

Case Study: *El Arte Cristiano*

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The firm El Arte Cristiano and the religious imagery sector have passed through the various stages of the economic and industrial cycle: birth, expansion, and decline. In the second decade of the 21st Century, the company's Managing Director, Pep Oliveras, begins a series of initiatives to increase the firm's sales. One of these is to boost the Internet sales channel. The case is located in Olot (Catalonia), specifically in the town's officially-designated 'Crafts District'. Right from the outset, the market for religious images had special features that are worth analysing both in terms of their business impact and 'transcendental' implications.¹

“TO BE OR NOT TO BE; THAT WAS THE QUESTION...”

The 23rd of May 2013 looked set to be an important date in Pep Oliveras i Coll's diary. Pep was the Managing Director of *El Arte Cristiano*. He was sitting at his desk on the ground floor of the building in *Carrer de Joaquim Vayreda* in the town of Olot. His head was buzzing with ideas. Pep was the last of a long list of family members who had spent their lives running the firm. There was his father Marià, his brother Jordi, his uncle Joaquim, his grandfather Josep and so on, right back to Joaquim Vayreda,² one of the company's founders in 1880. Pep had headed the firm since 2001 and before that he had led the Sales Department.

The firm was in a bad state but no worse than at other points in its long history. Nevertheless he had to concentrate on various projects if the firm was to pull through. He would shortly have a meeting with the representative of a software firm to re-design the web page. While it was true that new technology was revolutionising the world, how on Earth could he sell 'saints' over the Internet?

THE SECTOR: RELIGIOUS ICONS IN OLOT

The Second Council of Nicaea (787) established Church Doctrine on the use of religious images: “(...) *the honour accorded to the image passes over to its prototype, and whoever adores the image adores in it the reality of what is there represented*” (Dz. 304). However, the true beginnings of religious images can be dated to the Synod of Arras (1025), which stated that paintings – or images – were to be the literature of laymen (*pictura est laicorum literatura*). Up until then, Spain was almost wholly iconoclastic.³ The Synod's declaration led to 'The Lives of The Saints' passing from one generation to the next as the only literature, while the worship of saints began towards the end of the 12th Century. The sheer variety of worship gave rise to a rich and diverse iconography that allowed the faithful to easily distinguish between say a Saint Augustus and a Saint Lawrence. Later on, innumerable references reinforced this iconography.

For example, Saint Ignatius in his *Spiritual Exercises* (1548) wrote that one should “(...) *praise Church ornaments, buildings and images according to what they represent*”.⁴ Canon Law enshrined this idea in Canon 1276 – “*It is good and useful to humbly invoke God’s Servants who reign with Christ and to venerate their relics and images*”. Another Canon – 1255 – made it a duty to venerate and worship religious images. This was what lay behind later mass demand for religious iconography (sculptures, paintings, lithographs and the like) to satisfy these needs.

Up until the first decades of the 19th Century, ‘saints’ were only to be found on Church altars, from whence blessings flowed and indulgences were granted. From that moment on, ‘saints’ became members of the family, so to speak. There was a flood of religious stamps, prints and religious icons. Workshops and industries sprang up to meet mass demand for religious icons.

One of the biggest centres for supplying icons at the time (and which remained so until the 21st Century) was *Saint-Sulpice*, which gradually became a Mecca for workers, shops and workshops supplying all kinds of liturgical objects. *Saint-Sulpice* is a neighbourhood in Paris’ Latin Quarter and is just a stone’s throw from *Saint-Germain-des-Prés* and *Montparnasse*.

Three main explanations have been put forward for the birth of the icon industry in Olot and it may well be that there is a grain of truth in all of them. Indeed, it is likely that a combination of factors rather than just one was responsible. One theory focuses on the visits made to Paris by the Vayreda brothers (leading artists and members of Olot’s bourgeoisie) between 1871 and 1877. It is likely that they saw the shops selling religious objects and simply copied the arts of *San Sulpice* when they returned to Catalonia. A second theory rests on the visit to Olot in 1850 by some Italians selling religious images and plaster Art objects. A third one argues that the roots of the industry go back to the 3rd of December 1809 when religious artists Ramon Amadeu⁵ and Josep Mestres took refuge in Olot after fleeing from French troops in Barcelona.

