Newcomer on the Rise. Contemporary Chinese art market

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China China China!!! — This was the title of an exhibition at the Palazzi Strozzi and the Sainsbury Centre for Visual Arts in 2009. The name reflected one of the greatest developments of art markets in recent decades, echoing all over the international art world: the spectacular rise of China.[2] By that year, it has become impossible for collectors, curators, and auction houses to neglect Chinese artworks and buyers. Works from the Middle Kingdom were sold for higher prices than ever, a large number of Chinese collectors appeared at international auctions for the first time, and the sales of Chinese auction houses reached a level that seemed unimaginable before. In 2009, it seemed that China had reached the top. This was, however, only the beginning, not the end.

The rise of Chinese art market

Year 2010 brought a new surprise. Instead of simply consolidating its position after its sudden rise, the presence of China in the art world became even more visible. That year, first time in the history of modern art trade, China became the largest market in terms of fine art auction sales turnover, overtaking the United States and Great Britain. China's share in global turnover reached 33.0%; that of U.S. was 29.9%, while United Kingdom reached 19.4%, and France 5.1%.[3] As one analyst put it, this was something like „an electroshock in the history of the global art market!"[4] The rise of Chinese art trade naturally brought about the emergence of Chinese artists as global best-sellers. It is interesting to look at the list of the top 10 artists by auction revenue in 2010:[5]

1. Picasso, Pablo (1881–1973): 361 493 772 USD
2. Qi Baishi (1864–1957): 339 231 302 USD

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[2] For more information, see the webpage of the project: http://www.strozzina.org/chinachinachina/.
[3] *Art Market Trends 2010,* Artprice.com, 2011, p. 11. In 2009, China occupied the third place with a share of only 17,4%. See *Art Market Trends 2009,* Artprice.com, 2010, p. 12. Data provided by other institution may be somewhat different from those of Artprice.com, but trends reflected by them are very similar.
[4] Quoted from Thierry Ehrmann. president of Artprice. See *'Electroshock': China tops global art market,* The Independent, 25 March, 2011.
[5] *Art Market Trends 2010,* Artprice.com, 2011, p. 32.

3. Warhol, Andy (1928–1987): 313 535 564 USD
4. *Zhang Daqian* (1899–1983): 304 303 005 USD
5. Giacometti, Alberto (1901–1966): 213 618 702 USD
6. *Xu Beihong* (1895–1953): 176 249 208 USD
7. Matisse, Henri (1869–1954): 174 029 764 USD
8. Modigliani, Amedeo (1884–1920): 139 795 698 USD
9. *Fu Baoshi* (1904–1965) 125 214 666 USD
10. Lichtenstein, Roy (1923–1997): 112 531 769 USD

We can see that four of the top ten sellers in 2010 were Chinese, and they were all modern or contemporary artist (these categories are quite vague in Chinese context). This would have been unthinkable just a few years ago. However, it has to be noted that if we look at the auction performances of individual works in that year, only one Chinese artwork made it into the top 10, namely *Landscape* painted by Emperor Wenzong (1304–1332) of the Yuan dynasty, sold for 44 850 000 USD.[6]

After Chinese art market took the lead in 2010, it continued to grow in an astonishing pace. In 2011, Chinese auction turnover grew by 49%, which, of course, strengthened its global domination. 41.4% of fine art auction sales revenue came from China in that year; U.S. produced 23.6%, UK 19.4%, and France 4.5%.[7] Sales of Chinese artworks reached new levels, as illustrated by the following list of the top ten artists in the world by auction revenue in 2011:[8]

1. *Zhang Daqian* (1899–1983): 554 537 029 USD
2. *Qi Baishi* (1864–1957): 510 576 030 USD
3. Warhol, Andy (1928–1987): 325 884 120 USD
4. Picasso, Pablo (1881–1973): 314 692 605 USD
5. *Xu Beihong* (1895–1953): 233 488 777 USD
6. *Wu Guanzhong* (1919–2010): 221 158 432 USD
7. *Fu Baoshi* (1904–1965): 198 335 740 USD
8. Richter, Gerhard (1932–): 175 673 073 USD

[6] *Ibid,* p. 30.
[7] *Art Market Trends 2011,* Arprice.com, 2012, p. 4.
[8] *Ibid.,* p. 32.

