632–1704). According to Locke, the mind is a clean slate which is filled with the sensory impressions of the outside world. This is in
contrast to Descartes (1596–1650) who, inspired by the scientific advances of Galileo and
others, reinterpreted the material world and its objects in essentially physical terms of
mathematically measurable extension as could be mathematically measured. As such
measurable physical properties became the paradigm of the real, sensory properties such
as color, taste, and texture came to be regarded as secondary, less objective properties,
while aesthetic properties seemed even more subjective.

Such was the intellectual setting in which a specific theory of taste as an explanation of
aesthetic value and a specific theory of self-interest as an explanation of economic
value emerged.

For aesthetic theory, Anthony Ashley Cooper, 3rd Earl of Shaftesbury (1671–1713),
a student of Locke, was a pivotal figure. As part of his generally Platonist stance, he
held a realist theory of beauty. But his Lockean convictions about cognition led him
to advance the idea of a special faculty of taste that made moral judgments and
aesthetic judgments by respectively discerning the Forms of Good and Beauty. This special
mental attitude allows man to properly grasp and appreciate beauty in a disinterested
manner, without the desire to possess or control it. We should not, for example, in contemplating the beauty of a human form allow erotic interest to intervene, since such "desires, wishes, and hopes... are... no way suitable... to your rational and refined contemplation of beauty" [Shaftesbury (1711/1964, p. 126)]. It follows that a connoisseur desirous of acquiring a beautiful painting does not have the right attitude to properly judge its beauty. Shaftesbury's notion of disinterestedness, in the versions developed by Shaftesbury's own class of landed gentry. The members of this manner, without the desire to fulfills: they could afford disinterested contemplation. Shaftesbury's firm does a bee-hive, filled with creatures that lack the meaning of taste as a sensory or perceptual competence. As an individual skill, taste could be conceived as something that is brought to excellence by one class, namely Shaftesbury's own class of landed gentry. The members of this class had the means to develop their sense of taste for the beautiful. More importantly, they fulfilled one condition which practitioners of all trades and other commercial occupations did not fulfill: they could afford disinterested contemplation. Shaftesbury's firm Platonic assertion of art's value, and beauty in general, continued to resist the increasingly empiricist tendencies of British thought.3

Early modern economic thought was already deeply suspicious of such hierarchical constructions. Economic pamphlets were published in immediate response to Shaftesbury's aesthetic theory. Prime example is Bernard Mandeville's (1670-1733) Fable of the Bees: Or, Private Vices. Publick Benefits [Mandeville (1714/1988)], where the model of a state in which everyone consumes in appropriate measure, thus increasing the total volume of blissful happiness experienced in contemplating "real" beauty or moral action is rejected and replaced with a model in which all individuals seek to maximize their pleasures without regard to virtue, and yet the state prospers and grows, as does a bee-hive, filled with creatures that lack the slightest idea of virtue. Nineteen years later, Mandeville (1670-1733) published a second volume called Fable of the Bees, in which he continued his attack on Shaftesburian theory, this time in immediate aesthetic terms. The volume contains six conversations between three spectators of paintings of

3 Shaftesbury was also responsible for introducing to British aesthetic theory the evaluative property of sublimity, first developed by an ancient unknown author (thought to have lived in the first century A.D.) who is known as Longinus (Longinus (1992)). Shaftesbury regards the sublime as a kind of beauty, but later theorists, treated the sublime as an alternative value to beauty and in some ways more powerful or higher than it. Burke (1909) regards the sublime as "the strongest emotion which the mind is capable of feeling" because it is based on the "passions which concern self-preservation" (pp. 86, 97), while Kant describes it as "rising from a higher intellectual feeling" than the beautiful (p. 33).

Edmund Burke (1729-1797), who rejects the doctrine of a distinct internal faculty of taste, explains our judgments of taste through our ordinary sensory and mental capacities and in terms of our experiences of pleasure and pain. Burke (1757/1998) distinguishes between positive pleasure which engenders the feeling of beauty and the pleasure of delights (deriving from the removal of pain or danger, i.e., the threat of pain) which inspire the experience of the sublime. In contrast to Shaftesbury and later (de)liberal aestheticians, Burke has a distinctly embodied approach to aesthetic value.


Christ's birth. They discuss the merits of works done in Italian and in Dutch style, and they do so in a way which discredit the Shaftesburian valuation of features that cater to artificial taste and which favor the valuation of features that render sensory impressions and thus cater to common sense.4

Mandeville was able to make contributions to an emerging political economy as well as to an emerging aesthetic philosophy, but that accomplishment is outdistanced by the works of David Hume (1711-1776). Hume's Political Discourses [Hume (1752)] contain essays with significant contributions to theoretical economics, most notably Of Money, Of Interest, Of Commerce and Of the Balance of Trade. At the same time, Hume's Of the Standard of Taste [Hume (1757/1963)] provides the most important British text on the evaluation of art.

Hume aimed to determine an objective standard for what he regards as the clearly subjective judgment of taste, which as a judgment of "sentiment" rather than "fact" admits of no objectively "true and decisive standard", even if there are objective properties in artworks that tend to elicit taste's sentiments. "Beauty is no quality in things themselves; it exists merely in the mind which contemplates them" (p. 234). While Hume recognized the diversity of evaluative judgments, he insisted, on the other hand, that some judgments (e.g., Milton's superiority to Ogilby) are undeniable true and that some individuals are better than others at evaluating art. Hume's strategy for defining a standard of taste is to link judgments of taste to judgments which do have a determinate standard "in real existence and matter of fact", and his crucial device for this linkage is the consensus of good critics -- "arbiters acknowledged by universal assent to have a preference above others" [Hume (1763, p. 248)]. The standard of taste for establishing the value of an artwork is thus determined by the consensus of sentiment of good critics regarding that work, and, for Hume, the questions of those critics are and what qualities they must have "are questions of fact, not of sentiment."

The five requisites Hume lists for good critics are "delicacy of imagination" (essentially a matter of perceptual acuity and sensibility to fine discriminations), "practice in appreciating good artworks", "experience in their comparative assessment", a "mind free from all prejudice", and "good sense" (pp. 239-246). Hume's evaluative theory reflects the liberal dilemma of wanting to guarantee both freedom of taste and an authoritative standard to ensure cultural coherence and stability [Shusterman (2002, pp. 93-107)]. Personal freedom of sentiment in evaluation is at least preserved in one's free decision to submit one's judgment to the authoritative standard set by those recognized as superior judges, the good critics. The parallel of this solution to the political solution of representative democracy with only a partial franchise of the electorate, which was the political system of Hume's Britain, should be obvious.

Given the empiricist and subjectivist premises of Hume's philosophy, a remarkable similarity between aesthetic and economic valuation comes to light. As Schumpeter (1883-1953) has noted, the aesthetic theory in question can be seen to explain the objective fact that a work of art is considered as "beautiful" by the subjective valuations
of the members of a given social group, much as the "analogous economic theory" explains the fact of market prices by subjective valuations of the individuals participating in a market: "In both cases subjective valuation creates the objective value" [Schumpeter (1954, p. 127)].

A third figure of transition is Francis Hutcheson (1694–1746). His early fame was based on An Inquiry into the Origin of our Ideas of Beauty and Virtue [Hutcheson (1725/1971)]. His main work, A System of Moral Philosophy, appeared posthumously in Hutcheson (1755/2005). Hutcheson picked up where Shaftesbury had left off. Shaftesbury had been able to turn the ancient Platonic notion harmony and equilibrium of the soul into a modern, Christian notion of benevolent love. The principal virtue in man’s dealing with others is no longer justice and temperance but benevolence. Thus, "the motive of benevolence becomes the key to goodness" [Taylor (1989, p. 258)].

Hutcheson proposed that society is held together by two "moral principles", namely "moral sense" and "self-love". Two sentiments, benevolence towards others and self-interest, correspond to the two principles. They compete with one another and constitute an equilibrium. Furthermore, they form a hierarchy: moral sense generates more intensive pleasure than self-love. Hutcheson’s construct of "moral principles" bridges the gap between the two widely distinct sensations of blissful happiness and common pleasure. Benevolence is motivated through religion and thus linked to God. Through benevolence, "we participate in god’s plan through re-engagement" [Taylor (1989, p. 265)]. Such participation can take the traditional form of philosophical contemplation, but also the form of aesthetic contemplation.

Benevolence competes with self-love as a source of pleasure. Thus, in the final analysis, self-love does not differ from benevolence in its basic ability to contribute to pleasure (or happiness). To exemplify the operation of the moral sentiment of pleasure, the valuation of art is invoked: beauty is an expression of divine order. Beauty, just as virtue, triggers a particular sensation of joy or bliss, different from the everyday pleasure reached by the satisfaction of self-love. Thus, the subjectivist notion of taste connects with the sentiment of benevolence. Hutcheson deploys the idea of taste, which he ascribes to a specific internal sense of beauty, in a thoroughly empiricist fashion. Beauty is not inherently in the object through its participation in a Platonic form, it instead resides in the empirical experience of a subject’s mind: it is an "idea rais’d in us" [Hutcheson (1726/1971, p. 7)]. An experienced feeling of pleasure that is caused by properties of a contemplated object and that arises in an essentially passive, automatic reaction just as our external senses automatically generate ideas in us from the properties they perceive. The appreciation of beauty thus requires no specially acquired knowledge or attitude, and, since it is grounded wholly in our shared internal sense of beauty and shared sensory faculties, our judgments of beauty should be shared. This means that though beauty is subjective in the sense of existing in subjective experience, it can be objective in the sense of being widely shared rather than individualistic. For Hutcheson, the valuable triggering property of our experience of beauty is unity in variety, and he explains different judgments of taste in terms of differences or defects in people’s sensory acuity and in terms of association of ideas that can distract an individual from what the object actually presents to his or her internal sense of beauty.