Whatever the case, one can conclude that Olot’s icon industry emerged as a result of circumstances of time and place⁶ that led to the foundation of *El Arte Cristiano* in 1880.⁷

In our view, there were four factors at work. First, there was an artistic traditional stemming from the so-called ‘Indiano’ industry.⁸ Second, popular artists such as Ramon Amadeu and Juan-Carlos Panyó frequented Olot. Third, Bishop Tomás de Lorenzana set up a *Drawing School*,⁹ which trained artists to work on ‘Indian’ manufactures and later supplied the workforce for Olot’s icon industry. Fourth, there was the entrepreneurship of Joaquim Vayreda and Josep Berga.

El Arte Cristiano had a big impact on the sector. It was not only a pioneer but also (whether directly or indirectly) the origin of all the Olot workshops that sprang up later. In other words, *El Arte Cristiano* was the plant from which other workshops were either to branch or take seed from. Thus Ramon Puigmitjà, a worker at *El Arte Cristiano* founded *El Sagrado Corazón* in 1902, a small band of former workers at *El Arte Cristiano* set up *Las Artes Religiosas*; Josep Marguí and Miquel Torrentó, workers at *Las Artes Religiosas* set up *El Arte Olotense*, and in 1915; *La Sagrada Familia*, *El Renacimiento*, *El Inmaculado Corazón de María*; and so on until there were over twenty firms.

In the early years (between 1870 and 1946), firms used their own models –which were vital for distinguishing their products from competing ones and thus for keeping rival firms in check. Another key factor was trade mark registration (see Appendix 2). Registering a trademark was both worthwhile and relatively straightforward. However, getting a patent was a trickier proposition, not least because the ever-growing number of models raised the investment needed to provide effective trade protection.

Furthermore, one should bear in mind that patents for ‘true’ images of the saints were granted by The Vatican. To obtain such a patent, one had to fill in many forms. This is no doubt why Olot’s saints were only entered in the Industrial Property Register [*Registro de la Propiedad Industrial*]. A workshop thus owned the rights to a model and anyone wishing to make the same figure would have to buy those rights. In the final analysis, ownership of the model lay with the sculptor who had designed it. Even so, a sculptor had little scope for creativity given that ‘saints’ had to be uniform – that is to say, a given saint had to look similar to those made by other firms. That said, small artistic differences and consumer caprice made a given saint produced by Workshop ‘A’ more popular than the same saint turned out by Workshop ‘B’.¹⁰

One of the businessmen's biggest concerns was getting ecclesiastical acceptance. Rejection would make it impossible to sell an item. The images had to be blessed, as had alabaster and wooden figures. However, the workshops that went in for mass production using base materials¹¹ or 'non-noble' ones¹² ran into problems. Such 'base' icons/figures could not be worshipped or blessed or used when granting indulgences. Accordingly, when a workshop began production, the first thing that had to be done was to formally request Rome to approve the icon for the granting of indulgences (See Appendix 3).

From 1870 to 1931, business boomed, providing a 'cluster' for similar business initiatives (see Appendix 1). There was just one workshop between 1880 and 1895 but by 1931 there were 14.

The workshops went through hard times during The Second Republic (1931-1936) because of failure to improve production methods. The market was affected by the growing secularisation of institutions and the tendency to repress religious institutions. The Church's right-wing leanings before The Spanish Civil War (1936-1939) and its blessing of the Fascist cause led by General Franco and other rebels during the conflict only worsened matters. In Republican-controlled areas, many saints were burnt or otherwise destroyed. In such an iconoclastic context, one might imagine the output of saints would grind to a halt. Yet against all the odds, the firms continued to do business. A powerful incentive to keep going was that exports generated foreign currency. The firms were subject to strong worker control and were collectivised by virtue of a Catalan Government Decree of the 25th of 1937. Furthermore, some workshops, such as *Cooperativa de Artes Decorativas*, moved with the times to produce images of Durruti, Pompadour and Dubarry.

