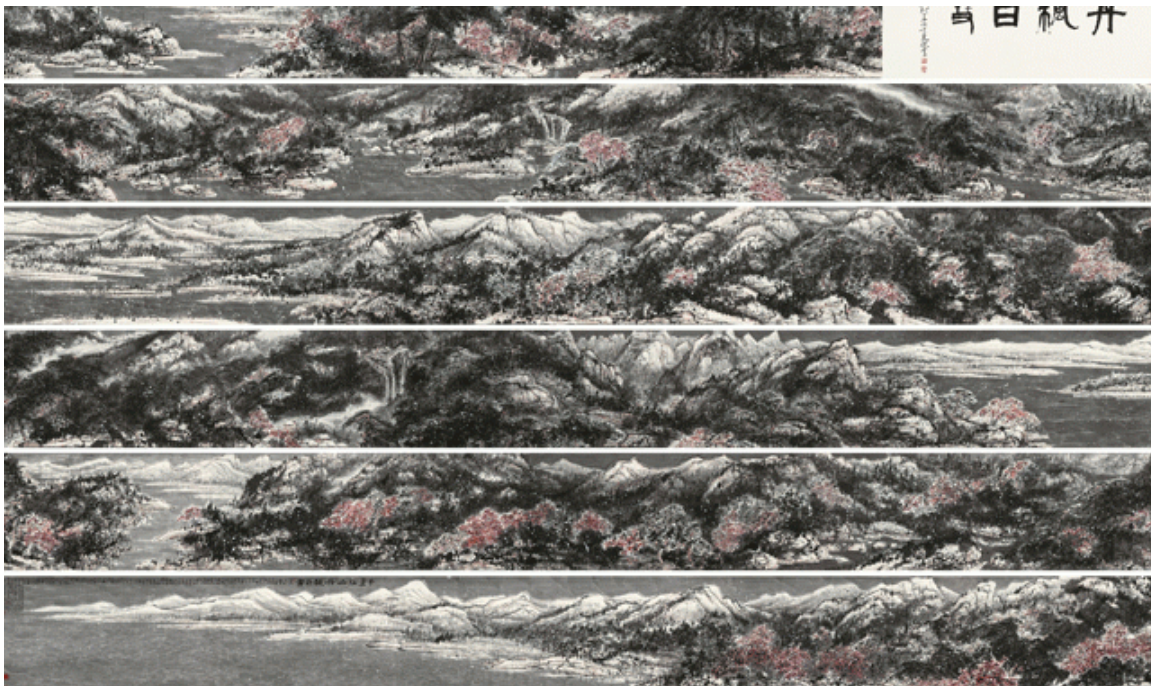


An (Art) Market With Chinese Characteristics: The Growth of Contemporary Art

Chris Marquis and Zoe Yang
Harvard Business School

On Tuesday April 8th, a porcelain cup sold for HK\$281 million (\$39 million) at Sotheby's Hong Kong, setting a new auction record for a Chinese work of art. While predictions of a crash in the Chinese art market have been a perennial alarm since at least 2008, auction records continue to get broken at a dizzying pace. While the Chinese art that draws the biggest bids – and headlines – are more traditional pieces such as the cup and its predecessor, a bronze Buddha that sold at the previous Sotheby's Hong Kong auction for HK\$236 million (\$30.4 million), Chinese contemporary art should not be overlooked. At the same auction on Tuesday, the contemporary painter Zhang Xiaogang broke his previous artist record with a work selling for HK \$94.2 million (\$12.1 million) after intense bidding from five buyers. Cui Ruzhou, another contemporary painter, set an auction record at a Poly Auction in Hong Kong the day following the Sotheby's auction. The ink and color titled Landscape in Snow sold for HK \$184 million (\$ 23.7 million) after fees. While contemporary art still accounts for a relatively low portion of art sales volume, it's a rapidly growing segment: Auction sales of Chinese contemporary art increased by 76% from the spring of 2013 to November 2013.¹



Cui Ruzhuo, Landscape in Snow. Painted in 2006, ink and colour on paper; hand scroll.