Self-love does not differ from benevolence in its basic ability to contribute to pleasure. In Hutcheson’s A System of Moral Philosophy [Hutcheson (1755/2005)], the "public good" of society is attained as the sum of the pleasures attained by the members of the society. Given these conditions, it is the duty of a government to promote the common good with the aim of creating the greatest happiness for the greatest number.6

Individual ethical action takes a surprising turn in Hutcheson’s interpretation: costly and beautiful commodities lay the grounds for a sense of community by stimulating the same feelings in others. By proposing aesthetic delight as the central force responsible for social cohesion, Hutcheson found a way of defending luxury, or any other kind of conspicuous consumption: it is not vice but the Ideas "of Friendship, of Love, of communicating Pleasure to others" which motivate such expenses and thus contribute to the public good [Solkin (1993, p. 83)].

The next generation of authors was not engaged in both strands of theory anymore. The "separation at birth" [Guillory (1993, p. 303)] had taken place. Both economic and aesthetic theory continued to assume a strictly subjectivist epistemology, but economic theory focused on self-interested action while aesthetic theory focused in its complement, disinterested contemplation. The process of separation can be observed particularly well on the side of economic theory. We have the unusual case of two theories, written by one author within the time span of two decades.

Adam Smith (1723–1790), student of Hutcheson and successor to his chair in Glasgow, published his Theory of Moral Sentiments [Smith (1759/1982)] in 1759. Following Hutcheson as well as Hume, two basic human propensities are assumed: "fellow-feeling" and "self-love". Men’s disposition for sympathy comes under strict subjectivist scrutiny. Humans are limited to their own impressions and imaginations in feeling the distress or the happiness of their fellows. Mutual sympathy is a result of mutual inaccessibility. Humans also need to gain sympathy from others. The rules of propriety grow out of the need for mutual respect. Moreover, the need to secure an adequate measure of fellow-feeling in others is interpreted as a major motive of individual action [Agnew (1986, pp. 177–181)].

Self-love leads to pleasure in activities that are immediately useful for oneself. Smith identifies — as he believes, for the first time — a kind of pleasure that is distinct from mere physical satisfaction. Such pleasure is associated with the principles of beauty

5 In fact, the subtitle to his Inquiry reads: "... in which the Principles of the late Earl of Shaftesbury are Explain’d and Defended, against the Author of the Fable of the Bees".

6 Hutcheson proposes mathematical formulae with which to calculate this quantity, but omits these in the fourth edition of Inquiry [Hutcheson (1738/1971)] because, as he states in the preface, "they have proved to be useless".
and elegance. Beauty and elegance, in turn, are gained through form and color on the level of perception, and through variety, fitness and imitation on a higher level of interpretation. Fitness, for instance, leads to an aesthetic appeal in objects of ingenuity and utility. The source of additional value lies in the degree of an object's fitness for the divine plan which is manifest in every natural and social event. Fitness reflects "the regular and harmonious movement of the system, the machine or oconomy by which it is produced" (p. 183). Objects that display such values of form or design "strike the imagination as something grand and beautiful and noble" (p. 183), and that is what makes them precious. Imitation generates the pleasure of beauty in a similar manner. Smith notes that we experience amazement in seeing an object of one kind represent an object of a different kind. Such imitation requires artifice, ingenuity and imagination. He cites the example of a Dutch still life which is valued more highly than the carpet which is represented in the painting. 7

The additional value thus identified plays a central role in explaining the force which drives the economic process: according to Smith, the rich "select from the heap what is most precious and agreeable" (p. 184). In order to attain the grand, beautiful and noble objects which will secure them the attention and approbation of their fellows, they not only employ those who labor to provide the means for such purchases, they also make improvements in the production processes in order to increase their own buying power. The increase in productivity leads to further growth. The quest for beauty is turned into an explanation of wealth [Guillery (1993, p. 312)].

Seventeen years later, Smith published his second model of explanation, An Inquiry into the Nature and Causes of the Wealth of Nations [Smith (1776/1976)]. In the meantime, he had been exposed to another explanation for fueling the machine of commerce: Physiocratic French authors like Francois Quesnay (1694-1774) and Anne Robert Jacques Turgot (1727-1781) assumed that the produce of nature, standardizable in units of "wheat", constitutes the primary, external source of an economy's wealth. Smith adopted the approach of using the measurability of production input factors to establish a firm link with market value. But he extended the source of value beyond the realm of commercial society: According to Smith, the rich "select from the heap what is most precious and agreeable" (p. 184). In order to attain the grand, beautiful and noble objects which will secure them the attention and approbation of their fellows, they not only employ those who labor to provide the means for such purchases, they also make improvements in the production processes in order to increase their own buying power. The increase in productivity leads to further growth. The quest for beauty is turned into an explanation of wealth [Guillery (1993, p. 312)].

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In aesthetic philosophy, the positions of Hume and Immanuel Kant (1724-1804) mark the shift from empirical subjectivism towards analytical idealism. Kant responded to Hume's empiricist skepticism by holding that there are no objective truths beyond the consensus of one's fellows and that most values are held not rationally but because of habit or custom. He split the perception of phenomena into two levels: on a secondary level, sensations caused by the object are perceived. On a primary level, our subjective apparatus, the mind, is capable of ordering the perceived phenomenon in certain relations. Space and time are such "forms of intuition" (Formen der Anschauung), and so are 12 priors concepts. These forms cannot exist apart from human experience because they take place in the minds of the individual in a society. But, under favorable conditions, they can be recognized among members in the society, leading to "subjective universality". Judgments of taste provide a particularly good example of universal consent because they take place under conditions of disinterestedness, unperturbed by the distortions of profit and desire.

Kant's aesthetic theory is worthy of especially extended attention, not only because it has been historically so influential but also because it remains the dominant orientation (for better and for worse) of most contemporary philosophy of art. Kant's pivotal position derives in part from the way he builds on insights from both the empiricist British philosophers and the rationalist continental philosophers that preceded him. He develops ideas of disinterestedness, sublimity, and correctness of taste that Shaftesbury, Burke, and Hume brought to the fore, but he also builds on the rationalist tradition of Leibniz (1616-1716), as applied to aesthetics by Alexander Baumgarten (1714-1762) who coined the term "aesthetics" and essentially founded it as a distinct philosophical "subdiscipline". Alexander Baumgarten (1714-1762), a disciple of Leibniz and Wolff (1679-1754), defined it in very broad terms as a science of sensory perception that would parallel

7 See Berg (2002) and De Marchi and Van Miegroet (1999).

logic's science of conceptual thought: "Aesthetics (as the theory of the liberal arts, the science of lower cognition, the art of beautiful thinking, and the art of analogical thought) is the science of sensory cognition". "The end of aesthetics", he continues, "is the perfection of sensory cognition as such, this implying beauty" [Baumgarten (1750-1758, §§1. 14)]. Arts as objects purposefully and carefully crafted to achieve beauty — which was associated at that time with harmonious, rationally proportioned form — seem paradigmatically suitable for sensory cognition. This general meaning of aesthetics as the theory of sensible cognition as well as the narrower study of beauty, sublimity, and arts remains saliently present in Kant. Much later, aesthetics became restricted to its contemporary meaning as the philosophy of art, beauty and related aesthetic concepts.

Kant's Theory of Aesthetic Judgment (Kant (1790/1986)) provides a solution to the evaluative problem of holding that aesthetic judgments are essentially subjective yet nonetheless can command, in a necessary way, universal assent. "The judgment of taste . . . denotes nothing in the object, but is a feeling [of pleasure or displeasure] which the Subject has of itself and of the manner in which it is affected by the representation" of the judged object (1986, pp. 41–42). Yet such judgment displays "the necessity" of "universal assent like an objective principle" (pp. 41–42, 84–85). Rather than rely on a group of good critics, Kant argues that anyone can in principle perform an accurate pure aesthetic judgment by exercising the proper aesthetic attitude. This attitude requires disinterestedness, which Kant (p. 43) describes as "indifference" or lack of concern for "the real existence of the thing" judged. For example, we should not care whether we are observing a real landscape or a mere illusory appearance of one. Aesthetic pleasure is thus distinguished from pleasure in the good and in the agreeable because these latter involve interest and desire. A pure aesthetic judgment also requires refraining from the use of concepts and functionality as determining grounds for one's evaluation. Instead one's attention should be directed exclusively to the form of the aesthetic object in terms of its presentation of finality, without regard to any function.

Pure aesthetic judgments are always particular and cannot be rule governed. This is why Kant treats aesthetics as critique rather than science: a science needs to introduce general concepts, while a critique leaves the determining grounds of the judgment to the pleasure of the subject who contemplates — with the proper attitude — the object of taste. Diverse concepts and interests can lead to disagreement in judgments of taste, but if we detach our perception from concepts and interests, we can affirm that pure aesthetic judgments claim a necessary "subjective universality" since they rely on the "mere nature" of "the Subject's faculties" that is shared by all humans (pp. 51, 212–223). Kant argues that when properly contemplating the form of a good aesthetic object without concepts or interests and without any regard to "charm or emotion" (p. 64), any person should necessarily get pleasure from the enjoyable "free play" (pp. 86, 88) of the cognitive faculties, in which one's imaginative experience freely con-forms (through form) to the rationality of the understanding without being "forced" to conform in terms of a specific prescribed concept of understanding.

Kant's model objects for pure aesthetic judgment belong to nature whose beauty and sublimity he valued higher than art. Judgments of taste regarding art cannot be absolutely pure and free from concepts, since they always involve the concept of art (pp. 34, 166–167). To properly judge a landscape painting we need to consider it as an artwork and not simply as the appearance of landscape. The introduction of conceptual knowledge for art means that we can also no longer expect universal convergence, since some individuals might lack the requisite knowledge. Kant held the appreciation of nature to be also morally more beneficial, because art, unless "brought into combination with moral ideas", tends to degenerate into mere " diversion" that "renders the soul dull and the mind dissatisfied with itself" (p. 191).

Kant also ranked the different arts, unequivocally giving poetry the highest place by all important criteria. When considered with respect to "charm and mental stimulation", music would rank next. But Kant goes on to argue that music's value is much diminished when " we estimate the fine arts by the culture they supply to the mind". Here, "since it plays merely with sensations", music has the lowest place among the fine arts (pp. 193–195). The formative or plastic arts, with painting judged foremost among them because of its formal and ideational power, thus can ultimately be ranked higher than music because they not only please but promote "the urbanity of the higher powers of cognition". Moreover, "music has a certain lack of urbanity" because "its intrusive loudness forces itself on free subjects who would prefer not to hear it" (pp. 194–196).