The Civil War ended with the victory of Franco and the Fascist forces supporting him. Religion – which had been vilified under The Republic – returned with a vengeance. Demand for religious objects and images boomed,¹³ driven by the clergy. Orders fell like *manna* from Heaven. This was a golden age for firms in this sector. Furthermore, all the images that had been destroyed needed replacing. By *diktat*, Christ had to be hung on the walls of offices, halls, classrooms. Many churches also needed refurbishing. The potential market was huge. Even so, things did not begin smoothly. It began to pour during Olot's St. Luke's Fair (held in mid-October, 1940) and the River Fluvià flooded the lower parts of the town where the workshops were sited. Images, tools and flotsam were carried downstream. Needless to say, some saw this as a sign of divine wrath. The flood damage brought production to a standstill for two months. The industry soon made good and the 1940s and 50s saw the good times roll for those in the business.

For example, while the industry employed two hundred and fifty workers in 1916, in 1953 the workshops had no fewer than five hundred and fifty workers. Furthermore, exports grew by leaps and bounds – especially to The New World – The United States, Puerto Rico, Cuba, Venezuela, and so on. In the early 1950s, annual output was of the order of fifty thousand images and one hundred and fifty thousand Nativity figures, of which a third were exported.

Another event was to prove decisive for the sector's development. A Supreme Court judgment of the 4th of April 1946 stated that images were 'anonymous' and could not be signed by anyone.

The 1960s were a watershed, marking a change in trends. The good times came to an end with the new guidelines issued by The Second Vatican Council, the loss of export markets, growing international competition, internal rifts and a decline in the artistic quality of saints. 'The writing was on the wall' and workshops began to close one after another. The industry still employed six hundred and two workers in 1963 but by 2002 this had fallen to just a hundred or so workers.

The Second Vatican Council stipulated that the celebration of Saints' Days should not prevail over the mysteries of salvation and invited the faithful to forge another kind of relationship with The Church. Furthermore, it stressed the superficial nature of religious imagery and sought austerity in liturgical rites and hence in lay religious practices.

Exports to the Mexican, Brazilian, Colombia and Argentine markets had greatly shrunk due to lack of trade agreements. Cuba, which had been a big market, stopped importing religious icons once Fidel Castro's pro-Soviet regime consolidated its hold on power¹⁴.

Foreign competition was also fiercer, driven by growth in consumers' spending power. Italy, for example, had produced a large volume of poorer-quality images, albeit at lower prices. There were also workshops in Mexico and Argentina that sold "poor-quality copies of Spanish products"¹⁵. Furthermore,

as well as supplying the US market, some American firms had also set up in Hong Kong and were churning out long runs of cheap, good-quality images.

There was some disloyalty within the industry, as was noted in the Manifesto of Olot's 2nd Forum of the Business and Trade Union Board (1967). The problems lay in certain employment practices¹⁶ and in the old, flawed Artistic Copyright Act, which facilitated plagiarism. Furthermore, companies paid hefty taxes (due to the provisions of Spain's General Tax Act),¹⁷ which made it impossible to cut costs in an industry reliant on craft skills.

If this was not enough, there was also heated discussion on both the suitability of the materials used and the artistic merits of the images of saints.¹⁸

Given this situation, business owners joined forces in an attempt to save the industry and, in 1964, set up a company –DIMOSA–,¹⁹ to unify all home and foreign trade in saints. In the 1970s, APAIR²⁰ was set up with the same purposes, namely: specialisation, cost reduction, proper packaging for transport. Finally, in the 1990s, AADIR was set up to provide training courses for specialised apprentices.

In 1975, sixty per cent of the output of the large workshops was sold in Spain and the rest was exported. The smallest workshops only served the Spanish market. The crisis forced the industry to adapt. Thus for example, *El Sagrado Corazón* merged with *El Renacimiento* (1969); and *La Sagrada Familia*, *El Arte Moderno* and *Arte Español*, among others, had gone out of business. In 1973, *El Sagrado Corazón* closed (see Appendix 1).

The trend continued in the following years. In 1980, twenty workshops were left, which employed three hundred and twenty workers between them. Five years later, there were fourteen firms left. In 1998 there were twelve and in 2009 just seven.²¹

In the first decade of the 21st Century, there was strong competition from workshops outside Catalonia – especially from Andalusia, Murcia and Madrid. Furthermore, the market was flooded with small mass-produced images made from plastic or other cheap materials. Price was the main factor for customers buying small images. In the export market, 35% of the production of images was exported to The United States, Canada, and to a much lesser extent, Hong Kong and Australia. Exports to South America (which had been vital to keep production going in the 1940s) had fallen markedly.

