

Title: Analysing the Concentration of Economic Activity: Application to Artists in the Western Visual Arts Market

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Abstract

Do Artists concentrate in certain geographic locations or are they dispersed? If they do concentrate then what are the forces, which underlie this process?

The first issue this paper addresses is whether artists and hence art is now stateless or if there are still locations that can be defined as “Capital Cities of the arts”?

There is a general belief that artists have in the past and continue today to concentrate in certain geographic locations. Florence, Amsterdam, Paris and New York have been identified as being four of these locations. However, no quantifiable analysis has ever been undertaken to support this viewpoint. The first objective of this paper then has been to address this gap in the literature. Art dictionaries have been used to gather information on where artists are born, work and die. The Herfindahl Index has then been applied to measure the extent of concentration.

The second aim of this paper has been to identify the factors that are causing concentration. Not much work has been carried out on this topic of concentration in the cultural economics field, therefore literature from other areas of economics has been explored. The second part of this paper provides an overview of this literature, which includes work by Alfred Marshall and Paul Krugman from the economic geography field, and Michael Porter, an industrial economist. It is hoped that this literature will assist in the development of an econometric model to explain concentration.