Though Kant seemed to give primacy to the aesthetic experience of nature — both beautiful and sublime — over art, he nonetheless had a very high regard for fine art, whose creation, he insisted, "needs genius", an ability to create something original and exemplary rather than merely producing something mechanically according to a given rule (p. 172). A true work of fine art, he explains, requires "Soul (Geist) in an aesthetic sense, [which] signifies the animating principle in the mind . . . and this principle is nothing else than the faculty of presenting aesthetic ideas". Kant defines an aesthetic idea as a "representation of the imagination which induces much thought, yet without the possibility of any definite thought whatever, i.e. "concept", being adequate to it, and which language, consequently, can never get quite on level terms with or render completely intelligible" (pp. 175–176). Kant's account of art as requiring the creativity of genius whose aesthetic ideas resisted conceptual formulation yet stirred up deep and fruitful thought was very influential to the romantic movement and contributed to elevating the status of the artist and his work. Art and artist were regarded as belonging to a realm of genius and value that transcended conceptual definition and could not be reduced numerical reckonings.

The Kantian world of aesthetic philosophy is already far away from the Smithian world of political economy. Kant perceived order in the immutable intuitions and concepts that govern the perceptions and thus the actions of all members of society. Smith perceived an additional kind of order in commercial society, where the consensus of evaluating participants leads to the measurable result of prices. Kant bypassed the transitory and accidental level of commercial activity to reach the level of common understanding. Smith added the organizing power of the market to explain the coordi-
nation of those who follow their separate and antagonistic interests. Both of them treated beauty as a special source of pleasure, but Smith accorded little attention to artworks in Wealth of Nations, and Kant considered natural beauty and sublimity in important ways superior.

Since the beginning of the 19th century, aesthetic philosophy and political economy have moved along different paths. The separation of the narratives in the following sections reflects that separation.

3. Art in 19th century economics and aesthetics

The dominating current in political economy continued to be British in the 19th century. The influence of empirical subjectivism in general and of Hutcheson’s maximization of collective pleasure in particular remained strong. Thus, we find a remarkable split in the contributions to political economy: one strand, exemplified by Ricardo, developed a theory of production cost, ultimately based on human labor, but principally concerned with objectively measurable cost. The other strand, exemplified by Jeremy Bentham (1748–1832), James Mill (1773–1836) and John Stuart Mill (1806–1873), developed a normative theory of maximizing the “sumnum bonum”, modeled as the measurable sum of the pleasures experienced by the members of a society. This Utilitarian credo has a reformist and educational dimension: every person can better his capacity for receiving pleasure, and the state can promote the appropriate institutions and initiate actions that raise aggregate well-being. It also has, at least in Mill’s version, an evolutionist dimension, as an endstate of society which is compatible with the stationary equilibrium of society’s productive, value-generating factors.

The consumption-oriented strand of theory moved to the center of the literature after the second half of the 19th century, when William S. Jevons (1835–1882) proposed a way to measure the utility contained in objects. The measure relies on new scientific ways of registering physiological sensations, and on the fundamental observation that such sensations decrease in intensity with their time of duration. In consequence, there is no need to measure all of the potential pleasure or pain that flows from an object. It is sufficient to measure the intensity at the margin, i.e. at the point where a specific quantity of that object is exchanged for a sum of money or for a quantity of another object rendering more pleasure. Given such a measure, states of consumption equilibrium can be calculated with techniques of constrained maximization, just as in problems of energy conservation and transformation (Mirowski 1989), and such states are in fact calculated in markets. There is no need to rely on estimates of cost, or even on metaphysical ideals, because the subjective, physiological effects of pleasure can be measured directly.

Jevons applied his measurement of commodity utility through human physical sensations to the “lowest rank of feelings”. He was interested in connecting the traditional utilitarian discourse around pleasure and pain with a modern reading of utility as an analogue of energy, the fundamental force in the world of nature. He was quite aware of the effects of aesthetic experiences, but he positioned them in the realm of “sympathy”, where the peculiar conditions of commercial society do not hold. In a manuscript “On the Functions of Music”, he described his own response to music as similar to “the contemplation of subjects of Interest, Beauty or Sublimity . . . a general removal of the mind from its ordinary course of duties and frailties, and its continual mixture of slight pleasures and pains”. He believed that the fine arts are capable of enriching the lives of the members of the working class, but this experience cannot be anticipated and would therefore not sell well. There is a vague link between base utilitarian pleasure and sublime aesthetic enjoyment because social progress might lead to an upgrading from satisfactions of physical need to satisfactions “derived from the beauties of nature and art”.

Jevons’ admiration for the Arts is typical for the English academic tradition of late 19th and early 20th century. Alfred Marshall (1842–1924), for instance, explicitly recommended in his Principles of Economics (1890) that one should increase the beauty of things in one’s possession, once the necessaries of life are provided: “an improvement in the artistic character of furniture and clothing trains the higher faculties of those who make them and is a course of higher happiness to those who use them” (p. 113). But neither Jevons nor any of the major authors of the following generations gave artistic value a special role in the use or utility value of the consumed set of commodities.

The increasing admiration of the Arts was a result of their increasing relevance in aesthetic philosophy, which will be reported below. That change in attitude toward the Arts was even more pronounced on the Continent. It is therefore instructive to contrast the treatment of marginal utility value in English Political Economy with that in the other two centers of the emerging paradigm of Economics, Vienna and Lausanne.

Carl Menger (1840–1923) contributed a long chapter in Grundzüge der Volkswirtschaftslehre (Menger 1871/1968) to commodity value (Güterworth). In his construction, the source of value is squarely placed in a psychological dimension. Pleasure value is determined along a subjective ordinal scale of relevance. At the limit, that measure is precise enough to determine the exchange value in the market for a given commodity quantity. He clearly interprets desires (Bedürfnisse) as a purely mental activity. The value of commodities lies in their relative ability to satisfaction a desire (Bedürfnisbefriedigung). The satisfaction of commodities is determined by their position on a scale of importance from vital to trivial, from necessities like eating bread to fancies like tobacco, hunting castles and artificial duck ponds (1968, p. 111). The value of the “commodities of lower order” (Güter niedrigerer Ordnung) determines the value of “commodities of higher order” (Güter höherer Ordnung). But “higher” simply means “earlier”: the final consumption value determines the value of the inputs used in earlier stages of the process leading up to the purchase of the end product. Mental consumption value determines material production value. Art plays no particular role among the examples: its objects clearly rank among those of lesser importance, although their rarity might secure them a somewhat higher market price.

9 See Goodwin, Chapter 2 in this volume.
Léon Walras (1834–1910) taught in Lausanne, but was strongly shaped by French philosophical and economic tradition. In his youth, he showed a strong interest in the Arts. He wrote a novel and an essay on Philosophie de l’Art. In this essay, he reduces aesthetic phenomena to ontological causes, namely substance, matter and force. In his Eléments d'économie politique pure [Walras (1874)], the problem of value origin recedes into the background. Some kind of sensation motivates consumers to demand comprehensive truths of the mind.

As we now turn to the development in aesthetic philosophy, we can easily see how the neglect for the sphere of Beauty and its claims of higher satisfaction is reciprocated with neglect for the sphere of commercial activity.

The Idealist strand of philosophical thought found its most successful continuation in the works of Friedrich Hegel (1770–1831). With respect to aesthetics, his contribution marks a turning point because art supplants nature as the paradigm object of aesthetics. As an expression — along with religion and philosophy — of absolute spirit, art, unlike natural beauty, “is capable of truth”. Therefore, it admits of clearer criteria for erecting aesthetics into a science, which is Hegel’s aim in limiting aesthetics to the philosophy of fine art (Schlögel Künste).

Fine art, he argues, proves its “worthiness” for scientific study by distinguishing itself as “free” in contrast to arts “that serve the ends of pleasure and entertainment”. Hegel grounds art's value in other ends: “its highest task . . . is revealing to consciousness and bringing to utterance the Divine Nature, the deepest interests of humanity, and the most comprehensive truths of the mind. It is in works of art that nations have deposited the profoundest intuitions and ideas of their hearts” [Hegel (1835/1993, p. 9)]. Fine art is thus valued and comparatively ranked in terms of the success of its sensuous representation of worthy collective ideas, both according to the quality of the representation and to the idea represented. The idea has greater importance, since the clarity and well-formed character of the idea is a condition for a clear, well-structured representation.

Hegel has a complex ranking of artistic forms and genres. The lowest form of the hierarchy, which he calls symbolic art, is exemplified by “the primitive artistic pantheism of the East”. In such art, the idea still exists in too much “indistinctness and obscurity” for it to have a fittingly determinate form. Hence he is typically rendered in objects that “exaggerate the natural shapes and phenomena of reality into indefiniteness and disproportion”. The next stage in the historical process is “the classical form of art” exemplified by Greek anthropomorphic sculpture whose sensuous human forms express and fully coincide with the rationality of human mind. Their perfect balance of idea and sensuous representation generates the greatest beauty. But though classical art “attained the highest excellence, of which the sensuous embodiment of art is capable”, Hegel points to a more recent and still higher “romantic form of art”. Romantic art shows the inability of the sensuous to fully capture the Idea in its ideal form which is beyond the realm of the sensuous. Christian art exemplifies this form in which sensuous images are used to point to a realm of spirit. Hegel, thus ultimately found art's highest value in its promotion of the spiritual truth of the Idea rather than in the mere experience of beauty (pp. 82–87).