A noteworthy initiative was the opening of the Saints Museum [*Museu dels Sants*] in 2007 as a way of making Olot's religious objects industry better known and for promoting the sector. For this reason, it is connected with *El Arte Cristiano*'s new workshop. Visitors can see various stages of the production process through openings between the two buildings. The Museum thus not only displays historic pieces but also shows the manufacturing process.

THE COMPANY: *EL ARTE CRISTIANO*

El Arte Cristiano was founded in Olot on All Hallows Day, 1880. Was it sheer coincidence or premonition? It was the painters Joaquim Vayreda and Josep Berga who had the idea of embarking on this pioneering venture. Both worked in the 'Art Circle' [*Centre Artístic*] and later in The School of Fine Arts [*Escuela de Bellas Artes*],²² which provided skilled workers. This link was ideal, greatly facilitating the manufacture of 'saints'. Vayreda and Berga wanted to improve the standards of religious imagery. That is why they organised a first course on crafting 'saints' when they laid the new firm's foundation stone. The Articles of Association constituted "An industrial company whose purpose is the making, decoration and sale of religious sculpture under the name "*El Arte Cristiano*" J. Berga y Compañía.

Vayreda and Berga's good taste ensured the images were of high artistic quality. They employed the best sculptors of the time and honed workers' skills by insisting they attend classes at The School of Fine Arts. *El Arte Cristiano* and The School of Fine Arts forged synergetic links.

The first images were produced using a plaster paste. This served for small images (up to 12 inches) but not for large ones, given that these needed to be hollowed out to cut costs and make the objects lighter – something not possible with this paste. The most common procedure for larger images was to mix the plaster with other materials to make it harder. However, this paste – called 'wood board' [*cartón-madera*] – was fragile and often led to customer complaints. Furthermore, the material was base and therefore the

images could neither be publicly venerated nor blessed and hence could not be exhibited in churches, hermitages, chapels and so on.

Accordingly, efforts were swiftly made to replace this material with something more comely and durable. Ramon Puigmitjà created a new paste, which ended up bearing the same name – ‘wood board’. The new paste²³ was a great advance on the old and spurred business. The new technology, together with the artistic quality of the objects²⁴ helped drive the firm’s expansion. From the outset (between 1884 and 1892), exports were begun to Latin America through missionaries.

Another breakthrough came on the 1st of April 1887, when The Holy Congregation decreed that ‘saints’ made from ‘wood board’ could be used for granting indulgences, be blessed, venerated and prayed to (see Appendix 3).

Vayreda y Compañía – a continuation of the previous firm – was founded on the 8th of April 1892 but its orientation was more industrial and less craft-based. *El Arte Cristiano* still had no competition in Olot. The number of models rose with each passing year and by 1900 had reached two hundred. Business was booming and between 1880 and 1890 fifty-five thousand images had been sold (roughly five thousand five hundred and fifty a year). In 1900, some sixty-two thousand had been sold; by 1903, seventy-seven thousand, and by 1906, 103,698.

All the workshops subsequently adopted ‘wood board’, some of them making improvements to the formula. The technology soon expanded to workshops in Barcelona, Vic and Ripoll. Its formulation was no longer a secret (see Appendix 3). Thus *La Milagrosa* used ‘fibre board’, *La Sagrada Familia*, ‘wood paste’ and others ‘wood in paste form’ but whatever the name used, it was basically the same stuff.

In the 1950s, the firm decided to modernise and changed the style of its images. In 1959, the workshop acquired some twenty works by the Barcelona sculptor Gabriel Alabert. However, the loss of the Cuban market was a heavy blow – in Joaquim Oliveras’ view “Cuba was our best market”.

The financial outlook for the firm remained stable until the loss of the Cuban market, which – together with the changes in ecclesiastical norms imposed by The Second Vatican Council and fiscal pressures – led to a big drop in demand for religious images.