9. Bacon, Francis (1909–1992): 129 202 110 USD
10. *Li Keran* (1907–1989): 115 361 356 USD

Six of the top ten artists were Chinese, and four of them (Zhang Daqian, Qi Baishi, Xu Beihong, Fu Baoshi) were on the same list a year before, so the high value of their works seem to be more than a summer sensation. The proceeds of individual Chinese works also set new records. Qi Baishi's *Eagle Standing on a Pine Tree,* sold for USD 57 202 000, was the most expensive artwork sold at any auction in the world in 2011. *Zhi Chuan moving to the Mountains by* Wang Meng (c. 1308–1385) came in as the global third with USD 54 040 000; and Xu Beihong's *Cultivation on the peaceful land* (USD 36 679 200) occupied the sixth place on the global list.[9]

It is interesting to note that the value attached to Chinese works is somewhat different in the West and in China itself. Contemporary Chinese avant-garde artists are extremely fashionable in the West, many of them are frequently invited to exhibitions, biennales and other events, and some of them have even become something like media celebrities. Mainstream Chinese 'academic' art is considered less interesting. Chinese galleries, museums and collectors, on the other hand, seem to prefer established masters of modern art who are part of the official Chinese canon. This is reflected in the lists above: the auction records were all set by rather traditional artists, not trendy avant-garde stars.

The growth of Chinese art market came together with another new phenomenon, the rise of Chinese auction houses. In 2011, in terms of auction turnover, Christie's was still the largest auction house, taking 7% of the global market. Sotheby's came in as second (4%), but on the third and fourth place we find two Chinese firms, China Guardian (2%) and Poly International (1%), both based in Beijing.[10] The global share of the latter two is still relatively small, but if we look at the fact that both Christie's and Sotheby's were established in the 18th century and have a wide international network, while China Guardian was founded in 1993 and Poly International in 2005, and both focus on 'local' art, their results are truly formidable.[11]

[9] *Ibid.,* p. 30.
[10] *Ibid.,* p. 8.
[11] For more information on these two leading Chinese auction houses, see their web pages: www.cguardian.com and www.polypm.com.cn.

All these developments indicate that global art market is changing rapidly, and China has emerged as a new and very strong player that cannot be overlooked. It is clear that there are some transitory elements behind the developments in the past few years. The financial crisis, striking the U.S. and Europe much harder than China, had a great effect on markets, and contributed to the shifts in global shares in art trade. It is also true that art collecting has become a fashion among the newly rich of China, and prices are sometimes unreasonably high. Chinese art craze may cool down in the future, as fashions usually come and go, especially in contemporary China. A new policy aiming at popularizing high culture, introduced around 2008 by the Chinese government, could also contribute to the growth of interest in arts. However, it would be a mistake to think that China's rise on the art market is something like a bubble. The quality and quantity of Chinese artworks, the network of cultural institutions, and the existence of a wide middle class in China constitute a solid foundation for future growth. However, it seems very probable that the growth will slow down to a more sustainable level.

Factors behind the emergence of China

What made it possible for the Chinese art market to take the lead after centuries of Western domination? Answers are, of course, manifold. Here I would only like to mention a few factors behind this historic development.

First of all, we must not forget that China has one of the richest art traditions in the world. Neolithic cultures in the Yellow River and Yangtze basins, predecessors of what we know as Chinese culture, have already had highly developed material art, as reflected by decorated ceramics and other objects. The first Chinese states emerged in the first half of the 2nd millennium, B.C., and a sophisticated material culture has continuously been present in China ever since that. Artists and artworks were regarded highly, and some forms of art, such as painting and calligraphy, have become a pastime of the highest elite, including emperors. Art collection has a history of at least two millennia; among the collectors were emperors, officials, rich merchants and monasteries. In terms of both quantity and quality, China has developed one of the greatest and most refined art worlds throughout the ages.

Modernization and Westernization, beginning in the second half of the 19th century, enriched but did not replace or overshadow Chinese art. New forms, techniques and styles were

introduced from outside, and Chinese artists integrated them into their tradition, creating a new artistic language. Art developed rapidly until the 1950's, when political movements such as the Great Leap Forward and the Cultural Revolution stopped it for two decades, and socialist realism became the only accepted school. But tradition did not die, and a new golden age of Chinese fine art began in the late 1970's. This new era is characterized by the coexistence end blending of traditional and modern, Chinese and Western, academic and avant-garde.

One aspect of Chinese tradition is that art and artists have always had a secured position in society. Chinese have at almost all times held their artists in great esteem, and state sponsorship also has a long history. Most of the artists were not eccentric personalities living outside the society, but either members of the scholarly elite or respected craftsmen. They were the carriers of a tradition that was in the centre of Chinese life and identity.

