

BBS
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**THE ART OF THE GIFT:
EXPLORING THE IMPACT OF FIRST
OWNERSHIP ON THE VALUE OF ART**

Art not only offers aesthetic pleasure but also serves social purposes. This paper examines the role of artworks as gifts, focusing on the impact of first ownership and dedications on their market value. Using the case of Zhang Daqian (1899–1983), known as the “East Picasso,” who strategically gifted his paintings to strengthen and expand his social network across families, intellectuals, politicians, and business elites, this study investigates the value implications of dedications. Through empirical analysis of 9,955 artworks sold in auctions worldwide between 1994 and 2022, we identify 2,424 (24.3%) as dedicated works, with 1,537 unique dedicatees. While dedications provide valuable provenance information that can enhance an artwork’s market value, our results show no significant difference in the average value of dedicated works compared to non-dedicated ones. However, when auction houses disclose the identities of dedicatees, we observe a positive effect on final sale prices. Certain dedicatee identities, such as those of financiers or family members, further enhance this effect. This research offers new insights into the gift economy within the Chinese art market and highlights how dedications shape both the cultural and economic value of Zhang Daqian’s works.