Spain’s transition from dictatorship to democracy in 1978 heralded sweeping social changes and rising labour costs. At its foundation, the company’s biggest production costs were raw materials, given that that labour costs were low and infrastructure costs negligible.²⁵ By the 1980s, things were the other way round. Raw material costs were now almost negligible compared with the wages of specialised workers (which made up 80% of overheads). Furthermore, it was becoming harder to find suitably-skilled workers.

The company, despite its age, was still a pioneer in its sector and in 1987 bought the models of *El Arte Olotense* – including three hundred models designed by Josep Marguí. In 2001, it bought the models of *Las Artes Religiosas* – with some 500 models– and took on its workers. In the same year, Josep Oliveras i Coll joined as the new Managing Director.

The firm also prepared for overseas expansion given that by 2005 it was already selling to The United States, Canada, France, Italy, Japan and Australia. It began to enter markets in Eastern Europe, especially in Poland, while it steadily withdrew from the Latin American market (which preferred cheaper images). Nevertheless, it still sold 60% of its production in Spain.

The company is currently exploring other business opportunities to ensure its survival. For example, the ‘modern line’ uses new, tough materials that allow figures to be sited outdoors and it has also begun a funerary line. It also plans to beef up its Internet presence. With the phone ringing to tell him his visitor has arrived, Pep Oliveras is still racking his brains as to how he can sell more ‘saints’ on the web.

APPENDIX 1

Company	Foundation	Closure
<i>El Arte Cristiano</i>	1880	
<i>El Sagrado Corazón</i>	1895	1973
<i>Las Artes Religiosas</i>	1902	
<i>El Arte Olotense</i>	1915	1984
<i>La Sagrada Familia</i>	1917	1966
<i>El Renacimiento</i>	1919	1970
<i>El Inmaculado Corazón de María</i>	1920	1931
<i>El Buen Pastor</i>	1920	
<i>El Arte Católico</i>	1921	
<i>El Arte San Rafael</i>	1925	1932
<i>La Carmelitana</i>	1925	
<i>La Virgen del Tura</i>	1928	
<i>El Arte Moderno</i>	1930	1963
<i>Las Artes Decorativas</i>	1931	
<i>El Beato Antonio María Claret</i>	1934	
<i>El Santo Cristo</i>	1939	1950
<i>Estatuaria Religiosa</i>	1939	1966
<i>La Virgen de Nuria</i>	1939	1974
<i>El Arte Español</i>	1942	1984
<i>El Ornato</i>	1949	1969
<i>Ntra. Sra. de Guadalupe</i>	1951	
<i>La Virgen del Carmen</i>	1954	
<i>El Arte Modelo</i>	1959	
<i>El Salvador</i>	1960	
<i>Renovación Artística</i>	1961	
<i>Ntra. Sra. de la Paz</i>	1962	
<i>Sant Jordi</i>	1962	
<i>Artesanía Garrido</i>	1967	
<i>La Renovación Artesana</i>	1969	
<i>Imart</i>	1983	

APPENDIX 2: Brands

El Arte Cristiano



Las Artes Religiosas



El Renacimiento



APPENDIX 3: Wood Board

El Arte Cristiano
Fundado en 1880
Uyreda, Bassols, Cassabó y Comp. S. en C.
OLOT (GERONA)

Estatuaria religiosa en CARTON-MADERA con privilegio exclusivo y favorecida por decreto de la Sagrada Congregación de Ritos e indulgencias de primero de Abril de 1887.
Medallas de Oro y Diplomas de Mérito extraordinario en las Exposiciones Universales y Nacionales de Barcelona, Chicago, Londres, Lugo, Buenos Aires, y Diploma de Honor y Medalla de Oro en la de Zaragoza

Se remiten catálogos y demás datos

El Sagrado Corazon
TALLERES
DE
REPRODUCCION RELIGIOSA
José Mató Carbonell

Compañía de tallado en madera de
el y sus derivados en
PASTA CARCERA

Se remiten catálogos y demás datos
a las direcciones siguientes:
17, Plaza Portal, 17,
OLOT (Gerona)

APPENDIX 4: The Saints Museum



APPENDIX 5: Financial Summary, 2005-2012 (€)