Hegel also ranks the genres of art in terms of their potential to serve the Idea and spiritually transcend materiality. Architecture lies at the bottom, followed by sculpture, painting, and music in ascending rank, with poetry at the very top. “Poetry is the universal art of the mind which has become free in its own nature, and which is not tied to find its realization in external sensuous matter, but expatiates exclusively in the inner space and inner time of the ideas and feelings. Yet just in this its highest phase art ends by transcending itself, in as much as it abandons the medium of a harmonious embodiment of mind in sensuous form, and passes from the poetry of imagination into the prose of thought” (p. 96). This is one expression of Hegel’s famous thesis of the end of art. In earlier times, man needed art to advance spiritual expression since thought was not advanced enough to express the spiritual without the sensuous. But in the more philosophical “reflective culture” of modernity, art “has lost for us its genuine truth and life and serves largely for “our immediate enjoyment”. Therefore Hegel thinks a science of aesthetics necessary to continue to link art to truth and thus save art from having its value reduced to entertainment (pp. 12–13).

Arthur Schopenhauer (1788–1860) develops another variant of Kantian thought. He rejected Hegel’s view of art’s historically passing truth, but he introduced human will as a subjective force behind cognition. Materiality is the appearance while will is the fundamental reality, objectified into Ideas. Art’s supreme value is in revealing human Will. The Ideas that art expresses, Schopenhauer argues in Die Welt als Wille und Vorstellung [Schopenhauer (1819/1966)], are not historical concepts but eternal Ideas, even if art’s expression is naïve and provides but a fleeting image, not a permanent universal knowledge for which philosophical reflection is ultimately needed. Aesthetic experience offers a special penetration into reality, because its disinterested, “will-less” contemplation allows art’s Ideas to shine forth in themselves rather than being distorted by the practical interests that normally guide our perception. The various arts are ranked on levels of Ideas: architecture ranks lower than the pictorial arts of sculpture and painting, and they rank lower than poetry. The highest rank goes to music. “Because music does not, like all the other arts, exhibit the Ideas or grades of the will’s objectification, but directly the will itself . . . it is the most powerful of all the arts” (1966, p. 448).

Sharing Schopenhauer’s extremely high valorization of art, Friedrich Nietzsche (1844–1900) strongly contested his predecessors’s thesis of art’s will-less disinterested contemplation, morbidly mocking the dogma of disinterestedness as an expression of philosophers’ prudishness, innocence, and their second-hand, spectators’ view of art which he contrasts to the creative experience of the artist. The power of art and beauty, Nietzsche argues in The Birth of Tragedy [Nietzsche (1872/1956, p. 239–240)], derives not from disinterest but rather from “the excitement of the will, of ‘interest’”. “When our estheticians tirelessly rehearse, in support of Kant’s view, that the spell of beauty en-
ables us to view even nude female statues ‘disinterestedly’ we may be allowed to laugh a little at their expense. The experiences of artists in this delicate matter are rather more ‘interesting’; certainly Pygmalion was not entirely devoid of esthetic feeling.” Art’s great value, for Nietzsche, is in its service to life, not in the sense of menial practical utility but as providing the heights of beauty, meaning, and pleasure that justifies existence. Though it relies on appearance, true art celebrates through its “esthetic delight” the principle of “eternal life ... beyond all appearance and in spite of destruction”. It is through art that “this world can be justified only as an esthetic phenomenon” (pp. 55–58, 101–102, 143). Contesting Schopenhauer’s view that art reveals truth in the form of Platonic Ideas, Nietzsche argues that art provides not only beautiful life-serving illusions – the Apollonian dream-world of clear and perfect forms – but also a penetrating glimpse into a deeper Dionysian reality of frenzied will and flux that defies our principles of order and individuality. Art, “that sovereign expert in healing,” enables us to face and recover from such terrifying visions: “the spirit of the sublime ... subjugates terror by means of art” (p. 52). But art also offers escape from the distressing or hideous truth. “Truth is ugly,” Nietzsche concludes, “We possess art lest we perish of the truth” [Nietzsche (1901/1968, p. 822)]

Hegelian philosophy was radically reinterpreted by Karl Marx (1818–1883). Marx adopts the notion of an inevitable, scientifically provable progress of society, but he replaces historical spirit with matter, or rather man’s relation to matter, as the driving force. Thus he blends Hegelian historicity with the mechanical inevitability of British political economy. In consequence, all “institutions” of human culture, including the arts, are determined by a society’s production relations. Production determines the creation of value and it shapes the intellectual superstructure to which the Arts belong. New production relations will lead to new forms of art. Therefore, a separate recognition of artistic value is not necessary. Yet, Marx’ influence on continental aesthetic philosophers, for instance, Adorno and Benjamin, was considerable.

4. Art in economic theory until the 1970s

Vilfredo Pareto (1848–1923), Walras’ successor in Lausanne, made a number of contributions that helped to give greater analytical precision to economic models. In Manuel d’Economie politique (1909), Pareto pitches the obstacles of production against the tastes (goyles) of consumption [Pareto (1909)]. Taste, in this interpretation, is not a faculty to be developed and improved. It is any kind of predilection a commodity might have and which he or she is able to rank in their order of preference. The notion of preference proved helpful for the development of the formal analytical turn after the First World War.

London, the center of global finance, had become merely another European capital. The shock led to a boom in philosophical discourse. Epistemological positions were radicalized, and these positions were soon to characterize the most influential works in economic science. Intellectual circles included both economists and philosophers. The philosophical tenor of all these circles was one of a complete separation from metaphysics. Philosophy turned towards itself – towards the observation of the way in which observing statements are made. In London, intellectual discourse liberated itself from the dominance of the “Cambridge Circles” with their strongly literary and philosophical flavor.10 The circle of economists formed by Lionel Robbins (1898–2004) at the London School of Economics was, compared to Cambridge, less bound by tradition, more cosmopolitan in outlook, and more interested in applying the newly found laws of logic to one’s own methods. Such were the conditions under which John Hicks (1904–1989) presented Value and Capital (1939), a model of the economy where consumption value is the undisputed driver of economic action.

Following Pareto, Hicks makes tastes and preference orderings part of the formal foundation upon which the edifice of general equilibrium theory is erected. Along ordinal scales of preferences, the points of consumption equilibrium between various commodities at given budgets are determined. Without having to measure utility in cardinal units, the “value equilibrium” of every individual can be measured in money units “with respect to a system of market prices” [Hicks (1939, p. 20)], and that determination is deemed fully sufficient.

It was a small step from Hicks’ version of value determination to the version published by Gérard Debreu (1921–2004) [Debreu (1959)]. Debreu calls his contribution Theory of Value. In his model the need for the term is eliminated. “Value” is used synonymously with “market price times commodity volume”. Use or consumption value is still assumed to drive the economy. But it has been reduced to the subjective and irreproachable preferences/tastes of individual agents. “Value ... became whatever the individual globulus of desire made it out to be, a gravitational attraction sui generis,” and therefore was not something over which one should have a rational dispute ...” [Mirowski (1989, p. 25)]. A neat division of research is thus established: economics deals with the properties of interdependent markets, while the formation of taste for art, as any other process leading to a change of preferences, is in the business of other disciplines, like psychology, art history or aesthetic philosophy.

When the stability of tastes or preferences as a basis for economic modeling came under attack, George Stigler and Gary Becker developed a variation of the human capital approach, with explicit reference to artistic appreciation. In a paper titled “De gustibus non est Disputandum” (1977), Stigler and Becker do recognize that there are cases where additional exposure leads to a growth in consumption of the particular commodity. Heroin consumption is cited as an example for harmful, music consumption as an example for beneficial “addictive” effects. Rather than to postulate a change in taste, the authors suggest that the effect can be more fruitfully explained through changes in the shadow prices which govern the household production function: in order to consume

10 An example is the Conversation Society of the “Apostles”, whose membership included Bertrand Russell, J.M. Keynes, E.M. Forster and Lytton Strachey. The latter were also members of the “Cranium Club”, founded in 1924, which was one of the London offshoots of pre-war Bloomsbury. See Skidelsky (1992, p. 13).
music, not only market goods are needed, but also time and "music capital". Accumulated knowledge and skill reduce the cost of future consumption and thus account for the observed increase in marginal utility.

5. Art in aesthetics until the 1990s

Aesthetic theory in the twentieth century displays considerable diversity, including some skepticism with respect to the possibility of universal theories of aesthetics because of the worry that "art" named a historically constructed concept of rather ambiguous, contested, and shifting boundaries rather than signifying a natural kind with a common essence. This skepticism extends to criteria for artistic valuation. At the turn of the century already we find such anti-essentialist positions.

Leo Tolstoy (1828–1910) was a vehement advocate for art's communicative value. He defined art as the communication or contagion of feelings. "Art is a human activity, consisting in this, that one man consciously by means of external signs, hands on to others feelings he has lived through, and that others are infected by these feelings and also experience them" [Tolstoy (1896/1997, p. 681)]. From this definition of art, he derived evaluative criteria of two kinds. First in terms of efficacy of communication, "the stronger the infection the better is the art, as art, speaking of it now apart from its subject matter – that is not considering the value of the feelings it transmits". The degree of the infectiousness depends on three conditions: "the individuality of the feeling transmitted", the "cleanliness" of transmission, and "the sincerity of the artist" understood in terms of "the force with which the artist himself feels the emotion he transmits" (1997, p. 685). The condition of sincerity, Tolstoy argued, is the most important and in fact includes the others. With respect to subject matter, Tolstoy adopted a religiously Christian and democratic perspective, arguing that good art should express feelings that "unite all men" and construing this as comprising only two kinds of feeling: "first, feelings flowing from a perception of our sonship to God and of the brotherhood of man; and next, the simple feelings of common life accessible to everyone without exception, such as feelings of merriment, of pity, of cheerfulness, of tranquility, and so forth" (p. 689). One obvious (and awkward) consequence of Tolstoy's theory is his devaluation of parisan, patriotic, difficult, or elitist art, which includes a shocking condemnation of Beethoven's Ninth Symphony.

Benedetto Croce (1860–1952) offered a theory of art as intuition-expression that contained some striking views on evaluation. A true or successful artistic intuition, he argued, implied its active expression, though such intuition-expression did not need to be externalized in a physical object. Technical skill was thus excluded from artistic value. Moreover, as every intuition-expression was a unique product, there were no degrees of beauty or positive artistic value. Artistic value, for Croce, means adequate intuition-expression of its content, and if a work adequately intuit-expresses this, then nothing could be more expressive or beautiful. "The beautiful does not possess degrees, for there is no conceiving a more beautiful, that is, an expressive that is more expressive, an adequate that is more than adequate. Ugliness [as unsuccessful expression], on the other hand, does possess degrees" [Croce (1901/1970, p. 79)]. Croce's insistence on the uniqueness of each artwork as intuition-expression entailed rejecting all general principles of art evaluation such as those based on definitions of genres; he regarded genres as arbitrary conventions or illusions.