Tradition is also important at present because contemporary art frequently refers to it. Ages-old themes, techniques, and forms provide points of reference for modern artists, reflecting their look for identity and 'Chineseness'. The reinterpretation of tradition is what a significant part of contemporary Chinese art is about. That is also one reason why Chinese avant-garde is much more popular in the West than more traditional forms of art: its code system is much more familiar to non-Chinese audience than that of traditionalist works.

Second, China may have the greatest pool of artists in the world. Art is an organic and respected part of society, and huge numbers of people choose it as their profession. Art is a part of the curriculum of elementary and high-school education, and art schools flourish throughout the country. Beside official institutions, private initiatives thrive as well. The most spectacular development in this respect is the emergence of so-called Art Districts in many large cities. Painters, sculptors and other artists occupy empty factory buildings and sweatshops in the rustbelts, and turn them into studios, galleries and art cafés that house thousands of artists. These places provide a free and very lively environment for creation. More traditional institutions of artistic life are also flourishing. China Central Academy of Fine Arts in Beijing and China Academy of Art in Hangzhou are the leading institutions, known worldwide, but all provinces and metropolises have their own high-level art schools and academies. Internationalization reached a level never attained before; Chinese artists have contacts, joint projects, cooperation opportunities all over the world. All these create a very

dynamic, vibrant and vigorous atmosphere in which hundreds of thousands of people with artistic ambitions learn, experiment and produce. Quantity assures that, from time to time, great artists will emerge.

Third, the Chinese state and government also contributes to the development of Chinese art life and market. In the past decade, one of the buzzwords of Chinese international politics has been 'soft power'. The term, coined by an American professor, Joseph Nye around 1990, means „the ability to obtain what one wants through co-option and attraction."[12] In other words, soft power is the charm or attraction of a country by which it can influence others without using force or threat. Soft power of a nation is made up of a number of elements, such as high or popular culture, political system, education, sport successes, cuisine, brands, etc.

Chinese government has realized that in spite of its economic, political and military might, its soft power or international image is rather low. This causes great losses for the country in many fields: the reputation of its brands is not satisfactory, the negotiating power of its political and economic leaders is less than it would be possible if their country were more charming. For this reason, enhancing of China's soft power has been one of the aims of the Chinese government, stated explicitly in many official documents. Large amounts of money are spent every year on popularizing Chinese language, culture, brands, etc., in order to make China and Chinese products more desirable.[13]

Classical and contemporary art is one of the elements constituting soft power. If a country has trendy artists, then it can make the country itself trendy in the eyes of the outsiders. Art can contribute greatly to the image of a country; it can make it appealing and likable. China has realized that, so its government invests heavily in promoting Chinese art. Chinese artists, both traditionalist and 'modern' ones, take part in international exhibitions, biennales, art fairs with state sponsorship. Large state-of-the-art museums are built all over China to make the country a global centre of arts.[14] International cooperation, student exchange programs, bi- and

[12] See, for example, Joseph S. NYE, Jr.: *Bound To Lead. The Changing Nature Of American Power.* Basic Books, 1990; Joseph S. NYE, Jr.: *Soft Power.* In: Foreign Policy 80. (Fall 1990), pp. 153–171.
[13] On Chinese soft power policy, see, for example, Salát Gergely: *Kína puha ereje.* [Soft Power of China.], In: Kommentár, 2010/6, pp. 100–113.
[14] On the development of the Chinese museums scene, see, for example, Salát Gergely: *Történelmi torlódás – ősi és pártállami gyűjtemények, hipermodern múzeumépületek a változó Kínában* [Historical Congestion. Ancient and Party State Collections, Hypermodern Museum Building in Changing China.] In: MúzeumCafé, Vol. 6. No. 28. 2012/2, pp. 20–29. It might be useful to provide a list of some large Chinese art museums here: National Art Gallery (Beijing), He Xiangning Art Museum (Shenzhen), Guangdong Museum of Art (Guangzhou), Shanghai

multilateral cultural project are encouraged and subsidized. Securing the leading role for Chinese art is a government priority.

The infrastructure of fine arts is not only developed by the government. Private actors, such as millionaires, companies, and the artists themselves also take their share. Beside the state-built huge modern museums, private galleries flourish, studios multiply, and art traders thrive.[15] Art fairs, biennales and triennials are held regularly in major cities.[16] Newly founded auction houses, as already mentioned, have emerged as global players.[17] State (central and local government, cultural organs and institutions, officials at all levels) and private actors all work hard on developing China's art sector, and public-private joint projects are not irregular.