Revenues	678.512	894.715	979.899	1.055.087	1.221.476	1.056.372	910.127
BAT	-264.277	6.274	6.090	13.941	42.681	26.819	22.913
Assets	1.226.614	1.197.280	1.201.475	1.209.954	1.267.764	1.192.216	1.221.679
Equity	752.831	957.251	958.728	947.226	843.932	808.315	779.515
Exports	191.554	224.505	200.966	223.521	197.448	301.691	199.917
%Exports	28%	25%	21%	21%	16%	29%	22%
Return on Assets (ROA)	-21,55	0,52	0,51	1,15	3,37	2,25	1,88
Return on Equity (ROE)	-35,1	0,66	0,64	1,47	5,06	3,32	2,94
Debt/Liabilities	38,63	20,05	20,2	21,71	33,43	32,2	36,19
Employees	20	25	27	30	31	32	32

¹This case has been drawn up by ESADE Josep M. Sayeras (josepm.sayeras@esade.edu), Associate Professor of The Department of Economics. The case was prepared as the basis for class discussion and not for establishing whether given management decisions were appropriate or not in a given situation.

² It is no coincidence that the firm's Registered Office is in a street named after the firm's founder.

³ Roig, J. (1950). *Iconografía de los Santos*. Barcelona: Ediciones Omega, S.A.

⁴ San Ignacio de Loyola (1991). *Obras*. Biblioteca de autores cristianos. Madrid.

⁵ Bulbena, E. (1927). *Ramón Amadeu, maestro imaginero catalán de los siglos XVIII y XIX*. Barcelona.

⁶ Cuéllar, A. (1985). *Els "sants" d'Olot*. Olot: Edicions El Bassegoda.

⁷ Nevertheless, there were already firms in Barcelona in this field, for example, Miquel Castellanas y Escolá founded the workshop *La Milagrosa* in 1871.

⁸ People who had gone to Caribbean ("Indias") and had come back with money were called "Indianos". So, "Indiano industry" was cotton cloth – whether 100% cotton or mixed with other fibres – and stamped on one side.

⁹ Tomás de Lorenzana, Bishop of Girona, was the driving force behind the founding of the Drawing School, whose purpose was to put Art at the service of industry and trade and thus create jobs.

¹⁰ Cuéllar, A. *Op. cit.*

¹¹ *Papier-maché* was used in this period. Murlà, *Op. cit.*

¹² For example, earthenware has never been considered a noble material.

¹³ Cuéllar, A. *Op. cit.*

¹⁴ Fidel Castro's revolution occurred in 1959.

¹⁵ Murlà, *Op. cit.*

¹⁶ Workers were hired by the hour after they had finished their contractual shifts in another company. This way, the firm hiring by the hour avoided paying Social Security contributions.

¹⁷ Spain's General Tax Act [*La Ley General Tributaria*] required direct taxation and scrapped the sectoral Tax Assessment Boards [*Juntas de Evaluación Global*] which negotiated the taxes paid by the industry.

¹⁸ The controversy has lasted to the present. The journalist Antonio Burgos, writing in ABC newspaper in 200, wrote “There are Olot saints from that period, scattered through every parish –images of a poofy Saint Luís de Gonzaga, horrid Miraculous Virgins with rays streaming from their hands and little lights in their auras – simply awful.”

¹⁹ The distributor comprised *El Sagrado Corazón*, *El Renacimiento*, *Las Artes Decorativas*, *El Santo Cristo*, *El Arte Olotense*, *Virgen de Nuria* and *El Arte Español*.

²⁰ APAIR [Asociación de Artesanos de Imaginería Religiosa – Association of Religious Image Craftsmen]

²¹ *Artesanía Juvanteny*; *Sant Antoni Maria Claret*; *Comercial Stylart, SL*; *Artidecor, SL*; *Art Carré*; *El Arte Cristiano* and *DIMOSA* [*Distribuidora de Imaginería de Olot, S.A.*].

²² Founded by Bishop Lorenzana.

²³ A Diploma for Merit was awarded at the Spanish Exhibition in London in 1890, an Art Medal and another Diploma at an exposition held in Chicago in 1896.

²⁴ A Diploma for Merit was awarded at the Spanish Exhibition in London in 1890, an Art Medal and another Diploma at an exposition held in Chicago in 1896.

²⁵ The paintbrushes, gouges and sandpaper were kept under lock and key by the foreman and only handed out to workers as and when needed.