Most of continental, particularly German philosophy of art in the twentieth century reflected the enduring influence of Hegel by being very critical of identifying art's value in the intrinsic pleasures of immediate experience of beauty, emphasizing instead the more than aesthetic ideals of truth and understanding. Heidegger (1889–1976), for instance, affirms art as "a distinctive way in which truth comes into being" (1975, p. 78). Hans-Georg Gadamer (1900–2002) similarly stresses the cognitive dimension in claiming that the pleasure of art's play is "the joy of knowledge" [Gadamer (1982)]. Theodor Adorno (1903–1969) shares this philosophical bias for truth over beauty at art's most essential value, arguing that art's production of beauty, in our modern world that has witnessed such horrors as Auschwitz, seems too deceitfully affirmative of the world. Adorno thus can explain the way modernist art has eschewed the simple goal of beauty and instead pursued other expressive ends: "Great works of art are unable to lie" [Adorno (1973/1984, p. 188)]. In the contest of artistic values, Adorno clearly affirms that pleasures of beauty must be sacrificed to truth. "In a false world, all hedone is false. This goes for artistic pleasure too ... In short, the very idea that enjoyment is of the essence of art needs to be thrown overboard ... What works of art really demand from us is knowledge or, better, a cognitive faculty of judging justly" (pp. 18–21). Moreover, though Adorno recognizes that art has always had social and practical uses, he rejects the idea of understanding art's value in terms of functionality. Instead he paradoxically maintains that "if any social function can be ascribed to art at all, it is the function to have no function" and thus offer an alternative to the "ungodly reality" of ordinary practical existence and utilitarian thinking (p. 322). Hannah Arendt (1906–1975) similarly argues that, in contrast to ordinary commodities, the value of artworks "is the very opposite of functionality" or use in the consumptive process of life. Artworks are pure ends, things of "intrinsic, independent worth", "things which exist independently of all utilitarian and functional references, and whose quality remains always the same" and thus displays the value of "imperishability" [Arendt (1961, pp. 208–218)].

Walter Benjamin (1892–1940), who was closely associated with Adorno and much admired by Arendt, offered a more nuanced, balanced view of art's value, by recognizing its functionality and distinguishing between varieties of its use value (1969). Benjamin's key distinction here is the opposition between the artwork's cult value and its exhibition value. The former is connected with art's auratic quality, its prehistory in magic, its use in ritual, its sense of authentic uniqueness and its special connection with genius and the distant past. Part of the value here is the esoteric value connected with the artwork being not easily accessible or readily and widely seen. In contrast, exhibition value concerns the value obtained from the perceptual experience or enjoyable consumption of art. Though loss of cult aura has in some way diminished art's power.
Benjamin recognized the valuable democratic potential of art's move toward exhibition value as some compensation for such loss. By the turn of the century, Cambridge had become a center not only for general analytical philosophy, but for aesthetic philosophy as well. A dominating figure was George Edward Moore (1873–1958). He claimed that beautiful artworks had objective, indeed intrinsic value, but that such value could never be captured by a definition or criteria based on natural properties [Moore (1959)]. The ethically good and the aesthetically beautiful, he argued, were non-natural values that could not be analyzed in terms of criteria or standards. The aesthetic value of each artwork must be judged, as Kant and Croce had earlier argued, through a particular judgment or intuition, rather than being derivable from a general definition or principle. And to intuit the artwork properly, one had to consider it in terms of its organic unity while isolating it from its external uses. Moore's theory was not purely formalist since he thought that the truth of an artwork added to its value. But his emphasis on organic unity helped inspire the more distinctively formalist theories that Roger Fry (1866–1934) and Clive Bell (1881–1964) applied to the plastic arts, since these art theorists, as well as the J.M. Keynes and other Bloomsbury intellectuals, were avowedly influenced by Moore's philosophy.

Ludwig Wittgenstein (1889–1951), a Viennese philosopher at Cambridge who at times worked closely with Moore but soon succeeded him in philosophical influence, introduced even more particularity and variability to the evaluation of artworks. Wittgenstein argued that the concepts of aesthetics, such as art and beauty, were especially vague and ambiguous. There was no single essence of art or beauty on which we could ground our value judgments, but these concepts did not require essences for us to use them validly in evaluations. Opposing Moore's concentration on beauty and his assumption that it had a common essence (albeit one that could not be reduced to natural properties or captured by definitional criteria), Wittgenstein (1970) argued that our aesthetic evaluations were of significantly different kinds that could not be reduced to a single form. In his terminology, there are a number of different language games with respect to art: evaluating a sonnet as properly formed or a performance as technically flawless is different from judging a portrait as luminously subtle or a novel as deep or great. Outside the plastic arts and music, he pointed out, the predicate "beauty" is not frequently used in our aesthetically evaluative language games, and these language games are practiced with somewhat flexible rules. Moreover, Wittgenstein noted that some of aesthetic evaluations are expressed as much in our behavior as in our linguistic statements. Despite such fuzziness and openness, Wittgenstein recognized that there must be significant convergence in our aesthetic evaluations since they are embedded in shared ways of life that give our evaluative terms their meaning. Though we require no essence of the beautiful for the term "beautiful" to have an understandable and shared meaning, we do need some convergence on its use and applications.

Moore and Wittgenstein were founders of analytic philosophy that largely dominated Anglo-American philosophy in the twentieth century. Pragmatism, however, has also been an influential philosophy in the United States and increasingly elsewhere. John Dewey (1859–1952), its major exponent, offered a comprehensive aesthetic theory in Art as Experience [Dewey (1934/1987)]. Rejecting the Kantian ideas of disinterestedness and purposelessness, Dewey argued for art's wide-ranging functionality. Not only do artworks serve a variety of instrumental functions (entertainment, edification, religious inspiration, decoration, personal and social expression, etc.), but art is also enjoyed intrinsically for the sake of the "consummatory" experience that it provides, an experienced fulfillment that is valued for its own sake but that also, through its vividness and vitality, functions to enhance life in a general way by making it more satisfying and by stimulating the energy and intelligence of the individuals and groups who participate in art's aesthetic experience. Art's value, Dewey argued, is not in artworks as mere physical objects but in the lived experience that those objects serve, whether this is the creative experience of the artist or the appreciative experience of the audience. Because art provides enhanced experience that can be powerfully and widely shared, it has an important function of forming and expressing community, constituting "a remaking of the experience of the community in the direction of greater order and unity" (1987, p. 87). Art's imaginative power, moreover, can improve our ethical sensibility. Dewey makes the important point that instrumentality is not inconsistent with intrinsic value when the latter is construed as valuing something for its own sake rather than 'only' for its instrumental uses. We can enjoy art's aesthetic experience for its own sake while also appreciating its non-aesthetic functions.

While analytic philosophers often shied away from both the issue of aesthetic evaluation and the concept of aesthetic experience, fearing that both were too problematically subjective, Monroe C. Beardsley (1915–1985) developed Dewey's idea of aesthetic experience into a distinctive theory of evaluation [Beardsley (1958)]. The value of an artwork is defined in terms of its ability to create an aesthetic experience of a certain magnitude, such experience being presumed to have value, the larger the experiential magnitude, the higher the value. Beardsley combined this approach with three largely formalist criteria of value: the artwork should display unity, complexity, and intensity—these attributes being conducive to the production of strong aesthetic experiences. Surprisingly of the notion of intrinsic value and insufficiently attentive to Dewey's harmonizing of intrinsic and instrumental value, Beardsley held that aesthetic experience was valuable, but not intrinsically; its value rather derived from the valuable role or consequences that aesthetic experiences had in the life of individuals and of society as a whole. Nonetheless, Beardsley conceived aesthetic experience as essentially compartmentalized from ordinary life, so that artworks should be interpreted in terms of their immediate perception and not in terms of their wide-ranging referential relations to real world contexts. Such views made Beardsley an important theorist for the New Criticism.

In sharp contrast to Beardsley, Nelson Goodman (1906–1998) insisted on art's referential or symbolic functioning. Goodman (1969) criticizes traditional aesthetic theory for having devoted too much attention to questions of artistic value, which he argued has obscured our understanding of art's modes of meaning and thus diminished the value of aesthetic theory itself. However, based on his analysis of art as symbol, Goodman boldly proposed "the subsumption of aesthetic under cognitive excellence" (1969,
p. 259) a remote echo of the familiar strategy of defining art’s value in terms of truth or knowledge.

George Dickie, who skeptically criticized Beardsley’s notion of aesthetic experience as a metaphysical phantom (1965), later affirmed experience as essential to explaining art’s value: art is valuable as instrumental to the production of “the experience of aesthetic qualities” (for example, unity, complexity, intensity) such experience having intrinsic value (1997, p. 138). Recognizing that not all artworks display the same sort of valuable properties, Dickie argued that we cannot provide a single universal matrix for ranking the values of all different artworks, though we can compare artworks in terms of how many valuable aesthetic properties they display and the degree to which they display them.

Pierre Bourdieu (1930–2002) has contributed works as a philologist and as an economic sociologist. He argues (1996) that art’s value is socially and historically constructed and is thus ultimately grounded in the social structures of cultural hierarchy and hegemony. Artworks that have been admired for centuries become icons of culture and genius whose worth cannot be easily contested because they are so deeply socio-culturally entrenched. Not merely items possessing symbolic capital, artworks are also markers of cultured taste that bestow symbolic capital on those classes and individuals who know the right artworks to appreciate and the right ways to appreciate them. Though taste may seem spontaneous and individual, Bourdieu maintains it is the product of pervasive, extended (though typically informal and implicit) social training. Art’s value is objective but only as a social fact not as an independent ontological given.