¹ <http://www.arttactic.com/market-analysis/art-markets/chinese-art-market/617-chinese-auction-analysis-jan-2014.html?Itemid=102>

At the Armory Show in New York City last month, one of the largest art fairs in the world, there was a Focus exhibition featuring Chinese artists curated by Philip Tinari, art director of the Ullens Contemporary Chinese Art Center in Beijing, one of the few nonprofit exhibition spaces dedicated to contemporary art. Avant garde art has been made in China since at least the 80s, but Tinari regards the current moment, and the Armory's Focus exhibit in particular, as sort of a second coming out party. Of the 17 galleries represented, nine, all core players on the Beijing scene, had never shown work outside of Asia before. The theme was "ON/OFF Generation," referring to the wired consciousness and global scope of current artists – enabled via VPN. Indeed, one would have been hard-pressed to guess a geographical unity among the works on display at the Armory – there was only one Mao portrait, and few other signs of "Chineseness." Appetite for Chinese contemporary art, both in Chinese and Western markets, is growing, but a sophisticated culture of creation and connoisseurship has already been established, one that can be credited largely to the artists themselves.

The Intersection of Artist and Commerce: Xu Zhen and MadeIn Company

The Armory Show's commissioned artist this year – the featured artist not only for the China Focus but the entire fair – was Xu Zhen, who is more accurately known most of the time these days under the moniker "MadeIn Company: Xu Zhen." Xu is a "concept chameleon," humorous and prolific, who has tackled the intersection of art and commerce head on. In his 2007 work ShanghArt Supermarket, he staged an entire convenience store, which each "work" priced for the item it depicted. Xu is no doubt one of the most exciting living Chinese artists, and certainly one of the most provocative. He questions the very premise of artistic identity having anything to do with one's geographic or cultural location – his work pretending to be the work of Middle Eastern artists comes to mind – yet never travels (he has a fear of flying). He performs all his research on the internet - ON/OFF indeed. Since 2009, Xu has attributed most new work to MadeIn Company, the art creation company he founded that year. The convoluted moniker expresses with ease a relationship many Western artists don't like to acknowledge – that they are, at the end of the day, workers under their own brands, and that much of artistic production is collaborative.



MadeIn Company: Xu Zhen. Under Heaven 20121020.

Xu graduated from the Shanghai Art and Design Academy in 1996, placing his artistic coming of age sometime after the first wave of Chinese contemporary artists – the “85ers.” At the time, the auction market records were still a distant dream, the government hadn’t yet pushed to open 3,500 new museums by 2015 and upgrade old ones, and galleries were few and far between. In 1998, he co-founded the Biz-Art Center, a lab funding experimental exhibitions of young Shanghai artists through contracting graphic design, art advertising, and other commercial services – a sort of forerunner to hip art/advertising ventures like Neocha Edge today.

With Biz-Art, MadeIn, and other ventures, Xu slickly transitions between the roles of artist, entrepreneur, investor and broker, sometimes inhabiting more than one simultaneously. Xu chafes at being referred to as a Chinese artist (“Chinese artist is insulting, global artist is even more insulting”), but his way of being an artist seems to embody the resourcefulness and market-readiness of China in the 1990s. Before there were galleries and museums and established systems of patronage, curatorship, and critique, artists had to create their own exhibition spaces and find their own sponsors. They had to do any number of things that Westerners might deem “selling out.” As the Chinese contemporary art market has risen to global prominence, its success is at least partially created by the unique willingness of artists to take on intermediary roles and financial responsibilities.