Fourth, what may be the most significant development in international art trade is the emergence of Chinese collectors on the world stage. This is, as Guillaume Cerutti, head of Sotheby's France put it, "the biggest thing in the art world in 20 years. We have moved from a standoff between the United States and Europe, to a three-cornered confrontation, making it a truly global market."[18] The collection of artworks, an ancient Chinese tradition, has revived in the past decades. A 200 million middle class and more than 1 million USD millionaires have emerged, and China had the third largest number of millionaires in the world in 2011, behind the U.S. and Japan.[19] Many of them took on the habit of buying classical, modern and contemporary artworks, and some establish private museums to exhibit their collections. Buying art has also become a form of investment, especially in the times of financial crisis. The buying power of China's newly rich is enormous, and is still on the rise. Thanks to this, China's art markets are booming as never before.

Chinese art in Hungary

Art Museum, Duoland Museum of Contemporary Art (Shanghai), Shanghai MOCA, Today Art Museum (Beijing), Ullens Centre for the Arts (Beijing), etc.

[15] Some galleries and studio compounds are worth to mention here: 798 Art District, a.k.a. Dashanzi (Beijing), Caochangdi (Beijing), China Art Archives & Warehouse (Beijing), Red Gate Gallery (Beijing), Art Scene China (Beijing, Shanghai), Vitamin Creative Space (Guangzhou), China Academy of Arts (Hangzhou), etc.

[16] Major art fairs are: ShContemporary (Shanghai), CIGE (China International Gallery Exposition, Beijing), Shanghai Art Fair, Guangzhou International Art Fair, Shanghai Biennale, Beijing Biennale, Shenzhen Biennale, Canton Triennale, etc.

[17] Beside China Guardian and Poly International, other noteworthy auction houses include Hanhai (www.hanhai.net), Huachen (www.huachenauctions.com), Rongbaozhai (www.rongbaozhai.cn), Jiuge (www.jgauc.com), Duo Yun Xuan (www.duoyunxuan.com), Sungari (www.sungariauction.com), etc. Sotheby's and Christie's have branch offices in Hong Kong, dealing with Chinese art.

[18] *China's investors redraw the map of the art market.* The Guardian, 17 April, 2012.

[19] *China's Millionaires Leap Past 1 Million on Growth, Savings*. Bloomberg, 1 June, 2011.

Finally, some remarks should be made on the presence of Chinese fine art in Hungary. While much of the world has already realized the importance of China, Hungary, and as far as I know, the whole Central European region is lagging behind. General knowledge on Chinese art is low, and we lack the networks and institution needed for bringing more attention to the Middle Kingdom. Exhibitions of Chinese art are very rare, art journals do not regularly deal with Chinese themes, and Chinese traditions are not part of the curriculum of art schools.

This is in spite of the fact that foundations are quite good. Budapest has two museums specializing in East Asian art: the Ferenc Hopp Museum of East Asian Art, and György Ráth Museum (the latter is formally attached to the former). They have a noteworthy collection of classical Chinese artworks, and also some modern masterpieces. The library of Hopp Museum could be a basis of scholarly research, and the staff has a solid scientific background. Temporary exhibitions and international projects could make these museums very successful, and raise the awareness of Chinese art in the Hungarian public. However, according to the present plans of their head institution, the Museum of Applied Arts, these museums will be downgraded to the level of exhibition halls, and their art pieces will be merged into the general collection of the head museum. This may easily lead to their degradation as they will receive less attention and care as part of a large and heterogeneous collection. From the point of view of Chinese art, this is a very undesirable development.

Except for the two museums mentioned above, no other institution in Hungary holds a significant collection of Chinese art. Private collectors do not pay enough attention to China, either. Those interested can have a glimpse of Chinese art world at temporary exhibitions, but these are not very frequent. The last large-scale exhibition focusing on contemporary Mainland Chinese art was CHINaRT, held at Ludwig Museum, Budapest, in 2003. Another related exhibition, entitled Taiwan Calling, was held at Ludwig Museum in 2010–2011, introducing Taiwanese contemporary art. The next great exposition will be held at the Museum of Fine Arts in Budapest in August and September 2012. These events provide good opportunities to have a glimpse of Chinese art, but they are not regular enough to bring the attention of the public and collectors to this rich and influential art world. I can only hope that Hungarian actors—both state and private ones—will sooner or later realize the importance of Chinese art, and catch up with global trends. China's presence in international art world

seems to be lasting, and not being left out of world development would be profitable for not only market reasons, but also for the artistic experience of the public.