Niklas Luhmann (1927–1998) placed the social construction of artistic value in the context of an encompassing theory of society. In his view (Luhmann 1995/2000), art theory’s connection with philosophy has encumbered it with constraints in theory design which do not have their origin in the Arts themselves. A theory adequate to the unique qualities of Art must account for the simultaneous presence of surprise and recognition which characterizes the experience of works of Art. The special reality communicated by such events is an intentionally fabricated duplication of common reality, a performance of “a world within a world” (p. 241). The theorist and other observers are at liberty to apply the communicative power of Art in an idealizing, critical, affirmative or exploratory manner. But all liberties, as well as all constraints, are the result (Eigenprodukt) of decisions which have been taken within the works themselves.

6. Varieties of artistic external effects in contemporary economics

Since the 1970s, economic theory has expanded to explanations of institutional change. Rights to natural and intellectual property are interpreted as part of a social contract that underlies economic action. Implicit constraints on individual behavior can be explained as the stable solutions of non-cooperative strategic games: it pays off to respect the rights accorded to others. Apart from the rights, rules are reached that reduce the damage done by negative external effects and capture a share of the possible positive external effects.

The concept of “external economies”, originally suggested by Alfred Marshall, has experienced a remarkable rise to prominence in the past thirty years. Marshall had employed it to identify deviations from constant returns to scale in production within an industry. Examples for positive external economies are education and skills, examples for external diseconomies are environmental pollution and political instability. The price system does not reflect the positive or negative “value” of such activities. The lessons of this discovery have been applied to the economics of developing countries, to the economics of education and research, and to environmental economics. They have also been applied to the role of the arts.

The following section presents three examples of “external effects” which came into view when markets for cultural goods were investigated. The three cases are not exhaustive. They are selected because they bring the valuation of art into play.

Tibor Scitovsky (1910–2002) had participated prominently in the discussion of technological external effects in the 1950’s. In The Joyless Economy (1976), his scope is larger: he investigates the “value of consumption skills”. He starts from the notion that subjective value is pure mental value. In consequence, psychological research should yield insights into the process of attaining pleasure. Reviewing the literature, he arrives at a distinction between pleasures of arousal and pleasures of stimulation. The former evoke comfort, the latter evoke a sensation of novelty and discovery. Individuals choose the two varieties in changing proportion, a fact that can be measured through sociological statistics. The data show that the “growth rate” of stimulation pleasure far exceeds that of comfort pleasure. Stimulation is often supported by purchased goods and services. In many cases, it is obtained in non-market contexts. Scitovsky discusses self-stimulation, mutual stimulation, non-market goods and external economies. He concludes that the welfare of the community is significantly determined by “the economy’s ability to produce the economic product with a maximum of beneficial and minimum of harmful accompanying effects” (p. 105).

Cultural consumption is singled out as activities leading to beneficial side effects. Culture is defined as “that part of knowledge which provides the redundancy needed to render stimulation enjoyable” (p. 226). Consumption skills are the means, which turn further stimulation into enjoyment, into the source of subjective value. Consumption skills rely on personal practice, on acquired taste and on critical judgment. They are, at base, information differentiation skills: out of the constant flow of new information, a very few items are selected to become the source of common enjoyment in a community or civil society.

Amongst the cultural consumption skills, the skills necessary to exercise and understand the valuation of art objects and performances are central. Scitovsky uses the example of music composition and of painting to illustrate the skill of assembling new works with sufficient degree of redundancy and novelty. (pp. 48 and 7). They are practiced by artists, by experts and by amateurs.
Just as production skills are observed to increase yield per input, consumption skills are able to increase “consumptivity”, or consumptive yield. Scitovsky observes that in the course of the past 300 years of industrial development, production skills have progressively crowded out consumption skills. He suggests several reasons for that phenomenon. Firstly, the value of consumption skills is underestimated for reasons that echo the moral principles of Hutcheson’s age: skills for enjoying leisure are frowned upon in societies which distinguish between activities elevating the soul to bliss, and activities endangering such elevation by stimulating selfish pleasure (p. 228). Secondly, measures of increases in earnings are more precise than measures of the value of skills for the enjoyment of concerts or ballets. Such skills might open “a large reservoir of novelty and years of enjoyment” (p. 235), but the results are uncertain and therefore discounted heavily. Thirdly, the exercise of consumption skills is seen as a threat to currently produced goods: the skills provide access to pleasures of self-discovery and novelty. The pleasure can even be generated out of the process of the activity itself. 

In consequence, certain cultural commodities and service become superfluous. Once a person has learned to write, for instance, she does not need the services of a scribe or a reader anymore. It is overlooked that new commodities which were beyond the horizon of the old preference ordering begin to be valued: a person who knows how to read develops a taste for books and newspapers.

Villiam Baumol (1986) presented a ground-breaking study on the rates of return from the resale of paintings since 1652. According to his results, returns follow a random pattern. The average return lies at 0.55%, well below average return rates of alternative assets. Since then, an entire subdiscipline has set out to test and expand the Baumol results. The majority of studies confirm the result of below average returns, while the random walk result is not confirmed. The explanations for the “anomaly” point consistently to “psychic returns”, and to the “social benefits” of signals that indicate a specific status or position in society. Psychic pleasure can be triggered by the subject matter of a painting (arousal) or by knowledge of a painting’s history and its position in the world of taste (stimulation). Social benefits from being able to signal one’s income level, cultural erudition or attitude to novelty and risk. The value for the owners of artworks lies in the improvement of their negotiating position, on the assumption that negotiating partners are able to read the signals which are brought into the medium of a private collection or a national museum. Expensive materials are easy to read, while the subtleties of a particular style, like black-ground Greek vases or “Arte povera” objects, demand the operation of elaborate standards of aesthetic discrimination. Thus, the successful operation of standards of critical taste exerts positive external effects on the consumption value of an individual.

Furthermore, standards of taste make art objects suitable for value storage and potential value increase. The decisions of investors follow the quality judgments of professional experts. The stability of these judgments has made it possible that art values maintain their resale value for longer periods of time than bonds and obligations, and that the risk of “bets” on the success of contemporary works can be significantly reduced by following the advice of gallerists and critics who are skilled in aesthetic valuation.

One of the methods developed in the extensive discussion on the value of portions of the natural environment is the “Contingent Valuation Method” (Noonan 2003). Environmental benefits are sometimes enjoyed by individuals, but markets for generating such effects cannot be installed. The standard institutional response to this problem is a transfer to the political agenda: taxes or transfers are executed through public households, rules and regulations are put into effect. It is difficult for political agendas to reflect individual preferences adequately. Contingent valuation is a survey technique that helps to solve the problem by gathering information about exchange values in imaginary markets. The respondents are asked to reveal their willingness to pay for the source of non-market beneficial effects — the survival of an animal species, the designation of a nature preserve and, by extension to the cultural field, the preservation of a historical monument.

Responses to survey questions are radically different from the actual reduction of buying power in a market transaction. Still, the results consistently indicate a positive willingness to pay for artistic works and institutions, and for monuments of cultural heritage. Particularly noteworthy is the observation of option values. Cultural option values are opportunity values attached to places, objects and events which are known to the individual, but not experienced by the individual. The individual "consumes" the ability to express the identity, the history and the ideas and aspirations of a "culture" (Throsby 2001). A culture may have the size of a town, a region, a nation or even a network connected by a common belief or life-style. "Cultural value" is a club good for the members of such communities. They benefit from being informed about their common heritage. Cultural symbols provide common themes for conversation and they facilitate the formation of expectations about negotiation partners. For non-members, artworks inform about fundamental issues and perceptions that characterize that other culture. Beyond this instrumental dimension, members reap immediate intrinsic benefits because they take pride and pleasure in artifacts and events that are representative of their community and its "canon" of excellence. In consequence, the particular method of valuation of art matters for the economic outcome: only autonomous processes of aesthetic valuation can credibly select those artifacts, stories and compositions which are to be regarded as the height of taste. In that process, the set of currently canonical works is formed and constantly contested. It is this set of selected works and performances which serves as a source of value to individuals within and outside of the cultural boundaries of that canon.
7. Varieties of artistic value in contemporary aesthetics, and their economic valuation

In the vague concept of artistic value, different kinds of value seem to be nested. We distinguish ten kinds which have been to some extent suggested in the aesthetic theories so far sketched. They are conceived as heuristic distinctions to illuminate the concept of artistic value rather than as ontologically distinct categories of value. The forms of artistic value do not include art's economic value as understood in monetary terms. This form is discussed, as a distinct category, below. It is hard to imagine how all these types of value could be organized into one accepted calculus for ranking the value of all works of art, not least because the relative weighting of these different types would be much contested. Yet, to distinguish them would enable us to be more precise about what we are in fact valuing when, with respect to particular artworks, we speak of artistic value.

(1) Art's moral or religious vision, its power to edify and spiritually uplift, can still form part of a work's artistic value, while the appeal to low human drives and the toleration of morally condemned behavior diminishes the value of an artwork. Form cannot be adequately isolated from content. The moral or religious vision expressed in a work forms part of the work's content and structure, and as such its valuation can be legitimately included in our appraisal of the work's value. This is not to say that the moral vision must be true or fully acceptable to the appraiser, but it must at least be regarded as reasonable, mature, and coherent. Art has traditionally been valued for its religious uses, as in altar pieces, poetry and music of prayer. Positive moral effects have been ascribed to literature, to musical education and to visual works, while others have been condemned for irreligious and moral corruption. Art can improve our character by its harmonizing of our psyche, as Aristotle and, in more individualistic terms, Schiller have suggested through their ideas of catharsis and play. The education of moral sensitivity through artworks that portray fine subtleties of ethical behavior and character expression has been considered a source of value since Shaftesbury.

(2) Art has long been valued for its deep expressiveness. Expression, it is argued, requires a medium through which the self can be expressed, and the various media of art, rich with perceptual and semantic potential, provide a superb matrix for such expression. Advocates of expression theories of art, such as Croce (1970) and Collingwood (1958), argue that the artist begins with an unclear feeling or sense of what she wishes to express, and it is only through art that the expression acquires clarity and distinction. Apart from this transcendent sense of expression, where an artwork's expression is the expression of something anterior — a specific emotion, idea, etc. — there is an intransitive sense of artistic expressiveness that is valued. It makes sense to say of a painting or a piece of music that it expressive without our being able to specify what exactly it expresses. Here expressiveness connotes the degree of power and impact which is suggestive of artistic value.