Structural Inadequacies in the Chinese Art Market

China's art boom owes some credit to government initiatives to establish China as an international art hub. Such initiatives are largely "hardware"-focused: building new museums and upgrading old ones, launching a state-sponsored auction house, Poly, and allowing Christie's and Sotheby's to hold auctions in China while limiting their scope (neither are allowed to auction antiquities on the mainland). However, the auctions' successes overshadow problems. Most well-known among these are persistent nonpayment and forgeries, which tend to afflict traditional art and antiquities much more often than contemporary art. Other problems may be more insidious.

For one, auction houses have come to command an unduly large share of China's art market – and take on educational roles – because there aren't enough galleries, museums, and educational programs, despite growing interest among mainland audiences. The role of galleries is especially underdeveloped, and with the large number of private selling exhibitions, there is a blurring of arbiter and dealer roles. Mundane financial inefficiencies that clog China's art system, such as import taxes and foreign exchange complications, artists and collectors elsewhere don't have to navigate. As Daryl Wickstrom, Executive Vice President of Sotheby's Asia, put it, a simple auction invoice implies a whole legal and financial infrastructure that Chinese buyers aren't familiar with. Even with a high volume of state-sponsored museums opening – around 100 per year, there may not be enough money or interest to sustain them in the long run. Without "software" such as public outreach and education, it's difficult for spaces to find sponsors, put on serious shows, and generally sustain themselves independently. Many exhibition spaces find themselves compromising curatorial decisions with financial ones. Thus, tastemakers for contemporary art still largely reside in the West.

Art Reflecting New Priorities for a New Generation of Chinese

Given such realities, artists today have a different set of priorities than their predecessors, and it's no surprise the Mao portraits have receded. The first wave of Chinese contemporary art came during a period of internationalization following the political movements and exercises starting with China's opening in 1978 through 1989. As one artist at the Armory Show put it, "Art is a profession. Right now there is no opponent. The last generation accumulated a lot of experiences but I don't think they can be passed on to our generation...it's easy for individuals to switch between identities when you take the whole system as your opponent." Xu and his cohorts weren't alive during the Maoist era and don't feel the burden of history, don't see a political opponent to depict. They're concerned with the relations of production and frank about making art to make a living.

In the West, we tend to view commercialization of any artistic form as a dirtying or bastardizing influence, but the existence of a market provides a cover for all kinds of activities in China. As Phil Tinari, the American director of the Ullens Center, agrees:

“if people are making money, they’re not up to anything else.” Tinari sees the presence of big Chinese money as proof enough that the politics don’t matter much - contraband is not a good investment.

Tinari feels that foreign buyers are now sick of things readily identifiable as “Chinese art” and slowly realizing that there are artists who are “not Ai Weiwei,” who’ve been working quietly all along. And the artists, for their part, are playfully exploiting external conceptions of Chinese art, and to a larger extent, questioning the very validity of Chinese art as a genre. In a sly wink at the bad reputations of Chinese tourists abroad, Xu Zhen once faked summiting Mount Everest and lopping off the top, showing his “expedition” in a video installation alongside the fake Everest peak. Yet even while making fun of the idea of art with Chinese characteristics, Xu is acknowledging its marketability. The Armory Show isn’t the only major international art venue turning its attention to Chinese contemporary art, The Guggenheim museum announced in April 2013 that it would be adding Chinese contemporary art to its permanent collection, and the Metropolitan Museum of Art is currently showing its first major exhibition of Chinese contemporary art. At the Venice Biennale, there were almost 350 Chinese artists featured.

Such events likely indicate a new stage of maturation in Chinese art. Contemporary art is not very susceptible to forgery (living artists can easily verify their works), are less likely to be given as “elegant bribes,” and generally tends to draw more serious connoisseurs and collectors. The uptick in international attention from serious museums and fairs may also lend more weight to auction sales, improve transactions, and promote sponsorship. The hardware is in place, thanks to top-down efforts. And thanks in large part to the talents and entrepreneurial sensibilities of artists themselves, the software seems to be catching up.