(3) Art's communicative power for the sharing of feelings and ideas between artists and their public is part of artistic value. Art's emotional quality, direct experiential appeal, and link to pleasure give it a penetrating, pervasive infectiousness that promotes easy, rapid, powerful, and widespread communication. Kant located the grounds of aesthetic judgment in the "sensus communis" of human nature. Schiller argued that "only the aesthetic mode of communication unites society because it relates that which is common to all" [Schiller (1986, p. 217)]. In Dewey's words: "Art breaks through barriers that divide human beings, which are impermeable in ordinary association" [Dewey (1987, p. 249)].

(4) Communicative power is also essential to art's social and political value. Artworks typically embody the meanings and ideals of the society in which they are created; even works that have a revolutionary message must rely to some extent on shared meanings and values or else they would be unintelligible and totally rejected. Art thus provides an attractive repository of ideas and ideals that build social unity and stability, while enabling their transmission over generations. Through its imaginative dimension, works of art can also inspire new visions of social and political order. The social and political import of an artwork cannot be neatly isolated from its directly experiential artistic value. Our aesthetic experience of listening to an anti-war protest song from the sixties or a politically charged rap song from the eighties derives added enjoyment and meaning from recognizing the socio-political motives and roles such artworks have played.

(5) Plato's condemnation of art as a deceptive purveyor of falsehood has been frequently countered by affirming art's cognitive value. Even if we dismiss the notion of a special form of truth that is accessible only through artistic means, art has undeniable value in effectivelly communicating a wide variety of truths and in honing our symbolic skills of conveying and processing very subtle forms of information. Because emotion has a strong bodily dimension, art's emotional power makes the truths it expresses more powerful and convincing, because as emotionally grasped truths they become more deeply embodied and impressed in our consciousness and memory. The very appreciation of form and meaning is an exercise whose practice enhances our cognitive skills and our proficiency in symbolic processing.

(6) Many theorists, as do most other people, locate art's value largely in the special, directly satisfying or pleasurable experience it gives. We call this art's experiential value. It includes art's entertainment value — the entertaining pleasure and distraction it provides as a pastime. But art also has experiential rewards that are not primarily pleasurable. Avant-garde works, for example, may produce experiences of shock, intensity or outrage that we recognize as valuable without their being pleasant or enjoyable. The central role of aesthetic experience in art's value has been reaffirmed in recent years in rather different ways. Budd (1993) insists, contrary to Beardsley, that such experience has intrinsic value in some meaningful sense. Therefore, Budd argues, art's value as art should be confined to purely aesthetic dimensions of art's immediate intrinsic experience. Shusterman (1992, 2000) allows that art's value also should include the instrumental effects or consequences of an artwork's aesthetic experience, including the truths, insights, and uses the work provides.

(7) Aesthetics has long emphasized certain formal or design values embodied in art: unity, harmony, complexity, balance, intensity, dramatic tension, etc. Such formal values...
are sometimes distinguished by philosophers as distinctively aesthetic values in contrast to artistic values. This is because these formal values clearly seem applicable to objects other than artworks (a flower or sunset or ocean storm) and do not seem to require historical knowledge of art in the ways demanded by assessments of art-historical value, art-technical value, or cult value. Nor do these values demand for their appreciation the sort of external, non-aesthetic knowledge we need for assessing the cognitive, moral, religious, or communicative value of artworks. Experiential value might be considered along with formal values in this group of distinctively aesthetic values of art since the dimensions of experienced value do not make essential reference to art-historical knowledge or standards outside the immediate experience of the artwork.

Expressiveness, in the intransitive sense of evocative suggestiveness, can also be included under specifically aesthetic properties of artworks. We can appreciate an artwork as expressive without external art-historical knowledge about what its creator wanted to express and without even assuming that there was a distinct idea the work aims to express. Indeed, we can even speak of a natural scene—such as a rock formation or a gnarled tree—as aesthetically expressive without implying that it expresses a priori identifiably intention by its creator. A clear distinction between artistic and aesthetic value has been hard, however, to maintain, because the term "aesthetic" is so commonly associated with the artistic and because it can be argued that even judgments of unity, intensity, complexity, etc., in artworks implicitly rely on some basic art-historical knowledge.

A specific kind of artistic value could be called "art-technical" value. Such value relates to the skill, technique, or technical innovation displayed by an artwork. We can, for example, regard the content or form of an artwork as not particularly worthy of appreciation but still value the virtuosity of technique or invention that the work or its performance displays.

Art-historical value concerns the value an artwork has for art's history, either by its providing evidence of historical innovation or influence, whether technical, stylistic, or in terms of new content, or by simply being a crucial historical artifact for art history. Though some viewers find Picasso's Desmoiselles d'Avignon a very unattractive painting, its artistic value in terms of art-historical value (as the harbinger of cubism) cannot be denied. Physical rarity, because very few other surviving examples of its period or style have been found, adds to appreciation.

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Related to art-historical value is "artistic cult" value. Through a history of appreciation and dissemination, a particular artwork, for example, Leonardo da Vinci's La Gioconda, becomes identified as a hallowed locus of artistic genius and a paradigm of self-representation. The strength of the aura, to which Benjamin refers, gives value to the reproduced versions of the image, and the volume of reproductions, in turn, increases the cult value of the original.

Some of the works of art created also have economic value. Economic value is a property which all works can attain, irrespective of the kind of artistic value attributed to a particular work. Money is paid in exchange for original works, copies of originals (books, prints and disks), and performances of musical or theatrical scores. Certain patterns of demand and supply are directly connected to some of the artistic values sketched above.

The ability of public expression has made artworks a valuable resource for the institutions of power and their public households. When religious institutions controlled a large portion of social power, their demand for works which could transport their messages and rules was high. It has dwindled since, to be replaced by political institutions, educational institutions (4) and by a recognition that the expressive power of art makes it a legitimate candidate for public financial support (2).

Art's cognitive value (5) communicates a "wide variety of truths" and it trains "symbolic skills". An economically relevant truth is social status, transported with symbolic skills. Individuals and communities know how to represent their status through the purchase of art works, through buying the right to attendance and through the acquisition of decorating items that are associated with artworks. High market values signal high social status, and therefore the prices of certain works may be bid up without any change in the artistic value of the works. While cognition is directed outward, pleasurable experiences (6) are directed inward. The desire to make time pass pleasurably is a powerful motive for spending income. The share of entertainment goods and services in total expenditure increases over time, as more immediate pleasures of "aural" are saturated, to use Schick's term. Since stimulation produces constantly new variations, works of art become a valuable source of inspiration for authors, and they attain, due to the media attention, widespread popularity among consumers which steps up demand for originals and copies.

Artworks achieve part of their impact because of the pleasure gained in experiencing virtuousness. Artworks are judged by the degree to which they satisfy formal qualities (7). The technical challenges contained in the execution of an artwork are mastered by only a few (8). Excellence implies scarcity. Kinds of works which are in shorter supply can command higher prices. Rarity is also a key factor in art-historical value (9). The economic value of a historical item, like a book from the first edition of a successful novel, also increases with a decrease in specimens available. Finally, the paradigmatic uniqueness of works that have been attributed "cult value" (10) increases the demand for copies, for travels to the location of the cult work or cult event and for other works associated with an "icon".

Economic value increases when several varieties of artistic value are combined in a single work. The highest prices are attained for rare works or performances by most highly ranked masters that combine emotional impact with status and entertainment value. In contrast to ordinary consumption goods, the value of physical artworks is sustained or even increased over time, making such works effective stores of economic value.
8. The logic of aesthetic and economic evaluation

Philosophical theories concerning the logic of evaluating art are focused on three related topics: the logical status of evaluative judgments, the role of reasons in evaluation, and the general structure of evaluative argument [see Shusterman (1980, 1981)].

(1) The logical status of evaluative judgments concerns the question of whether they are propositions that have descriptive truth value, are prescriptive expressions of feeling or of recommended decisions to take a particular attitude to the artwork or, finally, are neither descriptions nor prescriptions but rather performative verdicts that themselves establish the evaluation they make. These different options are respectively advanced by descriptivist, prescriptivist, and performativist theories of evaluation. Descriptivist theories can be divided further into subjectivist, relativist, or absolutist theories according to whether the alleged descriptively true statement of value refers only to a particular subject, or is relative only to particular criteria of evaluation, or is meant to have absolute or universal reference. The subjectivist descriptivist construes the assertion that "artwork W is valuable" as meaning "artwork W is valuable to me". Literary masters such as D.H. Lawrence and Walter Pater argued for this position, Lawrence (1936, p. 539) claiming that "literary criticism can be no more than a reasoned account of the feeling produced in the critic by the book he is criticizing." In contrast, absolutist (or objectivist) descriptivists — such as the renowned critics Matthew Arnold, the early T.S. Eliot, and Yvor Winters — claim that evaluative judgment is about the artwork itself "as it really is". Though the subjectivist position may seem overly personal and impressionistic, it "is", The relativist occupies an intermediate position of evaluative descriptivism. He admits that some evaluations are better than others and that some are plainly wrong. But recognizing that there are often conflicting evaluations of an artwork that seem well-reasoned and adequate, he rejects the absolutist assumption that there must be only one true evaluation and that all others must be regarded as false. The relativist therefore construes evaluative judgments as true or objective relative to some standard that is deemed adequate. Among the many theorists and critics who advocate forms of relativism, E.D. Hirsch (1969, p. 33) clearly formulates the key idea that though "there is no privilege [of a particular evaluative standard] in literary evaluation, there is nevertheless objectivity and accuracy, and these reside entirely in the judged relationship between the literature and the criteria we choose to apply to it." Other theorists construe evaluative statements not as descriptive propositions at all. For an emotivist-prescriptivist, such as A.J. Ayer (1971), critical judgments "are pure expressions of feeling and as such do not come under the category of truth and falsehood" but are instead meant to make us share the feelings and attitude expressed in the evaluation. To lack truth status does not entail lacking efficacy in communicating a work's felt value and convincing others of it. An alternative position, performativism builds on J.L. Austin's theory of performative utterances. It argues that evaluative judgments do not describe the work's value in itself or for the subject who judges, but instead play or create the work's value. As Margaret MacDonald (1954, pp. 121-122) formulates it, "to affirm a work good is more like bestowing a medal than naming any feature of it or of the status of its creators or audience. Verdicts and awards are not true or false. They may be reversed but not disproved. But they can be justified and unjustified". To give some common examples, when an important book reviewer writes in his review that a book is highly recommended, he institutionally renders it such, thus augmenting the value it is critically accorded. The same goes for the nominations and awarding of artistic prizes.

With respect to these different theories of evaluative judgment, one is led to conclude that none is entirely acceptable because each has more than a grain of truth. Evaluative judgments are in fact diverse in form and function: descriptivism, prescriptivism, and performativism can all find some evaluative judgments that support their different analyses.

(2) Critics and art lovers do not simply offer evaluative judgments, they give reasons for them. What role do these evaluative reasons play? Some theorists argue that evaluative reasons play a logical role of evidence or validating principles. Monroe Beardsley, for example, views the reason "this work is unified" as providing some evidential confirmation that the given artwork has value because it provides inductive evidence that the work is likely to produce an aesthetic experience (which has value). Beardsley argues that the logical relation of unity to aesthetic value is similar to that between "The food is dangerous" and "It is crawling with salmonella bacteria". Reasons relating to complexity and intensity are likewise evidence, though not necessary or sufficient conditions, for affirmations of aesthetic value, since objects possessing those qualities tend to produce aesthetic experiences [Beardsley (1958, pp. 533, 535)]. Similarly, when critics appeal to the fact that a classic work has passed the "test of time" or that a work has been historically very influential, they are arguing for its value on the basis of evidence from the strength of its positive past valuation. As Samuel Johnson (1709-1784) classically formulated this empirical position: "to works not raised upon principles demonstrative and scientific [e.g., mathematical or deductive], but speaking wholly to observation and experience, no other test can be applied but length of duration and continuance of esteem" [Johnson (1957, p. 9)]. This evidential approach is still widely used in contemporary evaluations of art. Lionel Trilling, for example, in advocating the aesthetic value of The Great Gatsby, notes that the book has "gained in weight and relevance over time" and then reasons that "this could not have happened had the book's form and style not been right as they are" [Trilling (1950, pp. 251-252)]. Another critic, Graham Hough, argues that the value of Dante's work is not logically challengeable, since "it would be a very strange position to hold that Dante's fame and influence were no evidence of literary merit" [Hough (1966, p. 76)]. Indeed, to say that an artwork has been influential and important is already to make a claim about its art-historical value.

In contrast to these logical theories of evaluative reasons, Charles Stevenson (1855-1950) offers (1957) a causal theory, urging that such reasons refer to the causes or motives that determine the critic's attitude to the work and are expressed by the critic in order to recommend those motives and attitude to the public. This sort of reasoning
can be found in a famous essay by T.S. Eliot that savagely criticized Milton’s poetry, arguing that although “great” in its way, it was a grave danger and bad influence for contemporary poets because it emphasized qualities such as grandiloquence, sonority, lack of visual concreteness that were opposed to the sort of poetry that Eliot and his cohorts were trying to establish and that was exemplified by the seventeenth-century “Metaphysical Poets”. Once Eliot’s poetic revolution was successfully achieved, he wrote more positively about Milton while defending his earlier negative evaluation as right because of its justifiable motives in revolutionizing English poetry: “poets engaged in such a revolution will exalt the virtues of those poets of the past who offer them example and stimulation, and cry down the merits of those poets who do not stand for qualities they are zealous to realize. This is not only inevitable, it is right” [Eliot (1975, pp. 272–273)].

A third position, perceptualism, claims that reasons in artistic evaluation function as rhetorical devices for focusing attention on the work in such a way that the affirmed value will be directly perceived. The reasons do not function as logical evidence but rather as instruments of perceptual persuasion which lead the critic’s readers or audience to see or experience the value the critic perceives in the work and thus to share the critic’s evaluative verdict. For example, in justifying a positive evaluation of a painting, a critic may point to a particular line or feature of the work. This particular feature can lead an observer to see the work in the way the critic does and thus be perceptually convinced of the critic’s evaluative verdict. Wittgenstein (1970) and many of his followers have propounded this perceptualist view of critical reasoning, and many examples of such reasoning can be found. Thus, with respect to the logical role of reasons in aesthetic evaluation, we again find that none of the major theories is entirely right or wrong, since the arguments of critics partially fit each of these theories.

(3) Closely related to the role of evaluative reasons is the issue of the general logical form of evaluative argument: is it inductive, deductive, or something altogether different. Beardsley (1958, pp. 471–472) argues that evaluative argument is “elliptical induction”, since he denies there are any universal, absolute criteria from which we could deductively derive a true evaluative verdict. However, Beardsley maintains that there are nonetheless criteria such as unity, complexity, and intensity that provide inductive evidence that an artwork which possesses them will be good. We have already noted that arguments relating to the test of time or historical influence are also inductive. Such arguments have themselves stood the test of time, extending from Longinus in antiquity to contemporary advocates [Savile (1984)].

In contrast, other authors claim that evaluative arguments should be deductive, based on the critic’s clearly formulated norms of judgment and her description of the work in question. When we look at the practice of evaluating critics we can sometimes find arguments that look deductive in general form. Johnson and Coleridge argue deductively for the greatness of Shakespeare’s dramas by trying to show these plays display the essential principles of dramatic greatness. Evaluative arguments that are based on genre rules seem to have an overarching general deductive structure, where one proves the excellence of the work by showing that it meets all the necessary rules of excellence or properties of value of the esteemed genre. Joseph Addison, for example, argues for the excellence of Paradise Lost by demonstrating it satisfies Aristotle’s “rules” for epic poetry and has all “the beauties which are essential” to that genre [Addison (1943, p. 280)]. Harold Osborne’s declared norm of artistic judgment is that a work of art should be “an organic whole of interlocking organic wholes”, and he maintains that any work that truly meets that description would have artistic value. However, Osborne admits that to demonstrate that a work indeed has this organic nature requires reasons that operate perceptually rather than deductively or inductively [Osborne (1952, p. 203; 1955)].

Some evaluative arguments about art do not display a clear inductive or deductive form but instead consist of a complex arrangement of focusing remarks, analogies, contrasts, leading questions, and suggested responses that attempt to bring the reader to a particular desired conclusion. Such arguments, which rely very much on the perceptualist role of reasons, have been described as dialectical or rhetorical [Shusterman (1980); Wisdom (1957)]. This style of reasoning is very salient and self-conscious in the influential English critic Frank Raymond Leavis (1845–1978) who characterizes his evaluative argument as not “measuring with a norm” but as convincing through a collaborative-persuasive appeal to the reader “in terms of concrete judgments and particular analyses: ‘This – doesn’t it? – bears such a relation to that; this kind of thing – don’t you find it so? – wears better than that etc.’” [Leavis (1976, p. 115)].

There is thus not one general logical form of argument in evaluative reasoning about art. This should not surprise us, since we saw similar plurality with respect to the logical role of evaluative reasons and the logical status of evaluative statements. Evaluative logic, to conclude, is clearly pluralistic. This need not be seen as a weakness. The different logics of aesthetic evaluation reflect the different motives, aims, and contexts that we have in evaluating art as well as the different competing values that art embodies and promotes.

Analytical philosophy clarifies the rich variety of aesthetic argument. It locates the source of value in subjective, yet communicable perceptions of truth, emotion and honor, it reveals that motives of artistic or academic recognition lead to the development of reasons in order to persuade others, and it demonstrates how the full range of heuristic devices is employed, from persuasive induction to stringent deduction, and from simple analogies to complex rhetorical patterns. Most importantly, it demonstrates that artistic valuation is a constantly shifting, competitive process. This process is played out in a variety of arenas. It takes place before festival juries, prize committees and journal editors. It generates evaluative rankings, both of the artistic value of the works and of the judgmental skill of the juries.

Economic theory is concerned with an entirely different mode of evaluation. In this mode, evaluation does not take place through judgment but through actual exchange: the buyer gives up a sum of money and gets control over the item bought. All relevant
information has been obtained and all the arguments have been delivered when the exchange takes place. Therefore, the economic value of a work is contained in the price last paid, or in the sum of the prices paid for copies or performances of an artwork.

The simplicity and unambiguity of the market mode has been identified as one of the reasons for its success. However, economic theory is well aware that the emergence and the successful performance of actual market institutions is the exception rather than the rule under conditions which deviate as far from the standard commodity assumptions as artworks do. Art works are typical "information goods": they are uncertain in their effects, they are public in nature and their cost of multiplication has steadily decreased since the invention of print with movable letters. Under such conditions, market valuation is improbable. There may well be heated debate and exchange of words, but why should money equivalents be offered if the effect of a good is uncertain, access to it is free, and imitations are cheap?

Following recent institutionalist theory, behavioral arrangements and rules should emerge which effectively decrease uncertainty, reduce access and discriminate against imitations. In fact, a vast volume of market valuations for art works does take place in contemporary economies. Specialized professions, like agents, dealers, fair organizers and art critics, have established themselves. Special laws protect the rights of artists and performers to the commercial use of their works. Finally, the judgments of experts for rankings of artistic value provide stability for expectations of future value. There are performers to the commercial use of their works. Finally, the judgments of experts for rankings of artistic value provide stability for expectations of future value. There are still cases of grave impediments to exchange, like Land Art works which lack transportability and durability, but artists have shown that even such ephemeral projects can be financed through the sophisticated sale of reproductions. For the most part, artistic expression has accepted formats which improve marketability, like transportable framed canvases, or music pieces of supportable length, or gripping narratives.

While the valuation processes observed by aesthetic philosophy and by economics remain logically distinct, their performative interdependence in real life has grown. In consequence, the academic disciplines observing them gain insights by taking each other's results into consideration.

References


